

# EUROPEAN UNION ACTORNESS IN A MULTIPOLAR WORLD

Insights from Asia and Beyond

Edited by  
**Manuel R. Enverga III**



Cristina M. Bautista  
Phoenix Anne Margarette L. Beronio  
Irwin A. Cruz  
Manuel R. Enverga III  
Jamina Vesta Jugo  
Diana J. Mendoza  
Marissa Maricosa A. Paderon  
Jill Marie Lopez Robles  
Alma O. Salvador



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## Contributing Authors:

Cristina M. Bautista, PhD  
Phoenix Anne Margarete L. Beronio  
Irwin A. Cruz, PhD  
Manuel R. Enverga III, DSocSci  
Jamina Vesta Jugo, PhD  
Diana J. Mendoza, PhD  
Marissa Maricosa A. Paderon, PhD  
Jill Marie Lopez Robles, JD, LLM  
Alma O. Salvador, PhD  
Ma Vhiktorina V. Siva, MA  
Javier R. Tionloc, MA



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## About the Authors

Dr Cristina M. Bautista is an Associate Professor of the Department of Economics of the Ateneo de Manila University, where she also completed her doctorate. She served as Economics Department Chairperson in 2015-19. With her education advocacy, she worked as a Board Member of the Philippine Economic Society in 2016-20 to help promote the professional development of teachers and researchers. In 1997, she took advanced courses on European history and economy in Exeter University in England and started teaching in Ateneo's European Studies Program on a part-time basis since then. She served as Director of the program in 2023-24. She currently supports the Tagpuan Ateneo Center for Dialogue, Research and Collaboration. Her areas of teaching and research are microeconomics, economic development and demography.

Phoenix Anne Margarette L. Beronio is an undergraduate alumna of Ateneo's European Studies Program (ESP). She is also a master's student at ESP, focusing on the interregional relations of Europe and Asia. She wrote a thesis on the European Union's efforts to reshape its global actorness through the Global Gateway Project. At present, she works at the International Committee of the Red Cross and reports on their humanitarian operations.

Dr. Irwin Cruz is a graduate of Merz Akademie in Stuttgart, Germany and Rey Juan Carlos University in Madrid, Spain, where he took his masters in new media and journalism. He also holds a PhD in economics from Ateneo de Manila University. He teaches part-time at the university's European Studies program, where he has taught Jean Monnet modules on the EU economy, as well as the Economics department. His research interests are on international economics. He is also a digital editor at the Financial Times.

Dr. Manuel R. Enverga III is Jean Monnet Chair of European Studies at the Ateneo de Manila University, where he also serves as Director of the European Studies Program. He is also the current President of the European Studies Association of the Philippines, an organization dedicated to the advancement of European Studies in the country. His teaching and research has focused on a diverse set of topics, which include European politics, digital culture, EU-Philippine relations, and digital diplomacy. Outside of his academic work, Dr. Enverga hosts *The Eurospeak Podcast*, where he and his guests talk about European influences on contemporary popular culture.

Dr. Jamina Jugo received her Bachelor in European Studies and MA in Global Politics at the Ateneo de Manila University. She then received an Erasmus Mundus scholarship to do an MA in Euroculture at the Universities of Göttingen and Groningen, and a DAAD grant for a doctorate in Political Science at the University of Göttingen. In addition to her work at the European Studies Program, she has accumulated professional experience in Germany's international academic exchange/science management sector, specifically at the German Academic Exchange Service (DAAD) and the Darmstadt University of Applied Sciences.

Dr. Diana J Mendoza is Assistant Professor at the Department of Political Science and is concurrently the Director of the Ricardo Leong Institute for Global and Area Studies of the Dr Rosita G Leong School of Social Sciences at the Ateneo de Manila University. She pioneered the Southeast Asia In-Country Field Study program in ADMU, and to date, has led students to four ASEAN member states (Brunei, Indonesia, Malaysia, and Vietnam) and has forged academic collaboration with eight Universities in the region. She holds a PhD in Political Science from the City University of Hong Kong. She is a member of the Editorial Board of *Suvannabhumi: Multidisciplinary Journal of Southeast Asian Studies* and the Board of Directors of the Ateneo Center for Asian Studies.

Dr. Marissa Maricosa A. Paderon is Associate Professor of the Department of Economics and Lecturer of the European Studies Program at the Ateneo de Manila University; and Commissioner at the Philippine Tariff Commission.

Jill Marie Lopez Robles is a Philippine-licensed lawyer with over 20 years of experience in corporate law, finance, and compliance. She teaches Commercial Law, Thesis Writing, and a European Union Elective Course at the Ateneo de Manila University Law School, where she earned her Juris Doctor degree. She holds a Master in Law and Economics degree from The University of Manchester, University of Hamburg, and University of Bologna (Erasmus Mundus scholar). A former Erasmus Mundus Country Representative for the Philippines, she explores EU influences on Philippine legal framework.

Dr. Alma O. Salvador, PhD is an Associate Professor of Political Science at Ateneo de Manila University, specializing in international relations, foreign policy, and maritime security. A BusinessWorld Online columnist and 2023–2025 Professorial Chair Awardee of Ateneo, she previously chaired Ateneo's Department of Political Science and now heads the university's rankings and benchmarking initiatives.

Ma. Vhiktoria Siva received her bachelor's degree in European Studies at Ateneo de Manila University, Philippines. She was then awarded an Erasmus Mundus scholarship to pursue an MA in Euroculture at the University of Groningen, Netherlands and Palacky University Olomouc, Czech Republic. She has done research with Civil Society Organizations (CSOs) focused on international labor migration, covering topics such as migrant deaths and healthcare access in the Middle East, sustainable reintegration of farmer migrant workers in the Philippines, and pioneering research on disability and migration in ASEAN in partnership with the Disability Migration Network (DMN) and the UN-ILO. She is currently a lecturer with the European Studies Program of Ateneo de Manila University and Asia Pacific Studies under the College of Arts and Sciences of the University of Asia and the Pacific.

Javier R Tionloc, MA is an Instructor at the European Studies Program, Ateneo de Manila University, and Lecturer at the Department of Political Science of the same university. He is also concurrently the Coordinator of the Ateneo Initiative for Southeast Asian Studies (AISEAS). He holds a masters degree in Political Science (Global Politics) from Ateneo de Manila University.

To date, he has co-led the Southeast Asian In-Country Field Studies to two countries (Malaysia and Vietnam). He has received various teaching, research, and leadership grants from various organizations. He has done consultancies for various non-governmental organizations and local government units. He has done projects on international relations, regionalism, foreign policy, and governance. Some of his works have been published by the Ateneo de Manila University Press.

## Chapter 1: Introduction

Manuel R. Enverga III

In 2023, the European Union (EU) Delegation in the Philippines, together with the Embassies of the EU Member States to the Philippines including Belgium, Czechia, Denmark, Germany, Ireland, Greece, Spain, France, Italy, The Netherlands, Poland, Austria, Romania, Slovakia (non-resident), Finland and Sweden, issued a joint statement to commemorate the seventh anniversary of the award rendered by the Permanent Court of Arbitration in The Hague, which upheld the Philippines' claims over disputed territories in the South China Sea. Despite the considerable geographic distance that separates Europe from the South China Sea, the EU called for a peaceful resolution of the territorial disputes, reaffirmed the United Nations Convention on the Law of the Sea (UNCLOS) and its principles of freedom of navigation and overflight, and declared: "The EU is committed to secure, free and open maritime supply routes in the Indo-Pacific, in full compliance with international law, as reflected in UNCLOS, in the interest of all" (European External Action Service, 2023). This episode exemplifies the EU's role as a global actor, showing its willingness to engage in regional disputes, articulate international norms, and project influence far beyond its immediate neighborhood. It also reflects the EU's self-conception as a normative power, one that seeks to shape international order through law, dialogue and multilateral frameworks rather than purely through coercive means. The themes emerging from this case — the EU's distant but active involvement, its normative orientation, and its use of institutional frameworks to influence outcomes — resonate throughout this book.

Since the end of the Cold War, the European Union has steadily expanded its role as a global actor and has developed a complex web of external relations and foreign policies (Söderbaum, Van Langenhove and Stålgren 2006). Its ability to shape global norms, influence trade and finance, participate in multilateral institutions and engage with regions across the world has attracted significant academic attention. Scholars have described the EU variously as a civilian power (Smith 2015), a normative power (Tereszkiewicz 2020), a model power (Zielonka 2008), and even an imperial actor in certain contexts (Zielonka 2008). The literature has explored its actorness in fields ranging from trade and climate policy (Lütz et al. 2021) to development and interregionalism (Hettne, Söderbaum and Stålgren 2008), and more recently within the framework of strategic autonomy (Helwig and Sinkkonen 2022). While this body of work provides valuable insights into the EU's evolving external relations, it has tended to focus more on the Union's immediate neighborhood or on global governance from a Eurocentric perspective (Telò 2009).

This book contributes to and extends that literature by situating the EU's global actorness within the context of Asia and, in particular, Southeast Asia. The region represents a significant theatre for European engagement, encompassing issues of trade, maritime security, higher education, digital governance, and migration. Moreover, the dynamics of EU–Asia relations offer a unique lens through which to explore questions of power, norm diffusion, and multilateral cooperation in an increasingly multipolar world. This focus is particularly relevant in light of the EU's emphasis on maintaining open maritime routes in the Indo-Pacific and its efforts to shape regional governance through partnership and regulatory influence.

A distinctive feature of this volume is its authorship. The contributors are scholars from the Global South, bringing perspectives that are often underrepresented in the study of European foreign policy. They come from diverse disciplinary backgrounds including policy studies, international relations, economics, migration studies, and cultural studies. This diversity enables a comprehensive examination of EU actorness that encompasses policy frameworks, human and capital flows, regulatory influence, and cultural exchange.

The chapters that follow reflect this multidimensional approach. Salvador and Beronio examine the EU's evolving role in the changing geopolitical landscape, focusing on global actorness and strategic autonomy. Enverga investigates the relationship between regulatory power, market power and the so-called Brussels Effect, while Cruz provides two contributions that explore the EU's role in the G20 and its engagement with digital trade in the Philippines. Paderon analyses bilateral trade relations between the Philippines and the EU, and Robles discusses the EU's influence on Philippine competition law. Tionloc and Mendoza study EU–ASEAN higher education cooperation, highlighting the interplay between EU supranationalization and ASEAN regionalism. Jugo and Siva explore European migration policy, with Siva focusing on the tension between humanitarian leadership and strict border management. Bautista addresses the human capital challenge, while Enverga concludes with a discussion on the EU's impact on the production and consumption of globalized popular culture.

Together, these chapters provide a layered analysis of the European Union's external engagements in Asia and beyond. They reveal an actor that is at once a promoter of rules-based order, a defender of open markets and trade flows, a partner in education and migration, and a source of cultural influences. At the same time, they invite reflection on the limits of EU actorness in a multipolar world marked by competing visions of order and emerging powers that may resist or reinterpret European norms.

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## Part I: The EU's Global Role

## Chapter 2: Global Actorness and Strategic Autonomy: The EU's Evolving Role in a Changing Geopolitical Landscape

Alma Maria Ocampo Salvador

Phoenix Anne Margarett Ligsay Beronio

In September of 2021, the European Commission and the High Representative launched the EU's Indo-Pacific cooperation strategy, highlighting the region's security and economic importance while addressing emerging geopolitical challenges posed by the intensifying US-China rivalry (European Commission, 2021b). The framework highlights key regional actors, including the Association of Southeast Asian Nations (ASEAN), Australia, China, India, Japan, and South Korea, as well as the evolving issues shaping the region.

Global and major powers, such as the US, France, Germany, and the Netherlands, have underscored the Indo-Pacific region's geopolitical and geoeconomic significance, as it remains the focal point of US-China rivalry (Michalski and Parker, 2024, p. 264). The Indo-Pacific region's strategic importance is further emphasized by the fact that over 70% of global trade and 60% of foreign direct investment flow occur in the region's critical waterways, such as the Malacca Straits, the South China Sea, and the Indian Ocean. (Luthra, 2021) The area also hosts biodiversity hotspots like the Golden Triangle, further enhancing its strategic value. However, the region faces significant maritime security threats, including illegal, unreported, and unregulated (IUU) fishing and piracy.

The EU's underlying motivation for an Indo-Pacific Strategy is to align with the EU Member States' Indo-Pacific policies, specifically those of France, Germany, Italy, and the Netherlands. The EU also seeks to adapt the bloc's mercantile interest in the region and, to a significant extent, reflect the US strategic pivot toward the Indo-Pacific (Håkansson, 2022; Abbondanza and Wilkins, 2024). However, the EU strategy is distinct from that of the US. The Trump Administration introduced the "Free and Open Indo-Pacific" framework, later reinforced by its National Security Strategy (Harding, 2019; The White House, 2022). This US policy explicitly identifies China as a threat to US interests in the region, stating: "China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor" (Harding, 2019, p. 63).

China remains an essential economic partner for the EU, even as the bloc acknowledges the volatile global environment in which China challenges the rules-based international order. Through its Global Strategy 2016 and 2018 EU-Asia Connectivity Strategy, the EU has conceded China as both a partner and a systemic rival. Confronted with internal challenges such as Brexit, the rise of Donald Trump as US president, and Chinese and Russian revisionism, the EU recognized the need to develop "an appropriate level of ambition and strategic autonomy" to promote peace and security in the region (European External Action Service, 2016, p. 5).

Strategic autonomy defined as "the capacity of the EU to act autonomously – without being dependent on other countries – in strategically important policy areas," such as defense, economics, and norms (European Parliament, 2022, p. 1), has historically been linked with the

EU's military dependence on the US-led North Atlantic Treaty Organization (NATO) alliance, serving as a gauge of its ability to act independently on the global stage (Howorth, 2018; Helwig and Sinkkonen, 2022). In recent years, the concept has broadened to include resilience against the challenges of globalization and the EU's vulnerabilities, including energy security as well as the safeguarding of the EU's core norms and values (European Parliament, 2022).

Strategic autonomy was later operationalized in the succeeding Global Gateway Project 2021, the Indo-Pacific Strategy 2021, and the Strategic Compass 2022. These efforts reflect the EU's definition of its role as a global actor, aiming to balance normative commitments with pragmatic engagement in geopolitically significant regions.

## **Objectives**

This chapter revisits the literature on the EU's actorness to analyze how the EU responds to contemporary challenges in international relations. Rooted in the imperative of strategic autonomy, the Indo-Pacific strategy also reflects the EU's self-understanding as a global actor. This chapter will examine how the EU defines strategic autonomy, drawing on key documents such as the Global Strategy (2016), the Global Gateway Project (2021), the Indo-Pacific Strategy (2021), and the Strategic Compass (2022).

This chapter will probe into several key questions:

How does the changing geopolitical environment influence the EU's conceptualization of its role as a global actor?

How does the EU perceive and define its identity as a global actor from a perspective of strategic autonomy?

## **The EU as a Civilian and Normative Power**

The European Union has historically been recognized as a civilian and normative actor, one whose influence is rooted in its economic power and the promotion of global norms (Manners, 2002). From its origins as the European Coal and Steel Community to its evolution into an economic powerhouse, the EU's trajectory has been fundamentally distinct from that of the US, whose identity was shaped by the security logic of the Cold War (Waltz, 2000).

The EU's unique integration process, driven primarily through functionalism and characterized by hybrid and legal attributes moving towards supranationalism, prioritized economic integration over defense, creating a peace and cooperation model that underpins its identity (Manners, 2002; Schmitter, 2006).

Through regulatory frameworks, trade, and financial partnerships, the EU has exercised civilian influence, challenging traditional Westphalian notions of state sovereignty and positioning itself

as a normative actor founded on the core principles of the Treaty of the European Union—peace, rule of law, democracy, and human rights—are central to its norm-setting influence (Manners, 2002). This identity as a civilian power has shaped the EU's "transformative" and "interventionist" engagement with third-party states, promoting democratic values and sustainable development (Manners, 2002, p. 245; Biscop, 2016, p.1). Yet, despite its success in norm-setting and its considerable economic power, the EU's defense and security policies have been historically limited by a lack of internal cohesion among member states, particularly when compared to the deeper integration within its single market. Its inability to pool sovereignty in these areas has left it reliant on the US-led North Atlantic Treaty Organization (NATO) for security, fueling ongoing debates over strategic autonomy (European External Action Service, 2016).

This dependency and limited integration in security underscore the importance of examining the EU's global actorness—its capacity to act independently and effectively on the international stage. However, the subject of EU global actorness does not always place primary emphasis on external relations and foreign policy; it is broadened to encompass trade and norm-setting.

### **Theoretical and Conceptual Bases of Global Actorness**

Various works on global actorness have one thing in common: the preoccupation with showing how a polity demonstrates agency. In the 1970s, this was conceptualized as "actor capability" to navigate the international system (Cosgrove & Twitchett). The global dimension of actorness was expounded upon in Bretherton and Vogler's (2006) framework, showing that opportunity, presence, and capacity are crucial to ascertaining whether a polity possesses global actorness. This framework emphasizes the importance of understanding a polity's perceptions and observations of its external environment, which, as Bretherton and Vogler (2006) argue, shape its opportunity to respond to events and challenges and to influence other actors in the international system. This, in turn, triggers an evaluation of the polity's existing capabilities or resources, which the framework calls presence. Both of these factors will inform the polity's approach or strategy towards the international system. This results in a new policy instrument, which the framework calls capacity.

The study of actorness was Europeanized with Sjøstedt's (1977) discussion of the extent to which the EU is regarded as a genuine actor in the international system. This was updated by Rhinard and Sjøstedt (2019) when they outlined what constitutes actor capability for the EU. Firstly, the EU must be able to articulate its interests and mobilize resources towards common objectives. Secondly, it must possess decision-making capacity. Lastly, it must have a network of implementation agents to carry out policies. Whereas these frameworks focus on the EU's conceptualization of its global actorness and other actors' recognition of such, the framework under the project "Trends in Global Governance and Europe's Role," also known as TRIGGER (2019), is concerned with understanding actorness alongside effectiveness. It seeks to understand whether the EU's conceptualization of its global actorness materializes.



Furthermore, the TRIGGER model aims to understand what hinders or threatens EU global actorness.

### Strategic Autonomy and Global Actorness: Theoretical Perspectives

While the TRIGGER model examines whether the EU's self-concept as a global actor translates into tangible outcomes, the debates surrounding strategic autonomy build on this foundation by situating the EU's actorness within broader theoretical perspectives.

Discussions of strategic autonomy have been grounded on several theoretical perspectives, including realism, liberalism, and constructivism. These perspectives align with the continuing evolution of the EU's interpretation and practice of global actorness.

Structural realism emphasizes the anarchical nature of the international system, which compels states to prioritize survival through self-help<sup>1</sup> and reliance on their capabilities. The absence of a central authority forces states to be on the constant lookout for their self-defense, with their ability to do so primarily shaped by their placement in the international system. Waltz emphasizes that a state's position within this structure limits its freedom of action, reflecting structural theories' focus on the primacy of systemic constraints over individual agency (Waltz, 1988). Within this framework, self-interested states are primarily driven by the pursuit of security and survival rather than autonomy. Similarly, Mearsheimer contends that great powers, in the quest for survival, aim to maintain territorial integrity and the "autonomy of their domestic political order" as central to their survival strategies (Mearsheimer, 2001). In contrast, minor powers, with lesser autonomy, often rely on great power alignment for survival, especially in a bipolar power distribution (Mearsheimer, 2001). Both theories emphasize that defensive or offensive military strategies are critical for states to endure and thrive in the anarchical international system.

In this sense, autonomy refers to states' capability to provide for their security, which is usually associated with military security. More specifically, autonomy refers to a state's capacity to ensure its security, primarily through military means—a capacity that is shaped by the state's position in the international system. In the EU's case, strategic autonomy entails soft balancing the US through its normative power and developing an independent foreign policy (Helwig & Sinkkonen, 2022).

Securitization theories, particularly by the Copenhagen School, highlight how non-traditional and non-military referents, including political, military, economic, environmental, and societal sectors, can be elevated to security concerns, necessitating state protection and mobilization of resources (Buzan, Wæver, and de Wilde, 1998; Stritzel, 2014; Eroukhmanoff, 2018). In the process of securitization, the state, through political elites, designates other sectors as a

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<sup>1</sup> Waltz defines self help as "the principle of action in ... which states must help themselves ... by providing for their security, shaped by their capabilities (Waltz, 1988, pp. 618-619 and 624).

referent object. Autonomy is not confined to the military domain, where weak capabilities limit it (Buzan, Wæver, and de Wilde, 1998).

On the other hand, liberal institutionalist perspectives contend that states are rational actors whose specific preferences are shaped by the aggregated societal actors' interests. Dominant social groups advance particular demands and influence the formation of state preferences. In this view, the notion of strategic autonomy results from inter-actor bargaining and is the outcome of negotiated interest (Moravcsik, 1997).

## **The EU's Construction of Global Actorness: Historical Context of Integration**

### *Foreign Policy and External Relations*

In a historical overview of EU foreign policy (Bindi, 2010) and an analysis of the EU's global actorness in a contested world (Freire et al., 2022), it is evident that shifts in global politics have consistently driven the evolution of the Common Foreign and Security Policy (CFSP).

When the EU is affected by or perceives an issue in global politics, it reviews its repertoire of foreign policy tools. It adjusts according to the demands of the issue and the latitude of action possible within the prevailing breadth and depth of integration.

Bindi (2010) illustrates this in her overview of EU foreign policy, which shows three major eras in its development: co-optation, consultation, and competence. After failing to establish a European Defense Community (EDC) in 1954, which would have made security and defense a supranational competence, activities involving external relations were conducted under the European Economic Community (EEC). During this co-optation, the official conduct of external relations, as previously stated, was limited to economic matters, such as the creation of a common external trade tariff, other states' prospects of joining the EEC, and the establishment of a free trade area with Belgium, France, Italy, and the Netherlands.

This confinement led to the distinction between the EU's foreign policy and external relations policy. Around this time, the European Fund for Development was created, showing the integral role of development in the EU's external relations and as a civilian and normative power. (Bindi, 2010)

This was the arrangement until the 1970s, when the European Political Cooperation (EPC) was created and institutionalized consultation on all significant foreign policy questions. It held that member states' foreign ministers and members of the European Parliament's Political Affairs Committee would meet every six months. This consultation model was deepened by the creation of the European Council, which includes heads of state and government, their foreign ministers, and the president of the European Commission. (Bindi, 2010)

The 1970s were a tumultuous period, marked by the Arab Israeli Wars, the oil crises, the Vietnam War, the Soviet invasion of Afghanistan, and, at the tail end, the Iranian revolution and hostage crises in 1980. (Bindi, 2010) These all emphasized the need for a common European

response, or as the 1969 Hague Summit Declaration stated, “a united Europe capable of assuming its responsibilities in the world.” (p. 12)

Leading up to the 1992 Treaty of Maastricht’s establishment of the CFSP, more similar issues made it clear that foreign policy required a certain measure of regionalization. Today, foreign policy is considered a special competence under the Treaty of Lisbon. (Bindi, 2010).

The process of the EU reshaping its competence for external relations according to the demands of changes in global politics lies at the core of Bretherton and Vogler (2006) framework for global actorness, which is the primary theoretical lens used by Freire *et al.* (2022) when they analyzed manifestations of EU global actorness in a world of contested leadership.

### *The Role of External Environment in shaping the EU’s global actorness*

Using global actorness and international actorness interchangeably, the authors argue that international and regional contexts are fundamental to shaping the EU’s international actorness. This is precisely what Bretherton and Vogler (2006) meant when they claimed that the external environment constitutes a polity’s opportunities for global actorness. According to their framework, the external environment yields opportunities for global actorness because it triggers assessments of existing capabilities, which they call presence, that form the basis for formulating new policy instruments, which they call capacity.

The EU’s transition from an economically driven peace project to a broader political project led to the growth, expansion, and deepening of the Union’s composite institutions and processes, as shown by how external relations moved from being subsumed under the EEC to being conducted under the CFSP and eventually becoming a special competence under the 2009 Treaty of Lisbon. Institutional growth, however, is also accompanied by new expectations involving the new institutions’ capacity. Such expectations include enabling Europe to assume its responsibilities in the world (The Hague, 1969) to ensure that “international relations have a more just basis” (Bulletin of the European Communities, 1973, p. 3); and respond to “the political and economic aspects of security” and mount concerted action on “international problems of law and order” (Bulletin of the European Communities, 1983, p. 3).

Sjöstedt (1977) defined actorness as a polity’s capacity to behave actively and deliberately in relation to other actors in the international system. This definition aligns with Bretherton and Vogler’s (2006) framework, which argues that to be a global actor, one must be capable of being active and deliberate, i.e., strategic when engaging not only with other actors in the international system but also with changes in the system itself.

These show that the CFSP ultimately enhances the EU’s global actorness. Furthermore, these show that an accurate reading of global politics is crucial to mapping the path toward global actorness.

## *Strategic Autonomy in Context*

With the entry into force of the Lisbon Treaty in 2009, the European Council, through the European Council Conclusions (2013), introduced strategic autonomy in 2013 to enhance its “ability to take and hold decisions” in the field of defense in foreign, security, and defense policies (Rio, 2024, p. 1).

The Council Conclusions state that “Europe needs a more integrated, sustainable, innovative, and competitive defense technological and industrial base (EDTIB) to develop and sustain defense capabilities. This can also enhance its strategic autonomy and ability to act with partners” (European Council, 2013, pp. 1–2). The EU’s perspective on strategic autonomy, therefore, emphasizes collaboration rather than separation from NATO. Its ability to exercise influence is limited not only by capability gaps but also by the fact that strategic autonomy is shaped as much by state preferences as by the need to navigate an anarchical international system. The intergovernmental dynamic among EU member states is evident in how they view their trans-Atlantic relations. For instance, the Netherlands under former Prime Minister Mark Rutte emphasized strong ties with the U.S. and NATO. At the same time, France, under President Macron, adopted a more competitive stance toward the U.S. Similarly, Finland, led by Prime Minister Sanna Marin, considered the role of Russia in shaping its relationship with NATO (European Parliament, 2022; Glassner and Fuchshuber, 2023). Furthermore, the EU lacks institutional governance requirements, including qualified majority voting and co-decision, enabling it to act as a unitary actor and make decisive commitments (Rio, 2024).

Since adopting the Global Strategy (European External Action Service, 2016), the EU’s understanding of strategic autonomy has expanded beyond its military and geopolitical dimensions to encompass geoeconomic challenges arising from the US-China rivalry, American trade protectionism, and the growing demand for energy and environmental security. This expanded view recognizes nontraditional and nonmilitary factors—such as trade, energy, and the environment—as integral components of security.

The widening scope of strategic autonomy aligns with the EU’s unique position and the evolving definition of the concept. The COVID-19 pandemic, for instance, exposed the EU’s fragility in the global supply chain, underscoring the need to develop global supply chain resilience. Similarly, Russia’s 2022 invasion of Ukraine emphasized its energy security risks, linking strategic autonomy closely to developing resilience against external shocks. This reframes capability beyond traditional military strength, emphasizing resilience and nonmilitary, resource-based determinants of power.<sup>2</sup>

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<sup>2</sup> The Lowy Institute’s Asia Power Index argues that there are two types of power - resource based and influence based measures of power that enables a state to shape and respond to its environment. Resilience is a key resource-based indicator along with the traditional measures based on economic and military power (Patton, Lemahieu and Sato, 2024, p. 2).

## Strategizing for Global Actorness

### *2016 Global Strategy (EUGS)*

The 2016 Global Strategy for the European Union's Foreign and Security Policy is the latest document summarizing the EU's assessment of global politics. It shows that the EU is now cognizant that interdependence is both an opportunity and a liability. It points out that ever-increasing interdependence has created a "more connected, contested and complex world" (European External Action Service, p. 7), and such interdependencies are not always benign.

This shows that the EU's understanding of security, which is a priority of EU external action, has moved beyond simply identifying and mitigating threats. Notably, the 2016 Global Strategy contains no explicit list of threats and vulnerabilities.. Instead, these are embedded throughout discussions of core objectives, such as peace and security, prosperity, democracy, a rules-based global order, and the guiding principles of EU external action, such as unity, engagement, responsibility, and partnership. The threats and vulnerabilities shaping the external environment to which the EU responds emerge as the rationale for these objectives and guiding principles.

For instance, striving for peace and security in Europe entails an interest in building peace in neighboring and surrounding regions, where the effects of conflict, particularly migration, can spill over into Europe. The EU also emphasizes that trade and investment will underpin its prosperity as most of the economic growth in the global marketplace—reliant on global value and supply chains—is projected to occur outside the EU. For this reason, the EU's interest in "shaping global economic and environmental rules" (European External Action Service, 2016, p. 15) is reaffirmed.

The EU is also concerned with how issues such as terrorism, cyber and energy security, and organized crime have been intensified by links and interdependencies among international actors. Such is the "more complex world of global power shifts and power diffusion," (European External Action Service, 2016, p. 16) wherein the EU must "foster the resilience of its democracies" (European External Action Service, 2016, p. 8) and "manage interdependence." (European External Action Service, 2016, p. 8) These overlapping predicaments culminate in the "ambition of strategic autonomy." (European External Action Service, 2016, p. 4)

### *The Concept of Connectivity*

These issues and objectives coalesce in the concept of connectivity, which holds that links among global actors and the flows of supply and value chains shape world politics. Some scholars focus on the material aspects of connectivity, such as physical and digital infrastructure, and how these increasingly shape international relations because they facilitate the flow of goods, services, people, and ideas (Khanna, 2016).



Therefore, interdependent states form a networked world in which success is attained by networked powers—that are capable of governing or influencing the supply chain (Leonard, 2016, 2021).

Meanwhile, other scholars focus on how connectivity emerged. Flockhart (2016) attributes it to a multi-order world: an international system characterized by the coexistence of multiple orders, or international societies, each representing a dominant way of doing politics and nested within the broader system. This plurality helps explain the persistent contestation of Europe's norms (Merlingen, 2007; Lenz, 2013; Karjalainen, 2023) and the competition and localization that often accompany norm diffusion (Hoang, 2016; Romanova, 2016). Additionally, connectivity is driven by the growing influence of regional powers, non-state actors, and emerging economies, producing what Acharya (2018) describes as a multiplex world, a profoundly decentralized and fragmented international system (Acharya, 2018).

The EU's awareness of this phenomenon in global politics predates the 2016 Global Strategy. While the opportunities and vulnerabilities emerging from interdependence were not explicitly articulated, earlier documents already reflected concern about the challenges arising from globalization. In 2003, a strategy document by the Council of the European Union entitled "A Secure Europe in a Better World" accurately captured the challenges against the CFSP.

While it affirmed that Europe had never been "so prosperous, so secure, nor so free," (Council of the European Union, 2003, p. 27), it also concluded that the world had become rife with danger and opportunity. It emphasized that Europe must safeguard its security amid a globalizing world, where multilateral cooperation within Europe and its partners is essential for addressing complex issues that no single nation can resolve (Bindi, 2010).

The 2016 Global Strategy shows that this complexity, borne from globalization will become central to the development of EU external relations policy. Whereas the 2003 European Security Strategy (ESS) focused on the increasing complexity of specific security challenges such as terrorism, the proliferation of weapons of mass destruction, and regional conflict, the 2016 Global Strategy focuses on tackling how connectivity has scaled up those already formidable challenges to the CFSP.

### *Operationalizations of Strategic Autonomy*

The 2016 EU Global Strategy (EUGS) frames international relations as an increasingly complex, contested, and connected world (European External Action Service, 2016), marking a geopolitical shift for the EU.<sup>3</sup> It acknowledges rising non-traditional security threats, including

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<sup>3</sup> In 2019, EU Commission Von Der Leyen introduced the concept of a "geopolitical Commission", framing it in terms of the need to address the challenges of unilateralism and global confrontation. The speech did not reference Russia or of China in the same way as later EU documents would. Instead, it outlined an approach where a

economic, cyber, hybrid, terrorism, climate, energy, and maritime challenges like in the South China Sea (European External Action Service, 2016). In this context, the EU must address the world with “an appropriate level of ambition and strategic autonomy” to promote peace and security within and beyond its borders (European External Action Service, 2016). Scholars like Barbé and Morillas (2019, p. 760) interpret this as a securitization of the EU’s narrative on global actorhood (Håkansson, 2022, p. 4).

Building on this, the EU's Global Strategy frames the concept of a global actor through the lens of strategic autonomy, emphasizing the use of a “wide array of policies and instruments” to promote values, norms, peace, and the rules-based order in the international economic system. These instruments include soft power tools such as human rights, citizen welfare, jobs, anti-terrorism, and military power (European External Action Service, 2016, p. 4). The strategy, which was the first to introduce the notion of strategic autonomy was shaped by the wars in Libya and Syria and earlier crisis in Ukraine in the 2010s, and serves as a foreign and security policy framework designed to enhance the EU’s credibility and influence “within and beyond the ENP (European Neighborhood Policy)” (European External Action Service, 2016; Helwig and Sinkkonen, 2022, p. 3).

Anchored in rules-based order, multilateralism, and partnership principles, the EUGS emphasizes that its priorities are best achieved through collaboration, including engagement with fragile states: “Yet we know that such priorities are best served when we are not alone” (European External Action Service, 2016, p. 4). This includes promoting regional peace through partnerships with NATO on collective security<sup>4</sup> and addressing the fragile states of Central Asia, Central Africa, the Western Balkans, and Turkey (European External Action Service, 2016, p. 9). Moreover, the EU prioritizes action in failed states like Syria and Libya (European External Action Service, 2016, p. 9) and promotes cooperative regional orders in the Middle East, South Asia, and Southeast Asia (European External Action Service, 2016, p. 10).

Defense and security have been central to strategic autonomy. The EUGS highlights the development of defense cooperation among member-states as a “norm” expanding the range of norms traditionally prioritized by the EU (European External Action Service, 2016, p. 45). It also underscores building a sustainable defense industry, a prerequisite to a “credible EU” (EEAS, 2016, p. 46). The experience of the COVID-19 pandemic in 2020 expanded the EU’s strategic autonomy objectives to include the protection of the EU’s critical infrastructure, networks, supply chains, critical minerals, and governance spaces (EEAS, 2016, pp. 10, 21, 41, 42).

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geopolitical Commission confronts these tensions using its normative and market powers (von der Leyen, 2019)

<sup>4</sup> The Strategy provides: “As Europeans we must take greater responsibility for our security. We must be ready and able to deter, respond to, and protect ourselves against external threats. While NATO exists to defend its members – most of which are European – from external attack, Europeans must be better equipped...” page 37

## Relations with China

Unlike the US, the EU adopts a “country-neutral” stance toward China (Sicilia and Benson, 2024), seeking to manage its rise while recognizing it as both an “economic and technological superpower” and a “systemic competitor” (European External Action Service, 2019, p. 15). This approach reflects the EU’s strategic autonomy, defined as the ability to “act together with its partners wherever possible, but alone when necessary” (European External Action Service, 2019; Sweeney and Winn, 2022). Aligned with “principled pragmatism,” this stance seeks to balance human rights values with trade, investment, intellectual property, and technology engagements with China, underscoring its commitment to integrate norms with realpolitik, and emphasizing that its “interests and values go hand in hand.” (European External Action Service, 2016, pp. 8, 13).

### **EU Strategy for Cooperation in the Indo-Pacific: Securitization of the EU narrative**

The EU Global Strategy is aligned with the Indo-Pacific Strategy in defining the EU’s role as a global actor, essential for furthering its normative, geopolitical, and geoeconomic objectives in a “vast and geopolitically crucial region” (Michalski and Parker, 2024, p. 5). The EU’s recognition of ongoing “geopolitical shifts” reflects its “self-understanding as a global actor” (Michalski and Parker, 2024, p. 5). As Indo-Pacific countries emerge as the world’s significant economic actors and middle powers, the EU strategy for the region becomes essential to asserting its global role. While the EU has only recently evolved an Indo-Pacific strategy, it builds on a securitized narrative, outlining its interest in the region from the “east coast of Africa to the Pacific Island States.” (European External Action Service, 2016, p. 1).

#### Strategic autonomy framed in terms of resilience

While there is no explicit mention of strategic autonomy in the Indo-Pacific strategy, the document has laid down the foundation of the EU’s actorness—its market and normative power, consistent with its overarching goal of pursuing geopolitical power and achieving security for the Union.

The Indo-Pacific markets are critical to EU geoeconomic interests. They serve as a global hub for diversifying trade and building regional partnerships (European Commission, 2021, p. 1).

In securitizing the EU’s narrative, the strategy references the EU’s COVID-19 experience as a test of both its “resilience” and that of global economies. Contemporarily, it also recognizes changing “geopolitical dynamics,” such as the heightened militarization of critical waterways vital to EU trade, namely the South China Sea and the Taiwan Strait.

To achieve strategic autonomy, the EU leverages its market and normative powers to achieve the following:

(i) Market power: diversifying markets through Partnership and Cooperation Agreements (PCAs) (p. 4) with Indo-Pacific partners, South Korea, Singapore, Vietnam, Taiwan, and New Zealand (p. 7), longstanding partners, namely the ASEAN (pp. 3-4), and core Indo-Pacific partners, India and Japan. Furthermore, it is mobilizing a €300 billion financial package under its Global Gateway Project (GGP), enabling it to leverage its market power (Michalski & Parker, 2024, p. 13) by securing global supply chains.

(ii) Normative power: leveraging normative power by instilling the need to “push back” (European Commission, 2021, p. 3) if human rights, democratic regimes, and the multilateral and rules-based order are threatened by authoritarianism and protectionism.

(iii) Geopolitical power: reflecting the EU’s geopolitical turn, the strategy pursues cooperation with like-minded states to navigate changing geopolitics in the region through defense and security collaboration, enhanced civilian and military capabilities, naval deployments, and military partnerships with the ASEAN Defence Ministers' Meeting Plus (ADMM+) (European Commission, 2021, pp. 13, 14, 17).

Finally, the Indo-Pacific Strategy reinforces the EU’s distinct position vis-à-vis China, emphasizing its role in promoting regional peace while aligning with the EU’s precondition on human rights (European Commission, 2021, p.4).

### **Global Gateway Project: Instrument of Geopolitics**

The Global Gateway Project serves as a geostrategic framework for the EU, aiming to strengthen its Indo-Pacific strategy by providing Africa an alternative economic partner to China, which has been considered Africa’s “partner of choice” (Eickhoff, 2023, pp. 8-11).

Together with the Indo-Pacific Strategy, the Global Strategy shapes the EU’s foreign and security policy, while the GGP offers a 21<sup>st</sup> century economics perspective on the EU’s role. To enhance the EU’s visibility, reach, and impact (EU Commission, 2021, p. 2), the EU redefines its traditional development aid approach as a tool of strategic diplomacy and partnerships with the private sector (EU Commission, 2021, p. 4), positioning the GGP as an “new instrument of geopolitics” (Heldt, 2023, p. 1). With a project pledge of 300 billion euros worth of public and private funds to support infrastructure investments by 2027, Team Europe (the Commission, Member States, and the private sector) aims to reinforce the EU’s commitment to Africa (GGP 2021, p.3), counter shifting perceptions and reaffirm its democratic norms and values in contrast to China’s influence (European Commission, 2021a; McAllister, 2023).

The GGP admits to the EU’s declining presence in Africa and seeks to reclaim its influence on the continent and the Global South. Through the Commission, it asserts its entrepreneurial role to facilitate private and public sector involvement in infrastructure development (Heldt, 2023, p.226). As part of its de-risking from China, the GGP supports the EU’s strategic autonomy,

building on the goals of the EUGS and the Indo-Pacific strategy. In East Africa, this involves safeguarding the EU's interests by enhancing global supply chain resilience through trade and infrastructure investment for connectivity (EU Commission, 2021, pp. 1, 5, 22).

The EU also recognizes its growing geoeconomic competition with China over Africa and provides an alternative to China's BRI, promoting a "value-neutral" approach for African infrastructure investment and partnerships for geostrategic purposes (EU Commission, 2021, pp. 6, 10; McAllister, 2023).

### **The Strategic Compass: Shaping the EU's Indo-Pacific Strategy**

Through the Strategic Compass, the EU affirms that it must "take more responsibility for its own security" (Council of the European Union, 2022, p. 23). It highlights its security and defense role, reaffirming its alliance with NATO, while advancing a more securitized narrative of the contested global environment. In his foreword, HR/VP Josep Borrell described the Strategic Compass as Europe's "geopolitical awakening" (p. 4), framing the external environment as a "new world of threats" (p. 5), and identifying Russia's 2022 invasion of Ukraine as the most serious challenge.

The EU also sets out its security interests in the Indo-Pacific, stressing the region's importance in countering hybrid threats and safeguarding its maritime interests. It reaffirms the Indo-Pacific as a site of geopolitical tensions that affects the rules-based order, 22eoeconomics stability, and risks to global supply chain security.

Through the Strategic Compass, the EU acknowledges China is a vital trading partner, while noting its "increasingly assertive regional behavior" (p. 20). It describes China as "a partner for cooperation, an economic competitor, and a systemic rival." (p. 18). As part of the EU's geopolitical turn, the EU also underscores the "nuclear threat" posed by Russia and China (p. 22). However, unlike the US, it seeks to continue to work with China on issues such as the international law of the sea.

In making a case for collaboration, the EU highlights ASEAN's significance as its key partner in the Indo-Pacific region, where it aims to strengthen its presence. As a maritime power, it stresses the need to secure sea lanes of communication and deepen security cooperation with Indo-Pacific powers, including through joint naval exercises and live maritime exercises with Japan, Korea, India, Djibouti, and partners.

### **Conclusions**

The EU defines global actorhood as the ability to act actively and deliberately in international relations, shaped by its institutional capacity, responsiveness to external global contexts, and strategic adaptation to the demands of evolving global politics.



The changing geopolitical environment has significantly influenced the EU's conceptualization of its role as a global actor by driving a shift toward a more securitized approach. As articulated in frameworks like the Global Strategy (2016), the Indo-Pacific Strategy, the GGP and the Strategic Compass, the EU's strategic autonomy positions the EU as a credible and resilient global actor. Anchored in normative power, the EU balances partnerships, notably with NATO, with an ability to act independently when necessary.

This duality reflects its evolving identity, characterized by a commitment to geoeconomic resilience, addressing hybrid threats, and securing maritime interests in the Indo-Pacific while distinguishing itself from the United States, in its nuanced handling of relations with China and its broader Indo-Pacific strategy.

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## Chapter 3: EU Regulatory Power, Market Power, and the Brussels Effect

Manuel R. Enverga III

### Introduction

In 2016, the United Kingdom (UK) was still a member of the European Union (EU). However, that was also the year in which a referendum was called for British citizens to vote on whether or not they would like to remain in the EU or leave. The referendum and subsequent process of leaving the Union was known as Brexit (Clarke et al., 2017). Prior to voting day, the 23<sup>rd</sup> of June, politicians held campaigns to convince the electorate about “leaving” or “remaining” in the EU. Among the Remain campaigns strongest supporters was Boris Johnson, who would later become UK Prime Minister. In one of his speeches delivered in the city of Cornwall, he declared that it was: “...absolutely crazy that the EU is telling us...what shape our bananas have got to be...” (Henley, 2016).

Although he had phrased his remarks in an exaggerated manner, his statement does reference the Union’s regulatory power. That is, it sets rules about product standards, indicating what sorts of goods can be sold within the Common Market, and in what ways they can be used. Johnson’s reference to the EU dictating the shape of bananas is an allusion to European Commission (EC) Regulation 2257/94, which prescribes standards for bananas that are satisfactory for human consumption. One stipulation of the law states that the fruits should be 14cm, with a grade of 27mm, while another states that they have to be “free from malformation or abnormal curvature” (European Union, 1994). There do not appear to be documented attempts to define what sort of curvature would be anomalous, but the Regulation was satirized in the media as the “bendy banana rule” (Irwin and Tominc, 2023; Worstall, 2016).

In Boris Johnson’s 2016 speech, he used the “bendy banana” example to underscore what he perceived as the absurdity of EU regulation. However, what was left unsaid in his remarks is crucial: the regulatory framework that governs product standards within the EU is not an arbitrary imposition by bureaucrats in Brussels. In fact, the standards for bananas, as well as many other products, were developed to address pre-existing confusion in trade. Prior to EU involvement, individual countries and the industry itself established varying criteria for banana quality and size. This created a fragmented market that was difficult to navigate, prompting the European Commission to introduce harmonized standards across all member states (Henley, 2016). Far from being an example of EU overreach, the regulation of bananas was a response to a demand from businesses and governments alike to simplify and unify trade rules. Yet, the “bendy banana” rule has since been politicized, becoming a symbol in Brexit debates, particularly among those who argue that the EU’s regulatory reach has become too expansive and overbearing.

What is often overlooked in these debates is the fact that the EU's power does not stem from an inherent desire to impose rules on its member states, but from two key factors. The first is the Union's creation of a Single Market, which allows for the free movement of people, goods,

services, and capital across borders (European Union, 2012). Enshrined in the Treaty on European Union (TEU), these Four Freedoms form the backbone of the EU's economic integration. The ability for goods to move freely within this space creates the necessity for common standards—ensuring that products sold across all 27 member states meet minimum safety, quality, and trade criteria. These regulations, far from being burdensome, offer clear advantages to consumers by protecting their interests, ensuring product safety, promoting fair trading practices, and facilitating access to reliable product information. Without these unified standards, the seamless functioning of the Single Market would be compromised, and consumers across the EU would face inconsistent, potentially unsafe products.

The second factor behind the EU's regulatory power lies in its sheer market size. With a population of approximately 450 million people and a per capita GDP of about EUR 40,000 (World Bank, n.d.a), the EU represents a major consumer market. For context, the global average per capita GDP is approximately EUR 12,000 (World Bank, n.d.b). This makes the EU a highly attractive market for global producers, who must comply with EU standards if they want to access this lucrative, regulated space. The combination of a large, wealthy consumer base and a well-regulated, borderless Single Market means that businesses worldwide must align their products and services with EU regulations to remain competitive. In essence, the EU's internal market is so large and influential that companies, regardless of their origin, must adhere to its rules if they wish to tap into this vast economic region.

Thus, the EU's regulatory power is not merely a function of political authority, but of economic leverage. The Union is often perceived as a regional organization concerned with the governance of its member states. However, its regulatory influence extends far beyond its borders, shaping industries and markets globally. Through its ability to set and enforce standards, the EU exerts an outsized influence on global trade, often with little direct involvement from other countries.

The European Union (EU) is often perceived as a regional organization primarily concerned with the economic governance of its member states. However, its power extends far beyond its borders, especially in the field of regulation (Eberlein and Grande, 2005; Hadjiyanni, 2021). The EU is a global regulatory superpower, influencing industries and markets around the world. Through its ability to set and enforce standards, the EU shapes everything from product specifications to data privacy laws, sometimes with little to no direct involvement from other countries.

This chapter will delve deeper into the EU's use of its market power to externalize regulations and shape global trade, governance, and industry practices. Whether it's the General Data Protection Regulation or the Geographical Indications, the EU's regulatory influence is undeniable, and understanding its scope and mechanisms is essential for appreciating the EU's global role.

## Defining Regulatory Power: The Externalization of Standards

Regulatory power refers to the capacity of an organization or state to set rules that govern behavior both within and beyond its borders. The European Union (EU), with its expansive internal market, has effectively used its regulatory framework to project its influence beyond Europe, shaping global standards in a variety of sectors. This process, known as the *Brussels Effect* (Bradford, 2015), explains how companies worldwide often adopt EU regulations voluntarily, even when they are not legally required to do so, due to the high costs associated with creating separate products for different markets. This trend of regulatory externalization occurs because the economic benefits of aligning with EU standards outweigh the costs of regulatory fragmentation. The EU's vast market and economic power provide a compelling incentive for global businesses to comply with its regulatory rules to access European consumers, thereby extending its influence well beyond its geographical boundaries.

Corollary to this is the concept of "market power" as articulated by Damro (2012, 2015). The author introduces the idea of *Market Power Europe* (MPE), which emphasizes the EU's ability to shape international markets not just through formal regulation but through the very structure of its economic and market-related policies. The EU's regulatory power is deeply intertwined with its market power, as its immense consumer base, coupled with its ability to impose and enforce standards, makes it a formidable actor in the global economy. The EU's market power is not merely about setting rules within its borders but about the externalization of these rules—rules that businesses around the world must adopt in order to access the highly attractive and lucrative EU market.

According to Damro (2015), the EU exercises its market power through a combination of persuasion and coercion, exerting influence over both state and non-state actors. While the EU's regulatory power is often portrayed as stemming from its formal legal authority over its member states, Market Power Europe suggests that the EU's real power arises from its ability to shape global markets through its size and economic influence. By externalizing its standards, the EU effectively imposes its market-related norms on the rest of the world. Businesses in third countries (non-EU states), seeking to gain access to the Single Market, align their operations with European standards, even when such alignment is not legally required in their home countries.

This externalization process is part of a broader strategy where the EU uses its market clout as a tool for global influence, often bypassing traditional diplomatic or coercive means. In this sense, the EU's regulatory power is not only about imposing laws but about creating a regulatory environment that others choose to follow because of the economic benefits of access to the EU's integrated market. Damro's work underscores the dynamic and multifaceted nature of the EU's global power, highlighting the combination of economic might and regulatory influence that allows the EU to act as a major global player in international trade and policy.

Together, regulatory power and market power form a complementary framework for understanding the EU's external influence. The Brussels Effect is a direct manifestation of the



EU's market power, as companies worldwide adopt EU standards to maintain access to the Single Market. This regulatory power, derived from the EU's market size and influence, extends far beyond Europe's borders, shaping global trade practices and ensuring that EU norms and standards are followed by global corporations. Through this process, the EU's regulatory influence becomes a central tool in its broader strategy of economic diplomacy, further solidifying its role as a global regulatory superpower.

While the EU is not the only actor capable of projecting regulatory influence globally, its approach is distinctive in both scale and institutional depth. There are similar phenomena such as the California effect, where stricter state-level standards influence other jurisdictions, especially in environmental regulation (Perkins and Neumayer, 2011; Frankenreiter, 2021), and the Beijing effect, which arises from China's technological exports and infrastructure investments shaping data governance beyond its borders (Erie and Streinz, 2021). However, as Bendiek and Stuerzer (2023) highlight, the Brussels effect stands apart because the EU's regulatory power is supported by a comprehensive legislative and institutional framework that underpins its internal consensus-building process. This provides European regulations with a distinctive combination of legal certainty, political capital, and strategic coherence that reinforces their externalization and global adoption. These features are not fully replicated by either the California or the Beijing effects.

### **Case Studies of EU Regulatory Power**

This section of the chapter presents specific cases that illustrate the EU's regulatory capabilities. It discusses the General Data Protection Regulation (GDPR), the Universal Charger Regulation, and Geographical Indications (GIs). A final case is on labor regulations, with a specific focus on Philippine seafarers.

#### *The GDPR*

The General Data Protection Regulation, implemented in May 2018, stands as one of the most powerful examples of EU regulatory power. The GDPR governs the collection, processing, and storage of personal data within the EU and imposes strict obligations on companies that process the data of EU residents, regardless of where the company is located (European Parliament & Council of the European Union, 2016). While the primary aim of the GDPR was to protect the privacy of EU citizens, its influence has extended far beyond the Union's borders, transforming global data privacy practices. Companies that operate globally, such as Facebook, Google, and Amazon, were compelled to overhaul their data collection and processing practices to comply with GDPR standards. For instance, they had to implement systems to allow users easy access to, correction of, and deletion of their data. They were also required to obtain explicit consent before collecting personal data, making transparency and user autonomy central tenets of their data practices.

However, what makes the GDPR especially noteworthy is its extraterritorial nature. Even companies based outside the EU, in countries with no formal relationship to the Union, were required to comply with its provisions if they handled the data of EU residents. This extraterritorial scope reflects the EU's regulatory reach, which extends well beyond its political and legal borders. According to Kuner (2023), the GDPR's rules on territorial scope and international data transfers underscore the EU's ambition to protect personal data not only within its borders but globally. By enforcing high standards of privacy protection, the EU seeks to set a global benchmark, demonstrating its regulatory influence through the framework of international data protection.

The GDPR's global impact is evident in the fact that several countries have introduced or are developing their own data protection laws modeled on the EU's regulation. For example, Brazil's General Data Protection Law, enacted in 2020, closely mirrors the GDPR's provisions (Erickson, 2019), while the California Consumer Privacy Act (CCPA), also introduced in 2020, reflects a similar shift toward enhanced data privacy (Barrett, 2019). As Bharti and Aryal (2022) note, these laws highlight how the GDPR has influenced the evolution of privacy regulations outside Europe, forcing global tech companies to adjust their practices to align with European standards.

One of the primary reasons for this widespread adoption of GDPR standards is the EU's ability to use its market power as leverage. The Union's large and integrated market, which encompasses approximately 450 million consumers, makes it a highly attractive destination for global businesses. As noted by Goddard (2017), companies worldwide must comply with EU regulations if they wish to access this lucrative market. The cost of developing separate products for different jurisdictions is often deemed too high, prompting businesses to adopt the EU's rigorous data protection standards to streamline their operations and maintain access to European consumers. Moreover, the GDPR has proven to be a catalyst for broader shifts in data privacy practices globally. As companies strive to comply with EU regulations, the GDPR's influence has permeated various sectors, compelling organizations around the world to adopt similar privacy protections, not just to meet legal requirements but also to gain consumer trust.

This phenomenon can be considered through the concept of the *Brussels Effect* (Bradford, 2015). In this way, the GDPR is not only a tool for protecting EU citizens' privacy but also a powerful mechanism through which the EU exerts its regulatory power on a global scale. The GDPR also underscores the EU's role as a normative power in the digital age, reflecting its broader concern with safeguarding fundamental human rights. As outlined in the Charter of Fundamental Rights of the European Union, privacy is recognized as a fundamental right. This philosophical approach to data protection, as Goddard (2017) emphasizes, places the EU in a unique position to promote privacy protections across the globe. The GDPR is grounded in the idea that privacy is a fundamental human right, and its extraterritorial reach further strengthens the EU's role as a global regulator committed to upholding this principle.

Despite its wide influence, the GDPR's implementation has not been without challenges. The regulation's complexity has raised concerns about its practical enforcement, especially in non-

EU countries where legal interpretations may vary. As Bharti and Aryal (2022) point out, some critics question whether the GDPR is truly effective in balancing privacy protection with the demands of businesses.

The GDPR serves as a global benchmark for data privacy, showcasing the EU's ability to shape global standards and enforce its regulations outside its borders. As Kuner (2023) argues, the EU's commitment to protecting data privacy internationally through the GDPR has reinforced its position as a global regulatory superpower. By setting high standards and using its market power to drive compliance, the EU has not only influenced corporate practices but also contributed to the global conversation on data privacy. This demonstrates the EU's regulatory power and its role in shaping norms that extend well beyond its borders.

### *The Universal Charger Regulation*

The EU's universal charger regulation, passed in 2021, serves as another striking example of the Union's far-reaching regulatory influence. This regulation mandates that all smartphones, tablets, and other electronic devices sold within the EU adopt a standardized USB-C charging port by 2024. The primary goal is to reduce electronic waste (e-waste) by ensuring that consumers can use the same charger across different devices, eliminating the need for multiple chargers for various products. The environmental benefits, as well as consumer convenience, are central to this regulation, as it encourages the reusability of chargers, ultimately saving both money and reducing waste.

Despite its environmental and consumer benefits, the regulation has had significant global implications. One of the most notable reactions came from companies like Apple, which had previously relied on its proprietary Lightning cable for devices such as iPhones. Apple initially resisted the regulation, arguing that government-imposed standards would stifle innovation and limit their ability to design products according to their specifications. However, the economic realities of the EU market, which is one of the largest consumer bases in the world, made it clear that aligning with the EU's USB-C standard would be far more cost-effective than designing separate products for different markets.

The regulation has already begun to shape global practices, with non-EU companies following suit, even outside the electronics industry. As companies worldwide sought access to the EU market, many shifted toward adopting USB-C charging ports, illustrating the EU's ability to externalize its regulations. The EU's large consumer base and its ability to impose standards within the Single Market further amplify this influence, compelling companies to align their products with EU requirements to maintain market access.

The EU's regulatory power in this case extends beyond simply imposing rules within its borders. As Fourneau (2024) highlights, this regulation, while protecting consumers and reducing e-waste, also sparked concerns over innovation within the consumer technology industry. Critics from the technology industry argue that it could limit the development of more efficient wired

charging solutions, potentially hampering progress in the field. However, the EU's approach is not without flexibility. Wireless charging technologies have not yet been standardized across devices, and the European Commission has been working on harmonizing wireless charging to ensure future interoperability (Fourneaux, 2024). This forward-thinking approach underscores the EU's regulatory ability to shape technological trends while addressing emerging challenges. The EU's market power and its regulatory framework have ensured that this universal charger standard is not only a European issue but a global one. According to the Council's press release (2022), the decision to create a common charger will save consumers money and reduce e-waste, with up to 11,000 tons of e-waste annually potentially avoided due to the unification of charging standards. The regulation impacts a wide range of consumer electronics, including mobile phones, tablets, and laptops, which will now be required to adopt USB-C charging ports, further cementing the EU's role as a global regulatory powerhouse.

Through the externalization of this regulation, the EU has effectively imposed a global standard for device charging, highlighting how the EU leverages its market power to drive environmental and technological change worldwide. Despite the criticisms surrounding the potential for stifling innovation, the regulation exemplifies the EU's capacity to influence corporate practices and technological evolution not only within its borders but across the globe.

### *Geographical Indications (GIs)*

The European Union's ability to regulate and protect Geographical Indications (GIs) is a significant demonstration of its regulatory power, with profound implications for global trade and intellectual property standards. GIs serve to protect products tied to specific geographical regions that possess distinctive qualities or reputations associated with their origins. Historically, the EU has protected iconic products such as Champagne, Parmigiano Reggiano, and Feta cheese under GI regulations, ensuring that only products produced within these specific regions can bear these names (Graghani, 2012). This regulatory power is a reflection of the EU's long-standing commitment to promoting the value of its cultural and agricultural heritage, especially in the context of its Common Agricultural Policy (Graghani, 2012).

The EU's role in exporting GI protection globally through its trade agreements exemplifies how it uses regulatory power to extend its influence beyond its borders. A key example of this is the 2019 EU-Japan trade agreement, which included provisions to protect 200 European GIs, such as Roquefort cheese and Bordeaux wine. This agreement ensured that Japanese producers could not label their products as Champagne unless they were produced in the Champagne region of France, even if those products were made in Japan. This ability to enforce GI protection across borders showcases the EU's leverage in shaping global standards and preserving the reputation of its products in international markets (Kennis & Liu, 2024).

The EU's regulatory power in the realm of GIs is not just about exporting rules, but also about promoting a broader framework of protection that combines economic, cultural, and political factors. As Huysmans (2020) notes, EU trade agreements have become a crucial platform for

establishing GI protection as a key non-trade issue in global negotiations. This intertwining of trade and cultural preservation allows the EU to secure GI protections even in the face of resistance, such as from the United States. For example, Greece and Italy threatened to block the CETA agreement over inadequate GI protections, signaling how deeply entrenched GIs are in the EU's political and cultural identity (Huysmans, 2020). This indicates that the EU's interest in protecting its GIs is not just economic but also deeply connected to national and regional pride, especially in southern European countries where GIs are highly significant to local culture and identity.

Moreover, recent developments in EU regulations further highlight the EU's expanding regulatory reach in the field of GIs. In 2023, the EU introduced Regulation 2023/2411, extending the protection of GIs to craft and industrial products, a move that broadens the scope of GI protection beyond agricultural goods (de Almeida, 2025). This regulatory reform aims to streamline the registration process for craft GIs while also increasing their level of protection, demonstrating the EU's commitment to adapting its regulatory framework to the evolving needs of the global market. However, questions remain regarding potential discrepancies between this new regulation and existing ones, particularly with regard to the use of GIs in industrial products (de Almeida, 2025). This evolving landscape reveals the EU's strategic aim to ensure that GIs remain a key asset in both its internal and external markets, reinforcing its role as a global regulatory power.

In addition to expanding the scope of GIs, the EU's regulatory framework has contributed to a unique legal system that protects GIs in ways that differ significantly from traditional intellectual property (IP) laws. As Gragnani (2012) explains, the EU's approach to GIs—through mechanisms like the Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI)—has created a legal framework that prioritizes quality and reputation over generic market competition, distinguishing EU GI protection from traditional trademark law. This legal distinction allows the EU to offer a more holistic protection system, one that is not simply about branding but about preserving the cultural and economic value tied to specific regions and products.

The global reach of EU GIs can also be seen in the increasing recognition of these protections by non-EU countries, especially in emerging markets like China and India, where the value of GIs is beginning to be recognized (Kennis & Liu, 2024). As more countries adopt GI protections, the EU's regulatory influence in this area continues to grow, establishing a global model for intellectual property that other regions and countries are increasingly looking to emulate. This global shift is not only an example of the EU exporting its regulatory standards but also a testament to the EU's success in using its market power to shape global practices in ways that preserve its cultural heritage and enhance its economic interests.

The EU's use of GIs as a tool of regulatory power demonstrates its capacity to influence global standards while also preserving its cultural and economic interests. Through trade agreements, legislative reforms, and an expanding legal framework, the EU has effectively exported its GI regulations globally, creating a robust system that other regions are beginning to adopt. This

case exemplifies how the EU's regulatory power is exercised not only within its borders but also on the global stage, shaping international intellectual property norms and promoting the value of regional identity in global trade.

### *Labor Regulations: Philippine Seafarers*

The European Union (EU) wields significant regulatory power over labor standards, particularly in industries with complex global supply chains. One prominent example of this is the maritime industry, where many countries, including the Philippines, are key suppliers of seafarers for EU-flagged vessels. The EU enforces strict labor standards for seafarers, including requirements for minimum wage, safety protocols, and overall working conditions. These standards aim to ensure that workers on EU ships receive protections equivalent to those of EU nationals.

The Philippines, one of the world's largest exporters of seafarers (Markkula, 2019), has faced significant challenges in meeting these stringent EU regulations. Filipino seafarers make up a considerable proportion of the global maritime workforce, contributing to the operation of many EU-flagged ships. However, the EU's regulatory framework places pressure on the Philippines to meet international labor standards, particularly in terms of seafarer education and training, certification, and working conditions. In 2022, the European Maritime Safety Agency (EMSA) released a report that revealed gaps in the Philippines' compliance with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW), a key international labor agreement for maritime workers (Ships and Ports, 2022). The findings jeopardized the jobs of over 400,000 Filipino seafarers.

In response to EMSA's concerns, the Philippines was forced to revise its labor regulations and maritime education systems (Philstar Global, 2023). Efforts were made to improve the quality of training institutions and ensure compliance with international standards. These reforms included increasing investment in seafarer education, enhancing training facilities, and ensuring that Filipino seafarers received the same protections as their European counterparts. This process illustrated how the EU, through its regulatory power and market leverage, influenced labor laws and practices in the Philippines, motivating reforms that enhanced working conditions for Filipino seafarers.

As outlined by Chibana (2023), Filipino seafarers face significant challenges, such as a shortage of skilled workers and limited career advancement opportunities. However, their vital role in the global maritime labor market cannot be overstated. Filipino seafarers account for a substantial portion of the global workforce, making it crucial that the Philippines produces high-quality maritime professionals. Compliance with the STCW and other international standards has become essential not only for meeting EU requirements but also for sustaining the Philippines' position as a key labor exporter. According to Chibana, improving the quality of Filipino seafarers involves aligning domestic maritime training institutions with international regulations, ensuring that they produce skilled and certified seafarers who can meet the demands of the global shipping industry.

Galam (2022) also highlighted the role of international actors in shaping the Philippines' seafaring labor policies. These actors, including the EU and international maritime organizations, have been deeply involved in the creation and implementation of labor standards for Filipino seafarers. Through their involvement in maritime education and the enforcement of international regulations, these actors have reshaped the Philippine state's role in managing seafaring labor. The relationship between the Philippines and these international actors emphasizes the interconnectedness of global labor markets and regulatory frameworks.

The EU's use of regulatory power in this context demonstrates how the bloc leverages its market position to enforce labor standards globally. By tying the ability of foreign workers to access EU markets to their compliance with specific labor laws, the EU has effectively externalized its labor standards, compelling countries like the Philippines to align their domestic regulations with EU norms. This externalization process has the dual effect of improving working conditions for workers in developing countries while ensuring that companies operating within the EU maintain high labor standards. For Filipino seafarers, this regulatory influence has led to tangible improvements in labor protections, better working conditions, and enhanced career prospects, all of which are critical for maintaining their role in the global maritime industry. Through this regulatory power, the EU has shaped labor standards worldwide, proving that economic leverage, when coupled with a strong regulatory framework, can influence significant change in labor practices across borders. The case of Filipino seafarers serves as a powerful example of how global regulatory frameworks, like those enforced by the EU, can reshape labor markets, improve standards, and enhance the overall welfare of workers in developing countries.

### **The Future of EU Regulatory Power: The Green Deal and the Digital Services Act**

As the European Union continues to expand its regulatory influence, two key areas stand out in its current agenda: the European Green Deal (EGD) and the Digital Services Act (DSA). Both represent ambitious regulatory projects that highlight the EU's proactive role in shaping not only its internal policies but also global norms. These initiatives underscore the EU's regulatory power and its ability to influence industries, trade, and governance far beyond its borders. The European Green Deal (EGD), announced by Ursula von der Leyen in 2019, is one of the EU's most transformative and far-reaching regulatory endeavors. Designed to ensure that Europe becomes the first climate-neutral continent by 2050, the EGD aims to decarbonize the EU economy, revolutionize its energy systems, and establish the EU as a global standard-setter in climate action (Eckert, 2021). With over 50 actions planned, including the European Climate Law and the "Fit for 55" package, the Green Deal seeks to not only address the EU's internal environmental needs but also set a global benchmark, encouraging other nations to adopt similar ambitious climate targets (Chiti, 2022). Its far-reaching scope extends to geopolitical and economic dimensions, with potential consequences for global trade patterns, energy security, and relationships with oil and gas-producing countries, such as Russia and Saudi Arabia (Leonard et al., 2021). While the Green Deal is primarily focused on environmental

sustainability, it also has profound economic implications, positioning the EU as a leader in promoting the green transition globally.

On the other hand, the Digital Services Act (DSA) and its companion regulation, the Digital Markets Act (DMA), are pivotal in the EU's effort to regulate the digital economy. The DSA, which came into force in 2022, introduces a comprehensive framework aimed at ensuring accountability and safety online, especially concerning harmful content, misinformation, and hate speech (Chiarella, 2023). By establishing clear obligations for online platforms, the DSA intends to curb the unchecked power of "gatekeepers" and promote transparency, while also safeguarding users' rights (Heldt, 2022). The DSA's regulatory reach goes beyond the EU's borders, as its implementation influences the global regulatory landscape for digital platforms. This is especially significant given the EU's previous leadership in regulating tech companies, such as through its collaboration with platforms like Facebook and YouTube to combat hate speech (Tourkochoriti, n.d.). The DSA's global impact is still unfolding, particularly as it contends with conflicts arising from other jurisdictions, such as the United States, where regulatory approaches differ.

As the EU continues to operationalize these regulatory frameworks, their global implications remain in the early stages of realization. Both the Green Deal and the Digital Services Act present opportunities for further research, particularly regarding their interaction with international trade, politics, and the regulation of technology. Given the evolving nature of both initiatives, it is clear that their future development will be critical in shaping not only European policy but also the global regulatory environment. The EU's ongoing regulatory power in these two areas promises to have long-lasting effects on climate policy, digital governance, and international cooperation, making these subjects rich fields for continued academic exploration.

#### Conclusion: The EU as a Global Regulatory Power

In conclusion, the European Union's regulatory power has transformed from a set of internal market rules to a significant global force, shaping trade, industry standards, and governance practices around the world. Through the externalization of its regulations, particularly via the Brussels Effect, the EU has leveraged its market size and economic influence to set global standards, particularly in areas such as data protection, product specifications, and labor rights. While these regulations have led to considerable economic and social benefits, they also provoke critical questions surrounding sovereignty, global governance, and potential regulatory conflicts. Looking forward, the EU's ongoing focus on sustainable finance, the Green Deal, and climate regulations suggests that its regulatory power will continue to define the future landscape of global trade and industry.

As global interconnectedness continues, the EU's ability to project its regulatory standards will remain crucial in shaping international trade relations and governance. Though often seen as an internal mechanism, the EU's regulatory influence has far-reaching implications, fostering a global regulatory environment that reflects its values and priorities. Nevertheless, as this chapter has underscored, the EU's regulatory power is not without its complexities. The global ramifications of its regulations will continue to raise important questions about sovereignty,



trade relations, and multilateral cooperation, ultimately shaping the future of global governance.

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## Chapter 4: The EU in the G20

Irwin Cruz

### Introduction

This chapter takes a look at the interaction between the European Union (EU) and the Group of 20 (G20), the world's premier forum for governance of the international economy. It first gives a history and description of the G20. It then assesses the impact of the EU on the G20 and vice-versa, updating the work of and using the analytical framework of Amttenbrink et al (2015) on the subject prepared for the European parliament. It then concludes with the assertion of the G20's importance to the EU based on the analyses.

### History of the G20

The G20 came at a time when the world's international financial architecture (IFA) was undergoing its second reform. According to Elson (2012), the IFA first had its first reform after the collapse of the Bretton Woods system. Then came the Asian financial crisis in 1997, which first shook south-east Asian economies before affecting the rest of the world, prompting a wider, global response.

International co-operation brought about several initiatives to address the crisis that began in Thailand in July 1997 before spreading to other Asian countries. Among the first was the Manila Framework which comprised 14 countries. But with the crisis later broadening its impact, other forums were organized. Among these were the G22 and the G33, which included the G7 countries plus other emerging economies (Elson, 2012)

These became predecessors to what will later be established as the G20. The G7 declaration in 1999 called for the forum to include "systemically important countries" representing different regions of the world. Its mandate was to address and preserve the stability of the global financial system and ensure sustainable growth of the world's economies.

The G20 includes 19 of the world's largest economies plus two regional blocs, the EU and the African Union, which joined in 2023.

Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Republic of South Africa, Russia, Saudi Arabia, Turkey, United Kingdom and the United States of America, African Union (joined in 2023) and European Union
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Table. G20 members

### Structure of G20

The work of the G20 involves mainly the members' finance ministers and central bank governors, who meet quarterly, as well as their deputies and working groups who do the preparatory work. There is also a yearly leaders' summit, which started in 2008 in response to the global financial crisis, where declarations are announced, laying out commitments agreed on for that year. The chairs of the International Monetary and Financial Committee (IMFC) and Joint Development Committee plus the heads of the IMF and World Bank also join as ex-officio members.

The G20 has no permanent secretariat; the rotating chair is responsible for providing secretariat duties during its designated year. It also uses a troika system wherein the previous and the upcoming chairs work the incumbent to provide continuity in the agenda and smoothness in transition.

The G20 operates under two main tracks. There is the finance track which includes topics directly related to international finance and convenes finance ministers and central bank governors. The sherpa track meanwhile focuses on relevant socioeconomic issues and is led by a special representative designated by the leader of the G20 (G20 Background Brief 2023). Bertoldi et al (2016) further classifies finance track topics into recurrent and special topics. Recurrent topics include IFA and financial regulation reform, macroeconomic cooperation and coordination, international taxation, assessment of the world economy and its outlook as well as policies for growth. Special topics meanwhile are added depending on mandates for a G20 summit, such as green finance and infrastructure are examples. A more recent example can be seen during the Saudi Arabia and Italy G20, which had health finance as a topic during the years of Covid-19 pandemic for obvious reasons. Some of these eventually become recurrent topics in succeeding summits.

Finance track	Sherpa track
Macroeconomic Issues (Framework Working Group) International Financial Architecture Infrastructure Financing Sustainable Finance International Taxation Financial Inclusion Financial Sector Issues Finance and Health	Agriculture Anti-Corruption Culture Disaster Risk Reduction Development Digital Economy Education Employment Energy Transitions Environment and Climate Sustainability Health Tourism Trade and Investment

	Research and Innovation Women's Empowerment Bioeconomy
Anti-Poverty and Hunger Climate Change	

**TABLE. G20 BRAZIL 2024 WORKING GROUPS, TASK FORCES AND INITIATIVES**

Bradlow (2025) provides a concise view of how these tracks operate. Working groups, whose agenda is set by the current presidency as detailed in the “issue notes”, do most of the work of the two tracks. These working groups meet throughout the year and then report the results to deputy ministers. The deputy ministers then try to pare off as many diverging points as possible before these are elevated at ministerial level. The G20 ministers then negotiate to arrive at an agreement to a draft communique. Otherwise just a summary of the ministerial meeting is issued. All of these “inform the communiqué that will be released at the end of the G20 summit” that is usually scheduled before the presidency at the end of November.

### **Views on the G20**

Perceptions on the G20 are mixed. Elson (2012 TCK) argues that the G20 lacks credibility as it is essentially “self-appointed”, and its membership criteria are not clear. Nevertheless, the forum has come to define the agenda for international financial and economic reform in the years that followed despite its declarations being non-binding. The G20 remained less prominent than the G7 up until 2007, when it stepped out of its shadows after developed countries recognized it as the “appropriate platform” to address the global financial crisis. The crisis found the IFA wanting as it brought to the spotlight the absence of a global and “central consultative body” to coordinate policies. The crisis saw the G7 ceding the role to the G20, during which it set up a policy agenda that made sure that “responses of countries are broadly consistent” and steer clear of counterproductive policies such as unfavorable exchange rate devaluations. So much so that in the 2009 leaders’ declaration, the G20 was designated as the “premier forum for international economic cooperation” and the description has since then stuck.

One can argue that the G20’s own set-up and processes have been conducive to this. Firstly, all members are of equal standing whether they are a developed or developing country. Kaya (2015) further writes that the forum exercises “relative egalitarianism” by having a rotating chair and working groups composed of both developing and developed states. It also puts emphasis on arriving at a consensus. Its nature is also “delegatory”, which has an effect in reducing the focus on the discrepancies between the advanced and developing countries and makes the “distribution of political power” matter less. However, Kaya adds, its delegatory nature also brings the disadvantage of less accountability.

Though its declarations are non-binding, commitments to reforms are implemented among members and transmitted to the rest through “leading by example”. Elson (2012) writes that there is also a kind of “peer pressure” to observe commitments made after the annual gatherings. Amtenbrink et al (2015) describes the forum as an example of “informal international lawmaking”. Indeed, the output of G20 is often regarded as a textbook case of soft law at work which has come to dominate international financial governance. (Turner 2014; Brummer 2010). Furthermore, Monticelli (2019) writes that the forum has since its inception has come to figure a central role “which is emblematic of the new [international economic] order” due to the shift in the balance of power between the G7 and several emerging economies.

## **EU and the G20**

How the EU operates within the G20 is of particular interest given that it is a bloc representing 27 member countries that sit with other individual states, three of which belong to it. France, Germany and Italy are permanent members, who send their own central bank governors and finance ministers. Meanwhile, the bloc is represented by the ECB president and the economy commissioner, plus a deputy. At the leaders’ summit, the European Commission and Council presidents both attend.

EU law governs the competence of the bloc in international economic relations, including international organizations. This is crystal clear for certain policy areas where it has exclusive competence, such as trade. Hence, its representation is expected in the World Trade Organization and on all matters concerning international trade.

In the G20, this is not as straightforward given that various policy areas are involved. Amtenbrink et al (2015) has laid out the legal framework from which the EU and members could operate as such. He cites “[principle of sincere cooperation](#)” under Article 4 (TEU) which recognizes the competences that remain with member states in external affairs but binds them to fulfil obligations of the Union and to refrain from acts that could prevent Union objectives. As such, in the G20, Amtenbrink et al write:

In areas where the EU has exclusive competences, the three member states cannot have their own position. In areas of shared competences, if the EU has already taken action, member states’ action “might be preempted”. In areas of where member states retain their competences, their actions cannot run counter to Union goals.

Member states are obligated to cooperate closely with the EU in the forum As underscored by an ECJ ruling ([ERTA case](#)) member states are also obliged to abstain to act individually internationally if the EU already has expressed taking action on the matter. According to Bertoldi et al 2016, the bloc’s negotiating position for the finance track usually begins with the approval by the EU Council of finance ministers (Ecofin) of the “terms of reference “for G20 meetings. The short document is basically a “mandate” for the ministers to



bring topics to G20 meetings where they are negotiated to arrive at outputs such as communiques, which are then reported back to the Ecofin/Commission for endorsement.

### **Economic case for policy coordination**

At this point, we stop and ask ourselves why do countries participate in international forums such as the G20 at all? What is the value of countries cooperating and coordinating on international policy?

First, we need to distinguish international policy cooperation from international policy coordination. Daniels and Van Hoose (2012) write that the former happens when countries identify areas for cooperation and agree on the procedures and institutions through which they can share with each other their goals in these areas and how they can achieve them. The latter meanwhile differs as it demands more engagement. Policy coordination means policies are determined as a group so the entire group benefits. This might entail “sacrificing national interests for the common good” to result in an outcome where each member is left better off.<sup>5</sup> In sum, countries cooperate and coordinate on international economic policy because they see advantages in participating. They see benefits by being inside the room and having a seat at the table. If there are no benefits, then what’s the point of participating? Daniels and Van Hoose (2012) highlight three advantages. These include obtaining good will from international partners, maximizing available policy tools and “internalizing international policy externalities”, that is reaping the benefits (as well as costs) spilling over from such cooperation and coordination.

The EU in general is supportive of multilateralism, which is one of its modes through which it conducts policy internationally. Multilateralism is very much embedded in its policymaking. [Article 21](#) of the Treaty of the European Union states that the bloc “shall promote multilateral solutions to common problems” and “promote an international system based on stronger multilateral cooperation and good global governance”. As such its participation in the G20 is coherent to the bloc’s overall approach.

EU's contribution: experience in economic policy coordination

There is recognition of the value of the EU’s participation in the G20. The bloc is well-placed as a member of the G20. Not only is it in aggregate one of the largest and systemically important economies, but it also has expertise in economic cooperation and cross-border economic governance as well as institutional memory of such issues.

Bertoldi et al (2016) cites that a significant contribution that the EU brings to the G20 is the more than sixty years of involvement in coordinating economic policy among different sovereign

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<sup>5</sup> Daniels and Van Hoose use a two-nation model to illustrate this. Peter Montiel meanwhile uses a large-country model showing that domestic policies of one large country can have spillover effects with the rest of the world, hence the need to coordinate.

states. Its experience in planning and bringing to life grand projects such as the Single Market and the European Monetary Union makes it “well-placed to provide constructive suggestions and proposals in economic policy cooperation and coordination”. In short, the bloc has abundant experience and demonstrated expertise in transnational economic policy, which has been tested and proven at a regional level and can be helpful at a global level.

Bertoldi et al (2016) also highlight the experience of economic policy coordination from the European Semester.<sup>6</sup> Early-stage agreements on objectives and mechanisms to reach those goals as well as a “peer review process” of planning and action create a sense of ownership of the process. One can say that this process “locks in” country stakeholders to commitments that ensure the G20 to be more effective.

Amténbrink et al (2015) further note that apart from its expertise in the “multilevel and cross-border approach” into the governance of the world economy, the EU has a deep understanding of how macroeconomic policy “interacts with other public policies that can affect financial stability”. The European Semester case shows the interconnectedness of financial and economic policy with other government policies, and that can also be similarly gleaned at the international level just by looking at the range of issues taken up by the G20 that has expanded through the years its finance and sherpa tracks.

## **Impact of the EU in the G20**

In this section we analyze the impact of the EU in G20 forums. We identify EU priorities identified in the agreed language or “terms of reference” by the EU council of finance ministers ahead of the leaders’ summit and see if these have been translated in three G20 leaders’ communiques.

Amténbrink et al acknowledges that this methodology is “crude”. They also warn that inclusion of these priorities does not necessarily mean full adoption or compliance. (See the second section below.) Another important caveat is that this method can only show insofar as EU priorities reaching the conclusion but does not discount the possibility of other countries having the same priorities bringing them to the G20 meetings.

Hamburg 2017: Sustained equitable growth

One of the priorities for the German chairmanship in 2017 and the EU is the Hamburg Action Plan, which was later endorsed by G20 leaders. One can say that the plan is a reiteration of the G20’s original mandate of ensuring sustainable global growth through economic cooperation. The plan underlined the use of monetary, fiscal and structural policies to achieve this goal. It also included new measures to ensure economies avoid the build-up of excessive risks from imbalances, make them more resilient, and to foster equitable growth.

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<sup>6</sup> The annual EU exercise where economic, fiscal, employment and social policies are agreed at an EU level

## Osaka 2019: Digital economy

Ahead of the Osaka leaders' summit in 2019, the EU issued an agreed language concerning issues in the digital economy. One issue is the support of G20's "Data Free Flow with Trust" initiative. This comes at the heels of an EU-Japan agreement which created the largest economic area of "safe data flows" and coheres with the EU thrust of cross-border data flows with high levels of privacy and data protection in mind. This issue was highlighted in the leaders' declaration.

However, the declaration also stated that "domestic and international legal frameworks" must be respected, which implies a fragmentation of policy rather than searching for a common standard, while at the same time, it "encourages interoperability of frameworks" in the face of the varying approaches countries are adopting when it comes to the digital economy, resulting in fragmentation in policy.

Another high priority for the EU was taxation on the digital economy and to ensure that it is fair and transparent, endorsing the solutions provided by an OECD report. This work program was later endorsed collectively by G20 leaders at the summit.

## Rio 2024: Private capital for sustainable development

One of the priorities approved by Ecofin in October 2024 for the G20 was addressing the financing gap for sustainable development. This meant fostering private capital alongside public financing for climate finance and investments, especially in developing countries. (BMF 2024) Initiatives include the "identifying and addressing structural barriers" to private capital flows towards these sustainable goals in order to scale up sustainable financing in these countries.

## Impact of G20 on the EU

This section attempts to analyze the level of impact of the G20 on the EU. It updates the work done by Amtenbrink et al for the European parliament by adopting their method and using compliance data from the G20 Research Group for the years 2014 to 2023, the years not covered by their study.

Member	Washington	London	Pittsburgh	Toronto	Seoul	Cannes	Los Cabos	St Petersburg	Brasilia	Ankara	Hangzhou	Hamburg	Buenos Aires	Osaka	Reykjavik	Rome	Bali	New Delhi	Average for economy
	2008	2009	2009	2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Argentina	0	-0.6	-0.13	0	-0.08	0	0.31	0.06	0.06	0.53	0.63	0.82	0.75	0.53	0.6	0.73	0.73	0.56	0.32 Argentina
Australia	n/a	0.6	0.5	0.56	0.85	0.67	0.94	0.63	0.59	0.65	0.79	0.71	0.8	0.74	0.9	0.6	0.87	1	0.73 Australia
Brazil	1	0.2	-0.63	0.29	0.42	0.6	0.56	0.31	0.12	0.53	0.58	0.82	0.7	0.47	0.65	0.53	0.53	0.89	0.45 Brazil
Canada	1	0.6	0.63	0.78	0.69	0.73	0.75	0.44	0.71	0.65	0.84	0.94	0.75	0.79	0.85	0.64	0.8	1	0.74 Canada
China	0	-0.4	0.13	0.38	0.42	0.53	0.38	0.19	0.59	0.59	0.74	0.76	0.75	0.42	0.7	0.53	0.67	0.56	0.47 China
France	1	0.8	0.63	0.56	0.77	0.6	0.69	0.69	0.63	0.71	0.63	0.94	1	0.71	0.9	0.21	0.29	0.78	0.68 France
Germany	1	0.8	0.63	0.56	0.54	0.67	0.56	0.75	0.69	0.71	0.79	0.88	0.65	0.88	1	0.79	0.86	0.78	0.74 Germany
India	0	-0.4	-0.38	-0.29	0.42	0.6	0.5	0.63	0.59	0.65	0.63	0.82	0.75	0.58	0.35	0.67	0.73	0.44	0.43 India
Indonesia	n/a	-0.4	-0.63	-0.13	0.36	0.14	0.47	0.5	0.12	0.18	0.53	0.94	0.45	0.32	0.55	0.47	0.47	0.56	0.29 Indonesia
Italy	1	0	0.13	0.56	0.77	0.8	0.19	0.44	0.13	0.71	0.32	0.76	0.35	0.65	0.63	0.5	0.57	0.89	0.49 Italy
Japan	1	0.2	0.5	0.56	0.62	0.47	0.5	0.31	0.65	0.35	0.68	0.76	0.55	0.58	0.75	0.67	0.67	0.89	0.57 Japan
Korea	n/a	0	0.75	0.56	0.46	0.6	0.63	0.38	0.65	0.53	0.68	0.71	0.6	0.42	0.95	0.73	0.8	0.78	0.60 Korea
Mexico	1	0	0.25	-0.14	0.58	0.67	0.69	0.38	0.47	0.53	0.53	0.65	0.6	0.53	0.4	0	0.2	0.67	0.41 Mexico
Russia	0	0.4	0.38	0.13	0.59	0.6	0.63	0.44	0.47	0.47	0.68	0.65	0.35	0.47	0.55	0.4	0.2	0	0.44 Russia
Saudi Arabia	n/a	0.2	-0.13	-0.13	0.08	0.21	0.5	0.06	-0.24	0.35	0.42	0.59	0.45	0.42	0.65	0.53	0.67	0.56	0.31 Saudi Arabia
South Africa	1	0.4	0.63	-0.14	0.33	0.47	0.47	0.25	-0.12	0.24	0.37	0.65	0.45	0.37	0.45	-0.07	0.13	0.11	0.29 South Africa
Turkey	n/a	0.2	-0.25	-0.14	0.17	0.2	0.25	0.25	0	0.41	0.37	0.29	0.05	0.42	0.7	-0.07	0	0.78	0.21 Turkey
United Kingdom	1	1	0.5	0.78	0.77	0.87	0.81	0.75	0.76	0.71	0.47	0.94	0.25	0.74	0.95	0.8	0.8	0.78	0.75 United Kingdom
United States	0	0.4	1	0.33	0.38	0.53	0.81	0.69	0.76	0.71	0.42	0.35	0.75	0.42	0.85	0.73	0.6	0.89	0.62 United States
European Union	1	0.6	0.38	0.57	0.82	0.85	0.75	0.63	0.75	0.81	0.84	0.94	0.37	1	0.95	0.6	0.93	1	0.75 European Union
EU3	1.00	0.53	0.46	0.56	0.69	0.69	0.48	0.63	0.48	0.71	0.58	0.86	0.67	0.75	0.84	0.50	0.57	0.82	0.64 EU3
Europe	0.83	0.54	0.34	0.43	0.63	0.66	0.55	0.56	0.49	0.65	0.59	0.77	0.43	0.70	0.81	0.46	0.52	0.72	0.58 Europe
G20 advanced	0.88	0.50	0.57	0.58	0.67	0.68	0.66	0.57	0.63	0.65	0.65	0.79	0.61	0.69	0.87	0.63	0.72	0.88	0.67 G20 advanced
G20 emerging	0.43	-0.04	-0.08	-0.02	0.33	0.40	0.48	0.31	0.21	0.45	0.55	0.70	0.53	0.45	0.56	0.37	0.43	0.51	0.36 G20 emerging
G7	0.86	0.54	0.57	0.59	0.65	0.67	0.62	0.58	0.62	0.65	0.59	0.80	0.61	0.68	0.85	0.62	0.66	0.86	0.66 G7
Average for summit	0.67	0.23	0.24	0.28	0.5	0.54	0.57	0.44	0.42	0.55	0.6	0.75	0.57	0.72	0.5	0.57	0.69	0.51	Average for summit
Stdev	0.49	0.45	0.47	0.35	0.25	0.24	0.20	0.22	0.33	0.17	0.16	0.18	0.23	0.19	0.20	0.27	0.27	0.27	*higher figure means more
N=	297																		

Source: G20 Research Group, author's calculations following Amtenbrink et al 2015

Table. G20 Members compliance scores

Data Source: G20 Research Group

The table above shows compliance scores of G20 countries between 2008 and 2023. Updating Amtenbrink et al (2015), these scores were produced and aggregated by the G20 Research Group at the University of Toronto in Canada to monitor and assess the hundreds of commitments agreed on for each summit. They are published alongside the final compliance reports of each summit. A score of 1 is given for compliance with the said commitment, 0 for partial compliance, and -1 for failure to comply or an action that is completely opposite to the one stated in the commitment.<sup>7</sup>

The data shows that the EU has consistently had high compliance scores to collectively agreed commitments, with its average for the time period rating at 0.75, in a tie as the highest alongside the United Kingdom. For every set of G20 commitment, the bloc was consistently way above the forum average with the exception of the Buenos Aires G20 in 2018. It also ranked higher than average of the individual EU member states (Germany, Italy and France) for all forums except the Pittsburgh and Buenos Aires G20.

Amtenbrink et al (2015) writes that the EU's high ratings in implementing commitments made at the G20 indicates that the bloc acknowledges the importance of "a global coordinated response" to financial and economic issues.

They also note three benefits for the EU to have and maintain such high compliance. First, the EU response to global financial and economic issues becomes more effective if it aligns with those of other countries by "mitigating negative spillover effects". Second, high compliance strengthens the bloc standing as a member within the forum. In other words, it signals that it can walk the talk. Third, they believe the bloc is using the commitments made in the forum as

<sup>7</sup> Full methodology can be viewed at G20 Information Centre website at <http://www.g20.utoronto.ca/analysis/index.html#method.>

anchors with which it can use as “leverage” to expedite reforms at home.<sup>8</sup> The most recent data from 2014-2023 showing the EU’s consistent high compliance suggests the EU still recognizes these benefits stemming from its participation in the G20.

## Conclusion

The G20 as a forum for international economic cooperation and governance began as a response to the Asian financial crisis and the second reform of the IFA. However, it was not until the global financial crisis started in 2008 where its importance became more apparent and emphasized.

The EU, as a distinct original member representing more than two dozen member states, has placed importance on the G20, as its compliance scores to commitments show. It also has seen its priorities taken up by the forum. The bloc’s seriousness in participation reflects its understanding of the forum, in spite of its informal set-up, exercising a certain level of impact on international economic governance, of which the bloc wants a stake in, given its importance to its own economy. It also shows the bloc’s own recognition -- alongside G7 countries -- of the reality of the shift in economic power in the world with the rise of developing countries. Nevertheless, the bloc has its own unique expertise in international economic cooperation that makes it well-placed at the table. Lastly, its participation is regarded as advantageous as it also uses the forum as another channel to expedite its reforms internally.

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<sup>8</sup> This is an example of “reverberation” according to Putnam's two-level game theory in international negotiations as cited by Woolcock (2016), though Bayne (2016) argues he has not seen signs of reverberation at the G20.

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## Part II: Partnerships and Policy Diffusion in Asia

## Chapter 5: Philippines and the European Union Trade Relations

Marissa Maricosa A. Paderon<sup>9</sup>

### Introduction

The European Union (EU) comprising 27 countries and the Philippines (PH) have had 60 years of diplomatic relations. The Philippines' de facto relations with the early 15 members of the EU started in 1948 but established its formal ties with the European Community (precursor of the EU) on 12 May 1964<sup>10</sup>.

The Maastricht Treaty which created the EU in 1992, specified EU's political relations with the Association of Southeast Asian Nations (ASEAN) and its Member States. But dialogue relations of the ASEAN with the EU officially started in 1977 at the 10<sup>th</sup> ASEAN Foreign Ministers Meeting (AMM). This ASEAN-EU dialogue relations were institutionalized upon the signing of the ASEAN-European Economic Community (EEC) Cooperation Agreement on 7 March 1980 (ASEAN Secretariat, 2015). Hence, the PH-EU relations have been steered through the ASEAN-EU dialogue. As an ASEAN member state, the Philippines served twice as country coordinator of the ASEAN-EU Dialogue from 1991 to 1994, and from 2021 to 2024.

The bilateral ties between the PH and EU are evident in the areas of trade, investment, and aid. From a political-developmental goal, the relationship between the two countries over the past six decades transitioned towards a more collaborative and mutually beneficial one.

### Trade Performance

Trade in goods between the PH and EU amounted to US \$124.6 billion on the average from 2000 to 2022 (Table 1) accounting for 10 percent of total PH trade, while shares of EU to PH exports and imports averaged at 13.5 percent and 7.5 percent, respectively.

During the covered period, the Philippines had a positive trade balance with EU in most of the years except for 2013, 2014, 2019 and 2021 (Figure 1). In 2013, total trade value of PH with EU amounted to USD 12.1 billion equivalent to 10 percent share of EU to PH trade. In the same year, PH had a negative balance of trade with EU at USD 228.5 million which deepened to USD 1.2 billion the following year. In 2019, PH imports from EU reached USD 9 billion exceeding exports at USD 7.8 billion and resulted to a negative trade balance of USD 1.2 billion, the highest trade deficit recorded in the last two decades. Total trade of PH with EU went down in 2020 due to COVID-19 pandemic and trade of the country with EU resurged in 2021 but recorded unfavorable trade balance of USD 104 million.

TABLE 1. PH-EU Trade (thousand USD) and Shares of EU to PH Trade (%): 2000-2022

	PH EXPORTS TO	% Share	PH IMPORTS FROM	% Share	PH TOTAL	PH TOTAL TRADE	% Shar
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<sup>9</sup> The author acknowledges the research assistance of Janelle Colada.

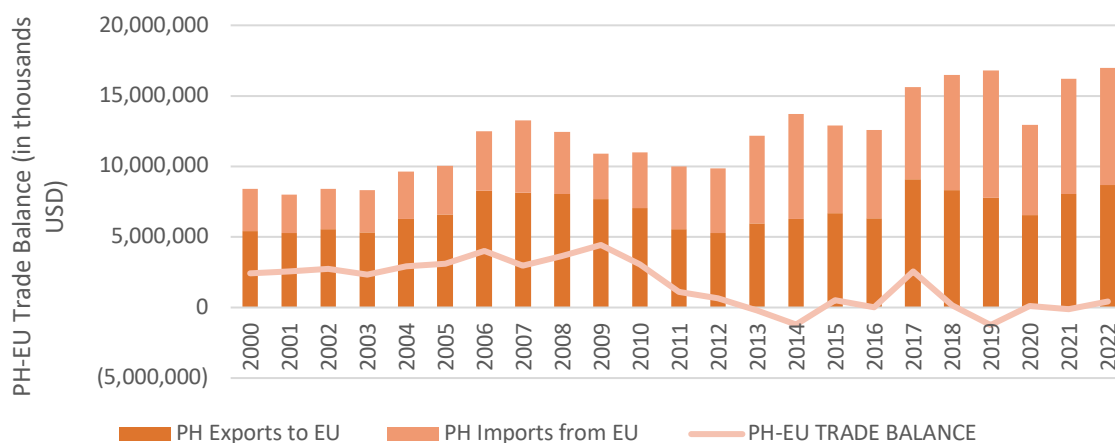
<sup>10</sup> EU-Philippines 60<sup>th</sup> Anniversary, Delegation of the EU to the Philippines, 12 January 2024.

YEAR	EU	WORLD	of EU to PH Export s (%)	EU	WORLD	of EU to PH Import s	TRADE WITH EU	with WORLD	e of EU to PH Trad e with Worl d
2000	5,408,450	38,078,250	14.2	2,981,396	37,007,402	8.1	8,389,846	75,085,652	11.2
2001	5,280,836	32,150,203	16.4	2,724,797	34,943,391	7.8	8,005,633	67,093,594	11.9
2002	5,558,410	35,208,159	15.8	2,834,794	41,091,962	6.9	8,393,204	76,300,121	11.0
2003	5,334,611	36,231,205	14.7	2,999,381	42,575,743	7.0	8,333,992	78,806,948	10.6
2004	6,269,549	39,680,520	15.8	3,354,815	46,102,141	7.3	9,624,364	85,782,661	11.2
2005	6,578,199	41,254,683	15.9	3,475,400	49,487,422	7.0	10,053,599	90,742,105	11.1
2006	8,254,712	47,410,117	17.4	4,257,326	54,077,990	7.9	12,512,038	101,488,107	12.3
2007	8,115,499	50,465,711	16.1	5,165,165	57,995,661	8.9	13,280,664	108,461,372	12.2
2008	8,042,973	49,077,540	16.4	4,417,488	60,419,667	7.3	12,460,461	109,497,207	11.4
2009	7,674,953	38,435,802	20.0	3,243,334	45,877,737	7.1	10,918,287	84,313,539	12.9
2010	7,030,460	51,497,515	13.7	3,980,725	58,467,804	6.8	11,011,185	109,965,319	10.0
2011	5,554,435	48,042,129	11.6	4,434,493	63,692,684	7.0	9,988,928	111,734,813	8.9
2012	5,271,960	51,995,224	10.1	4,602,173	65,349,781	7.0	9,874,133	117,345,005	8.4
2013	5,976,923	56,697,803	10.5	6,205,506	65,705,431	9.4	12,182,429	122,403,234	10.0
2014	6,263,518	61,809,755	10.1	7,450,894	67,718,869	11.0	13,714,412	129,528,624	10.6
2015	6,695,133	58,648,083	11.4	6,195,193	70,153,466	8.8	12,890,326	128,801,549	10.0
2016	6,315,883	56,312,748	11.2	6,285,291	85,908,572	7.3	12,601,174	142,221,320	8.9
2017	9,085,108	68,712,611	13.2	6,534,169	101,889,432	6.4	15,619,277	170,602,043	9.2
2018	8,304,300	67,487,668	12.3	8,164,621	115,038,016	7.1	16,468,921	182,525,684	9.0
2019	7,779,734	70,926,674	11.0	9,023,018	117,247,265	7.7	16,802,752	188,173,939	8.9
2020	6,536,813	65,214,435	10.0	6,407,298	95,066,801	6.7	12,944,111	160,281,236	8.1
2021	8,059,723	74,619,529	10.8	8,164,193	124,390,447	6.6	16,223,916	199,009,976	8.2

<b>2022</b>	8,701,087	78,928,518	11.0	8,296,440	145,880,018	5.7	16,997,527	224,808,536	7.6
<b>AVERAGE</b>	<b>6,873,620</b>	<b>52,994,995</b>	<b>13.5</b>	<b>5,269,474</b>	<b>71,569,031</b>	<b>7.5</b>	<b>12,143,095</b>	<b>124,564,025</b>	<b>10.2</b>

Source: UNCTAD

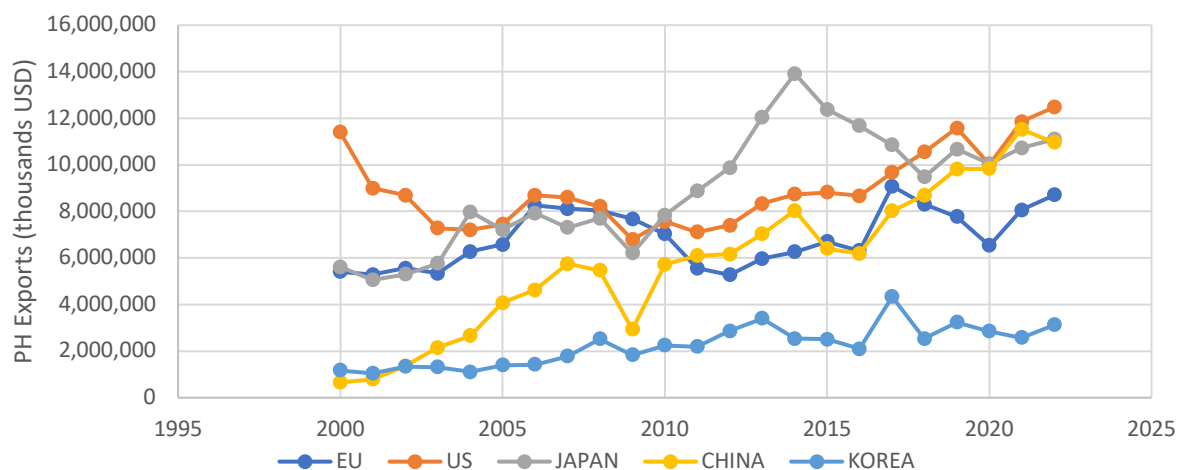
**Figure 1. PH Exports to/ Imports from EU and Trade Balance: 2000-2022**



Source of basic data: UNCTAD

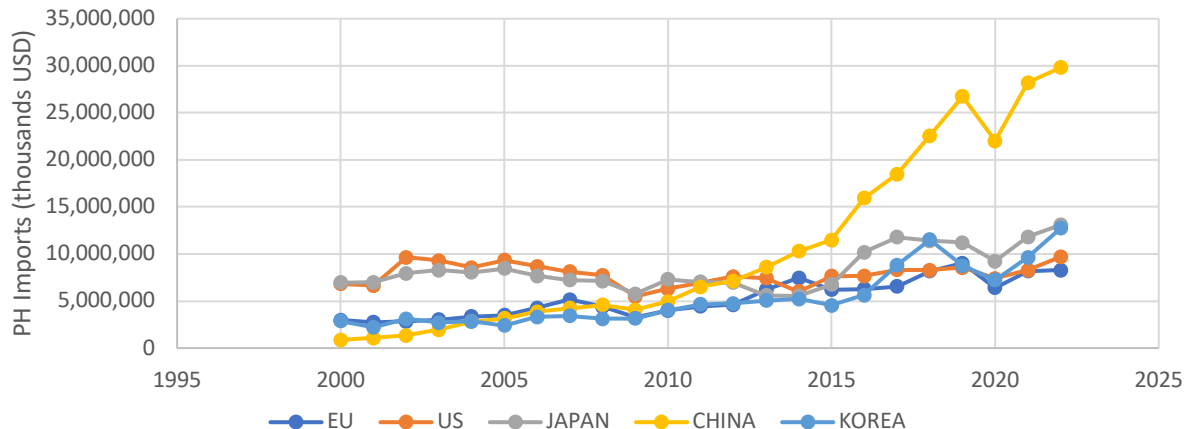
With bilateral trade between the two trading partners amounting to US \$225 billion or 8% of the PH's total trade in 2022, EU ranked as the Philippines' 4<sup>th</sup> export trading partner (after China, Japan and the United States) accounting for 11% of the country's total exports. In terms of imports, EU ranked as the Philippines' 5<sup>th</sup> country supplier of imports in 2022 (after US, Korea, Japan, and China) accounting for 6% of the country's total imports. Figures 2 and 3 show the major market destinations of PH exports and country sources of PH imports.

**Figure 2. PH Major Market Destinations of Exports: 2000-2022**



Source of basic data: UNCTAD

**Figure 3. Major Country Sources of PH Imports: 2000-2022**



Source of basic data: UNCTAD

At the Harmonized System (HS) 6-digit 2022 Code and using trade data from the Philippine Statistics Authority (PSA), the top ten PH exports to EU from 2022 to 2024 were electronic integrated circuits products (HS 8542.31 and 8542.39), coconut oil (HS 1513.11), automatic data processing machines and units thereof (HS 8471.70), prepared or preserved fish (HS 1604.14), printing machinery used for printing (HS 8443.31 and 8443.32), electrical transformers (HS 8504.40), discs, tapes, solid-state non-volatile storage devices, smart cards (HS 8523.51), and monitors and projectors (HS 8528.62). PH exports of electronics and machineries enter the EU market MFN duty free. In contrast, PH exports of coconut oil, prepared and preserved fish are levied EU MFN rates of 3.62% and 12.05%, respectively (Table 2). These products comprised 63% EU share to total PH exports and could comprise the Philippines' offensive interests.

Top ten PH imports from EU from 2022 to 2024 were other aircraft (HS 8802.40), medicaments (HS 3004.90), electronic integrated circuits (8542.39), edible offal of bovine animals (HS 0206.49), human blood, animal blood prepared for therapeutic, prophylactic or diagnostic uses (HS 3002.41), meat of swine, fresh, chilled or frozen (HS 0203.29), undenatured ethyl alcohol HS (2208.20), milk and cream (HS 0402.10), flours, meals and pellets (HS 2301.10), and electronic integrated circuits (HS 8542.31). PH MFN tariffs on these products imported from the EU range from zero to 20 percent while electronics integrated circuits and flours, meals and pellets are levied zero duties (Table 3).

**Table 2. Average EU MFN Rate, Top Ten PH Exports to EU and Percentage Shares**

HS6 (2022)	Description	2024 Average EU MFN Rate <sup>1/</sup> (%)	2022-2024 PH Exports to EU <sup>2/</sup> ('000 USD)	% Share of EU to Total PH Exports
8542.39	Electronic integrated circuits.	0	4,574,829.21	20.02
8542.31	Electronic integrated circuits.	0	4,232,662.77	18.52

1513.11	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.	3.62	2,176,611.23	9.52
8471.70	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included.	0	719,221.16	3.15
1604.14	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs.	12.05	645,075.25	2.82
8443.31	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.	0	515,965.12	2.26
8504.40	Electrical transformers, static converters (for example, rectifiers) and inductors.	0	490,116.66	2.14
8443.32	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.	0	400,368.63	1.75
8523.51	Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37.	0	374,393.97	1.64
8528.62	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus.	0	351,377.04	1.54
<b>TOTAL</b>			<b>14,480,621.04</b>	<b>63.36</b>

Sources of basic data: 1/ WTO-IDB, 2/ Philippine Statistical Authority (PSA),

**Table 3. Average PH MFN Rate, Top Ten PH Imports from EU and Percentage Shares**

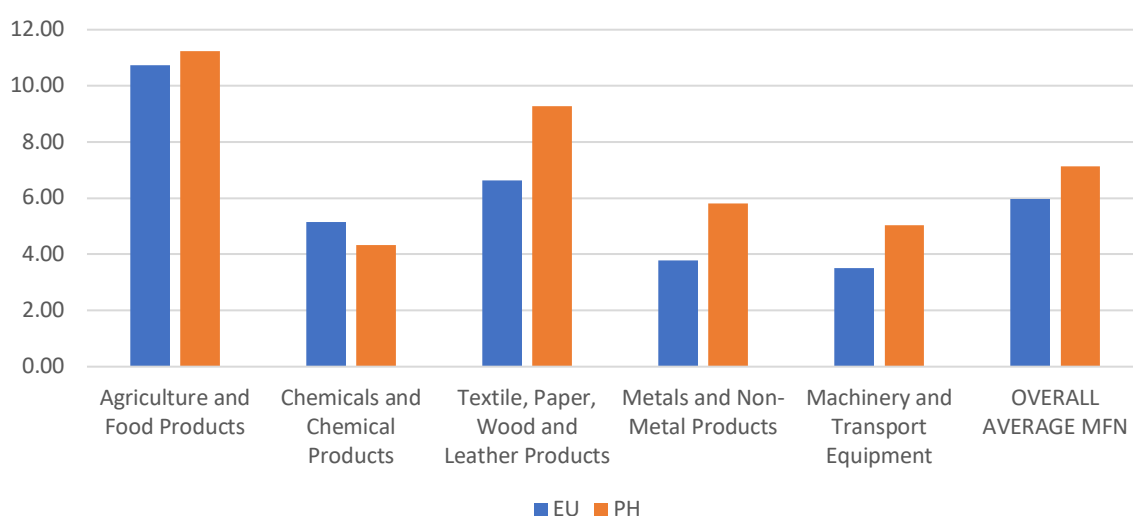
HS6 (2022)	DESCRIPTION	2024		% Share of Total PH
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		Average PH MFN Rate <sup>1/</sup> (%)	2022-2024 PH Imports from EU <sup>2/</sup> ('000 USD)	Imports from EU
8802.40	Other aircraft (for example, helicopters, aeroplanes), except unmanned aircraft of heading 88.06; spacecraft (including satellites) and suborbital and spacecraft launch vehicles.	3	2,025,990.08	8.82
3004.90	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale.	4.21	1,446,466.40	6.29
8542.39	Electronic integrated circuits.	0	1,104,083.73	4.80
0206.49	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.	10	576,651.99	2.51
3002.41	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera, other blood fractions and immunological products, whether or not modified or obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products; cell cultures, whether or not modified.	1	493,177.70	2.15
0203.29	Meat of swine, fresh, chilled or frozen.	20	473,996.96	2.06
2208.20	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol.; spirits, liqueurs and other spirituous beverages.	10	371,498.24	1.62
0402.10	Milk and cream, concentrated or containing added sugar or other sweetening matter.	0.17	363,911.91	1.58
2301.10	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves.	0	293,455.05	1.28
8542.31	Electronic integrated circuits.	0	227,702.72	0.99
<b>TOTAL</b>			<b>7,376,934.78</b>	<b>32.10</b>

Sources of basic data: 1/Tariff Commission; 2/ Philippine Statistical Authority (PSA)

The tariff regime (most-favoured-nation) between the PH and EU is shown in Figure 4. PH's agriculture and food products are imposed the highest average simple MFN tariffs at 11.2%, followed by textile, paper, wood and leather products (9.3%), metals and non-metal products (5.8%), machinery and transport equipment (5.0%), chemicals and chemical products (4.3%). In contrast, EU's import tariffs are highest among agriculture and food products (10.7%), followed by textile, paper, wood and leather products (6.6%), chemicals and chemical products (5.2%), metals and non-metal products (3.8%), machinery and transport equipment (3.5%). Nevertheless, average simple MFN rate was higher in the PH (7.1%) while EU MFN average rate stood at 6% in 2024.

Fig. 4. PH and EU Simple Average MFN rates: 2024



Sources: EU- <https://tao.wto.org/>; PH-Tariff Commission

EU foreign direct investments in the Philippines reached US \$27.86 million in 2022 while EU official development assistance given to the Philippines amounted to US \$250.3 million in the same year.

## PH-EU Bilateral Trade Relations

### PH-EU GSP+

EU's "Generalised Scheme of Preferences" (GSP+) is a special incentive arrangement for sustainable development and good governance that began to apply on 1 January 2014<sup>11</sup>. It is part of the EU's broader Generalised System of Preferences (GSP) that grant unilateral tariff preferences to developing countries. GSP+ offers additional tariff reductions to 'vulnerable' countries that ratify and effectively implement 27 international conventions on human rights, labour rights, the environment, and good governance.<sup>12</sup> In return, EU grants zero tariffs on 66%

<sup>11</sup> Regulation (EU) No. 978/2012 of the European Parliament and the Council of 25 October 2012 applying a scheme of generalized tariff preferences ("GSP Regulation")

<sup>12</sup> Recital 11 of the GSP Regulation



of EU tariff lines. This means that Philippines can enjoy zero tariffs on over 6,000 EU tariff lines in exchange for continuous implementation of said 27 international conventions. The Philippines is the only Southeast Asian country that enjoys GSP+ preference while Indonesia and Vietnam enjoy the standard GSP.

There are currently nine countries on the GSP+ arrangement, namely Armenia, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Paraguay, Philippines, and Sri Lanka.<sup>13</sup> The current GSP+ is valid until 2027.

To be eligible for GSP+, a country applicant must<sup>14</sup>:

1. lodge an application
2. fulfill all the standard GSP conditions
  - the country's Income level is below 'upper middle income' by the World Bank;
  - the country does not benefit from another arrangement (e.g. a free trade agreement) granting them access to the EU market.
3. must meet the following two additional criteria<sup>15</sup>:
  - a. vulnerability criteria:
    - the import share is the three-year average share of GSP-covered imports of the specific beneficiary country, relative to the GSP-covered imports of all GSP countries. This average has a low level of imports into the EU (its GSP-covered imports into the EU represent less than 6.5% in value of the EU's total GSP-covered imports from all GSP beneficiaries)
    - the seven largest sections of the GSP-covered imports represent 75% of total GSP imports by that country over a three-year period.
  - b. sustainable development criteria:
    - the country must have ratified the 27 GSP+ international conventions in the fields of human rights, labor rights, the environment and good;
    - the country must not have formulated reservations which are prohibited by these conventions; and
    - the conventions' monitoring bodies must not have reported that the country has failed to effectively implement them.
4. must give the following binding undertakings:
  - to maintain the ratification of these 27 conventions and to ensure their effective implementation;
  - to accept without reservation reporting requirements and monitoring imposed by those conventions; and
  - to accept and cooperate with the EU monitoring procedure.

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<sup>13</sup> Commission Delegated Regulation (EU) No. 1/2014, 28 August 2013 (OJ L 1/1 4 January 2014, Commission Delegated Regulation (EU) No. 182/2014, 17 December 2013 (OJ L 57/1, 27 February 2014), and Commission Delegated Regulation (EU) No. 1386/2014, 19 August 2014 (OJ L 369/33, 24 December 2014).

<sup>14</sup> Article 9

<sup>15</sup> European Commission. *Generalised Scheme of Preferences Plus (GSP+)*. <https://trade.ec.europa.eu/access-to-markets/en/content/generalised-scheme-preferences-plus-gsp>.

In 2017, there had been calls in the EU to withdraw GSP+ preference with the Philippines' export products during the Duterte administration as EU noted that PH's actions were completely deviant from the committed international conventions. Most significant issues included human rights abuses related to the administration's war on drugs, issues of press freedom, and proposed legislation to reduce the age of criminal responsibility and reintroduce capital punishment. In 2020, the European Parliament urged the European Commission to initiate a procedure to revoke the GSP+ preferences in the Philippines, as the human rights violations would transgress the conditions of the program for sustainable development and good governance (European Parliament, 2020).

In a bilateral meeting between the Philippines and EU in October 2023, the latter pointed out that human rights issue in the Philippines is an essential element in moving forward the GSP+ negotiations. The Philippines, GSP+ status was extended for four years, beginning 2024 until December 2027 taking note that EU's incentive-based approach has proven successful to the PH (Tabile, 2023). However, there is a threat of its future expiry due to the country's status of economic development. During a seminar-workshop conducted by the World Bank Group with government officials on deep trade agreements with the EU in March 2025, Department of Trade and Industry Undersecretary Allan B. Gepty expressed that once the Philippines reaches the threshold of upper-middle-income status, it will no longer be qualified as a beneficiary of EU GSP+, given specifically for developing countries.

#### *How has the Philippines benefitted from the EU GSP+?*

Since the inception of the Philippines to the GSP+ on 25 December 2014, the Philippines has enjoyed greater market access to the EU allowing duty-free entry of 6,274 Philippine export products into EU member countries. Note that the Philippines was initially a beneficiary of the standard GSP scheme. Exports of the Philippines to the EU grew at its highest 35% rate in 2022 from 14% in 2014 (Table 4). In terms of eligible exports, EURO2.93 billion worth of PH exports are covered by GSP+, of which EURO2.26 billion availed of GSP+ preferences in 2022 with 77% utilization rate. However, EURO 0.67 billion worth of PH exports were unutilized in the same year.

**TABLE 4. GSP+ Utilization of PH: 2014-2022**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total GSP Eligible Exports (in billion Euros)</b>	1.83	2.32	2.34	2.62	2.63	2.71	2.15	2.7	2.93
<b>Total GSP Unutilized (in billion Euros)</b>	0.61	0.72	0.68	0.69	0.71	0.76	0.54	0.65	0.67
<b>Total GSP Utilized (in billion Euros)</b>	1.22	1.60	1.66	1.93	1.92	1.95	1.61	2.05	2.26
<b>GSP+ Utilization Rate (%)</b>	67.20	68.30	70.90	74.00	73.20	71.90	75.00	76.00	77.00
<b>Total PH Exports to EU (in billion Euros)</b>	5.27	6.68	6.23	7.24	7.5	7.63	6.2	7.7	10.43
<b>Export Growth Rate (%)</b>	14	27	-7	16	3	2	-19	24.19	35.48

Source: Eurostat

The top PH exports to EU under the GSP+ include crude coconut oil, vacuum cleaners, prepared or preserved tunas, electro-thermic hair dressing apparatus, spectacle lenses, new pneumatic tires, prepared or preserved pineapples, fatty alcohols (industrial), parts suitable for use solely or principally with transmission and reception apparatus for radio-broadcasting or television, and activated carbon.

The top five EU member destinations of PH GSP+ exports are Netherlands, Germany, Italy, France and Spain.

Almodiel-Lutejin and La Viña (2022) noted that EU GSP+ is beneficial to the Philippines, to wit:

*“After obtaining GSP+ status in 2014, the Philippines enjoyed greater market access to the EU, with over 6,200 products allowed to enter the bloc on a zero tariff...GSP+ status also contributed to an increase in foreign investment in the Philippines. Manufacturing companies have established operations in the country to avail themselves of the benefits of GSP+, helping generate employment and contributing to the Philippines’ development goals. These firms cut across a range of industries, including electronics, agriculture, processed foods, clothing and home appliances.”*

## **PH-EU FTA**

The ASEAN-EU Free Trade Agreement (FTA) negotiations were launched with 28 EU members and seven ASEAN Member States in 2007. In 2009, the negotiations were suspended due to disputes over human rights and political issues related mainly to Myanmar and the diversity in ASEAN (Paderon, 2020). After that, EU started its strategy of ‘bilateral building bloc FTAs’ with the individual seven ASEAN members including the Philippines in the hope of having an FTA with the ASEAN region.

EU pursued its FTA and Partnership Cooperation Agreement (PCA) with ASEAN Member States in parallel. The EU Committee of the Permanent Representative (COREPER) ‘2009 Common Approach’ indicated two criteria: First, it states that political clauses must be included in all PCAs, with the following categories: (a) human rights, democracy and the rule of law; (b) the non-proliferation of weapons of mass destruction; (c) the counter-terrorism clause; (d) the International Criminal Court Clause; and (e) the small arms and light weapons clause. Second, FTAs must be linked to PCAs (**Okano-Haijmans, 2014**).

The EU PCA with the Philippines was signed in 2012 and ratified on 1 March 2018. The EU-PH PCA covers areas of mutual interest on society, economics, counterterrorism, transnational crime prevention, human rights, justice, peace efforts, non-proliferation of weapons of mass destruction, trade, migration, maritime labour, employment, disaster risk management, and health.

The exploratory talks on a possible PH-EU FTA agreement started in 2013 and concluded its scoping negotiation during a bilateral meeting between Philippines and EU Trade Ministers. The

PH-EU FTA negotiations were officially launched on 22 December 2015 based on the 2007 ASEAN-EU FTA negotiations.

In May 2016 during the First Round of PH-EU FTA negotiations held in Belgium, EU first expressed concerns regarding extra-judicial killings and human rights in the Philippines. In 2017 during the Second Round of PH-EU FTA negotiations, EU again expressed its concern for the human rights situation in PH highlighting the detention of Senator Leila de Lima. The negotiations have since been on hold by the EU citing human rights concerns in the PH. EU's longstanding interest in resuming FTA negotiations with the PH is cited in the [2021 EU-Indo-Pacific Strategy](#). On 27 June 2023, EU Vice President and Trade Commissioner Valdis Dombrovskis proposed resuming of FTA scoping discussions. This was followed by the bilateral meeting between the PH President Ferdinand R. Marcos, Jr. and EU President Ursula Von Der Leyen on 31 July 2023.

On 18 March 2024, the PH DTI Secretary Alfredo Pascual and EU Vice President and Trade Commissioner Valdis Dombrovskis announced the resumption of the PH-EU FTA negotiations (Philippine Star, 05 April 2024). The first round of negotiations took place from 14-18 October 2024 while the 2<sup>nd</sup> round of negotiations was from 10-14 February 2025. The 3<sup>rd</sup> and 4<sup>th</sup> round of PH-EU FTA negotiations will be in June and October of this year. Table 3 shows the milestones in the Philippines' bilateral negotiations for an FTA with the EU.

Table 3. PH-EU FTA Milestone: 2013- Present

Timeline	PH-EU FTA Milestone
2013	Started scoping discussion
October 2015	Scoping negotiation concluded during a bilateral meeting between the Philippines (PH) and the European Union (EU) Trade Ministers
22 December 2015	Launched the PH-EU FTA negotiations based on 2007 ASEAN-EU FTA negotiations
23-27 May 2016	1 <sup>st</sup> Round of PH-EU FTA Negotiations in Brussels, Belgium
13-17 February 2017	2 <sup>nd</sup> Round of PH-EU FTA Negotiations in Cebu, Philippines
March 2017 – June 2023	PH-EU FTA negotiation was not formally suspended and EU focus remained in compliance by the Philippines under the PH-EU GSP+ scheme.
27 June 2023	EU Vice President/ Trade Commissioner Valdis Dombrovskis proposed resuming of FTA scoping discussions
31 July 2023	Bilateral Meeting between the PH President Ferdinand R. Marcos, Jr. and EU President Ursula Von Der Leyen
6 September & 6 October 2023	Stocktaking Exercise and Intersessional discussions between the EU and the PH
18 March 2024	Resumption of the PH-EU FTA Negotiations
14-18 October 2024	First Round of PH-EU FTA Negotiations
10-14 February 2025	Second Round of PH-EU FTA Negotiations
16-20 June 2025	Third Round of PH-EU FTA Negotiations
October 2025	Fourth Round of PH-EU FTA Negotiations

Source: Department of Trade and Industry

According to the Department of Trade and Industry, the Philippine government's strategic objectives to engage with an EU FTA include (1) to secure additional duty-free market access

beyond those covered under the GSP+ scheme and on a permanent basis; (2) to provide a conducive framework for attracting greater investments from the EU; and (3) be at par with other ASEAN member states who are aggressively pursuing FTA with the EU.

EU's "deep trade agreements" indicate that its FTAs go beyond trade in goods. The typical EU FTA contents are as follows:

- Trade in Goods
  - Tariff liberalization program
  - National treatment in regulations
  - Rules of Origin
  - Customs procedures and trade facilitation
  - Sanitary and Phytosanitary Measures
  - Technical Barriers to Trade
  - Trade Remedies (safeguards, anti-dumping and countervailing duties)
- Trade in Services
- Investments
- Digital Trade
- Intellectual Property
- Government Procurement
- Competition Policy and State-Owned Enterprises
- Trade and Labor
- Trade and Sustainable Development
- Dispute Settlement
- Transparency and Good Regulatory Practices
- Small and Medium-Sized Enterprises
- Governance (Administration and Implementation)
- Exceptions

Vietnam seems to have penetrated more intensively the import markets of EU compared to its ASEAN neighbors (Paderon, 2020). EU started its FTA negotiations with Singapore in 2010 and Vietnam in 2012. EU-FTA with Singapore (ESFTA) entered into force on November 21, 2019 while EU-FTA with Vietnam (EVFTA) took effect on August 1, 2020.

ESFTA consists of nine main parts: trade in goods, trade in services, customs procedures, smaller companies, labelling and safety testing, public procurement, environment and labour, renewable energy, and intellectual property. Just like the ESFTA, apart from the elimination of 99% of tariffs, the EVFTA also opens up its markets to EU companies for services and public procurement markets; and ensures the protection of geographical indications (GIs). GIs are "distinctive food and drink products from specific regions in the EU" (European Commission, 2018). For example, wines, beers and spirits (Jerez) from Spain, flavourings (Aceto balsamico di Modena) from Italy .

There are possible issues for the PH negotiating team and must carefully study existing FTAs of EU with other countries, as well as existing PH FTAs. Regarding trade of *remanufactured goods*,

the PH has no specific laws/regulations applied to remanufactured goods. On *government procurement*, EU-New Zealand FTA (EUNZFTA) reciprocally opened up their procurement markets beyond what is covered under the WTO Government Procurement Agreement. Note that the PH has a constitutional provision on local preference. On *trade and sustainable development*, under EUNZFTA, the chapter on trade and sustainable development will be subject to dispute settlement. On *digital trade*, it prohibits data localization requirements. On *intellectual property rights*, EU is rather restrictive as it provides data protection standards, data exclusivity provisions and patent term protection. On *geographical indications* for food and drink products under the ESFTA, Singapore strengthened its system of registration for GIs. The PH has to adapt similar process to enjoy protection equal to those in the EU.

## Way Forward

The political-developmental agenda of the EU is reflected in its trade policy with the PH. Its 'trade diplomacy' approach (where a bilateral trade partner has to agree first with the PCA prior to having an FTA with the EU) is well-defined in the PH-EU trade relations. With this, the EU has been successful to inject its values on the rule of law, respect for human rights and protection of the environment in its PH-EU GSP+ and the on-going PH-EU FTA negotiations.

The Philippines has increasingly used the trade preferences under the GSP+ scheme and expanded its exports over the past decade. This means that integrating further with the EU through the PH-EU FTA would secure additional duty-free market access beyond the coverage of GSP+ and this time on a more permanent basis that will make trading between the Philippines and the EU more stable and predictable as tariffs and barriers will be reduced. The increase in goods trade would raise the country's national income, displacing higher cost domestic production and allowing greater consumption at lower prices. Note that goods traded by the Philippines and the EU are complementary and as such, trade diversion would be less.

The threat of future expiry of GSP+ once the Philippines reaches the threshold of upper-middle-income status, which makes it no longer qualified to be a beneficiary of EU GSP+, necessitates the need to fast-track the PH-EU FTA negotiations.

At the external front, trade negotiations seem to be asymmetrical particularly on market access where PH, a small country, is faced with the requests of large country/trade partner, the EU. At the domestic front especially in the EU, decision making will be more complex, involving more actors and convoluted political-economy dynamics.

The country's PH-EU FTA negotiating team must carefully study existing FTAs of EU with other countries, and define the country's offensive and defensive interests. Specifically, the Philippines must identify strategic concerns, interests, and commitments which the EU may be expected to require from the Philippines in respective areas [i.e., amendment of laws/reforms (e.g., intellectual property rights, government procurement), or need for legislation (e.g., remanufactured goods, digital trade)]; and identify areas for bilateral cooperation and capacity

building. The negotiating team should continue private sector consultations and identify the challenges (e.g. non-tariff barriers) as well opportunities/interests that each sector faces and may affect its capacity to compete internationally.

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## Chapter 6: The European Union and Digital Trade: Implications for the Philippines

Irwin Cruz

### Introduction

The rise of technology facilitating digitization has brought about the digitalization of economic transactions internally as well as across borders. Governments have also moved to draft, pass and implement policies to regulate their domestic digital economy. But these policies would have an external dimension on cross-border economic transactions. With regards to traditional goods and services, such transactions are governed by international economic agreements. As the number of international trade agreements increases so too does the number with digital provisions in them. (Bauer et al, 2024). Though the European Union is considered as a late mover in including digital provisions in its international agreements relative to similar economies (Burri, 2023), it has increased its emphasis on these, given that it sees the digital economy as a source of growth (Jütten, 2024). Another reason is the rise in acquis for its digital internal market, some of which such as the General Data Protection Regulation (GDPR) has had an external impact.

The aim of this chapter is to explore the opportunities and challenges of a digital trade agreement between the Philippines and the European Union. The Philippines currently benefits from the EU's unilateral GSP+ programme, but this only covers Philippine goods exports to the bloc. The two parties are currently negotiating a free trade agreement as a next step in deepening economic relations. It is most likely that digital provisions will be in the discussions. There are some indications of appetite from including such provisions given possible economic benefits. However, there are also challenges to agreement.

Following Berggren (2024), this chapter will assess the ongoing regulatory environment for the digital economy in order to identify and weigh these opportunities and challenges. Likewise, it will investigate provisions that each economy has already signed up to in existing agreements, which is assumed to be the natural baseline for start of discussions.

This chapter looks into the impact of EU policies on its international economic relationships, and peering into its likely impact on ongoing EU-Philippines talks for a free trade agreement. It begins with an introduction on the digital economy and digital trade, the EU's approaches to policymaking for these as well as instruments and ends with an assessment of its possible relevance to EU-Philippines FTA talks.

### Overview of the digital economy and digital trade

Before we talk about digital trade we need to define what the digital economy is. There has been a long discussion as to what the digital economy encompasses. Basic definitions may highlight just the presence of digital technologies as a mediator. Others such as (L'Hoest, 2001)

focus on innate characteristics such as the increased business efficiencies that lead to high growth, the presence of network effects and significant impacts on the business cycle. Meanwhile more recent ones stress on the economic transactions facilitated by these technologies, the actors conducting such transactions and where in the economies these happen.

The Group of 20 countries has attempted to arrive at a framework on the definition and the measurement of the digital economy. The outcome is an endorsed report that proposes the following definition, building on research done by Bukht and Heeks (2018):

“The digital economy incorporates all economic activity reliant on, or significantly enhanced by the use of digital inputs, including digital technologies, digital infrastructure, digital services and data. It refers to all producers and consumers, including government, that are utilizing these digital inputs in their economic activities.” (OECD, 2020)

The endorsed OECD-WTO’s conceptual framework narrows the definition to digital trade as “all international trade that is digitally ordered and/or digitally delivered”. The framework builds on “existing measurement frameworks for international trade”, by looking at three dimensions of such cross-border electronic transactions. It looks at the nature of such transactions (the ‘how’) - which happens to be the main defining attribute - the products and services that are being traded and crossing the border (the ‘what’), and lastly the actors performing such transactions (the “who”). (IMF et al 2023)

In measuring the digital economy, the OECD-WTO’s definition also uses a tiered approach where activities are categorized into three as seen in the diagram below. The first are core activities that include ICT goods and services, as well as producers of digital content. The second narrow definition includes activities done by firms which heavily depend on digital inputs. The last and broader definition includes transactions done by firms whose activities “are significantly enhanced” by such outputs.

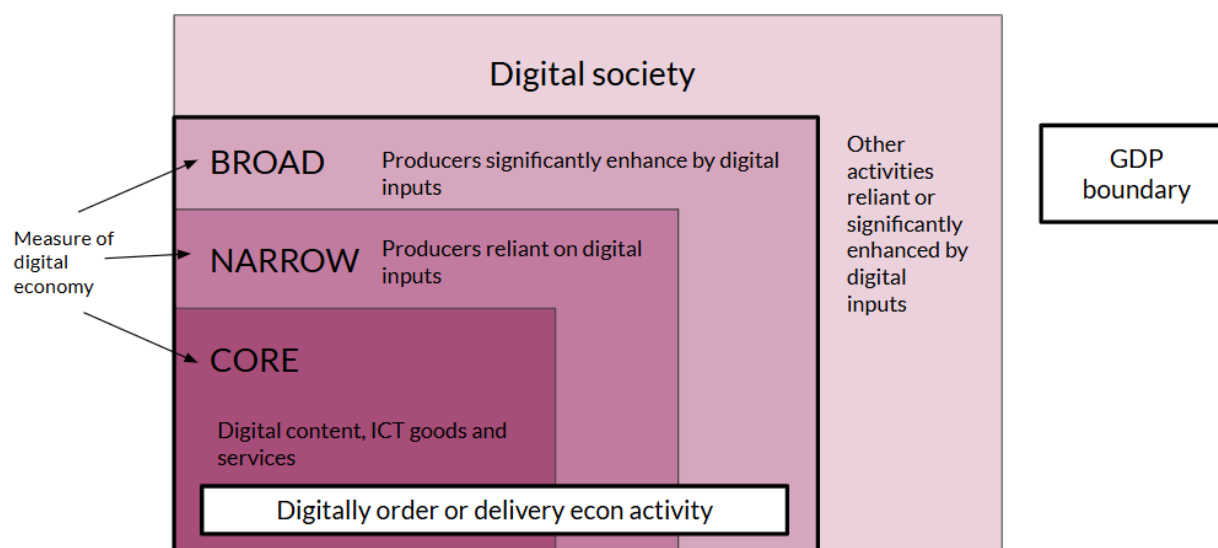


Chart 1

Source: OECD, A. "A roadmap toward a common framework for measuring the digital economy." [Report for the G20 Digital Economy Task Force](#), (2020).

According to the World Bank ([2023](#)), the ICT sector (the core digital economy according to the measure above) had a total value added amounting to USD 6.1 trillion for the year 2022, which is roughly 6% of world GDP. It also reported that among its segments, IT services was growing twice as fast as the growth rate of the global economy in the past 20 years.

In the EU, the ICT sector's value added exceeded €718 billion in 2021 or 5.5% of EU GDP. Germany and France were the top two member states that contributed the most. It also employed 6.7 million workers, 53% higher than a decade earlier. The sector showed higher productivity, with an apparent labour productivity that was 78 percentage points higher than the rest of the business economy. The ICT services sector is also six times larger than ICT goods in the EU, with the former consistently growing while the latter remained stagnant from the period 2011–2021. Eurostat. ([2024](#))

In the Philippines, the value added by the country's ICT sector has similarly grown in the past years, reaching a value added of PHP 717 billion (EUR 11.55bn) in 2023, a growth of nearly 40% from PHP 515bn in 2018, and represented 3.4% of GDP. PSA ([2023](#))

## Measuring digital trade and challenges

Digital trade in simple terms are commercial transactions of goods and services conducted over ICT networks. (European Union, [ND](#)) These transactions can happen internally or across borders.

It is the latter that is of interest of this paper. Expounding on the OECD's definition of the digital economy, digital trade is all international trade that is digitally ordered or delivered. It captures cross-border electronic transactions.

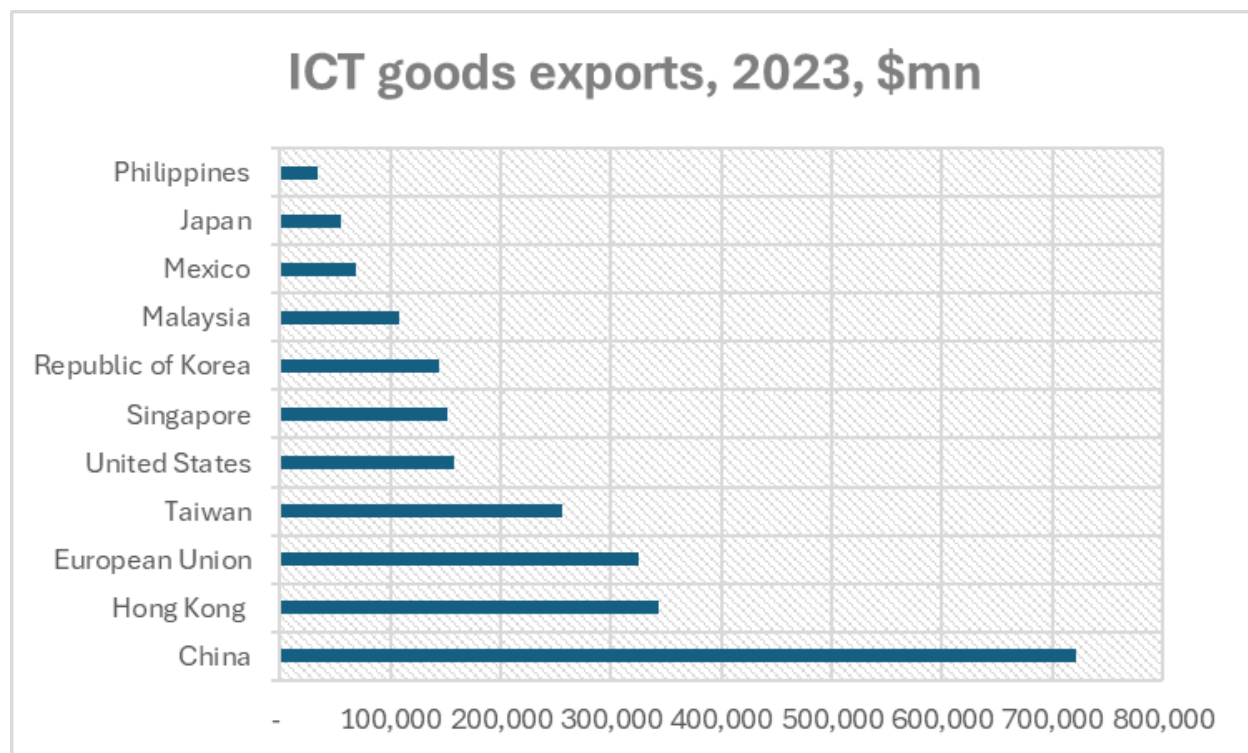


Chart 2

Source: Unctad

One core component is the trade of ICT goods, whose numbers - sourced primarily from customs data - is easier to collect than services trade. According to Unctad statistics for 2023, world exports of ICT goods – which belong to the core digital economy - were \$2.5 trillion, of which the EU exported \$325 billion or 12% of the total, after China and Hong Kong. The Philippines exported \$34bn for that year, \$5.17bn of which to the EU.

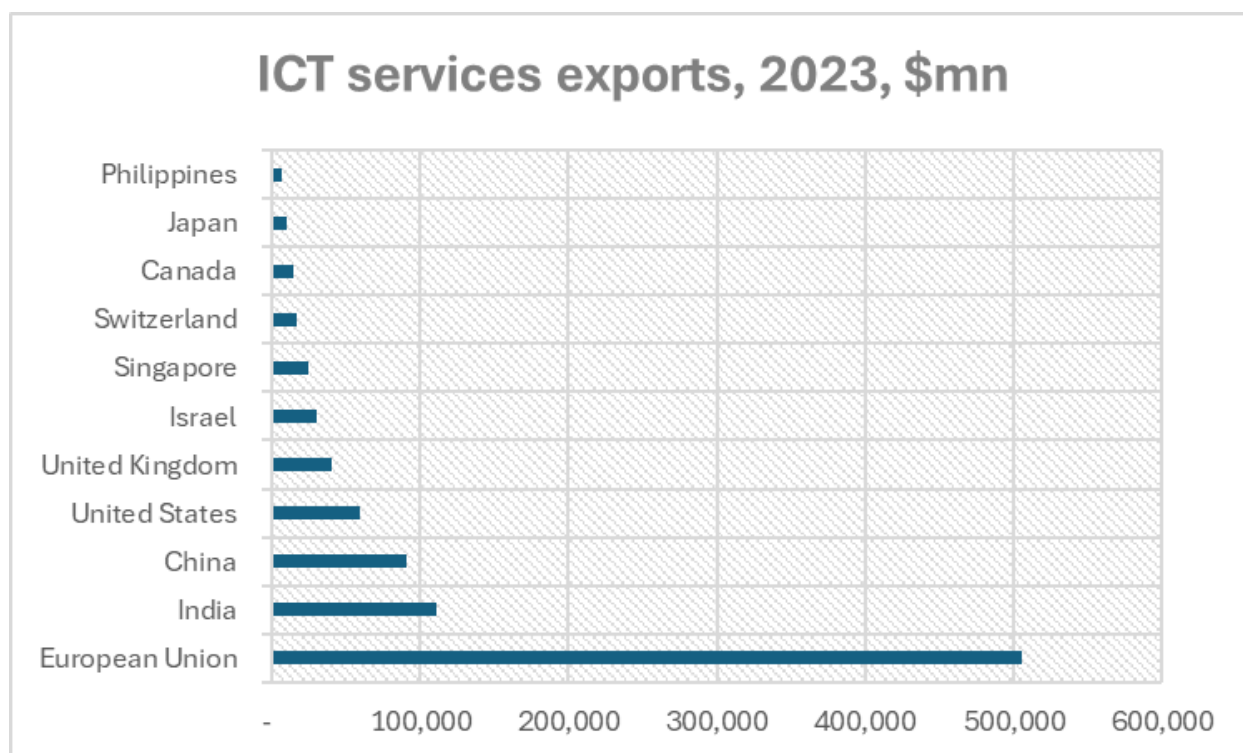


Chart 3

Source: Unctad

In terms of ICT services exports, the EU enjoyed a better standing accounting for half of the world total of 1.03 trillion in 2023. The Philippines exported \$7 billion that year. (Unctadstat)

Another dataset that one can use to gauge digital trade is digitally deliverable services trade or services delivered over computer networks, which is wider in its expanse. Among the services exports included in this category are telecommunications, computer and information services, financial services, insurance services, charges for intellectual property and other business services.

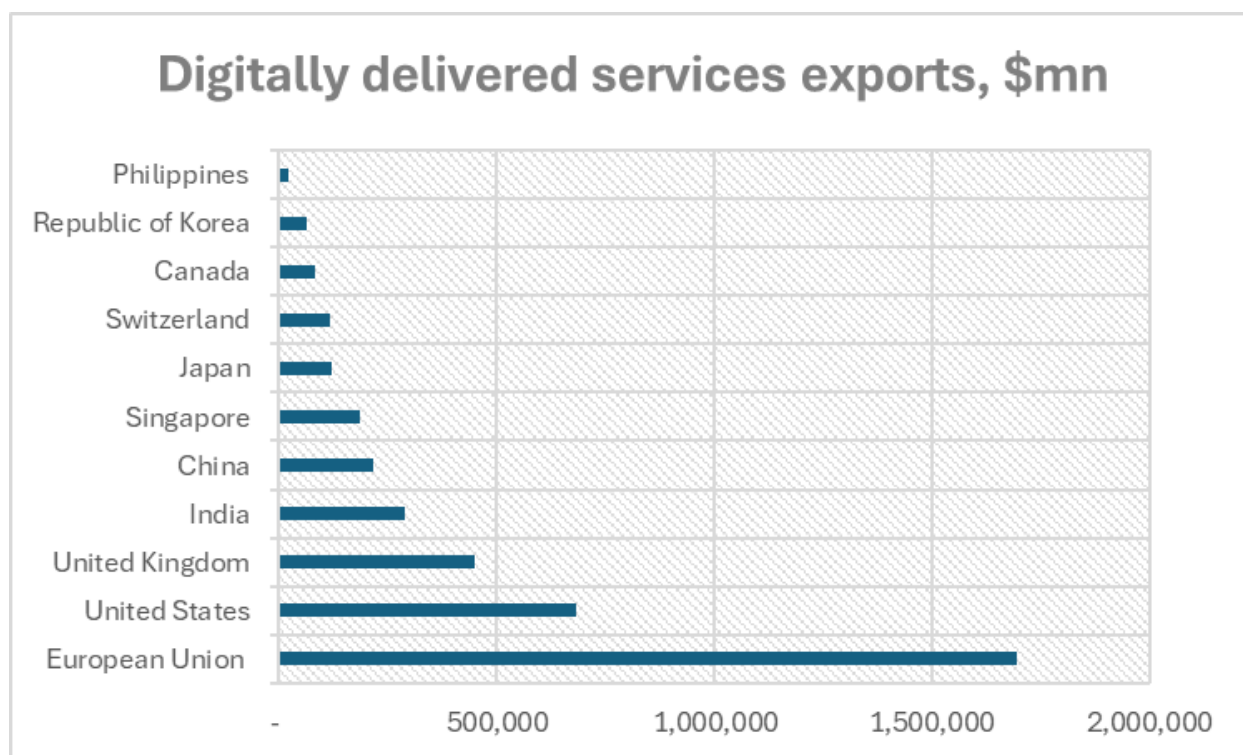


Chart 4

Source: Unctad

Over here, the EU is once again the top exporter, clocking at \$1.69 trillion or around 38% of the world's total in 2023, far ahead than the United States or the United Kingdom. Meanwhile, digitally deliverable services accounted for 56.39% of total world services exports, 56.39% for the EU but only 44.3% for the Philippines. It is important to note that the EU is not only a big exporter, but imports a lot as well, with 43% of digitally delivered services imports at \$1.63 trillion of the world total of \$3.7 trillion, followed by the US at \$409 billion in 2023. (Unctad)

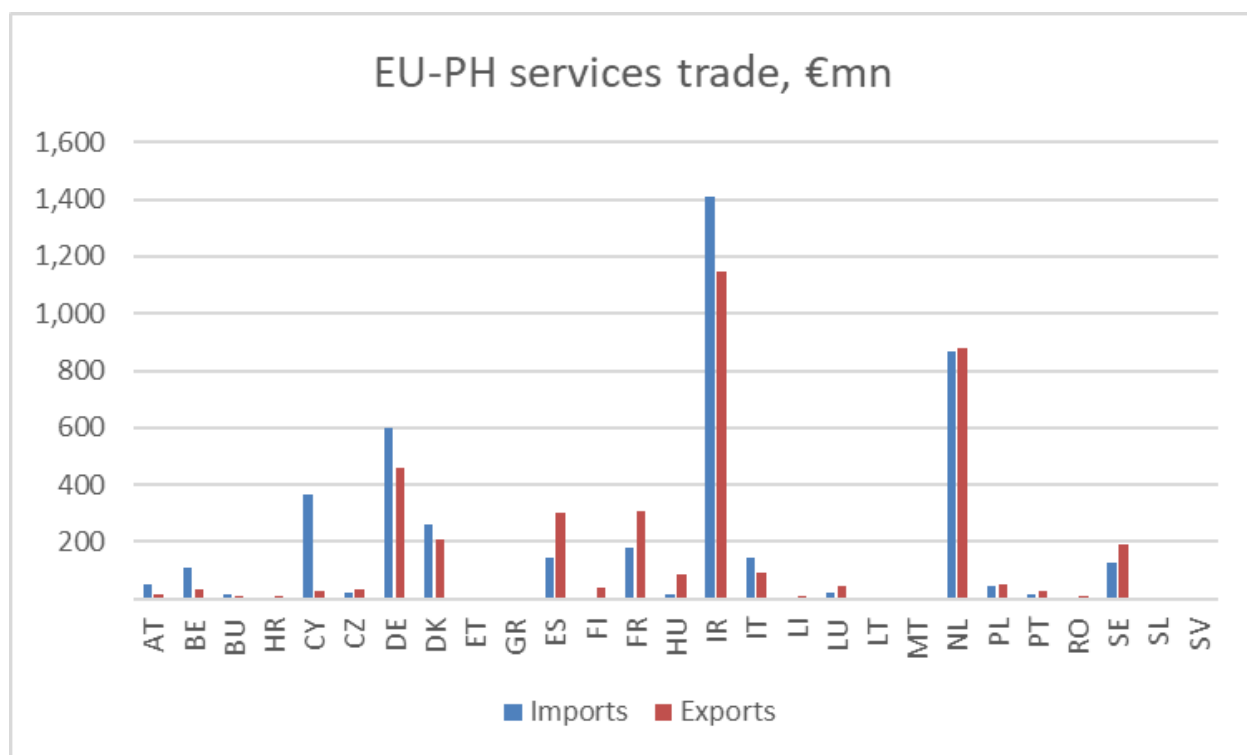


Chart 5

Source: Eurostat

As for EU-Philippines bilateral services trade, it has been growing steadily in the 10 years to 2023, when it imported EUR 4.479 billion worth of services from the Philippines and exported almost the same. But the EU export numbers for that year were 50% higher than five years before. Philippine services exports to the EU on the other hand were 43% higher. (Eurostat)

Interestingly, most of the Philippines' bilateral services trade was concentrated in just three EU member states. Ireland, the Netherlands and Germany took up nearly three-fifths of Philippines' services trade with EU in 2023.

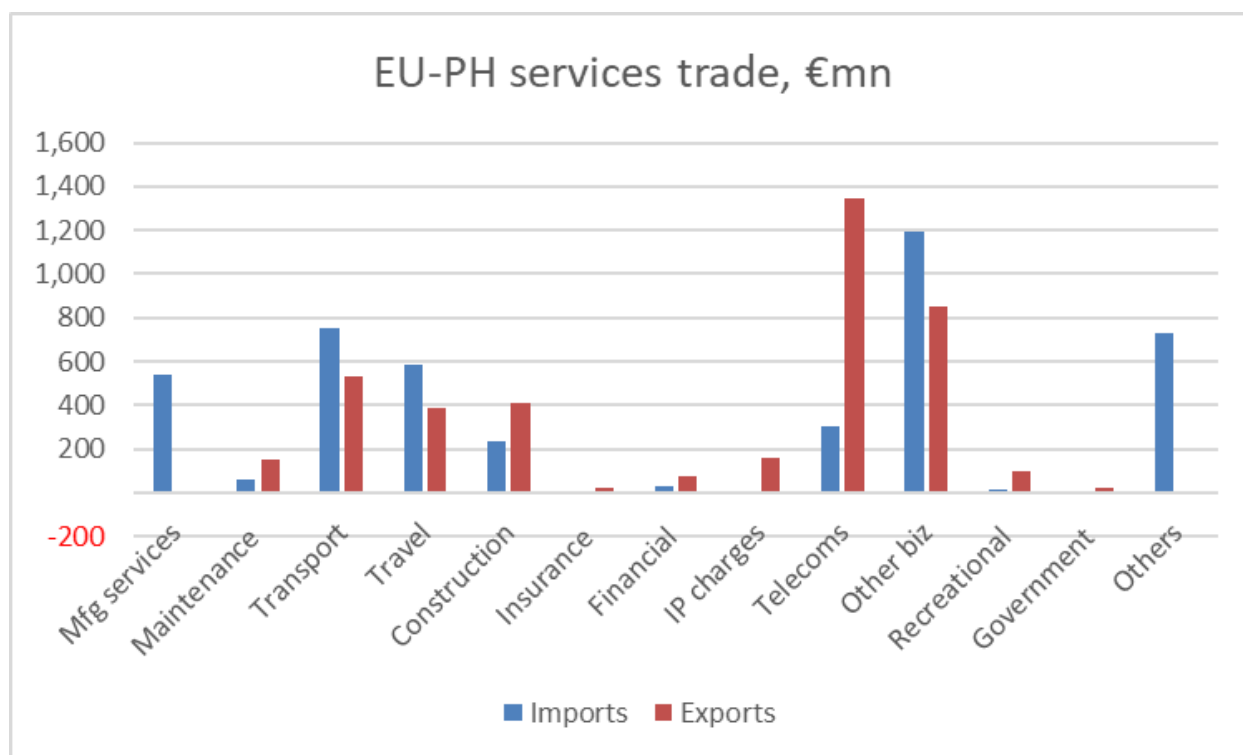


Chart 6 Source: Eurostat

Most of the bilateral trade on digitally deliverable services are in telecommunications with the EU exporting EUR1.3 billion in 2023, and in other business services, where it imported over EUR 1 billion the same year from the Philippines.

### Governance in the digital economy

With the rise of the digital economy worldwide comes the need for regulation to govern it. Bradford (2023) has observed three approaches to governance in the digital space, including the digital economy. First is the consumer-oriented approach or the market driven model. This can be seen in the United States, where the internet is seen as a possible “source of economic prosperity”, incentives to innovate are encouraged, and focus has been centered on a free internet. Under this model, the government’s regulatory role is limited.

The second is the control approach, which is seen in China and developing countries. Technology is seen as a tool aligned to the state’s program of economic growth and development but at the same a means of social control, through for example the surveillance of users justified by the state’s concerns such as national security.



The last approach is the one espoused by the EU. The bloc's rights-driven model puts citizens at the center. It sees users of digital technology not just as consumers but as citizens whose rights need to be protected in the virtual world as they are offline. Bradford (2023) describes it as a "human-centric approach" that emphasizes the preservation of the dignity and integrity of citizens when using online technologies. She adds that digital economic governance must be "firmly anchored on the rule of law".

## EU digital policy

In the EU, according to Mariniello (2022), policy on the digital economy can be categorised into the following goals, which can often intersect. Two of these are economic in nature. The first is reduction or elimination of barriers to the "digital single market". This one is particularly important for the EU, as the digital single market is basically the online dimension of the EU single market, for which Brussels has competence. Rules of the EU's internal market which covers the 27 member states are governed at an EU level, both online and offline.<sup>16</sup> Hence EU digital policy is geared so that online rules cohere with existing *acquis communautaire* that ensures a barrier-free, competitive single market.

The second economic goal is to promote the competitiveness of the bloc's digital sector as outlined as part of its [new industrial strategy](#). This means encouraging and channeling investments into technologies and processes that create value. Several recent EU initiatives covering this include the creation of digital innovation hubs, the passing of the [European Chips Act](#) to support the semiconductor industry and a EUR 7 billion investment for a joint undertaking on [high powered computer systems](#). (European Commission, n.d.)

Mariniello (2022) also stresses that as the digital economy's role rises, policies for it are becoming more important due to reasons that are beyond economic. These include the rising share of social interactions mediated digitally and technology's rapid advancement profoundly shaping the way we work. Hence three other policy goals for the digital economy are social in nature.

The EU for example ensures that its citizens have access to and quick uptake of digital technologies and profit from the benefits, avoiding a digital divide. But it also centers these policies around citizen rights and making sure technology is safe. As already suggested above, its approach sees technology users not just as consumers whose transactions, interactions and data online are to be monetised, but whose presence online needed to be endowed with protection as they are offline.

The EU for many years has been passing legislation that governs the digital economy. The ecommerce directive from 2000 was one of the earliest EU legislation in this area. These rules specific to the digital single market are part of a larger set of other internal regulations for the

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<sup>16</sup> Under the Lisbon treaty, EU rules for the digital space are to be expected. TFEU Articles 4(2)(a), 26, 27, 114 and 115, (Pierdonati and Hauk 2025)

digital realm. These include rules on digital infrastructure such as electronic communications networks, usage handling and storage of data as well as copyright and audiovisual rules.

The bloc has recently passed landmark legislation that governs the digital single market. These include the landmark Digital Markets Act, Digital Services Act and AI Act. The DMA tries to ensure digital markets remain fair and open. It gives specific obligations to “gatekeepers” or platforms with concentrated market power such as providing access to user-generated data, enabling interoperability as well as guaranteeing transparency on their advertising practices.

The DSA meanwhile updates (but not replaces) the ecommerce directive. It seeks to protect users from illegal content and as well as afford them more control and choice. It also makes sure access via platforms to markets are unrestricted and EU-wide. It also names the criteria for very large online platforms and their obligations.

The EU’s AI Act is said to be the world’s first-ever legislation on artificial intelligence. It provides a legal framework that addresses risks that come with the technology, categorising these from unacceptable to minimal. The legislation also at the same tries to address the EU’s competitiveness in this technology, an area where it faces stiff competition with the US and China.

An understanding of the EU’s internal policies therefore is necessary for any analysis of its trade policy, including digital trade. This is because its treaties mandate that “negotiated agreements must be in line with the EU's internal policies and rules”. (Juetten, 2024 EPRS)<sup>17</sup>

## **Digital trade agreements**

### *Digital Trade Policy*

Like traditional trade, one set of policies that digital trade are those facilitate cross-border transactions. As we will see below, these include policies such as bans on cross-border levies as well as digital contracts and signatures, which are seen as important enablers of digital trade. Another set concerns cross-border data flows. One thing that distinguishes digital trade from the old-fashioned trade that we know of is the predominant use of data in such transactions. These data vary from low-sensitivity transactional data to personal data that demands special requirements on how they are collected, processed and stored. ([Juetten, 2024](#))

These issues on digital trade facilitation and data flows appear in chapters on digital trade. In the case of the EU, digital chapter on trade agreements include the following issues:

customs duties ban;  
e-contracts, e-authentication methods and e-trust services

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<sup>17</sup> Article 207(3) of the Treaty on the Functioning of the European Union (TFEU)

online consumer protection, including protection against spam;  
software source code;  
barriers to data flows, including data localization requirements  
protecting privacy  
regulatory cooperation. ([European Commission](#), ND)

Burri (2022) writes that there has been some “convergence” on rules on digital trade facilitation but less so on data flows. In her analysis of more than 360 FTAs between 2020 and 2022, around 203 had provisions on digital trade and a significant number of these had provisions on trade facilitation, and “one can observe convergence”. But she adds, of these only a limited number had provisions on data flows.

The lack of “binding multilateral rules specifically for cross-border data flows and privacy” remains a challenge. ([Juetten, 2024](#)). Agreements on data flows are hampered by concerns on data sovereignty issues but in the case of less developed countries, the evidence of capacity to comply. The EU itself has high requirements of data protection and reviews its [adequacy decisions](#) with third countries. (European Commission, [2024](#))

But a country’s approach to data can have an impact on services trade as Ferracane and van der Marel ([2021](#)) have shown in one study. They classify models of data governance on cross-border data flows and domestic data processing into three categories: open, conditional and limited. In their study of 116 countries, they have shown that high levels of services trade occur between country pairs that follow an open model, driven primarily by the IT and services sector. Services trade under the conditional model had mixed results depending on the sectors. Interestingly, country pairs that had conditional models for domestic data processing exhibited higher services trade than either models. They believe that “provisions which aim to create ‘trust’ by imposing stricter rules on domestic processing of personal data” lead to an environment that encourages digital services trade.

### *Digital trade in the WTO*

Digital trade has been discussed at the WTO for decades now, with the Information Technology Agreement of 1996 as one of its earliest deals at the multilateral level. The EU – representing its then 15 members – was one of the original signatories alongside the Philippines. The agreement was meant to eliminate customs duties on IT products including computers, telecommunication equipment, chips and chipmaking equipment. The EU played a significant role in the expansion of the ITA’s coverage, which was later agreed on in 2015. ([WTO, nd](#), Tang and Lascari 2017)

A more recent initiative is the WTO’s joint Statement initiative on E-commerce which aims to advance talks on ecommerce rules at a multilateral level. The EU, an initial signatory in 2017, had been very active in the negotiations for this initiative, which will serve as the foundation for the first global rules on digital trade. ([European Commission 2024](#)). The JSI

aims to increase cross-border digital trade and reduce barriers to electronic transactions. In July 2024, the initiative was able to put [together a draft](#) that includes provisions on digital trade facilitation and personal data protection, but exceptions of cross-border data flows. ([WTO, nd](#))

### *Digital trade in PTAs and FTAs*

Polanco (2023) has written a short history of digital trade rules in preferential trade agreements (PTAs) to date and has pinned them down to three generations. The first generation of rules centered on ecommerce and the elimination of barriers to electronic transactions. The second generation focuses on data flows. These rules were bundled initially in provisions on services sectors where data flows are inherent (such as financial services and telecoms services) but later became more “generalized rules specific to cross-border data flows and restrictions on data localization”. The last generation are exclusively digital trade agreements which will also be described below.

According to Callebaut (2024), digital trade provisions meanwhile have been appearing in trade agreements for Asia-Pacific in four ways. The first is to have them from the very beginning. This is possible for more recent FTAs as older, existing ones drafted when the world economy was not as data-heavy as it is today have not included them. An example of a recent FTA with digital trade provisions is the one between the EU and New Zealand, which has a specific chapter on digital trade. Provisions include promotion of paperless trading, digital signatures and contracts as well as a ban on customs duties. It also promotes the free flow of data but also protection of such personal data. It also has provisions for dispute resolution in the online space, spam and source code. The EUNZTA entered into force in May 2024. Digital trade rules under this mode are binding and enforceable.

The second mode is the explicit inclusion of digital services in megaregional trade agreements. Megaregionals address the “spaghetti bowl effect” of overlapping trade agreements within a region by deepening, widening and consolidating them. Callebaut (2024) writes that this has become quite popular as evident in Asean agreements and the 15-member Regional Comprehensive Economic Partnership (RCEP). RCEP has a standalone chapter on measures that “affect ecommerce”-- Chapter 12 – even though as Kelsey (2022) notes it “does not define” it. These include paperless trading, customs duties, personal data protection, online consumer protection and spam. Similarly, the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) has a separate chapter on ecommerce with provisions for trade facilitation such as signatures and electronic authentication, data flows and localisation, source code and a ban on customs duties.<sup>18</sup>

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<sup>18</sup> Kelsey (2022) notes however that while the coverage of these mega-regional trade agreements look similar, they vary in many ways, specifically on the “degree of legal obligation” and as such may lead to different outcomes. While CPTPP provisions are essentially binding, the RCEP ecommerce chapter is “not enforceable by state–state dispute settlement”. While the latter was drafted with flexibility and allowance of policy space in mind, Kelsey contends that such an arrangement may lead to less opportunities promised in the digital space than otherwise.

The third mode is to append digital rules to an existing bilateral trade agreement. The EU's digital trade agreements (DTAs) that top-up existing FTAs with South Korea and Singapore are an example of these. Another is the bloc's Digital Partnership Agreement with Japan. Areas covered include business focused issues such as cybersecurity, open internet access and source code protection, consumer trust issues such as online consumer protection, cross-border issues such as paperless trade, econtracts, esignatures as well as electronic authentication and invoicing, and data flows with trust. ([European Commission](#), n.d.). These agreements are non-binding and also provide flexibility with different areas of focus depending on the partner.

The last mode is the digital economy partnership agreement (DEPA), pioneered by Singapore, New Zealand and Chile. This approach is deemed as innovative in two ways. First it is a "living document" which means it can be edited and updated, anticipating the dynamic nature of the digital economy while being legally binding. Second it is modular in nature, which enables signatories to take in modules that they deem necessary or less contentious. As of writing, there are 13 modules ranging from small and medium enterprises and trade facilitation to online consumer protection and data governance. South Korea became DEPA's latest member in May 2024. ([New Zealand FAT, nd](#); [MTI Singapore, nd](#))<sup>19</sup>

## EU-Philippines FTA negotiations

The EU has had ecommerce provisions in its trade agreements since 2008 and has telegraphed that all future FTAs will include a digital trade chapter and specific issues will be embedded. ([European Commission, n.d.](#)). Digital trade chapters would include facilitation measures that include provisions on digital contracts and signatures, online consumer trust, spam, source code, and bans on cross-border taxes. Furthermore the EU in 2018 has endorsed horizontal provisions to be included in the digital trade chapter in all succeeding FTAs (starting with Indonesia) primarily concerning data. ([European Commission, 2018](#)) These provisions - which cut across sectors - include cross-border data flows, protection of personal data and regulatory dialogue. (Ferracane and Li, [2021](#)) The same goes for the ongoing FTA talks with Thailand which has completed their third round of talks. ([European Commission, nd](#)).

Meanwhile, the EU-Vietnam FTA, signed in 2020 after negotiations ended in [2015](#), has provisions on ecommerce but bundled in with investments and trade services, while the EU's 2019 FTA with Singapore has a chapter on e-commerce. Burri ([2021](#)) however notes that these e-commerce chapters are rather spare and "neither make reference to data and privacy protection". In 2024, however, the EU and Singapore upgraded their relationship with the conclusion of negotiations for a complementary [digital trade agreement](#) which also covers these two issues.

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<sup>19</sup> Sävenborg (2022) has written a note on the advantages and disadvantages of the modular approach. She sees it as a "complementary" response to the reality of the current international trading architecture but may be less advantageous for developing countries.

In March 2024, the EU and the Philippines announced the resumption of free trade agreement talks. This is more than a decade since it started its first exploratory talks on a bilateral FTA in 2013. And unlike the previous rounds, the most recent has included digital trade.<sup>20</sup>

There have been calls for an inclusion of a digital trade chapter in EU-Philippines talks. For example, the final version of an independent impact assessment report commissioned by the EU for the negotiations said inclusion of digital trade “could be beneficial for SMEs wanting to operate both in the Philippines and in the EU”, adding that opportunities resulting from “a comprehensive section on digital trade exist”. ([European Commission](#), 2022)

Furthermore the inclusion of digital trade in an FTA would be beneficial especially for SMEs in both economies, as noted in the sustainability impact assessment final report, also commissioned by the EU ([European Commission](#), 2019). It also notes that opportunities for cooperation on digital trade issues “in parallel with the FTA”, which can be read as a suggestion for non-binding agreements outside the FTA format but could complement it.

Likewise business groups from both sides are arguing for inclusion, highlighting the importance of the services sector. The European Services Forum, which represents the services industry in the EU, has called for a separate chapter on digital trade with “strong provisions” and includes “cross-border data flows”. ([ESF](#), nd) The European Chambers of Commerce in the Philippines sees digital trade among those that would benefit from the FTA and believes that an “enabling environment for cross-border data flows” is necessary to boost digital trade and capture opportunities of a “data-driven economy”. ([ECCP](#), 2024)

As of writing, the most recent negotiations between the Philippines and the European Commission in June 2025 in Brussels have reached agreements on two chapters, sustainable food systems and general regulatory practices, in addition to MSMEs, transparency and anti-fraud, which were concluded in earlier rounds.

However discussions on digital trade, which had been included in among the topics for negotiation since the first round in October 2024, are still ongoing. The EU’s textual proposal includes the standard list of issues such as a ban on data flow restrictions and data localisation, data and privacy protection, a ban on customs duties on digital trade, e-contracts, e-invoicing and e-signatures, spam and regulatory cooperation plus open government data. ([European Commission](#), 2024)

With regards to the Philippines, its presumed baseline would be existing commitments on digital trade. Unlike Singapore or Vietnam, the country however has a thin list of bilateral FTAs. It has only three ratified bilateral agreements so far, with just [Japan](#), [EFTA](#) and South Korea. [Neither of the first two agreements](#) have chapters on ecommerce though there are talks of upgrading JPEPA to include digital trade in its latest periodic review. (Canivel [2018](#), [Tabile 2024](#)).

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<sup>20</sup> However “introductory sessions on expected titles in a future FTA” such as e-commerce have been held as early as 2016 ([European Commission](#), 2016)

The FTA signed with South Korea, which was signed [in 2021](#) and went into effect last December 31 2024, also [does not have a digital trade chapter](#). However, the FTA currently under discussion with the UAE has a digital trade is covered including trusted data flows (CACCI, [2023](#); EY, [2024](#))

The Philippines first cross-border provisions on ecommerce come mainly via an Asean + 1 agreement, with the signing of the Asean FTA with [Australia and New Zealand](#) in 2008. (Asia Foundation, [2024](#)) Meanwhile, Asean recently endorsed a study on the Asean Digital Economic Framework Agreement. Its nine elements include both digital trade facilitating provisions as well as cross-border data flows. Negotiations are expected to end by 2025. (Asean, [2023](#), [MTI Singapore, nd](#)). As mentioned above, [RCEP has an entire chapter on ecommerce](#). (Asean, [n.d.](#))

At a multilateral level, the Philippines recently signed the WTO's JSI on E-commerce, joining the initiative in [2020](#). As stated earlier, it aims to foster cross-border electronic transactions among the over 90 signatories.

Looking at the EU's and Philippines baselines, provisions on both digital trade facilitation and data flows are as expected to be at the centre of negotiations. But given that there is less convergence between the two on the latter, as implied by Burri earlier, it is coherence on data governance that might be a sticking point for the talks.

In the field of personal data, which falls under digital trade facilitation, it is notable that overall the [Philippines Data Privacy Act](#) is said to be “modeled apple to apple” after the EU's Directive 95, predecessor of the GDPR. (Corning, 2024; [IAAP, 2017](#)) <sup>21</sup>

But in terms of data flows, there is less convergence. Ferracane ([2022](#)) for example notes that the Philippines follows an open model, with “virtually no restrictions on cross-border transfers of data”, citing chapter 4 of the country's data privacy act (DPA), whereas the EU follows a conditional model, that is, data can only be transferred to countries deemed to have fulfilled adequacy requirements. (Ferracane and van der Marel, [2021](#); [European Commission, nd](#)).

Apart from coherence of regulatory approaches, one also has to consider the scale of regulation, especially on the part of the bloc. The EU's digital sector is subject to heavy regulation. As of 2024, the bloc has nearly 120 pieces of legislation for the digital economy. Of these 87 have been enacted. ([Zenner et al, 2024](#)). The complexity and breadth of regulation have downsides. For example, they can potentially impose a heavy compliance burden on small and medium companies. ([US ITA, 2024](#); [Lacey, 2023](#); [Ferracane, 2022](#)) It is notable, however, the EU has moved to simplify its digital rules as part of its deregulation drive through a “digital omnibus” law expected by November 2025. (Tamma 2025)

## Conclusion

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<sup>21</sup> Azuro et al (2022) have done an in-depth study comparing the Philippines DPA and GDPR.



The resumption of EU-Philippines FTA talks signals of a renewed fervour in deepening the economic relations between the two economies. As suggested above, one of the policy areas expected to be covered is that of digital trade. However, what is also expected is difficulties in achieving convergence due to different regulatory frameworks pervading in this field. Furthermore, even if convergence is easier to achieve in some areas, such as digital trade facilitation, it will be more difficult in others such as data flows as Burri (2022) notes. Nevertheless, recent developments in digital trade agreements offer alternative pathways to relations in this area. If a comprehensive digital chapter in trade cannot be achieved, the economies can negotiate a separate instrument that can complement a wider agreement. (Berggren, 2024)

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## Chapter 7: EU Influence on Philippine Competition Laws

Jill Marie Lopez Robles

### Introduction

Competition law serves to foster competition in a free marketplace and promote consumer welfare (Jones and Sufrin, 2014, p. 1). At its core, competition law seeks to curb practices that undermine competition in the market. For instance, price-fixing by cartels, abusive practices of dominant firms, or mergers or acquisitions that lead to monopolies. By keeping the market open to competition, consumers enjoy lower prices, better quality of goods and services, and a wide range of choices.

Over the past years, the world has seen a rise in the adoption of competition laws, with many jurisdictions looking at established competition law frameworks for guidance. The European Union's (EU) competition law regime has emerged as a leading model due to its comprehensive and detailed rules, effective enforcement and the EU's impact on the global economy. Through trade agreements and technical assistance, the EU has influenced competition policies worldwide.

In the Philippines, the passage of the Philippine Competition Act (PCA) in 2015 launched the cohesive framework in the country's competition law regime. Prior to the PCA, the country's competition rules were scattered in different laws, including sector-specific legislation. The PCA laid down comprehensive rules and created the Philippine Competition Commission (PCC) to craft and enforce rules across all sectors.

This chapter explores how the EU competition law regime has helped shape the Philippine competition law framework. While the architects of the PCA looked at EU, US and ASEAN models, this paper will focus on the EU's influence in creating and enforcing the Philippine competition laws and rules. This chapter looks at the similarities between the two frameworks, such as PCA rules on anti-competitive agreements and abuse of a dominant position mirroring the wording of the corresponding EU competition laws. International partnerships have boosted knowledge sharing between EU and the Philippines. Moving forward, the Philippines can continue benefiting from this collaboration with EU, by adapting EU insights to fit its regulatory capacity, economic goals, and market conditions.

This chapter is divided into five sections. What follows this introduction is an examination of the EU's competition law—its rules, institutions, and enforcement. The third part of the chapter shifts the focus to the Philippines, tracing the PCA's evolution and the PCC's role. Section four examines the EU's specific contributions to the Philippine framework. The final concludes with the paper's key points and future outlook for the Philippines.

### EU Competition Law

To set the EU competition regime in context, this section discusses the regional bloc's competition policy, and the institutions involved in legislating and enforcing competition laws, key provisions of the law and regulations, and enforcement. A discussion on key developments will conclude the overview of the EU competition law.

### *EU competition policy and EU Institutions*

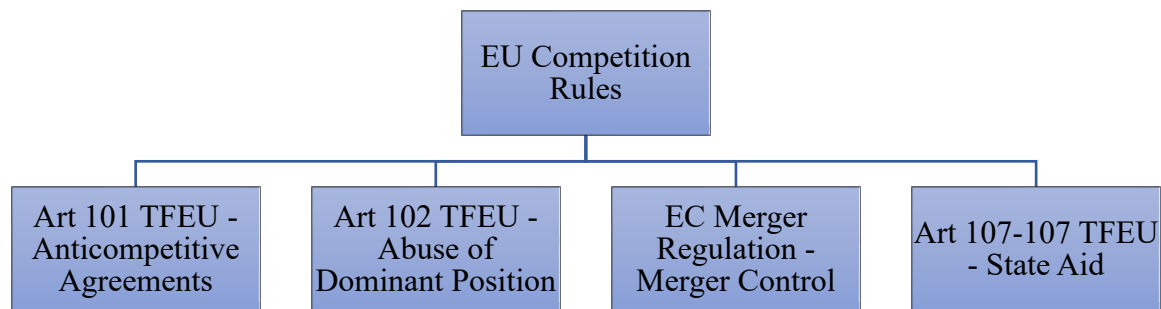
The EU competition policy revolves around preserving a free and competitive market where businesses and consumers benefit from range of goods and services at the best possible prices (European Commission, 2025d). The EU articulates and implements this policy through several institutions. The European Parliament and the European Union Council enact and approve the competition laws, while the European Commission (EC) implements and enforces the regulations, with member states also sharing some of EC's enforcement functions. The Court of Justice of the European Union (CJEU), as the main European judicial body, interprets and applies competition laws across the EU (European Commission, 2025f.)

### *Primary Legislation and Key Concepts*

This section will focus on the main EU competition legislation, which rests on the Consolidated Version of the Treaty on the Functioning of the European Union (TFEU). Articles 101-106 of the document relate to competition rules applicable to undertakings, while Articles 107-109 deal with rules to prevent anti-competitive state aid. The EC Merger Regulations govern mergers or acquisitions affecting internal EU markets. (Lorenz, 2013, p. 29). Notably, when there are discrepancies between European competition regulations and member state competition laws, the former prevails over the latter (Lorenz, 2013, p. 43, citing *Walt Wilhelm v Bundeskartellamt*, 1969).

Figure 1 below shows the sources of EU Competition rules and the specific policy areas that the regulations focus on. It is adapted from the work of Lorenz (2013, p. 30):





Of particular interest in this chapter are the laws on anti-competitive agreements, abuse of dominant position and merger controls, which are commonly referred to as the three pillars of competition law. (Lorenz, 2013, p. 34)

Article 101. Article 101 of the TFEU imposes a ban on anti-competitive agreements, which are agreements “that may affect trade between EU Member States and which have for their object or effect the prevention, restriction or distortion of competition” within the EU internal market. The same provision enumerates a non-exhaustive list of examples of such anti-competitive agreements, such as price fixing, limiting or controlling production, and market sharing, and declares agreements violating Article 101 as automatically void.

Article 101 likewise provides for exemptions for agreements between companies that contribute to improving production or distribution of goods or promote technical or economic progress, allowing a fair share of benefits to consumers. Exemptions are governed by block exemption regulations, and are not decided on a case-to-case basis (European Parliament, 2025).

Block exemption regulations automatically exempt certain types of agreements between firms from the EU's general competition rules under Article 101 of the TFEU, as long as they meet specific conditions to ensure they promote competition and benefit consumers. For instance, companies X and Y are rival drug firms with combined market share of 20%. They agree to jointly research a new technology, to share costs but compete on sales afterwards. This research and development (R&D) agreement fits the block exemption regulation as it is below the 25% market threshold, does not contain hardcore limits on outputs or prices and promotes innovation. However, if the same companies X & Y enter into a similar R&D agreement but secretly agree to limit their total output to keep prices high, such agreement does not fall under the block exemption regulations. The output limit in the agreement is a hardcore restriction, which is not allowed in the exemption. (European Union, 2025b)

The EU competition laws do not prohibit collusive agreements unless they have as their object or effect the distortion of competition in the market (Jones and Sufrin, 2014, p. 179). To illustrate, in 2016, the European Commission found truck makers MAN, Volvo/Renault, Daimler, Iveco, and DAF for colluding for 14 years on truck pricing and on passing on the costs of compliance with stricter emission rules directly to buyers. The distorted competition across Europe led to higher prices for customers. The EC penalized the truck makers (except for MAN, the whistleblower) with a record fine of EUR 2.93 Billion. (European Commission, 2016)

The EC rules do not consider agreements as infringing Article 101 if they have little impact on the market based on the de minimis principle, as they are beneficial for cooperation between SMEs (European Parliament, 2025). This applies to agreements between firms whose market shares do not exceed 10% for agreements between competitors or 15% between non-competitor, and agreements do not have as their object to restrict competition. (European Union, 2025a) For example, two small family-run bookstores, X in Italy and Y in Spain, decide to collaborate. X & Y each holding less than 2% of the local book retail market in Italy and Spain agree to jointly purchase niche titles from publishers to secure volume discounts. Their combined market presence across Europe is insignificant, well below the 10% threshold for competitors. The agreement does not involve any hardcore restrictions like price fixing. Under the de minimis principle, this Agreement does not infringe Article 101 of the TFEU.

Article 102. Article 102 of the TFEU prohibits abusive practices of a dominant market player. Fundamentally, 102 provides for two requisites for the prohibition – a domination position, and an abuse (Lorenz, 2013, p. 189). The dominant position relates to “a position of economic strength enjoyed by an undertaking which enables it to prevent effective competition being maintained on the relevant market by giving it the power to behave to an appreciable extent independently of its competitors, customers and ultimately of its consumers.” (Lorenz, 2013, p. 189, citing *Brands v Commission*, 1978). Nonetheless, a dominant position is not by itself deemed an infringement. It is the abuse of such dominant position that is held illegal. The EU competition laws penalize the abusive acts of a dominant player, such as predatory pricing, tying and bundling and charging exorbitant prices (European Parliament, 2025).

It is worth noting, however, that the EC currently plans to amend the enforcement rules under Article 102 of the TFEU to address market developments and progress of case law from EC courts (European Commission, 2025d).

#### Case study: Google Search Shopping Case (2017)

In 2010, market players in the comparison-shopping market filed complaints against Google for anti-competitive behavior. The investigation showed that Google commanded a 90% share in the general search engine market across 13 European Economic countries. The EC held that Google had systematically favored its own comparison-shopping service, Google Shopping, in its general search engine, by using different ranking algorithms for its own and for its rival services. This resulted to more visibility and user traffic for Google Shopping in the Google search engine results while demoting those of the competitors. The EC ruled that Google abused its dominant position and thus infringed Article 102 of the TFEU. The EC penalized Google with a fine of €

2.424 Billion, ordered to terminate the infringing practice and threatened additional penalties for non-compliance (European Commission Decision, 2017).

### *Mergers Legislation*

The EU competition rules likewise prohibits mergers or acquisitions that would substantially hinder competition in the EU internal market, especially if they create or strengthen a dominant position. EC Merger Regulation primarily governs merger controls. (European Commission, 2004) The rules require parties to notify the EC of proposed mergers based on certain thresholds, or to the national competition authorities if the transaction falls below the thresholds (European Parliament, 2025). Upon notification by parties, the EC decides whether a merger may push through, may implement with conditions, or disallow altogether. The General Court and the ECJ may review merger decisions of the EC (Lorenz, 2013, p. 242). The EU implements the merger control on an ex ante approach, which essentially prevents market players from establishing or strengthening a dominant position that could potentially facilitate future abuse of dominance conduct (Lorenz, 2013, p. 242). The EU merger rules also apply to entities outside the EU that do business in the EU internal market (European Parliament, 2025).

A notable example of the EU merger control is the proposed acquisition of iRobot (manufacturer of robot vacuum cleaners) by Amazon, a U.S. retailer and an online marketplace operating local marketplaces in several EU Member States. The EC's preliminary investigation found that the acquisition would have enabled Amazon to shut out iRobot's rivals by restricting access to the Amazon Stores, thus harming competition. The parties terminated the deal before the EC arrived at a final decision. (European Commission, 2024b)

[https://ec.europa.eu/commission/presscorner/detail/en/statement\\_24\\_521](https://ec.europa.eu/commission/presscorner/detail/en/statement_24_521) This case shows the EC' ex-ante preventive approach, where scrutiny can lead to parties abandoning the proposed deal. This also highlights application of EU competition rules to non-EU firms affecting the EU market.

### *Enforcement*

The EC acts as the main enforcer of the competition laws at the EU level. It investigates cases and renders decisions accordingly. Parties can challenge the EC decisions by filing cases before the European Court of Justice (ECJ) (Lorenz, 2013, p. 59). Likewise, EU members states share some of EC's enforcement functions, with the national competition authorities and national court authorities being able to apply and enforce Article 101 and Article 102 of the TFEU. As stated, the ECJ interprets and applies the competition laws across the EU. The EU's General Courts, a sub-unit within the broader judicial institution, hear the competition cases as the court of first instance. Should an appeal be made, the case is elevated to the Court of Justice, which consists of 27 judges, one from each member state. National courts can also refer cases to the Court of Justice for clarification on how to interpret EU competition law (European Commission, 2025d). Fundamentally, national courts must observe EU competition laws and

may not render decisions contrary to decisions of the ECJ (Lorenz, 2013, p. 59). Similarly, national competition authorities must notify the EC before the former makes any formal investigation. Typically, the national competition authorities automatically lose jurisdiction over the case once the EC initiates its own proceedings (Lorenz, 2013, p. 59).

To ensure that EU competition rules are applied consistently across the EU, the EC, the national competition authorities, and the courts coordinate and cooperate. The European Competition Network enables such coordination among the EU competition enforcing bodies (European Parliament, 2025). Moreover, EU institutions enforce EU competition laws even to entities outside the EU internal market. The test of whether or not the EU competition rules applies internationally lies in the effects doctrine. This doctrine prescribes that an action falls under the EU competition law if such action has a restrictive effect on competition within the EU (Lorenz, 2013, p. 41). The proposed acquisition of iRobot by Amazon demonstrated the effects doctrine in EU competition law, as the EC exercised jurisdiction over the two US-based entities. In particular, the EC intervention was due to the proposed acquisitions' potential to produce anticompetitive effects within the EU internal market, particularly in the robot vacuum cleaner sector. (European Commission, 2023)

Bernatt and Zoboli (2022) discuss EU competition law enforcement in terms of three pillars: (1) public enforcements of Articles 101 & 102 of the TFEU and the national competition laws, (2) merger review, and (3) private enforcements relating to disputes on the application of Articles 101 & 102 between private parties filed before the national courts of EU Member States (Bernatt and Zoboli, 2022, p. 3).

#### Public Enforcement

Public enforcement rules of Articles 101 and 102 of the TFEU allow national competition authorities and national courts, alongside the EC, to enforce all aspects of EU competition laws. It also mandates national competition authorities to apply Articles 101 and 102 of the TFEU for acts affecting trade between Member States of the EU (Bernatt and Zoboli, 2022, p. 4).

Bernatt and Zoboli (2022) present three scenarios of public enforcement: (1) the EC enforces Articles 101-102 of the TFEU under Regulation 1/2003, the centralized EU competition procedures; (2) National competition authority enforces Articles 101-102 of the TFEU under its own national law's procedural rules, or decentralized EU competition procedures under Regulation 1/2003. National competition authority then applies Articles 101-102 of the TFEU alongside the substantive rules of its national competition law; and (3) National competition authority applies substantive and procedural rules of its own national competition laws (Bernatt and Zoboli, 2022, p. 6). Decisions on Articles 101 & 102 of the TFEU are then subject to judicial review. The General Court exercises power to review the decisions of the EC, while the national courts exercise power to review decisions of the national competition authorities (Bernatt and Zoboli, 2022, p. 8). The 2017 Google Search Shopping case that resulted in a €2.424 billion fine for abusing dominant position under Article 102, was decided through this centralized EC procedure, with subsequent judicial review made at the General Court.

### Merger Review

The rules on merger review require notification to the EC of transactions that meet quantitative “community dimension” threshold. If the transaction falls under the “community dimension” threshold, the national laws of EU Member States will apply to said transactions. For transactions that meet the threshold, the EC reviews if the intended merger will impede competition, such as creating or strengthening dominance in the market (Bernatt and Zoboli, 2022, p. 4). The EC after review may consent to the transaction, or consent to the transaction subject to certain conditions, or prohibit the transaction. Parties may implement the merger only after the EC or national competition authority adopts the decision (Bernatt and Zoboli, 2022, pp. 9-10). The CJEU exercises power to review decisions of the EC on merger matters (Bernatt and Zoboli, 2022, p.10). Noteworthy, the public enforcement framework on mergers differs from the system on Articles 101 & 102. The system on merger is centralized on the EC as the national competition authorities review mergers on rare instances (Bernatt and Zoboli, 2022, p.10). For example, International Paper’s proposed acquisition of DS Smith (where both are vertically integrated paper and packaging companies with headquarters in the US and UK, respectively), the EC found that the proposed acquisition would have reduced the competition in Portugal, Spain and France. The EC found that the proposed acquisition would have resulted in high combined shares and high concentration levels. The two companies proposed to divest five of International Paper’s plants in Europe to remedy the competition issues. The EC accepted the proposal as fully addressing the competition issues. The EC then approved the acquisition subject to condition that the parties fully comply with its commitments. (European Commission, 2025j)

### Private Enforcement

Parties may also file civil action for damages before national courts arising from violations of Articles 101 & 102 of the TFEU (Bernatt and Zoboli, 2022, pp. 4-5). The European Court of Justice (ECJ) has recognized individual rights under the EU competition laws. In several landmark cases, the ECJ has ruled that any individual may claim for damages where the harm has causal relationship with the anti-competitive agreement under Art 101 of the TFEU (Morais, 2011, p. 111, citing *Manfredi v Lloyd Adriatico Assicurazioni*, 2006). In particular, in the joined cases of *Manfredi* and others, Italian consumers sued insurance companies for damages arising from increased insurance premiums caused by exchange of information among the competing insurers. The Italian competition authority found the said action as anti-competitive, which is an infringement of Article 81 of the Treaty establishing the European Economic Community (now Article 101 of the TFEU). The European Court of Justice ruled that EU competition law entitles any individual harmed by such prohibited practices to claim for damages as long as there is a casual link between the harm and the prohibited practice. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:62004CJ0295>

Morais (2011) suggests two categories for private enforcement of competition rules: (1) actions brought by private parties seeking damages for harm arising from infringements of EU

competition law; and (2) actions brought by private parties to use competition law prohibitions as defense in contracts or intellectual property litigation (Morais, 2011, pp. 114-115). In both cases, national courts exercise authority over private enforcement of EU competition law and may award damages to individuals harmed by anti-competitive behavior (Bernatt and Zoboli, 2022, pp. 10).

## **Developments in EU Competition Law**

The European Union recently enacted the Digital Markets Act (DMA) with the aim of making the digital markets more open and more contestable. The DMA focuses on gatekeepers, which are large digital platforms offering core platform services including online search engines, app stores and messenger services. The DMA imposes obligations and prohibitions on gatekeepers on an ex-ante approach rather than ex-post approach (European Commission, 2025e). Consequently, the EC designated seven gatekeepers with 24 core platforms under examination, such as Alphabet Inc., Amazon Inc, Apple Inc., Byte Dance Limited, Meta Platforms Inc. and Microsoft Corporation (European Commission, 2025g).

The DMA mandates gatekeepers to allow interoperability, provide data access to business users, follow transparent advertising rules, and allow business users to conclude customer contracts outside the gatekeepers' platform. It prohibits gatekeepers from self-preferencing, from preventing users from un-installing pre-installed software or app, and from targeted advertising without consumer consent. Further, under the DMA, consumers benefit from choosing their own digital services, gain more control over personal data, and holds the right to transfer data to preferred platforms. Business owners now have the right to run their own app stores, to offer alternative services to OS users (iOS, Android mobile, Windows PC), and to gain effective access to their own data (European Commission, 2025e).

The EC may impose fines on non-complaint digital platforms of up to 10% of the company's total worldwide annual turnover, or up to 20% for repeated violations. The DMA also allows the EC to impose additional remedies for systematic infringements, including non-financial solutions such as structural remedies, e.g. divestiture in some parts of a business (European Commission, 2025e).

EU competition law enforces robust prohibitions against anti-competitive agreements and abuse of dominant positions through the EC enabled by Articles 101 and 102 of the TFEU, and through judicial review to maintain level-playing field across EU member states. The Philippines integrated several of these EU measures into its PCA, adopting similar prohibitions on anti-competitive agreements, and dominance abuses, together with merger notification rules to strengthen its antitrust framework.

## **Philippine Competition Law**

This section will provide an overview of the Philippine competition law, the legislative history preceding the passage of the Philippine Competition Act in 2015, the key provisions of the PCA, relevant enforcement rules, and a case study on the application of Philippine competition laws.

### *History of the Philippine competition laws*

Prior to the PCA, the 1987 Philippine Constitution and several fragmented laws comprised the Philippine competition law regime. The Philippine Constitution mandates the State to regulate or prohibit monopolies “when the public interest so requires.” The Constitution likewise prohibits any combinations in restraint of trade or unfair competition (Philippine, Constitution, art. XII, sec. 19). It is worth noting that the Constitution does not prohibit monopolies *per se*, rather it disallows combinations in restraint of trade and unfair competition. In addition, the Revised Penal Code of the Philippines penalizes (1) taking part “in restrained of trade or commerce,” or “to prevent by artificial means free competition in the market” and (2) monopolizing merchandise to alter the prices by any artifice to restrain free competition (Philippines, *Act No. 3815 1933*, art. 186). Also, the Civil Code of the Philippines provides for right to claim damages arising from unfair competition in agricultural, commercial or industrial enterprises through force, intimidation, deceit, machination or other unjust, oppressive or highhanded method (Philippines, *Republic Act No. 386 1950*, art. 28).

Other laws provide for rules and penalties for unfair competition behavior, such as rules for merger or consolidation under the old Corporation Code of the Philippines, the Intellectual Property Code of the Philippines, Revised Securities Act, illegal acts of price manipulation under the Price Act unfair or unconscionable sales act or practice under the Consumer Act of the Philippines. Other laws that sector-specific also address anti-competitive acts, such as the Downstream Oil Industry Deregulation Act of 1998 penalizing predatory pricing (Abad, 2002, p. 343; Dolot, D. et al., 2015, p. 607 & 609).

### *Key provisions of the PCA*

The Philippine legislature enacted the PCA in 2015, intending for it to be the comprehensive competition law in the country. The law aims to enhance economic efficiency and promote free and fair competition, prevent economic concentration and penalize all forms of anti-competitive behavior (Philippines, *Republic Act 10667 2015*, sec. 2). Competition law writers generally categorize the Philippine competition regime into three: anti-competitive agreements, abuse of dominant position and merger review.

Anti-competitive Agreements (Philippines, *Republic Act 10667 2015*, sec. 14). The PCA bans agreements that substantially prevent, restrict or lessen competition. This covers both horizontal agreements, which are agreements between competitors (*e.g.*, agreeing to sell same product at the same price). Prohibition also covers vertical agreements, which are agreements among market players in a production or distribution chain (*e.g.*, distribution agreements and

franchise agreements.) Examples of anti-competitive agreements are *price-fixing* where competitors collude to fix prices instead of letting market forces determine prices, *bid-rigging* where bidders coordinate their bids, output-limitations, and market sharing. The law differentiates between *per se* violations and agreements with *object or effect* of lessening competition:

**Per se.** The PCA prohibits, *without exceptions*, agreements between and among competitors that restrict competition as to price or other terms of trade, and fixing prices at an auction or bidding, which include cover bidding, bid suppression, bid rotation and market allocation (Philippines, *Republic Act 10667 2015*, sec. 14 (a) (1) (2)). The law declares these acts as illegal *per se*, meaning they are intrinsically illegal without need of examining the actual effect of the agreement on the market, or the intent of the parties in entering into such agreement. Examples are cartels and collusive agreements among competitors.

**Object or effect.** PCA prohibit agreements that have the object or effect of substantially preventing, restricting, or lessening competition, such as (1) agreements that limit output or control production by setting quotas, (2) market sharing that restrict sales to specific geographic areas, creating local monopolies, and (3) other agreements other than the first 2 which also have the same object or effect (Philippines, *Republic Act 10667 2015*, sec. 14 (b) (1-3)). PCA provides that agreements under the object or effect rule may not necessarily be prohibited if they contribute to improving the production or distribution of goods and services or promoting technical or economic progress, while allowing a fair share of the benefits to consumers (Philippines, *Republic Act 10667 2015*, sec. 14 (b) (3)).

#### Abuse of Dominant Position (Philippines, *Republic Act 10667 2015*, sec. 15)

The law prohibits dominant market players from engaging in abusive behavior or any conduct that substantially prevents, restricts, or lessens competition (Philippines, *Republic Act 10667 2015*, sec. 15). These prohibited acts include: unfair purchase price or other unfair trading conditions like tying sales of unrelated products; predatory pricing where a dominant firm deliberately sets very low prices to drive out competitors and subsequently charges higher prices; discriminatory behavior that applies different pricing or conditions to comparable transactions; and limiting supply or restricting access to new technologies to the prejudice of consumers. The law does not penalize dominance by itself. It is the abuse of a dominant position that is prohibited by law.

#### Merger Control (Philippines, *Republic Act 10667 2015*, secs. 16-23)

The law does not prohibit entering into mergers and acquisitions. These transactions could potentially result in more efficiencies resulting in better quality and lower prices of goods and services, ultimately benefitting consumers. What the law prohibits are anti-competitive mergers and acquisitions – those that significantly prevent, restrict or lessen competition in the relevant market (Philippines, *Republic Act 10667 2015*, sec. 20). Nevertheless, the law exempts such anti-competitive merger and acquisitions if the transaction results to efficiencies gains greater than the harm on the competition, or if the merger party faces financial failure and the transaction is



the least anti-competitive arrangement to address the financial ruin (Philippines, *Republic Act 10667 2015*, sec. 21).

#### Case Study: Grab-Uber (2018)

The Grab-Uber merger stands out as a landmark case in enforcing the Philippine competition law, particularly in merger control. Prior to 2018, several ride-hailing apps operated in the ASEAN region. Among these apps, Grab and Uber operated across Asia, including the Philippines, Singapore, Malaysia, Indonesia, Thailand, Vietnam, Myanmar and Cambodia (Asuncion, 2019, p. 48). In March 2018, Grab acquired Uber's Southeast Asia business including assets in the Philippines, combining the two strongest competitors into one. The acquisition raised concerns about reduced competition in the ride-hailing market in the Philippines. After a *motu proprio* review of the transaction, the PCC imposed conditions such as multi-homing (*i.e.*, allowing drivers to freely operate under other ride-hailing platforms) and price monitoring and standard of services to drivers and consumers (PCC Commission Decision, 2018). The PCC imposed fines on Grab amounting to P39.6 million (Balicasan, 2020, p. 47) for its breaches of competition law.

Under the merger provisions of the PCA, parties to mergers or acquisitions that meet the notification threshold must notify the Philippine Competition Commission before consummating the transaction. Parties may not conclude the agreement without the approval of the PCC until the PCC's review period expires. Otherwise, the transaction will be deemed void and the parties may face administrative fines of 1% to 5% of the transaction value (Philippines, *Republic Act 10667 2015*, sec. 17). The PCC, on its own, may review mergers and acquisitions that do not meet the notification criteria if such transactions could potentially harm competition in the market (Philippines, *Republic Act 10667 2015*, sec. 12 (a)). After the PCC determines that the transaction is anti-competitive and does not fall under any of the exemptions<sup>22</sup>, the PCC may: (1) prohibit the parties from implementing the agreement, (2) prohibit the implementation until the agreement is modified by parties following the PCC's specified changes, or (3) prohibit the implement until the parties enter into legally enforceable agreements specified by the PCC (Philippines, *Republic Act 10667 2015*, sec. 18). In 2018, Universal Robina Corporation (URC, a Philippine company engaged in food related businesses) proposed to acquire the sugar milling assets from Central Azucarera Don Pedro and Roxas Holdings. The PCC found the proposed purchase will result to substantial lessening of competition on the market for sugar milling services in the provinces of Batangas, Laguna, Cavite and Quezon. The PCC prohibited the transaction as there was no basis for exemption. (PCC Commission Decision, 2019b)

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<sup>22</sup> Under Section 21 of Republic Act 10667, exemptions from prohibited mergers and acquisitions are: merger/acquisition results in greater efficiencies than anti-competitive effects; party faces actual/imminent financial failure and the agreement is the least anti-competitive option; ownership of stock/assets acquired before the law was enacted is not prohibited; acquisition solely for investment, and not for control or lessening competition.

## *Enforcement*

The law provides several mechanisms to enforce Philippine competition law and rules: public enforcement, criminal action and private enforcement.

### Public Enforcement by the PCC

The PCC, as the main competition regulator, enforces the PCA and the implementing rules and regulations (Philippines, *Republic Act 10667 2015*, sec. 12). It exercises powers to hear and decide cases, to institute civil or criminal proceedings, to review mergers and acquisitions and prohibit anti-competitive mergers and acquisitions, to conduct administrative hearings and impose fines, among others (Philippines, *Republic Act 10667 2015*, sec. 12). It exercises quasi-judicial powers (Philippines, *Republic Act 10667 2015*, sec. 5) and rule-making powers. It also has sole and exclusive powers to initiate fact-finding inquiry to enforce the PCA (Philippines, *Republic Act 10667 2015*, sec. 31). It exercises original and primary jurisdiction in enforcing and regulating all competition-related issues. If a matter involves both competition and non-competition issues, the PCC retains jurisdiction and decides accordingly. The PCC however consults the concerned sector regulator for opinion and recommendation before deciding on the case (Philippines, *Republic Act 10667 2015*, sec. 32). Should it be needed, parties may appeal the decisions of the PCC to the Court of Appeals (Philippines, *Republic Act 10667 2015*, sec. 39).

The PCC collaborates with other government agencies such as the National Economic and Development Authority and the Department of Information and Communication Technology in enforcing competition laws across different sectors. This inter-agency support includes mutual notification of competition-related matters, investigation and enforcement support, creation of joint task forces for complex cases and capacity building initiatives to enhance technical skills (National Economic and Development Authority and Philippine Competition Commission, 2020; Department of Information and Communications Technology and Philippine Competition Commission, 2021).

### Criminal Action

The Office for Competition under the Department of Justice conducts preliminary investigations and prosecutes criminal cases arising from the PCA and other competition-related laws (Philippines, *Republic Act 10667 2015*, sec.13). The Regional Trial Courts exercise original and exclusive jurisdiction over criminal cases involving the violation of the PCA and other competition-related laws (Philippines, *Republic Act 10667 2015*, sec. 44).

### Private Enforcement

Private parties may commence separate and individual civil action after the PCC completes its preliminary inquiry (Philippines, *Republic Act 10667 2015*, sec. 45). As with other criminal actions, the Regional Trial Courts exercise original and exclusive jurisdiction over civil cases involving competition-related laws (Philippines, *Republic Act 10667 2015*, sec. 44).

## EU and Philippine Competition Laws

This section will delve into how the EU's influence affects global regulations, including Philippine competition laws and rules and will conclude with a case study of how the PCC refers to EU competition law cases in its decisions.

### *EU Global Influence or the Brussels Effect*

The Brussels Effect refers to the EU's ability to influence global regulations using its market power. It also pertains to how the EU uses its global market power in trade negotiations with other countries, which extends to competition law (Rout and Danish, 2024, p. 497). Bradford *et al.*, (2019) argued that based on their analysis of competition law provisions from 126 countries that had competition law regimes by 2010, the majority of these countries had laws that resembled the EU competition laws (Bradford *et al.*, 2019, p. 5). These indicate that EU competition law serves as the dominant model worldwide. (Bradford *et al.*, 2019, p. 31) In fact, several countries' competition laws drew influence from EU competition laws, such as those of India, Colombia, Venezuela, and Ethiopian (Bradford *et al.*, 2019, p. 11). This EU influence rests on several factors such as (1) efforts to expand EU regulations through preferential trade agreements (Bradford *et al.*, 2019, p. 23), (2) the Brussels Effect, the EU's ability to require all firms – both foreign and EU firms, to comply with EU standards to be able to access the EU market (Bradford *et al.*, 2019, p. 25), (3) the EU's approach seen as a compromise between free markets and government intervention (Bradford *et al.*, 2019, p. 26), and (4) EU's "easy-to-copy format" detailed rules and templates make it attractive for countries with less technical capabilities to adopt (Bradford *et al.*, 2019, p. 26).

### *EU Influence on Philippine competition law regime*

Similarly, competition experts see the EU's global reach in the Philippine competition law framework, including the PCA, the rules issued by the PCC, and writings by Philippine competition law experts.

#### PCA

Palacios (2020) argues that key PCA provisions follow the pattern of EU competition laws and regulations:

1. Anti-competitive agreements on price-fixing (Philippines, *Republic Act 10667 2015*, sec. 14 (a)(1)), limiting production and market sharing (Philippines, *Republic Act 10667 2015*, sec. 14 (b) (1) (2)), other agreements (Philippines, *Republic Act 10667 2015*, sec. 14 (c));
2. Abuse of dominant position (Philippines, *Republic Act 10667 2015*, sec. 15), specifically tying (Philippines, *Republic Act 10667 2015*, sec. 15 (c)), exploitative pricing (Philippines, *Republic Act 10667 2015*, sec. 15 (h)), limiting production (Philippines, *Republic Act 10667 2015*, sec. 15 (i)); and

3. Exceptions on improving production (Philippines, *Republic Act 10667 2015*, sec. 15) (Palacios, 2020, pp. 359-360).

In particular, a review of the PCA reveals that the wording of the PCA on anti-competitive agreements closely resembles the text of Article 101 of the TFEU. Furthermore, the text of the PCA on abuse of dominant position appears the same as Article 102 of the TFEU, specifically Section 15 (c), (d), (h) and (i) (Palacios, 2020, pp. 360 - 362).

In the same way, Abrenica and Bernabe (2017) suggest that the PCA's prohibition on abuse of dominant position follows the object or effect approach of Article 102 of the TFEU (Abrenica and Bernabe, 2017, p. 163). Even the records of deliberations of Congress show that the lawmakers looked at EU in crafting the law, specifically the provision on anti-competitive agreements (Ditucalan, 2019, pp. 138-140).

#### PCC Rules

One can also see references to EU competition rules in the regulations crafted by the PCC. The PCC's Guidelines for the Motu Proprio Review of Mergers and Acquisitions in Digital Markets states that a "company may be considered a gatekeeper when it provides a digital service, access to which is necessary to participate in the market" (Philippine Competition, 2023b, sec. 4). It refers to the EU's concept and designation of gatekeepers introduced in the EU's Digital Markets Act, specifically Art. 3.1 (Philippine Competition, 2023b, sec. 5). Moreover, in the PCC Guidelines on Merger Remedies, the PCC made use of the EC cases in providing examples of access provisions that mandate merged entities to allow other market players to access critical inputs like technologies and networks (Philippine Competition, 2024, secs. 7.6.1 & 7.7.2). Likewise, Guidote (2010) asserts that the PCC's Merger Review Guidelines follow the framework of EC's Guidelines on the assessment of horizontal mergers. The EC guidelines highlight "market shares and concentration thresholds; the likelihood that a merger would have anti-competitive effects; countervailing buyer power; the possibility of entry into the market as a competitive constraint; efficiencies; and failing firms." In addition, the PCC guidelines consider "market shares and concentration; competitive effects analysis; entry and expansion; efficiencies; and failing firm/exiting assets" (Guidote, 2019, p.783).

#### Other indications of EU influence in Philippine competition laws

Apart from resonances in the PCA and PCC rules, one can see EU references in other Philippine competition law areas such as competition-related writings of former PCC commissioners, PCC update and paper, and EU technical assistance to the PCC.

For instance, a former PCC Commissioner encouraged "national roaming" within the Philippine telecommunications industry, which would allow new companies to build upon the networks of existing companies. The Commissioner made reference to the European Union's competition authorities recognizing "national roaming" agreements (Bernabe, 2019, New Telco Players, pp. 122-123). Additionally, another former Commissioner of the PCC cited the case of *Michelin NC vs. European Commission* in explaining the negative responsibility of dominant firms, "not to allow its conduct to impair genuine undistorted competition on the common market" (Quimbo,

2018, p. 61). Finally, a former Commissioner of the PCC mentioned that relevant provisions of the PCA on abuse of dominant position were modeled after EU and that EU case law may provide guidance on such topic (Bernabe, 2019a).

By the same token, the PCC's Issues Paper on the status of competition in the Philippine air transport industry cites the publications of the European Competition Authorities in explaining the concepts of airline code-sharing and frequent flyer programs as possible anti-competitive conduct (Llanto and Rodolfo, 2020, pp. 3-4). Also, PCC rules on "dawn raids" referred to the regular practice of competition authorities in Europe, "with each competition authority averaging about 10 dawn raids per year. This number excludes inspections delegated by the European Union to national authorities" (Advincula, 2019, pp. 3 & 7). Dawn raids, in the context of competition law, are surprise on-site inspections carried out by government regulators (like competition authorities) to investigate companies suspected of anti-competitive behavior like cartel and abuse of dominance. (Philippine Competition Commission, 2019c)

Along with these indicia, further evidence of EU influence on Philippine competition regulation is seen in Europe's provision of technical support to the PCC. Through the European Union-Trade Related Technical Assistance (EU-TRTA) Project, Europe has provided assistance to the PCC that included support in formulating the implementing rules of the PCA (Philippine Competition Commission, 2016, p. 9). In 2022, several former and current competition experts from the EC, through the Barcelona School of Economics program, delivered training seminars on competition law and economics to the PCC and other agencies. They specifically focused on the topics of abuse of dominance, pharmaceutical and healthcare, and competition in digital markets (Philippine Competition Commission, 2023). In 2017, PCC officials and staff participated in competition-related conferences, workshops and courses in Europe to enhance their law and economics capabilities (Philippine Competition Commission, 2017, p. 6).

## **Developments**

The EU and the Philippines first started negotiations for a free trade agreement (FTA) in 2015. After suspending negotiations, in March 2024, the EU and the Philippines agreed to resume negotiations on the EU-Philippines FTA (European Commission, 2024a). The EU's proposed legal text on the FTA includes a chapter on anticompetitive conduct, merger control and subsidies. The text mandates both the EU and the Philippines to maintain a specified competition legal framework, maintain an independent body to enforce competition law, and promote cooperation between competition authorities of the Philippines and EU (European Union, 2024).

### *Case Study: EU Influence on a PCC case decision*

The PCC's landmark decision on the first abuse of dominance case in the Philippines involved a condominium developer. Urban Deca is a condominium project in which property managers prevented other internet service providers (ISP) other than its designated ISP from providing

fixed line internet services to the condominium residents. The PCC found such conduct as abuse of domination position and ordered Urban Deca to cease and desist from such abusive conduct, pay a fine of P27.1 million and comply with the PCC's terms and conditions and monitoring requirements. (PCC Commission Decision, 2019a).

In its decision, the PCC made references to several cases decided by the EC, which illustrated conduct considered as abuse of dominance. These included self-preferencing, actions possibly eliminating competitors, limiting technological advances to the detriment of consumers, and reserving to themselves relevant secondary market (Philippine Competition Commission, 2019, p.3, citing Sealink/B&I – Holyhead, 1992, CBEM v CLT and IPB, 1985, Microsoft Corp. v. Commission, 2007, and RTE & ITP v. Commission, 1995).

In the rationale of its Decision, the PCC cited the European Commission Case of *United Brands v. Commission* in explaining anti-competitive dominance, as “one that “relates to a position of economic strength enjoyed by an undertaking [entity] which enables it to prevent effective competition being maintained on the relevant market by affording it the power to behave to an appreciable extent independently of its competitors, customers and ultimately of its consumers.” (Philippine Competition Decision, 2019a, p. 6, citing Brands v. Commission, 1978).

The PCC decision likewise states that dominant market players carry a “special responsibility, irrespective of the causes of that position, not to allow its conduct to impair genuine undistorted competition” in the relevant market” citing the European Commission case on *Michelin v. Commission* (Philippine Competition Decision, 2019, p. 7, citing Michelin v Commission, 1983)

## Conclusion

Competition law shapes how firms behave and affects how consumers experience markets through the prices and quality of goods and services. In the Philippines, the passage of the PCA in 2015 saw a shift, from fragmented competition rules to a unified framework that applies to all sectors. Notably, the European Union's competition rules left an imprint on the Philippine competition law regime.

The parallels between the two frameworks are prominent. The PCA's rules on anti-competitive agreements and abuse of dominant position – Section 14 and 15 – echo the language of Articles 101 and 102 of the TFEU. Even the PCC's approach to merger reviews specifically on digital markets reflects the EU's practices, from ex-ante merger controls to the gatekeeper concept articulated in the EU's Digital Markets Act.

International collaboration aided this transfer of knowledge. Technical assistance such as the EU-TRTA Project has helped a young regulator like the PCC to build its capabilities. As seen in the *Urban Deca* ruling, the PCC's reference to EU case law shows how the Philippines looks at EU as model for competition law doctrines. Looking ahead, the Philippines can keep learning

from the EU, tailoring these lessons to the Philippine context – according to Philippine regulatory capacity, economic priorities, and market realities.

At its core, competition law is about building a stronger economy – one where businesses thrive through innovation and consumers benefit from better prices and wider choices. As the Philippines looks forward to more trade relations, the country can benefit from the ongoing free trade agreement negotiations with the EU. The EU's role in shaping the PCA and assisting the PCC has set a positive path toward continuing the relationship between the Philippines and the EU.

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## Chapter 8: Interregionalization of Higher Education: EU Actorness and ASEAN Response

Diana Mendoza

Javier Tionloc

### Introduction

The European Union is an atypical international organization. Being both supranational and intergovernmental, its very international identity has confused many, from its international partners to European citizens themselves. Often compared with other regional arrangements such as the Association of Southeast Asian Nations (ASEAN), the EU's unique institutional dynamics as a regional integration project has invited many perspectives from various disciplines to provide explanations about its actorness in contemporary global politics.

Having started as a post-war innovation for its founding members to sustain peace in Western Europe through the creation of supranational institutions, European integration has become a complex institution that boasts a vast Single Market of twenty-seven member states that is regulated by a broad legal system with differentiated authority on trade, finance, migration, and external relations. European governance includes various integration actors such as supranational policy entrepreneurs, member state governments, transnational coalition actors, and citizens, in policymaking procedures that make the Europe Union seem like a federated continent rather than a mere intergovernmental organization.

The evolution of regional education policy in the European Union reveals a lot about the relationship between its supranational policy entrepreneurs and its member states, and its actorness in international politics. The European Higher Education Area, which was created through the various intergovernmental conferences that fundamentally designed the Bologna Process, demonstrates what scholars have called European Union's methods and preferences for norm and policy diffusion (Manners, 2005; Borzel and Risse, 2016; Bergen, 2015; Dang, 2015).

The history of the European Higher Education Area presents a very interesting opportunity to understand how the European Union diffuses its norms and policies, what governance outcomes are produced, and what recipients think about this diffusion. From Sorbonne in 1998 to the most recent ministerial conferences at Tirana in 2024, the European Higher Education Area has developed shared frameworks and common tools with two simultaneous goals – widening higher education cooperation, and incentivizing willing partner countries to adopt these frameworks to gain access to the European higher education market.

Much is to be desired in explaining international and interregional cooperation on higher education as cases of diffusion; diffusion both as the dynamic of how the European Union relates with other international actors, such as third countries and other regional arrangements; and how its recipients beyond Europe respond. Globalization has influenced domestic political structures, wherein compliance with international standards and policies have become conduits

through which transformative norms bring changes to domestic political dynamics and identities (Borzel & Risse, 2009). This assumption has a sizable basis in all the mentioned themes in diffusion studies: international norm dynamics, policy diffusion, and policy transfer.

The idea of a Normative Power Europe, for example, presents the European Union's actorness in contemporary international relations as an actor capable of shaping the conceptions of normal in the world (Manners, 2002). That the European Union has used its economic capacities to exert normative and policy influence in international politics has allowed many to see it as equally influential as a normative actor as it is an economic influence. The systems for and processes of education cooperation between participating states in the EHEA involve the voluntary standardization of academic practices, pedagogical priorities, and curricular benchmarking.

The EHEA transformed through a diffusion of norms and policies that are themselves products of intergovernmental cooperation. However, with the slowing down of the EHEA, European Union member states in the EHEA have started to shift towards the European Union as it much of the agenda laid out by the Bologna Process.

Through the Global Gateway, which centers education as one of the channels of connectivity for the European Union and its partner regions, the European Union has also now used higher education, research, and innovation to rearticulate its actorness in global politics. The gradual Europeanization of education policy has allowed the European Union to link education, a policy area not considered as salient for most of its history, to external relations where it attempts to diffuse norms and policies to its international partner regions, especially the Association of Southeast Asian Nations (ASEAN). Responses to the European Union's diffusion range from coherent adaptation to resistance from partner actors, many of whom do not share the cultural and institutional structures that are usually more conducive to European norms and politics (Borzel & Risse, 2009; Bergan, 2015; Dang, 2015).

This chapter is divided into two major parts. The first part highlights two main discussions that seek to ask how the internationalization of education was first done by the European Higher Education Area and how the European Union now uses higher education as a tool for diffusion. To what extent did the Bologna Process and the European Higher Education Area facilitate the internationalization of higher education for its participating states? What were the domestic push factors in the internationalization of higher education initially facilitated by the Bologna Process that allowed the European Union to gradually center education, research, and innovation to its external relations, particularly through the Global Gateway introduced in 2021.

The second part of this chapter examines the EU's actorness in the internationalization of higher education in Southeast Asia in the past ten years. Focused on the EU Support to Higher Education in the ASEAN Region (EU SHARE) and the EU-ASEAN Sustainable Connectivity Package (SCOPE) in Higher Education (HE) Programmes, the discussion responds to two questions. First, on the supply side, to what extent has the EU shaped ASEAN's approaches and strategies of internationalization of higher education as a regional policy? Second, on the

demand side, what are the recent developments across Asia that are likely to influence the future directions of EU's higher education cooperation policy and programs with ASEAN?

### **Internationalization of Education and the European Higher Education Area: From the Bologna Process to the Global Gateway**

Though not a direct European Union competence, higher education has become one of the policy areas that has seen the most integration in the past 10 years (Dang, 2015 Bergan, 2015, Foret and Constantin, 2025). In this “creeping integration” dynamic that Foret and Constantin observe, the EU has used higher education to facilitate its diffusion of norms and policies by making it a space and mechanism for the EU to widen and deepen its reach within and beyond Europe. This politicization of higher education has turned universities into highly salient actors in European Union politics. For example, the political pressures placed on the Central European University put to the fore the very liberal norms and values that the European Union has diffused as Hungary turned towards more authoritarian politics and governance, opposite of European Union norms and policy. The long history of higher education cooperation in the European Union also demonstrates the friction between EU institutions and the EU's member states. The Bologna Process in 1999 and the many intergovernmental conferences on education cooperation that followed have shown a preference for intergovernmental cooperation and a state-driven implementation of reforms. The introduction of various international education schemes by the European Commission, on the other hand, show growing interest in the European Union for initiatives pegged on Europeanization.

### **The Bologna Process: Informality in International Cooperation and Policy Commitments**

The European Higher Education Area was first conceived as a way for various European states, some of whom were not members of the European Union, to create a standardized higher education market to supplement freedom of movement within the European Union and the wider Schengen Area. Now, European higher education, already substantially reformed by the EHEA's own evolution and the enlargement of the European altogether, has also become a primary mode for the European Union to engage its external partners – through granting higher education access into European Universities to citizens of third states and partner regions, funding third country higher education initiatives that develop curricula about the European Union, and funding research areas that align with the EU's own global political and economic agenda. Some of these initiatives include ERASMUS, Euraxess, and Horizon 2020.

The Bologna Process systematized an international cooperation for higher education standardization, wherein the implementation of reforms was to be done vertically by member states through a localization within their own national bureaucracies and autonomous higher education institutions. In Bologna in 1999, 29 states developed a common agenda of a European Higher Education Area (EHEA). These 29 states comprised of European Union



Member States and non-member European states. Many of the non-member states would end up joining the European Union during the Enlargement of the EU in 2004. These countries include were Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Finland, France, German, Greece, Hungary, Iceland, Ireland Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Switzerland, and the United Kingdom.

The consensus was that higher education cooperation was a desirable space for cooperation between these EU- and non-EU-member states to facilitate wider cooperation for even more political salient issues. The group formally ratified a declaration called the Bologna Declaration, which set for the European Higher Education Area had an agenda that would be gradually pursued and implemented by committed member states over the next fifteen years. The agenda is outlined by the Bologna Declaration (1999) and reads:

- European countries with different political, cultural and academic traditions would engage in cooperation to reach the shared objective;
- European students and graduates would be able to move easily from one country to another with full recognition of qualifications and periods of study, and access to the European labor market;
- European Higher Education Institutions (HEIs) would be able to cooperate and exchange students/staff on bases of trust and confidence and also of transparency and quality;
- European governments would fit their national higher education reforms into a broader European context;
- Higher Education (HE) in the European region would increase its international competitiveness, as well as enter into dialogue and improve cooperation with HE in other regions of the world.

Since the Declaration's adoption, the participating states have developed shared frameworks and tools for more advanced education cooperation and shared standardization (Chou and Ravinet, 2017). First, a common framework was adopted to introduce and implement a standard system of qualifications and credit recognition (e.g. ECTS), shared principle and practices on pedagogy, common benchmarks for quality assurance in higher education institutions, and common metrics for measuring success indicators for HEIs. These goals were institutionalized through the development of standard toolkits that allowed governments and their participating HEIs to implement themselves.

The intergovernmental conferences for the EHEA continued into the 2000s. In 2001, the Prague Communiqué was adopted and enlarged the EHEA to 32 participating states, with Croatia, Cyprus and Turkey joining, and the European Commission becoming a party to the discussions. The Prague Communiqué was a continuation of the developments of the Bologna Process. Notably, the Communiqué acknowledges the ongoing negotiations of some EHEA members towards European Union Accession. It remained apparent that the Bologna Process was implemented by member states, particularly the higher education institutions themselves, with member states acknowledging that all reforms need to continue at the institutional, national, and the European level. At this point of the EHEA's evolution, European Union-facilitated

preferences were included, such as Mobility Action Plans adopted by the European Council in 2000. Institutional reforms were also introduced to the newly created Bologna Follow-up Group.

The Prague Communiqué also continues with the Bologna Process' market reform-oriented approach to education cooperation and integration. Retaining the agenda already set by the Bologna Declaration, the follow ups were expanded towards new modes of learning, such as lifelong learning and social involvement learning were established as EHEA-preferred practices. The Berlin Communiqué of 2003, the last before European enlargement in 2004, was the first to link higher education reforms to European Union funding for research. The EHEA became linked to the European Research Area, which the European Commission has envisioned as a single market for research for the European Union, where its member states and partner states use the freedom of movement for researchers, knowledge, and outputs. The Ministerial Conference in Berlin also expanded the EHEA's membership to become an association of 40 members. By 2003, Albania, Andorra, Bosnia and Herzegovina, the Holy See, Russia, Serbia and Montenegro, and "the Former Yugoslav Republic of Macedonia" became members. Notably, the Berlin Communiqué decided to create a national follow-up structure for its participating states, with a previously created secretariat tasked with coordination.

With the Enlargement of the European Union in 2004, almost all the non-EU member states that were part of the EHEA became members of the European Union. In fact, of the EHEA members in 1999, only Norway, Switzerland and the United Kingdom remain outside of the European Union. However, Norway and Switzerland are part of the Schengen Area. Of course, Britain left the European Union in 2016, and has never been part of the Schengen Area. Albania, Bosnia and Herzegovina, and Serbia are all candidate countries for European Union Accession. The EHEA adopted four more communiqués until 2015. Bergen in 2005, London in 2007, and Leuven/Louvain-la-Neuve, each focused on improving the attractiveness of the EHEA to other regions of the world. With membership having 47 states by 2010, the EHEA recalibrated its objectives to expand its external linkages. Critically, the Leuven/Louvain-la-Neuve conference was successful in having participating states commit to finally achieving Bologna Process' goals by 2010, which the Budapest-Vienna Communiqué confirms. In 2015, the Yerevan Communiqué restated the original goals of the Bologna Declaration as a renewed agenda for 2020. Focus was placed on higher education institutions enhancing the quality and relevance of learning and teaching, taking into consideration the need to widen access to higher education and more sustainability in the long-term employment prospects of graduates of EHEA universities.

Bergen (2015) outlines the evolution of the EHEA as a three-stage process. Its objectives, preferences, and overall vision were laid out through the conferences at Sorbonne in 1998, Bologna in 1999, and Praha in 2001. The institutionalization phase took place in the conferences at Berlin in 2003 and Bergen in 2005. Finally, consolidation took place in its last conferences starting in London in 2007. Bergen (2015) summarizes the EHEA's important contributions and functions as a formal framework for members to establish coherent and compatible HE policies and practices; and a community of practice wherein members could learn from each other. These were all facilitated in relative informality, with member states knowing of the self-implementation required of the commitments to the EHA. The EHEA also had a normative set of

preferences to govern higher education, such as academic freedom, institutional autonomy, and student participation.

The EHEA reached its high of commitment at the Berlin and Bergen conferences, while momentum for the EHEA slowed down by 2007, when monitoring compliance became the primary objective of the group. While EHEA participating states, especially those who are also members of the European Union, have not reversed on their commitments towards higher education reform, the centrality of the EHEA to European higher education reform waned because of the stark differences in actual education reform outcomes from states. To Pagliarello (2022), the EHEA demonstrates the “ambiguity between Europeanization aspirations and the preservation of national identities”. States with already robust and innovative higher education markets tend to frame their education systems as national prerogatives while states with much less developed education markets are more committed to the EHEA. Furthermore, the EHEA, whose membership is comprised of both EU-member and non-EU member states, has to maintain the credibility of policy commitments between states with just far too different policy landscapes and economic realities; while EU member states having other politically viable mechanisms for themselves to engage in more advanced forms of education standardization, collective governance, and regional integration. This results in some differentiation in the manner in which education is integrated within the EHEA, with EU member states having the capacities for greater coordination with each other than with the rest of the EHEA’s participating states.

The Bologna Process attempted to bridge the gap between education and the wider job market. Much of the pedagogical and curricular innovations were aimed to reduce the segmentation between HEIs in terms of their competitiveness within a now-larger higher education. Innovations were also introduced to facilitate greater student mobility, made possible by the already existing Schengen Area, and the employability of students and graduates of EHEA universities. Academic programs were reformed to also meet the demands of a fast-growing European common market. The regionalization of higher education in Europe is a response to the political pressures placed on the European Union to deliver more tangible policy outcomes from economic integration. Simultaneously, the Bologna Process was able to bring these participating states closer together by introducing education as a spillover through which further interstate regional cooperation could be done. Foret and Constantin (2025) examine the politicization of this sectoral integration. Neofunctionalists argue that spillovers are engaged by states and transnational actors as a response to a perceived market need, thus demonstrating why European integration has found most of its successes in the less politically salient policy areas such as commerce and trade. The process of integration ultimately redirects governance expectations from state-level cooperation and coordination to regional-supranational decision-making. The market-oriented motivations and mechanisms engaged by the participating states of the EHEA, some of which were then notably not members of the European Union yet, would certainly suggest that education cooperation was done in a depoliticized manner by avoiding actions that decentered the role of national governments. The EHEA’s reforms were targeted towards higher education institutions meeting the changes to market realities, such as bridging expected learning outcomes with industry needs for employability, international student

mobility, growing transnational partnerships on research and innovation. Few institutionalized political reforms were implemented by participating states; nor did the EHEA bind member states to enact reforms.

Due to the informal nature and the low institutionalization of the EHEA, a more salient politicization of higher education was never a realistic prospect in the Group. On the other hand, the European Union has pushed beyond with developments that the EHEA could not achieve or, at least, did not intend to reach. While the Bologna Process remained entirely intergovernmental through non-binding soft institutionalization, largely because of the participation of non-EU member states, education has grown in prominence as a regional concern in the European Union, as evidenced by it becoming a priority of the European Commission. The EHEA is an example of what Pagliarello (2022) calls “flexible integration”, demonstrating how the European Union is indeed capable of various patterns of cooperation with non-member states. The successes of the EHEA are in agenda setting. However, the aims of the Bologna Process were never fully achieved as many of the participating states’ prioritization of their own domestic education sectors had to compete with other governance priorities, with some questioning whether the consolidation had actually materialized (Pagliarello, 2022).

How education became a more salient policy for the European Commission invites a discussion of the European Union member states’ view of Europeanization altogether. Since 2015, the European Commission has increased its momentum for regional-level engagement for higher education in the European Union. Funding for Erasmus, the development of schemes such as Euraxess and Horizon 2020, and most recently, the integration of education as an external action mechanism of the EU through the Global Gateway are indicative of a growing political salience for education policy in the European Union.

### **European Union Normative Actorness: Education in the European Union**

#### *Global Gateway*

Since the creation of the European Higher Education Area, the European Union has engaged with other regions, particularly the Association of Southeast Asian Nations (ASEAN), as priority partners for higher education cooperation. Although not a European Union competence, the prominence of higher education institutions in European Union politics has increased over the past twenty years. The European Union remains one of the top destinations for international student mobility. In 2023, Eurostat revealed that 1.76 million students currently enrolled at European higher education institutions were international students, or students whose university is not in the country of their citizenship (European Commission, n.d.). Twenty-five per cent of these students come from Asia (Eurostat, 2025).

The high demand for international education in Europe are largely effects of European integration altogether. First, because of the freedom of movement that the European treaties grant to all European citizens, European Union citizens do not have barriers such as visas in

order for them to study in any university in the European Union. The European Union also prevents universities from charging different tuition fees for EU citizens who are not nationals. While differing costs of living and overall economic conditions play a role in how students choose their destination countries within the EU, the standardization of credit systems first introduced by the Bologna Process has allowed for intra-EU education integration to become more institutionalized through developments such as Erasmus. The breadth of the Erasmus learning mobility programmes cannot be understated. Since 1987, over 16 million people from all over the world have benefitted from the Erasmus (now Erasmus +) programmes, from a diversity of degree programmes being developed by participating universities in the European Union, to providing universities with a supply of students from within the EU and outside the EU.

The salience of higher education to European Union politics has become more pronounced considering the events from the past decade both within and beyond the European Union. The democratic backsliding observed in Poland and Hungary, for example, were also understood from the perspective of the curtailment of universities' academic freedom, administrative autonomy, and fiscal independence. Most critically, in 2019, the Central European University had to move its functions from Budapest to Vienna because of the political pressures from Viktor Orban, the Prime Minister of Hungary. The covid-19 pandemic also introduced its shocks to the European Union's education policies. According to Guerra (2025), the pandemic has demonstrated that education has been treated by the European Union as one of the most important pillars of European integration. This is more pronounced by the idea that the European Union has attempted to frame education as core to its political identity (Hadfield and Summerby-Murray, 2025)

The Global Gateway does not reform education policy within the European Union. However, it has allowed the European Union to strategically use its highly institutionalized education environment to its advantage in international politics. According to Vellamo, Kivisto, and Pausits (2023), public higher education in the European Union is still governed by national governments using the European Union to develop common standards and practices for all public universities to implement themselves. However, the role of the European Commission has substantially increased through the years. Its development of systems such as the Erasmus Scheme and the Erasmus Mundus Joint Masters Programmes, has given supranational actors more influence in education politics and development in the region. The continuing Europeanization of higher education in the EU has also elevated its salience as a policy competence, making internationalization of education an almost expected result of economic and monetary union. Hadfield and Summerby-Murray (2025) argue that education mobility within the European Union is a way for the region to give value to the "fine fine medieval European tradition of mobility of scholars between centres of learning".

As EU member states in the EHEA have gradually shifted their governance expectations towards the European Union, the Europeanization of higher education has resulted in institutional reforms designed for institutions and organizations to recalibrate towards European policy and governance initiatives, a process that involves a heavy institutionalization of norms, policies,

and processes; both formally and informally. The Erasmus Programme, for example, is the first education policy enacted in the European Union based entirely on Community rules (Hadfield and Summerby-Murray, 2025). The first two decades of international education mobility in Europe has been as important to identity-building as it was to an education linking to a market economy. The creation of Erasmus + programmes has included both pragmatic and ideological motives. According to Dvir and Yemini (2017), the Europeanization of higher education is also a response of the European Union to increasing global competition in education and research. These include reforms towards upskilling, curricula more reflective of industry realities, and overall higher education quality development. The process and outcomes of the reforms, including the rationalization of European values and identity formation in all levels of education. The regionalization of higher education is thus an ideational process as it is economic (Chou and Ravinet, 2017).

As discussed in the previous section of this chapter, the EHEA has never reached formal institutionalization which contributed to the loss of momentum in its growth and enlargement. More so than the EHEA, the European Union on its own has been successful in bringing together various stakeholders, from education ministries, higher education institutions, student groups, and industry to generate complex regulatory mechanisms designed to meet collectively set objectives for higher education. These have come in the form of funding, as outlined previously, the allocation of resources and political capital. The institutionalization of education internationalization is recognized as pivotal as it allowed for policies to extend beyond just international mobility to the development structured educational programmes such as transnational forms of curriculum and pedagogy, student experience, partnerships and global admissions recruitment (Vellamo, Kivisto, and Pausits, 2023), which are sustained by legal frameworks that the EHEA does not have.

The promising outcomes of these reforms have allowed the European Union to more complexly connect higher education initiatives to its larger external relations, as governed by the Common Foreign and Security Policy. In 2021, at the height of the covid-19 pandemic, the European Union introduced its most consequential external action initiative – the Global Gateway. With an economic recession as the backdrop of its onset, the Global Gateway is designed to reinvigorate the European Union's relations with third countries and partner regions. Having identified international education and research as a priority area for funding, the European Union has begun to use the Global Gateway to innovate its international diffusion agenda. The Global Gateway is not the first case of European Union inter-regionalism through education with external actors (European Commission, n.d.). Supplemented by the EHEA, the European Union engaged Central Asia on education cooperation (ECAM, nd.). According to Jones (2010), the EU-Central Asia education initiative included providing access to non-EU elites a European education, with the complementary objective of providing mechanisms for partner countries in the initiative a European dimension to curriculum development and course delivery. In this initiative, Jones (2010) also points out that the Bologna Process provided the mediating role to bridge divides between the European Union and Central Asia. The initiative had significant diffusion motives on the part of the European Union. When seen from the context of post-

Soviet consolidation, the European Union's diffusion objectives were for Central Asia to facilitate a more Eurocentric mode of modernization (Jones, 2010).

According to Borzel and Risse (2009, 2012), the European Union prefers to work with regions and groups; and does so by helping create regions and supporting regional projects all over the world. This dynamic of diffusing regionalism with the European Union perceiving itself as the model for regionalization is evident in the initiatives pursued by the Global Gateway (European Commission). The Global Gateway has identified at least eight initiatives around the world designed to facilitate the creation of regionalized projects that aim to augment connectivity within these new regions, and between these regions and Europe. Of course, the European Union preference for diffusing its norms to other regions is widely established in the literature. The European Union has long perceived itself a norm entrepreneur invested in the diffusion of its norms (Manners, 2002; Hoang, 2015; Kunnamas, 2020; Tionloc, 2019). The project draws from insights that assume the perspectives of norm recipients relations (Kunnamas, 2020; Kunnamas, 2015; Hoang, 2015). This conceptualization is informed by the assumptions established by the perspectives on policy diffusion (Gilardi, 2012; Gilardi, et al, 2021; Gilardi & Wasserfallen, 2019; Borzel & Risse, 2009).

The landscape of perspectives on the European Union's normative actorness in contemporary international politics focuses on the debates about the EU's ideational impact as an entrepreneur of well-defined norms and policy preferences in other states and regions. This ideational impact could be measured by the EU's capacities to change opinions, ideological preferences, and "conceptions of normal" (Manners, 2002). Propositions about the European Union as a "normative power" are important when considering how the more conventional forms of power – civilian and military – are attributed to a world order that centers on Westphalian norms. The EU's promotion of its norms is considered unique and unlike that of past empires and contemporary superpowers because of the EU's post-war origins, hybrid institutional setup, and its international legal character. As elucidated by the Treaty on European Union, the norms that the EU promotes must be seen as "principles which are common to the member states" (TEU, Art. 6.) The European Union has long championed norms such as the respect for human rights, rule of law, freedom, democracy, and equality; and it has championed these norms as embedded within the conditions of accession into the European Union, and the conditions for increased economic relations with the European Union.

These norms provide a basis for both how European integration proceeds, and how the EU relates with the rest of the world. These norms have evolved over time in the form of the EU's *acquis communautaire*. The advanced institutionalization of these norms allows the EU to "legitimate itself as being more than the sum of its parts" when it deals with actors beyond its borders (Manners, 2002). This is crucial as the EU has involved itself more in international politics while also trying to deal with varying perceptions on its legitimacy, credibility, and influence as an actor that is neither a state nor a traditional international organization (Panke, 2014; Tionloc, 2019).

The dynamics of diffusion in political science could be understood as having three broad themes: norm diffusion, policy transfer, and policy diffusion. Regardless of theoretical orientation and methodological preferences, interest in these themes have grown to become vast. In international relations, the European Union has also become both the subject and the location of diffusion studies. Europeanization is widely accepted as an example of diffusion with the European Union. The mechanisms of Europeanization, from perspectives of both horizontal and vertical integration, implicate a wide array of discursive and empirical studies that look into the emulation of norms through EU enlargement, and the policy harmonization and compliance mechanisms in the EU's complex system of multilevel governance and law (Borzel & Risse, 2009; Wasserfallen, 2013).

The European Union's attempts to diffuse ideas could be understood within the conventional frameworks of international norm dynamics that detail the processes of contestation, conflict, tension, and resistance from third countries, most of whom do not share the cultural and institutional structures that are not always conducive to European norms (Sikkink & Finnemore, 1998; Manners, 2002; Borzel & Risse, 2009). The idea of a normative power Europe, for example, characterizes the nature of the European Union's actorness in international politics because of frequent confusion about how the European Union engages the rest of the world, as an actor capable of shaping the conceptions of normal in the world. This actorness is seen less as material than it is normative. The Global Gateway is another attempt at ideating and diffusing specific liberal norms through its various initiatives such as funding for education, research, and innovation.

According to Manners, the European Union diffuses its norms using two broad mechanisms: contagion and transference. First, contagion involves the diffusion of ideas from the EU to other political actors; and has two forms: informational diffusion and procedural diffusion. Informational diffusion consists of the EU's "range of strategic communications", which could include information about the EU's initiatives that the European Commission pursues. Procedural diffusion comprises the "institutionalization of a relationship between the EU and a third party", which conceivably ranges from a treaty between the EU and a partner country or region, or even the EU's own enlargement. Second, transference occurs when the EU "exchanges goods, trade, aid, or technical assistance" with partner countries or regions, usually through financial resources, such as how the Global Gateway pools Euros 300 billion for its global agenda (European Commission, n.d.). The transference results in the exportation of the EU's own norms through the conditional terms of such agreements. There are two patterns of transference: overt diffusion and cultural filter. Overt diffusion comes in the form of conventional diplomatic representation such as permanent missions and member state embassies that coordinate the pursuance of the EU's Common Foreign and Security Policy in third countries. Cultural filter includes the prolonged exchanges of ideas between the EU and its partners, with the goal being the partner learning to reconstruct dominant social conventions that become more aligned with the EU's preferred norms. International and interregional education cooperation, which include student international mobility and transnational networking may produce the conditions needed for cultural filters as diffusion.



From this perspective, the Global Gateway is seen as a conduit for both contagion and transference. First, the Global Gateway could be conceptualized as part of the European Union's informational diffusion because of how these substantial economic grants allow a diffusion of norms through education development, capacity building, and modernization. These are done through widening access to education especially for vulnerable groups to universities in Europe or those in partner countries that have successfully modernized their own systems with the support of European funding (European Commission, 2020). Second, the salience of education, research, and development to the entirety of Global Gateway is an example of transference in the mechanisms of cultural filters. The networks and connectivity, regional and national, created by the Global Gateway increases interactions between partner regions and European institutions, policies, and culture over a long period of time. This conceptualization has much significance when taking into consideration the centrality of civil society and higher education communities (e.g. students, academics, etc.) as engaged norm entrepreneurs involved in the wider array of norm cascades and contestations. These contestations, of course, when understood as long-term movements, become part of a norm transference through cultural filters.

A mere recognition of the European Union's institutionalized norms does not mean that it could already be recognized as a normative actor. If an evaluation of the European Union's performance as a normative actor must be done, such a project must investigate the entirety of norm dynamics, from emergence to internalization. The literature on international norm dynamics shows a widely accepted pattern (Finnemore & Sikkink, 1998; Gilardi, 2012; Kunnamas, 2020). The Global Gateway education initiatives as a mechanism for norm diffusion involves complex dynamics of persuasion and contestations between actors who do not necessarily have similar political cultures. Norms that emerge in a political space engage a complex system of contestations that involve dynamics of persuasion, especially if opposed norms emerge simultaneously, which is usually the case for norms that are heavily informed by religion and culture. Furthermore, recipients in a policy diffusion dynamic usually face pressures to adapt their institutions and practices to a direction aligned with that of the European Union. The Global Gateway attempts to reduce these contestations by using an already universally accepted benchmark as the starting point – the United Nations Sustainable Development Goals (European Commission, n.d.).

As these norms are diffused, a process of contagion also takes place. Contagion in the form of political learning and emulation by other political actors in the regions connected to the European. These outcomes, at this point, are difficult to ascertain because the Global Gateway had just been implemented. However, contagion as an effect is not new to the European Union's norm diffusion. Policy reforms resulting from normative conditions placed by the European Union for partner countries to gain access to the Single Market for trade are well known (Kunnamas, 2020; Hoang, 2015). What Manners sees as contagion and transference, Sikkink and Finnemore (1997) see a cascade wherein norms capture the interest of key actors like policymakers who then use their political weight to institutionalize the introduced norms. The preference of the European Union to work within regional areas (such as ASEAN, or even the EHEA) as political partners is promising. As Gilardi (2012) also observes that geographic

proximity hastens norm diffusion and cascades by pointing out “spatial and temporal clustering... such as neighboring countries adopting similar policies”; not to mention the diverse perspectives from neofunctionalism and constructivism that have long argued the importance of geographic proximity and cultural cohesion for regionalism projects to remain regions.

The European Union thinks its Global Gateway is a monumental achievement. There are many reasons for it to do so. On its surface, it is evident that member states were successful in producing substantive bargains that promote its common interests. The agenda of the Global Gateway also allows the European Union to reorient and redirect some of its internal policy initiatives to more consistently complement its external policies. This discussion argues that education, once treated with minimal salience by the European Community, is now central to how the European Union perceives its role in global politics. As the Europeanization of higher education in the Union deepens, as championed by the European Commission and sustained by community law, the European Union can add a mechanism of diffusion to its already quite varied options. The Erasmus + Schemes, Horizon Europe, and the Jean Monnet Centers, Chairs, and Grants, now become available means, parallel to the more established diffusion mechanisms of the European Union, especially the Generalised Scheme of Preferences for international trade.

Situated within the wider nexus of the European Union’s education policies and initiatives, the inclusion of education into the Global Gateway positions higher education as a policy area that the European Commission uses to construct its identity. If in 1999, the Bologna Process and the subsequent evolution of the EHEA saw education integration as a convergence facilitated and implemented by member states following their own pace within collectively established timelines, the current Global Gateway certainly re-frames higher education into a policy area more intentfully Europeanized. With these developments that the EU itself has set as an agenda until at least 2030, European higher education now becomes a primary tool for the European Union’s wider international political agenda. If the Bologna Process then was part of the European Union’s education integration done as a process of policy diffusion, now the European Union’s Global Gateway also uses higher education integration to diffuse globally its norms, even those that go beyond education reform, to its partner countries and regions. These enhancements demonstrate the complex evolution of European integration that sees diffusion both as a preferred process and an intended outcome. In the succeeding sections of this chapter, perspectives from the Association of Southeast Asian Nations will discuss how a partner region has viewed and responded to the European Union’s diffusion of the policies and norms that facilitated its internationalization of education, from the European Higher Education Area to the current Global Gateway.

### *The EU-ASEAN Interregionalization of Higher Education: Opportunities and Challenges*

Under the pressure of globalization, national governments and higher education institutions (HEIs) across the world recognize the need to seek internationalization for their educational organizations. The EU and the ASEAN are great examples of achieving internationalization of

higher education (IHE) and interregionalization of higher education amidst the challenges of globalization and from the opportunities presented by regionalization. However, the internationalization of higher education as a regional policy in ASEAN is relatively new and developed in a multilayered manner within various regional frameworks.

### *EU and the ASEAN Higher Education Landscape*

In 2015, the EU established the EU Support to Higher Education in the ASEAN Region (EU SHARE) Program as the EU's flagship higher education program to strengthen interregional cooperation between the EU and ASEAN in higher education. The EU SHARE's aim was "to share the Bologna Process experience and build a stronger higher education area with 400 scholarships for student mobility within the ASEAN region" (Dang 2018).

The EU SHARE program was implemented through its project implementation team, a consortium of EU and ASEAN organizations (DeLaquil and Lally, 2023). From 2015 to 2022, the team "led policy dialogues with EU and ASEAN leaders, developing ASEAN quality assurance and credit transfer frameworks, and supporting intra-ASEAN and EU-ASEAN exchange scholarships (SHARE, 2021; SHARE, 2022, as cited in DeLaquil, 2023, p. 39).

Towards the end of creating a common higher education space in Southeast Asia, the EU SHARE program has worked alongside the ASEAN Secretariat and partnered with various regional and international partners, in particular, the ASEAN University Network (AUN), the Southeast Asian Ministers of Education Organization Centre specialising in Higher Education Development (SEAMEO RIHED), UNESCO Asia and Pacific Regional Bureau for Education in Bangkok, ASEAN Quality Assurance Network (AQAN), ASEAN Qualifications Reference Framework (AQRF) Committee, and 33 SHARE Partner Universities (ASEAN Secretariat News, 2022a).

Through the EU SHARE program, 590 intra-ASEAN and ASEAN-Europe scholarships were awarded. During the COVID-19 pandemic, the program facilitated over 1,600 virtual exchanges. At the official closing ceremony for the EU SHARE in December 2022, the Deputy Secretary-General of ASEAN for ASEAN Socio-Cultural Community Ekkaphab Phanthavong recognized EU SHARE as being "instrumental in supporting ASEAN's ambition to enable greater harmonization and internationalization of higher education in the region" (Ibid.).

Building on the success of the EU SHARE, the EU and ASEAN launched in July 2024 a new program called the EU-ASEAN Sustainable Connectivity Package (SCOPE) in Higher Education (HE) Programme (SCOPE-HE). With a funding value of EUR 9.3 million until January 2028, the new program seeks to support ASEAN member states in "strengthening student and academic mobility in ASEAN, fostering EU-ASEAN cross-regional university networks in research, and strengthening vocational education, focusing on the green transition, sustainability, digitalization" (ASEAN Secretariat News, 2024a). The networks established through the EU Share program remained as networks in the new SCOPE Higher Education program (DeLaquil, 2023).

Sustainable connectivity has become one of the key priority areas for EU cooperation with ASEAN and Southeast Asia as outlined in the EU Global Gateway Joint Communication, the EU Strategy for Cooperation in the Indo-Pacific to promote sustainable investments and links around the world which include the area of education (ASEAN Secretariat News 2024a).

Created as part of the overall EU-ASEAN Sustainable Connectivity Package that was adopted by the EU in April 2023, the SCOPE HE seeks to increase “exchanges in higher education, vocational training, and research, while prioritizing gender equality, women’s empowerment, digital transformation and green skills” (ASEAN Secretariat News 2024b). In November 2024, the Ministry of Education and Sports of Lao PDR hosted the official opening of the ASEAN Policy Forum on Higher Education 2024 in partnership with UNESCO and the SCOPE HE (Ibid.).

Dang (2018) described the process of ASEAN regional higher education harmonization as driven by two key factors. First, previous intra-ASEAN cooperation rooted in the decolonisation strategy has become the foundation of key initiatives to harmonize higher education in Southeast Asia. Second, the ASEAN sees the significance of adapting the Bologna experiences with regards to student mobility and quality assurance.

For the latter, the EU SHARE program has “supported the development of higher education frameworks in the ASEAN region, including the Kuala Lumpur Declaration on Higher Education Plan of Action (2016-2025), ASEAN Quality Assurance Framework (AQAF), Bangkok Declaration on Promoting an ASEAN-EU Global Partnership for Shared Strategic Goals (2016), the ASEAN 5-Year Work Plan on Education (2021-2025), the Roadmap on the ASEAN Higher Education Space 2025 and its 2-year Implementation plan (2022), the Joint ASEAN-SEAMEO Declaration on a Common Higher Education Space in Southeast Asia, and the accreditation of ASEAN Quality Assurance Network (AQAN) as an ASEAN entity” (ASEAN Secretariat News, 2022a).

#### Kuala Lumpur Declaration on Higher Education Plan of Action (2016-2025),

The Kuala Lumpur Declaration on Higher Education was adopted by the 27th ASEAN Summit in 2015, the same year that the EU SHARE was launched. The declaration set in motion initiatives towards the common space of higher education in South-East Asia “by acknowledging ‘higher education as one of the catalysts in accelerating ASEAN’s economic, political and socio-cultural development agenda’ and the need to “embrace [the] diversity and solidarity of the ASEAN community through enhanced intra-ASEAN mobility of students and scholars” (UNESCO, 2022).

#### ASEAN Quality Assurance Framework (AQAF)

Developed in 2015 by the ASEAN Quality Assurance Network, the ASEAN Quality Assurance Framework (AQAF) promotes regional harmonization and integration by providing a common reference point to align quality assurance systems, HEIs, and qualifications within Southeast Asia. It encourages national quality assurance systems to benchmark against the framework (Manzala, 2020).

The main goal of AQAF “is to be instrumental in harmonizing the quality assurance systems in [ASEAN member states] by setting agreed common principles of good quality assurance practices, standards, and processes while respecting the diversity in AMS’ national higher education and TVET systems and practices (Fahmi, 2020).

The EU SHARE program made observations about the Fahmi, AQAF. One, the AQAF is a neutral device. Two, it provides a reference point for benchmarking different systems. Three, it takes into consideration diverse systems, stages of development, needs, capacities, and aspirations (Manzala, 2020.). Nonetheless, these same observations also point to the limitations of the AQAF.

EU SHARE recommended the following: presence of overarching policy statement and goals for HE and QA coupled with clear monitoring and follow up systems and processes, balance diversity and harmonization by agreeing on principles to strengthen closer alignment of HE systems, improve coherence and policymaking by simplifying and streamlining governance structure at the regional level, and enable participatory processes by engaging wider participation in implementing to increase acceptance and legitimacy and buy-in of stakeholders (Ibid.).

#### Bangkok Declaration on Promoting an ASEAN-EU Global Partnership for Shared Strategic Goals (2016)

The Bangkok Declaration on Promoting an ASEAN-EU Global Partnership for Shared Strategic Goals reaffirms the importance of cooperation and partnership between the EU and the ASEAN and the resolve of both regions to accelerate efforts towards a strategic partnership based on substantive action from both sides and concrete results. In the area of higher education, the declaration commits ASEAN member states to “promote cooperation on education as well as encourage mobility of students and academics between ASEAN and the EU higher education institutions, and explore possibilities for ASEAN-EU scholarships including through EU-funded programs such as Erasmus + and SHARE” (Bangkok Declaration, 2016).

#### The ASEAN 5-Year Work Plan on Education (2021-2025)

The ASEAN 5-Year Work Plan on Education (2021-2025) is the third of a series of initiatives since the adoption of the Kuala Lumpur Declaration. Adopted in May 2021 by the ASEAN Education Ministers Meeting (ASEM), it seeks to “harmonize ASEAN higher education alongside enhancing the region’s capacity in higher education” (ASEAN Secretariat, 2025, p. 7). The ASEAN Work Plan on Education (2011–2015) and the ASEAN Work Plan on Education (2016–2020) highlighted the importance of cross-border mobility and the need to conceptualize a single-branded scholarship scheme in the region, respectively (Ibid.).

#### The Roadmap on the ASEAN Higher Education Space 2025 and its 2-year Implementation Plan (2022-2023)

The Roadmap on the ASEAN Higher Education Space 2025 and its 2-year Implementation plan (2022) was launched in July 2022 by the ASEAN Secretariat with the support of EU SHARE and other development partners, including the Southeast Asian Ministers of Education Organization Regional Center specializing in higher duration and development (SEAMEO RIHED), ASEAN University Network and UNESCO.

It sets the goal of “boosting intra-ASEAN student mobility by 2025,” which includes the creation, ownership, and operationalization of an ASEAN-branded scholarship. This initiative is overseen by the ASEAN Working Group on Higher Education Mobility 2025 (AWGHEM) and is endorsed by the ASEAN Senior Officials Meeting on Education (SOMED) (The ASEAN Secretariat, 2025).

The Roadmap on the ASEAN Higher Education Space 2025 contributes to the ASEAN Community Vision 2025 and envisages a resilient and sustainable ASEAN Higher Education Space that enables greater harmonisation and internationalisation of the region’s higher education systems (ASEAN Secretariat News, 2022)

Based on the 2-year implementation plan of the roadmap, EU SHARE takes the lead in five policy dialogues on strategic issues of harmonization of ASEAN higher education. It also takes a lead in capacity building by providing an online-training course on OBE, holding national seminars on quality frameworks and quality assurance, engaging ASEAN member states on CTS national policies, SHARE student Mobility and alumni workshops, and intra-ASEAN mobility information session for all SHARE partner universities. EU SHARE also provides technical assistance/research on the following — design and development of digital ASEAN-EU credit transfer system platform, design and development of an Intra-ASEAN virtual exchange/COIL platform (Roadmap on the ASEAN Higher Education Space 2025).

The roadmap draws inspiration from Europe’s Bologna Process for higher education harmonization. It promotes student and faculty mobility, the development of common quality assurance benchmarks and mutual recognition of higher education credentials within Southeast Asia. It also proposes new approaches, for example, cross-border digital learning collaboration and new initiatives such as an ASEAN-branded scholarship (Sharma, 2022).

Although the Southeast Asian roadmap is not the same as the Bologna Process because the context is very different, it set in motion a greater understanding in higher education in the region that can lead to greater cooperation, greater partnership, and more development in the sector (Ibid.).

#### The Joint Declaration on the Common Space in Southeast Asian Higher Education

The Joint Declaration on a Common Higher Education Space in Southeast Asia was adopted at the 13th ASEAN Education Ministers Meeting on 25 August 2024. Considered “as a watershed moment in the history of Southeast Asian higher education,” the joint declaration “marks a profound breakthrough in harmonizing Southeast Asian higher education,

forging a common space to drive the regions's socio-economic development and global relevance" (Kosaikanont, et al., 2024).

The joint declaration is considered a powerful collaboration between the ASEAN and SEAMEO. Such collaboration succeeded with the support from the EU SHARE' program. EU SHARE's support was to bring the region's partners together around a shared vision and redefined common space in Southeast Asian higher education (Ibid.)

#### The accreditation of ASEAN Quality Assurance Network (AQAN) as an ASEAN entity

The ASEAN Quality Assurance Network was officially established in 2008. Its founders were eleven quality assurance authorities and ministries responsible for higher education of ASEAN member countries. The goal is to work together towards harmonization of higher education policy in the region through sharing and enhancement of quality assurance best practices and national capacity building among its members (Council for Higher Education Accreditation, n.d.).

#### **Strategic Differences in the IHE Approaches and Trajectories in the EU and the ASEAN**

While both the EU's European Higher Education Area (EHEA) and ASEAN's Common Space for Higher Education are widely recognised as outstanding projects of regional cooperation, each has its own trajectories of development and model of regional governance (Dang 2018). The latter, model of regional governance, has the greatest impact on the interregional cooperation in higher education between the EU and the ASEAN. DeLaquil (2023) argued that the difference between EU and ASEAN where EU is both supranational and intergovernmental while ASEAN is intergovernmental only has implications on the effectiveness of the EU to shape the ASEAN common higher education space. To quote her:

While the EU is effectively a supranational authority with pooled regional sovereignty, the primacy of national sovereignty among the ASEAN member states directs a more flexible mode of cooperation. As such, the EU model of regionalization of HE and the related policies and programs may not perfectly transfer to the ASEAN region (DeLaquil, 2023, p. 39).

In Europe, the Bologna Process shaped the process of internationalization and development in higher education institutions in the region. The Bologna Process is a strategy "for HEIs in Europe to structure and systematize their educational component to be more organized, compatible, and competitive for may European citizens and scholars around the globe" (Robinos & Alcazaren 2023). The European Action Scheme for the Mobility of University Students (ERASMUS) has led to millions of international students studying in many European universities (Dang, 2018) Ibid.).

Drawing on empirical data of national higher education reforms in newer members and comparing regional projects in Asia and Europe, Dang (2018) identified two areas where the EU and the ASEAN differed significantly in the internationalization of higher education.

The Bologna Process in the EU was designed with specific objectives or what are referred to as the Bologna action lines and benchmarks. These stated objectives became the basis for implementation and monitoring through regular stocktaking reports allowing HEIs to identify unintended outcomes of the process (Ibid.).

In Southeast Asia, on the other hand, the regional higher education harmonization process in HEIs is not set up with concrete objectives to guide the process but anchored in the broad goal of the ASEAN, that is, to achieve the vision of a cohesive and outward-looking ASEAN Community (ASEAN 2006). Unlike in the EU, there is hardly any stocktaking reports measuring ASEAN higher education cooperation against pre-set objectives. In Southeast Asia, "the process of cooperation is an outcome in itself and the objectives of ASEAN regional higher education activities often become known retrospectively" (Ibid.).

Efforts to harmonize their diverse higher education systems begun in the 1990s among the ASEAN Member States with the end view of an ASEAN Common Space for Higher Education. Unlike the Bologna Process, there were no explicit declarations on establishing such goal and a timetable to achieve it. As early as 1965, higher education has already been included in the discussions of the South East Asian Ministers of Education Organization (SEAMEO) but it was only in 1992 when ASEAN higher education cooperation really gained importance and was brought to the regional agenda on the occasion of the 1992 ASEAN Summit that marked the establishment of the ASEAN Free Trade Area (AFTA) (Dang, 2018).

First, the formation of AFTA required greater human resources and such was strongly emphasized over previous regional security concerns which were a core rationale for regional cooperation. Second, with the end of the Cold War, ASEAN needed to reorient its activities to justify its relevance in the new context. Third, the enlargement of the ASEAN with the new membership of Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999 has brought about several significant outcomes, such as the establishment of the ASEAN University Network in 1995, the resumption of ASEAN Education Ministers' Meeting in 2005 (Ibid.).

In terms of the trajectories of IHE, student mobility pathways in the Bologna Process and the ASEAN differed. The Bologna Process shifted from its Eurocentric focus on international mobilities within the EHEA to an outward, global mobility, that is, from an almost exclusively intra-regional mobility to one that promotes extra-regional mobility; while the ASEAN region has been doing the opposite (Ibid.). The trajectory of international mobility in the ASEAN is described more in the third section under the demographic shifts in both inbound and outbound mobility pathways across Asia that shaped IHE in the ASEAN in recent years (Ibid.).

Examining the discourses of power and value in the EU SHARE program, Delaquil (2023) found that the EU and ASEAN had different approaches to the EU SHARE program and that there is the "potential for the imposition of particular approaches to policy and program construction in the ASEAN-EU partnership and interregionalization of higher education. After analyzing both ASEAN-and EU-authored documents, she noted the differing rationales and foundational principles within the partnership and the implications of these on both the EU and the ASEAN.



Specifically, ASEAN documents show SHARE program results and rely on other ASEAN documents for core principles of the ASEAN Roadmap. On the other hand, EU-authored documents focus on return on investment and make assumptions about what high-quality education will be for the ASEAN regions....For example, the emphasis on marketization and investment in EU-authored documents demonstrate how ASEAN should view the role of higher education as a tool for economic development first and foremost (DeLaquil, 2023, p.40).

DeLaquil (2023) further noted that as the SHARE program becomes part of the broader effort of Global Gateway, there is a need to reexamine how these power dynamics manifest in a new phase of the EU-ASEAN partnership for higher education.

The need for the reexamination of the new phase EU-ASEAN higher education partnership under SCOPE HE becomes an imperative especially in light of the recent developments across Asia that are already altering the IHE landscape in Southeast Asia and the future directions of EU's cooperation policy and programs with the ASEAN.

### **Demographic Shifts in Higher Education Student Mobility Pathways across Asia and within Southeast Asia**

In 2022, Southeast Asia became the third largest region globally for outbound student mobility after China and India. More than 350,000 students from the region were studying higher education overseas. Within the region, Vietnam has the largest share of the market for outbound students (37%) followed by Malaysia and Indonesia (each 16%), and Thailand (9%) (Acumen's Key Trends in Southeast Asia, 2024).

Figures from the international education consultancy Acumen showed that Vietnamese students constitute approximately 132,000 among Southeast Asian students studying abroad. Thai and Malaysian students make up over 50,000 each and Thailand around 32,000 (Acumen, 2024)

Across the EU, however, student mobility from Southeast Asia remain underrepresented. Only a small proportion of the 1.66 million international students are currently enrolled at EU universities. For instance, the German Academic Exchange Service (DAAD) documented 7,060 Vietnamese students studying undergraduate in Germany (Well and Hutt, 2025).

The underrepresentation of Southeast Asian students across the EU universities may be attributed to recent developments resulting in the demographic shifts in international student mobility. Traditionally, higher education and student mobility pathways have been predominantly directed towards major Western destinations such as the US, the UK, Canada, and Australia. (Lee, et al, 2025) In recent years, however, other destinations have emerged and redirected higher education and student mobility pathways away from the traditional major Western destinations.

These significant demographic shifts in higher education student mobility pathways over the past decades are: 1) the rise of Intra-ASEAN mobility, 2) a shift to East Asia for international student mobilities, and 3) the increasing Chinese student mobilities towards Southeast Asia.

### **The rise of Intra-ASEAN Mobility Pathways**

As mentioned already, the ASEAN region has been doing the opposite of what the Bologna Process has done. While the EHEA has shifted from an almost exclusively intra-regional mobility to an extra-regional mobility, ASEAN countries have begun to promote student mobility within the region beginning in the late 2000s through partnerships with Western universities on their soil (Dang 2018).

Intra-ASEAN mobility is carried out through bilateral relations between ASEAN countries. Based on a study examining cross-border mobility of ASEAN university students in the ASEAN region published in 2020 under the EU Support to Higher Education in ASEAN region (EU SHARE) Project, there was an overall increase of approximately 40% in the number of students bound for other ASEAN countries. Of all ASEAN countries, Malaysia and Thailand are the outbound destinations of students from the majority of the ASEAN Member States (ASEAN Secretariat, 2025).

Several ASEAN countries have also partnered with Western universities on their soil to diversify their domestic provision of higher education. These countries have become hubs for global education with the capacity to attract international students. For example, “Singapore and Malaysia serve as primary hubs for global education .. while Thailand and Vietnam are transforming into secondary education hubs sustained by the intra-regional circulation of students from emerging Southeast Asian economies” (Lee, 2025, p. 4).

Malaysia and Singapore were ahead of its neighbors in the IHE as both countries aimed to position themselves as regional education hubs by signing agreements with other countries in the 2010s (Cheung et al., 2016, de Wit et al., 2015, as cited in Cheung, 2021).

In Singapore, internationalization was carried out as part of the reforms in higher education in the late 1990s. As a response to globalization, the government had implemented various strategies of internationalization including internationalizing the curriculum and encouraging student mobility. To develop into a regional educational hub, it pursued the “Global Schoolhouse” initiative (Cheung, 2021).

The “Global Schoolhouse” was first introduced by Singapore’s Ministry of Trade and Industry in a 2022 report where the education industry was one of the areas covered. Based on the report, the global schoolhouse will lead to “a three-tiered system of universities” (Tan, 2016).

At the apex would be so-called ‘world class universities ... focus primarily on postgraduate education and would be ‘niche centres of excellence’, contributing to research and

development. The second tier would be the three pre-existing, publicly funded universities ... which would carry out research and development activities, supply the bulk of domestic university-educated manpower to meet national needs, attract regional students through scholarships and fulfill the concept of education as a public good. Forming the base of the pyramid would be 'additional private universities' ...[that] would focus on teaching and applied research and cater to the bulk of the additional 100,000 foreign students envisioned in the global schoolhouse (Tan, 2016).

Based on the global schoolhouse vision, in 1996, "the then prime minister of Singapore announced the government's intention to turn Singapore into the 'Boston of the East', with Harvard University and the Massachusetts Institute of Technology serving as role models for the two of the three publicly funded universities to develop into world-class institutions"; and two years later, "the state-affiliated Economic Development Board announced its intention to attract at least 10 so-called world class universities to Singapore within the next decade" (Ibid.). However, the global school house "was plagued with various difficulties" for example, foreign universities withdrawing their campuses and programs, terminating their operations in Singapore after a few years, and quality assurance, and immigration policy (Ibid.).

In Malaysia, the first policy document which contains the internationalization agenda in higher education and the operational plans is the "Internationalization Policy for Higher Education 2011" published by the Ministry of Higher Education Malaysia. All public and private higher learning institutions in Malaysia are recommended to draw up their own internationalization agenda. The Universiti Malaya (UM), Malaysia's oldest public university and premier research university, for instance, promoted internationalization through collaboration with other reputable higher education institutions in the area of academic programmes (Right, et.al., 2020).

Although Malaysia made IHE an official policy only in 2011, the government has already been engaged in efforts towards IHE as early as 1991. Tham (2013, as cited in Cheung, 2021, p.117) noted that "Malaysia began to explore the possibility of improving its human capital by encouraging the development of private education institutes and increasing collaboration with foreign HEIs as early as 1991." In 2004, the Ministry of Higher Education in charge of the reforms in higher education was established (Azman & Sirat, 2018, as cited in Cheng, 2021, p. 117). As the government invested in higher education reforms and implemented favorable policies, higher education development succeeded and Malaysia became a regional student hub with a growing number of international students and an attractive site for foreign universities to establish their branch campuses (Aziz & Abdullah, 2014, as cited in Cheung, 2021).

In Thailand, the internationalization of higher education became part of the national agenda as early as 1990 under the Office of the Higher Education Commission (OHEC) which monitors and facilitates the overall equation internationalization process. To promote IHE, the OHEC has been responsible for the different policy frameworks — the First Long-Range Plan on Higher education (1990-2004), the Seventh National Development Plan (1992-1996), and the Second 15-Year Long range Plan on Higher Education (2008-2022) (Pavel & Ek-Uru, 2020).

Driven by its vision to become an educational hub in the region, Thailand had implemented various initiatives such as “Thailand 4.0” since 2009. These initiatives required more investment on universities in order to increase their international rankings and ultimately, develop into a knowledge-based economy (Lavankura, 2013; Prompilai, 2018, as cited in Cheung, 2021).

In Vietnam, the internationalization in higher education was part of the education reform of the country and of the broader goals of the society. Since the 1990s, the government has resorted to IHE as “a means of integrating the country more deeply into the global economy and enhancing national competitiveness through the transfer of knowledge and skills from abroad (Ziguras & Pham, 2017, abstract).

In 2005, the government released its agenda of substantial and comprehensive renewal of the country’s tertiary education in the 2006-2020 period which primarily sought “to formulate a strategy on international integration, raise the cooperation capability and competitiveness of Vietnam’s tertiary education in the implementation of international treaties and commitments” to “enable the integration of Vietnamese higher education sector both regionally and globally” (Ngoc, et.al., 2020, p. 102).

In 2022, within the region, Vietnam has the largest share of of the global market for outbound students (37%) followed by Malaysia and Indonesia (each 16%), and Thailand (9%) (Acumen, 2024). Vietnam is also a popular study destination for students from Laos and Cambodia. Inbound mobility to Vietnam from these two countries increased by more than 50 percent between 2016-2020 (British Council Report, n.d.).

Aside from hubs for global education, the intra-ASEAN student mobility is also shaped by the growing transnational education (TNE) markets in the region. In Acumen’s Key Trends in Southeast Asia 2024 report, Malaysia and Singapore were identified as two of the UK’s top 10 TNE markets globally and Vietnam as the third-largest TNE market in the region in recent years. The rapid growth in TNE in Vietnam is attributed to recent regulatory changes in Vietnam. The report noted that the number of students undertaking UK TNE courses in Vietnam grew by 141% between between 2018-2019 and 2021-2022, (Acumen, 2024).

Malaysia, for instance, over the last 25 years has developed into a regional education hub with transnational education. In the 1980s, Malaysia established franchise programs based on matriculation with Australian higher education institutions. In the years that followed, other forms of TNE partnerships, in particular, twinning programs were established. From the late nineties to around 2015, the local TNE market moved toward branch campuses. These include the University of Monash Malaysia in 1998 and then the University of Nottingham Malaysia in 2000. The UK TNE grew rapidly in the 2000s. Between 2007 and 2014, the enrollment of students enrolled in UK TNE programs in Malaysia almost tripled to 59,100 from 20,525. More branch campuses were established during this period. By 2015, in Malaysia, there were ten branch campuses operating (British Council Report, n.d.).

## **A shift to East Asia**

A second trend in the demographic shifts in international student mobilities from Southeast Asia is the shift to East Asian universities to pursue higher education. Dang (2018) described such development as ‘a new trend of “studying closer to home”’. Two factors accounted for such trend. First, China, Japan, and South Korea are offering generous scholarships. Second, the closer economic relations of these countries with the ASEAN region have led to increased student mobilities (Dang, 2018).

Inter-regional collaborations like the ASEAN plus 3 framework which include major players like China, Japan, South Korea, and the ASEAN member states has significantly enhanced regionalization of higher education in Asia. The Campus Asia Project, for instance, has enhanced student mobility and faculty mobility across the region.

From 2005-2011, China received the highest number of international students followed by Japan and South Korea. In 2015 and 2017, student mobilities from Thailand, Vietnam, and Indonesia were directed to Japan, China, and South Korea. Among the three countries, China hosted the majority of these Southeast Asian students. Student mobilities by the rest of the ASEAN countries were to Japan and South Korea but in extremely small numbers (Dang, 2018).

In 2017, China continued to receive the highest number of inbound international students while Japan and South Korea have seen substantial increases in their international student populations, with Japan hosting over 300,000 international students by 2020 (Huang, 2024).

The COVID-19 pandemic, however, significantly interrupted international student mobility to Japan, South Korea, and China and have set targets to attract more international students including those from Southeast Asia.

In Japan, the government seeks to increase its international student population to 400,000 by 2033, with plans to allow them to stay on to work in the country after they graduate. Japan is also aiming at internationalizing its higher education system and expanding joint degree programs in the country from 27 to 50 by 2033 (British Council Report, n.d.).

South Korea is targeting 300,000 international students by 2027 through its Study Korea 300k Project. To reach the target, various incentives are offered — increasing the Global Korea scholarships, fast-tracking permanent residency applications, and lowering language requirements (Ibid.).

The “studying closer to home” for studies abroad option in Southeast Asia has also become more attractive due to the expansion of English-taught programs across Asia (Huang, 2006, as cited in Huang, 2024). Tsinghua University in China and Seoul National University in Korea, for example, have expanded their English-taught offerings, aligning with global standards (Huang, 2024).

## **Increasing Chinese outbound mobility to Southeast Asia**

The rise of China as a major player in global affairs has significantly changed the IHE landscape across Asia. Beginning in the 2000s, China shifted its approach to the internationalization of higher education from a primarily 'inward-oriented' focus towards a more 'outward oriented' strategy. China's later focus on enhanced educational cooperation with its Belt and Road partner countries has contributed to the increasing Chinese student mobilities to Southeast Asia (Lee, 2025).

In Southeast Asia, there is an upward trend of Chinese student mobility in the region. For instance, Chinese students enrolled in Malaysian universities increased fivefold from 9,000 in 2019 to over 47,000 in 2024; quadrupled in Thailand from just under 6,200 in 2016 to 28,000 in 2024; and constituted about half of Singapore's 73,200 international students in 2024 (Yee, 2025).

Analysing the post-2020 mainland Chinese student mobility to Malaysia, Koh and Yeoh (2024) noted that the Belt and Road Initiative (BRI), domestic push factors in China, and the recent global shifts in international student mobility are not the sole drivers of the increasing Chinese outbound mobility to Southeast Asia. Both authors pointed to historical and contemporary interactions between China and Malaysia (early Chinese immigration, China-Malaysia bilateral relations, BRI-related infrastructure projects, and lifestyle migration) and Malaysia's higher education internationalization as key drivers of Chinese outbound mobility to Malaysia.

Between 2019 and 2022, inbound student mobility to Malaysia surged by 31% per year and much of this increased mobility was driven by students from China. In 2023, applications from China was 80 percent higher than it was in 2019 and accounted for almost 50 percent of total applications in Malaysia (British Council Report, nd).

In Thailand, changes in its higher education since the 1990s has positioned the country as an alternative study destination for Chinese students. The dominance of Thai language programs (1990-2010), the rise of business and international programs (2010-2020), and the increasing preference for graduate students (2020 onwards) all had contributed to this upward growth of student mobility from China (Lertpusit, S et al., 2025).

In 2024, Chinese students made up more than half of the international student enrollment in Thailand. Rungfama (2025) identified several reasons why Thailand has become an attractive destination for higher education for Chinese students — "intense competition in China's higher education system, affordable living and tuition costs, Thailand's cultural openness and appeal, its relaxed lifestyle and its wide range of flexible academic programs that cater to diverse student needs (Ibid.).

Another driver of Chinese student mobility to Southeast Asia is the draw of K-12 education in Southeast Asia. Chinese families, based on an article in South China Morning post, send their children to Malaysia, Singapore, and Thailand to attend international schools affiliated with well-known universities (ICEF Monitor, 2023).

## Conclusion

The sui generis nature of the European Union is central to its identity. The regionalization of higher education in Europe has demonstrated dynamics of diffusion as part of European integration altogether, both in its intraregional governance and its external relations. By underlining the importance of common frameworks, shared approaches on education management, and common logics for education competitiveness and attractiveness for higher education institutions in the European Higher Education Area was able to create a space for participating states to cooperate, though in mostly informal and minimally institutionalized ways.

As developments in the EHEA gradually slowed down, European Union member states and the European Commission began to center the role of education, research and innovation to its larger global political agenda. With the Global Gateway introduced in 2021, the European Union has now used its highly institutionalized education area to help diffuse its norms and policies to its partner regions and networks, through contagion, emulation, and socialization. Higher education has been embedded within the larger forward-looking external agenda of the EU. However, while the diffusion of norms is certainly intentional, the responses from partner regions, such as ASEAN, have been equally interesting.

ASEAN sees the significance of adapting the Bologna Process for higher education harmonization and internationalization in Southeast Asia. However, EU's model of regional governance and trajectories of development are different from the ASEAN. Hence, the approaches, principles, and values in higher education cooperation policies and programs of the EU may not be strategically reflected in the higher education landscape of ASEAN. For instance, the primacy of national sovereignty among ASEAN member states creates a more flexible mode of cooperation unlike EU's supranational authority with pooled regional sovereignty.

Moreover, student mobility pathways in the Bologna Process and ASEAN are also different. The Bologna Process shifted from its Eurocentric focus on international mobilities within the EHEA to an outward, global mobility. The ASEAN, on the other hand, has been doing the opposite. Adding to these pressures that affect EU's actorness in the internationalization of higher education in Southeast Asia are the recent demographic shifts in international mobility pathways — the rise of intra-ASEAN mobility, a shift to East Asian universities, and Chinese students' outbound mobility to Southeast Asia.

The EU must be able to recalibrate its approach and strategies in the internationalization of higher education with the ASEAN if it intends to play a strategic role in Southeast Asia. It is imperative especially in the new phase of partnership between the EU and the ASEAN.

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## Part III: Values, Mobility, and Global Society

## Chapter 9: European Migration Policy

Jamina Jugo

There are many ways to understand the significance of borders, and, by extension, many ways to understand the flow of various people across them.

One of the core arguments of this chapter is that the post-War history of migration policy in Europe is a history not only of people but of words. This refers not merely to the spread of languages, but to the deployment of key terms in policy, media, and public discussion. Hence, the chapter blends chronological and discursive approaches, tracing how the general understanding of migration has changed over time and is reflected in real-life policy.

The reader can also see the evolution of migration policy as a lens through which the EU renegotiates its role as a global actor. One can note profound changes starting from the twilight years of colonization, where native-born Europeans were more likely to migrate temporarily or permanently to their overseas holdings, to more recent decades, where the EU presents itself on the world stage as a region of destination countries wrestling with the opportunities and challenges accompanying migration from other regions. The EU's treatment of migrants has a major impact on its image and therefore diplomatic leverage abroad, reflecting a blurring of boundaries between domestic and global politics.

In order to help readers understand this complex history, this chapter's focus flows back and forth between sections that emphasize theory/concepts and those that emphasize history/praxis, while never excluding either pole. This text actually starts with history rather than theory, based on the argument that current theories arise from historical experience and communal memory. Theories are retroactive attempts at self-understanding, which can, for better or worse, become the building blocks of future strategy.

The chapter begins with the first few decades of the EU integration process as we know it, from the immediate post-war years to the oil crisis of the 1970's. The chapter then outlines key terms and concepts arising from efforts to understand these developments. These terms are applied in the following section, describing the main policy models the EU and its member states use to try to manage migration and diversity. Since migration is a highly-politicized topic in Europe generally, I will also introduce the current state of the issue as deployed in the region's party politics. I then describe these models in action through a variety of policy fields: culture, human rights, education and employment, and naturalization. The chapter concludes by examining the impact of the COVID-19 pandemic on EU policy, with some gestures towards where policies arising from this watershed event will lead in the coming years.

Readers are encouraged to pay close attention to the evolving meanings attached to the word "migrant" as outlined in the following chapter. Which travelers are likely to be labeled as "migrants" as opposed to "mobile professionals?" Which countries are considered to be likely countries of origin vs. entry/immigration? To what extent are migrants considered to overlap

with other demographics, such as refugees? Finally, what effect are migrants expected to have on their host societies?

### **Historical Background: Post-War Oil Crisis**

The “current era” of migration policy in Europe might be traced back to the end of the Second World War. (Van Mol und De Valk 2016, 32) Many European countries were dealing with the following factors: a) changes of borders and movements of entire communities as a consequence of post-war peace treaties, b) economic devastation and political restructuring, and c) decolonization. (Ibid, 32-33)

A generation after the massive territorial shifts of the Great War, new borders would be drawn as a result of post-war agreements. For example, Poland would, rather ironically, lose territory to the Soviet Union, even though the protection of Poland’s territorial integrity was precisely why the Allies had gone to war. Compounding the chaos, populations were encouraged to move back to their (supposed) ethnic homeland in order to resolve ongoing questions of nationalism.

Decolonization, already a major political question in Europe, accelerated after the end of the war, though of course it would continue in the 1960’s, and is arguably incomplete today due to the possession of overseas territories by countries like France and Spain. Decolonization brought greater freedom of movement for former colonies, while colonial legacies also meant that their people would have more interest and opportunity oriented towards the former colonizer. Hence, countries like Britain and France, which were divesting themselves of their massive empires, faced large numbers of newcomers from their former colonies. Both official law and unofficial—but no less powerful—policies shaped how these communities were treated. Systemic factors shaped the extent and manner to which they were able to come to Europe, and how they were treated once they arrived. Studying these developments can be somewhat shocking to modern eyes, due to the blatant nature of official racism at this time period.

Europe was also trying to recover from the compounded effect of two World Wars. Guest worker schemes, often arranged bilaterally, were important in recruiting foreign workers to rebuild cities and key economic sectors. Spain, Romania, and Turkey were popular source countries for guest workers. Guest workers were, like conventional guests, still expected to return home. Long-term integration programs were not common. Hence, if guest workers did decide to settle into their host countries with their families, they received little support in truly becoming part of their new home. For example, some members of the guest worker generation still have fairly poor language skills even after decades in the host country, and have not managed to attain high-level professional qualifications—at least, not qualifications recognized in the host country. Guest workers’ children might be later born in the host country, but would still face disadvantages from racism, generational poverty, intrafamilial cultural alienation, and so forth. The outcomes from poor immigration policies would be partly—and sometimes



largely or virtually entirely—blamed on the guest workers themselves, with their poor integration attributed to their own personal lack of ability and willingness to belong. It would contribute to the growth of xenophobic discourse and policy overall. Integration issues aside, guest workers were often seen somewhat positively as essential helpers in postwar recovery. Their continued contributions were welcome even as the war itself receded further into the past.

The oil crisis of the 1970's is considered a turning point in European migration policy and discourse. (Van Mol and De Valk 2016, 35) Public perception of migrants took a sharp negative turn, now portraying them as competitors for scarce jobs and resources. (Ibid) Western European labor migration policies generally became more stringent, while still allowing for foreigners to enter as refugees, or to reunite with family members who had already migrated. (Ibid 35-36) Migration came to be increasingly conceptualized as a form of charity or development aid. (Ibid) This dovetailed with the EU's increasing reliance on the concept of human rights as part of its regional identity, and as a vehicle for asserting its soft power on the world stage.

Europeans from beyond the Iron Curtain were often restricted by their own governments from moving to the West. However, some individuals were able to make the journey, especially as high-profile defectors. Russian ballet stars Rudolf Nureyev and Mikhail Baryshnikov are two of the most prominent examples. Western Europe and the United States were able to present defections as proof of the superiority of liberal capitalism: Capitalism must surely be better, if communism's best and brightest seemed so eager to switch sides. It must be remembered, however, that there were also defections and refugee flows going from West to East, with socialist-leaning labor leaders and intellectuals moving into the USSR and its satellite states. At the same time, the fairly small numbers of defectors and political exiles meant that their socio-economic impact in their new countries was comparatively limited. Overall, their presence was a boost to Western European soft power and national pride, without the risk of a major xenophobic backlash from citizens.

This situation would change dramatically after the end of the Cold War. Citizens of (former) communist countries had more freedom to move West. Continued political and economic instability would make this an attractive option even as these countries journeyed further in their shift to capitalism. The term „Eastern European“ continues to be stigmatized in Europe, to the point that many ex-communist countries or citizens prefer to be called „Central European“ where possible. Researchers should also be careful to balance their awareness of the shared heritage of communism with an awareness that national experiences were far from identical. Communism in some countries was more repressive than in others, which often translate into more difficult transition and recovery periods. Conversely, some post-communist countries, such as Poland and the Czech Republic, have generally had a more successful transition. They have become regional leaders, and are now popular immigration destinations for Europeans coming from further east.

European immigration policy is ever-evolving. Some policies are responses to fairly sudden developments, such as the ends of wars and/or new refugee crises.(Hoesch 2024) Others can be at least partially designed well in advance, for instance when it is known that some countries will become member states at a certain time. Yet other policies grow around gradual developments that are only half-noticed at the time, and only clear in hindsight, such as demographic changes.

Countries that supplied economic labor to their European neighbors were, a generation or two later, major entry points for immigrants from outside of Europe. Spain and Italy are two examples of countries in such a situation. State institutions had to face the opposite end of migration flows, while grappling with both their colonial legacies and ever-deepening European integration.

Migration policy is also affected by a phenomenon that one can consider “domestic” in more ways than one, i.e. changing family structures. Generally, European countries face aging populations and declining birth rates. Accepting and integrating large numbers of newcomers would help to keep European economies powering into future generations. However, this is combined with a cautious, restrictive view of immigration. This is the overall set of concerns that European migration policies try to tackle at the local, national, and EU level.

## **Theories and Terms**

One of the most complex elements of any migration debate is agreeing on basic terms. Whom exactly are we talking about when we talk about migration? When and how does it make sense to differentiate between different types of migrants? (Goodman and Speer 2007) To what extent do immigrants overlap with other demographic and legal categories, such as that of the asylum seeker? (Ibid)

In the broadest sense, migration is simply movement from one place to another for a significant amount of time, as opposed, to, say, a short visit or vacation. Immigration usually refers to movement over national borders. Movement within countries—between regions, or from small towns and villages to cities—is arguably just as important, but tends to be left out of both academic and policy discussions on migration.

One of the more relatable and personal ways terminology can impact people is by influencing their self-perception. (Archakis and Tsakona 2022, 161-62) Persons whose Otherness is consistently highlighted will generally experience greater difficulty in finding their place in society, for instance. (Ibid) They can also come to internalize discrimination, and assist in their own marginalization. (Ibid)

The hardening of Othered categories as public policy can enshrine outmoded attitudes as law, even as civil society moves past them. Conversely, governments can try to institute more liberal or progressive policies, only to be met with strong resistance from some blocs among their

citizenry. Both phenomena can lead to curious forms of contradiction and inertia plaguing societies' efforts to improve their handling of migration. Multi-level approaches are needed in order to understand how policies impact the lives of real people. Cities and neighborhoods, for example, can institute their own powerful mechanisms for integrating newcomers, sometimes even in opposition to a hostile national government. (Joppke 2007)

One significant conceptual relationship is that between the categories of migrant and asylum seeker. (Sajjad 2018) As mentioned earlier, the 1970's oil crisis was a major turning point in orienting migration policy away from work and towards human rights considerations such as asylum claims or family reunification. Migration and asylum policy increasingly overlapped and even began to appear synonymous. (Goodman and Speer 2007) What are the implications of a high degree of overlap between migrants and refugees in terms of policy?

In fairness, this conceptual overlap has some grounding in the complex motivations behind moving—or fleeing—to another country. There could indeed be considerable overlap here. An asylum seeker might later become a settled economic migrant, for example after finding a job in their host country and using it as a basis for residence. Conversely, a person who officially enters a new country as a professional student, etc. might also be motivated by a wish to escape discrimination or political persecution in their country of origin. In some civil society circles, economic migrants have been called economic refugees, in order to emphasize the desperation of their poverty in their home country, which necessitated their migration in order to survive.

However, the effect of such conceptual overlap in an overtly-xenophobic policy environment such as the post-Blair United Kingdom is to create a general atmosphere of suspicion and even criminalization against the non-native-born. (Goodman and Speer 2007) Asylum seekers can be accused of being economic refugees in disguise, i.e. faking their claims of persecution. (Ibid 167-68) Claiming asylum, especially if it includes undocumented border crossing or unannounced arrival, might be framed as illegal immigration (Ibid 167), even though international law recognized the universal right to ask for asylum without having to go through regular immigration channels. Economic migrants, for their part, might face barriers in the job market because they are seen as similar to refugees, who are constructed in the public imagination as needy and helpless rather than qualified and industrious. (Ibid 166-169)

All these categories of person might be tackled under the same laws, government agencies, or official state projects, even as the definitions appear to become stricter. (Crawley and Skleparis 2018) This may lead to more policy coherence, but can create a monolithic approach that fails to recognize differences in people's situation. Newcomers might receive a considerable amount of support, but is it the kind that will help towards living autonomously in the host country? Is autonomy even the goal of these assistance projects? Should the projects focus on addressing immediate needs and possibly aiding return to country of origin, or should there be more emphasis in helping newcomers settle in long-term? These are very fundamental questions about asylum and migration policy, and are very much connected to how basic terms are understood.

EU integration also has implications for official understandings of basic terms. Migration of EU citizens to another member state is termed “mobility,” and presented as part of the effective exercise of the Four Freedoms (free cross-border movement of people, services, goods, and capital) underpinning European economic integration. Migration is a term more often used for the movement of non-Europeans. This raises the question: is rising, and increasingly racialized, xenophobia a byproduct of the EU integration process itself? (Grabbe 2000).

In sum, persons interested in studying European migration policy are encouraged to carefully examine both explicit and implicit meanings behind commonly-used terms. This involves a combination of critical reflection and careful, sufficient data collection and analysis. Data collection can be an important tool in detecting systemic inequality and questioning stereotypes. It can lead to more constructive policy and fairer public debate. Authorities in countries such as France and Germany, however, have been historically apprehensive about collecting equality data, associating the practice with the segregationist and even genocidal practices of their own national past. After all, the systemic collection of ethnically-specific data about Jews and other minorities was an important precursor to the mass deportations of the Holocaust.

### **Three Models**

Current literature recognizes three main policy models for managing populations of migrants and their descendants: a) assimilation, b) multiculturalism, and c) integration. Assimilation centers on ensuring that migrants adopt as much of the host culture as possible, essentially disappearing into the majority with minimal changes to the whole. (Vasta 2007, 314-15) Rejecting, at least officially, any idea that one group is biologically or racially superior to another, it relies on the presumed ability of immigrants to adapt to the host population. (Ibid) On the other hand, it can imply that the host population’s culture is more enlightened or otherwise superior to that of migrant populations. Holding on to “foreign” folkways can be seen as backward or antisocial. (Ibid) Insufficient conformity can come with heavy penalties such as denial of citizenship. This can be seen in the Dutch model, which demands knowledge of Dutch social etiquette as part of the citizenship examination, in stark contrast to other countries that require only knowledge of basic legal and civic principles.

Multiculturalism is a model that purports to recognize and even celebrate difference. New populations are encouraged, or at least allowed, to keep many of their practices when living in the host country. There will be comparatively little government interference regarding measures of cultural adaptation or homogeneity such as language, dress, and religious practice. This can uphold a sense of cultural equality and liberty. Diversity is highly visible, and there is little official compulsion to conform.

On the negative side, a multicultural model can result in cultural fragmentation or even isolation. Various populations can keep their differences, but will keep to their own separate circles instead of building connections. For example, minorities under multiculturalism might

tend to cluster in ethnic enclaves. In extreme cases, members of the community—especially young people—may experience pressure to stay isolated from the majority population. The majority population might react negatively when seeing minorities outside their expected neighborhoods, professions, etc. Diversity and genuine cultural exchange do not necessarily go together, in other words. On the more practical side, members of minority populations might come to lack the linguistic competence and other skills necessary for advancement within the host society, thereby trapping them and their descendants in generational poverty.

The United Kingdom's post-war/post-colonial model of dealing with immigration is often cited as an example of multiculturalism in action. Its legacy is evidenced by the presence of decades-old, fairly isolated ethnic enclaves in large cities like London. In such neighborhoods, English language competence can be fairly low, as is social intermingling with other ethnic groups.

### **Is there a third way beyond assimilation of multiculturalism?**

Yes, though it can often be an ideal as much as an actual policy. This third way has various names, two of the most common being integration or interculturalism. It refers to a two-way dynamic where the host society and immigrants/minorities welcome and change each other. Officially, this is the viewpoint of the EU itself. Immigrants' presence is presented as a source of positive diversity and change that can benefit the "homegrown" community. Diversity will be promoted, but eventually there should not be a black-and-white distinction between local tradition and foreign/immigrant culture.

Some practices that are distinct to this viewpoint would be to treat cultural adaptation as a two-way process. The native-born population would be encouraged to learn about, and even learn from, immigrants. The majority culture would be itself presented as internally diverse: there are many ways to be Italian, European, Belgian, etc., and some of these might carry a strong influence from India, Rwanda, Algeria, and so forth, without being any less valid. How far should policymakers be able to encourage—or pressure?—their people to mix with people from other cultures? To what extent can legal exceptions be made for minority traditions that are deemed socially or morally repugnant by the majority? With all of these complex considerations, how do European countries decide the best path forward if they want to change their policies?

This opens up a deeper question about the extent to which EU states are able to design and build a coherent immigration policy at all. Immigration has become a lightning-rod topic in European party politics. Highly-charged discourse can flow in both directions. The electorate might voice immigration-related concerns, which parties work to placate. On the other hand, parties are not merely at the mercy of their voters. They can also choose to disseminate narratives that will work to their electoral advantage. Hence, migration debates, and the policies arising from them, can be the result of stereotypes and misinformation rather than careful analysis.

Putting all these factors together, it is possible to get a picture of how a state views and treats those whom it considers foreign. Policy models can be helpful in terms of broad categorization, but it is also possible for a country to have a wildly self-contradictory policy model. This could be a matter of treating different categories of immigrants in very different ways. However, contradictions are also a result of the sheer complexity of state structures. Furthermore, a country's overall policy can shift markedly over time. Dutch diversity management has become more and more assimilationist in recent decades, despite the country's fairly well-deserved reputation for liberality. (Vasta 2007) In France, assimilationist policies have focused increasingly sharply on conformity to the country's militant secularist tradition. (Yao 2022) In short, immigrants can experience various types of rules and treatment throughout their journey, which only underscores the need for adaptability and policy knowledge on the part of immigrants in order to successfully navigate the system(s).

### *Parity Politics*

Immigration has become a hot-button topic in European elections of all levels in recent decades. (Hutter and Kriesi 2022) Immigration restrictions are, with good reason, associated with right-wing nationalist political parties. (Netter, Czaika, and De Haas 2020, 1-2) These parties have a conservative agenda which would likely be cautious or even hostile about admitting (more) foreigners and thereby changing their country. (Ibid)

It must be remembered that "the right" in Europe is heterogenous, and so is its approach to immigration, which can lead to intense disagreements. (Ibid) Center-right parties have diverse positions about immigration, especially since some are quite open to increasing the influx of certain groups, such as skilled professionals and researchers who enter with visas or work permits. The far-right groups are more stridently opposed to immigration as a whole, and are more likely to make immigration restrictions a flagship policy position. Such tensions are one reason why certain immigrant categories, like the aforementioned students and professionals, can receive very differentiated and even fluctuating legal treatment across Europe. For example, Dutch universities have historically been more willing to offer classes or entire courses in English as opposed to their neighboring member states, but have been cutting down on these offerings in recent years in a push to demand more Dutch academia. In the highly-competitive UK market, foreign students can expect to pay much higher fees, while non-EU academics are disadvantaged for career positions due to visa restrictions.

Nevertheless, it is also possible for centrist or even left-leaning political actors to have xenophobic elements in their agenda. (Netter, Czaika, and De Haas 2020, 2-3) For example, they might want to restrict entry of foreign workers, whom they see as a threat to native-born job-seekers. (Ibid) This could be presented as a pro-labor and therefore left-leaning policy proposal. (Ibid) Hence, leftist parties or labor unions can occupy an ambivalent position in political debates, supporting left-leaning labor/economic policies while siding with conservatives in

terms of limiting immigration. Great Britain's labor unions provide an illustrative example, with their often ambivalent relationship with organized migrant or minority labor movements. The EU institutions are yet another important arena for playing out partisan immigration politics. Being pro-EU is conventionally associated with being pro-immigration, at least comparatively. To favor deeper EU integration is also to oppose strict divisions between countries, and to oppose nationalism on principle. This tends to translate into an open stance towards mobility and immigration. In the European Parliament, allied left-leaning parties such as the Greens, Social Democrats, and Volt share a liberal-to-progressive stance on immigration. They advocate for a wider range of options for immigrants to enter and live in Europe legally. The underlying beliefs are that a) immigration is good for Europe, and b) immigrants will enter and stay legally if given the chance. These parties share other positions common within the European political left, favoring the rights of women and LGBT+ persons, the aggressive tackling of climate change, and a strong welfare state.

The EU's new common framework for dealing with migrants and refugees has been criticized as a form of downwards harmonization. That is, the member states converge on a lower standard of rights and support offered to newcomers. States offering more rights will become more restrictive, rather than less welcoming states becoming more liberal. Strengthening the EU's common asylum policy could mean, in practice, that asylum seekers will have fewer options or could face quick expulsion from Europe if any single member state rejects their application.

## **Culture**

The reader has likely noticed that the previous section emphasized culture as a policy area that can be managed in different ways. But what is culture from a policy perspective? What does it mean to define and regulate culture in this way?

Culture is often associated with the arts, or with everyday traditions surrounding food and clothing. State support for the arts, or for traditional folkways and indigenous languages, is one highly visible type of cultural policy. Culture, however, can also be understood as a community's expression and transmission of its identity. (Woda and Boukala 2015, 254) These expressions are interwoven with complex dynamics reflecting class, ethnicity, colonial legacies, and so forth. Whose culture will be supported and displayed as representing the community? What kind of shape will this support take? Just as importantly, who gets to make these decisions? And what happens with groups who feel less seen and represented?

Another layer of complexity is added with European integration. (Woda and Boukala 2015) How does having a French, Dutch, Polish, or other national identity relate to being European? It has been argued that non-European immigrants have become a convenient Other on which to displace anxieties about identity. (Ibid, 258; Grabbe 2000)

“Culture” is also used to explain phenomena that might be called “political.” This refers to a person or community’s attitudes and habits surrounding concepts like legalism, nepotism, political violence, corruption, etc. (Wirawan 2023)

Is a population predisposed to supporting authoritarianism, homophobia, nepotism, and other ethically questionable practices? Does it seem to justify such practices as being in line with its own traditional values? When so formulated, culture can easily become a public matter with implications for the functioning of liberal democracies. Since the EU’s set of official civic values is core to their accession criteria, identity, and soft power strategy, the (perceived) political culture of immigrant communities has inevitable implications for whether they can belong in European society. (Deleixhe 2024, 202)

Questions about how immigrants deal with “European values” can have some interesting parallels with ongoing controversies within or between EU member states. Homophobic or misogynistic rhetoric within some immigrant communities, which interestingly mirrors right-wing gender discourses in some newer EU member states such as Poland and Hungary, is a clear example of this phenomenon. (Rutka 2014; Keinz 2011) These discourses share a resentment against a vaguely defined “West” or “Europe” that arrogantly imposes its values on societies it deems backward. (Rutka 2014) Hence: is this a backlash against the values themselves, or is it also a protest against the power dynamics within which the values are framed? (Joppke 2007) “Culture” encompasses many concepts, some of which are now highly controversial. Flexible usage of the term is often productive, but “culture” or the notion of cultural difference can also turn into a self-fulfilling prophecy that casts groups of people as inevitably different or superior/inferior to oneself. Striking this balance in policy and practice is both a challenge and an opportunity for Europe.

## **Human Rights**

As Enverga (2008) has elucidated, human rights are a core component of the EU's self-constructed identity, and a channel through which it asserts its soft power on the world stage. Its migration policy through the post-war decades has also been significantly--if not always coherently--informed by human rights principles.

Non-refoulement is perhaps one of the most important basic rights with regards to the question of refugees and/or asylum seekers. (Deleixhe 2024, 203) It refers to the right of an asylum seeker not to be returned or deported to a place where their life or basic well-being would be danger. (Ibid) Systematic application of the right to non-refoulement relies on clear, coherent distinctions between safe and unsafe countries: asylum seekers whose request for residency has been denied should not simply be expelled or deported into deadly danger. (Ibid) However, the EU has increasingly turned to third countries in order to deal with the large(r) numbers of asylum seekers arriving over the past decade, the so-called external or extaterritorial dimension of EU asylum policy. (Haddad 2008; Palm 2020) These nearby states are paid handsomely to process and sometimes detain asylum seekers until a decision is made



about whether they are allowed to stay in Europe. (Ibid) Some of these countries, such as Libya (Palm 2020, 10-11) and arguably Erdogan's Turkey (Karadağ 2019), have questionable human rights records, which of course risks violating the principle of non-refoulement.

The so-called Dublin Framework and its successor agreements have specified that the member state where an asylum seeker enters is the one that is responsible for processing and eventually hosting them. (Karageorgiu 2019) This has, however, ensured that most of the responsibility falls on member states surrounding the Mediterranean, some of whom also happen to have lower employment and higher economic instability than their northern neighbors. (2019) Capacity can become a very real consideration for local communities, or even the state as a whole, leading to a sense of crisis. (Hoesch 2024) Justifiably or not, immigrants and refugees can easily be painted as competition for limited resources, or strains on social institutions. (Ibid)

The ongoing war in Ukraine has sharpened the debate about racism and Islamophobia in European asylum policy. (Altam and Kokane 2022) Ukrainian refugees have met a much friendlier reception from both the state and civil society as compared to those from, for example, Syria. (Alsbeti 2022) Xenophobia, racism, and Islamophobia are rightly denounced as playing a role in this differential response. (Ibid) However, they are far from the only factors. Firstly, conscription of men to defend Ukraine meant that the Ukrainian diaspora was quickly comprised of more than 90% women and children. They were seen as far less threatening than the Syrian diaspora, where young, unaccompanied men were prevalent. (Altam and Kokane 2022) Secondly, Ukraine is being fast-tracked towards member state status, so its citizens should soon be EU citizens, with the attendant rights to mobility within the EU. In other words, they would soon be free to enter other countries without papers or applications anyway. These are some of the intersecting reasons for why EU policy can vary in its implementation of officially universal human rights.

The EU enshrines human rights in its policies, and invests in watchdog agencies such as the Fundamental Rights Agency. Even the most basic human rights, however, can often be difficult to implement, and are far from universal in practice. That said, the very presence of human rights standards at the United Nations and EU levels can make it easier to hold states to account for their treatment of persons, regardless of whether that person is one of their citizens. (Deleixhe 2024, 203) In making the propagation of human rights part of its very identity, the EU opens itself to strict judgment about its adherence to these standards. (Ibid, 200)

## **Education and Employment**

One of the unfortunate realities of immigration in Europe is that, in general, immigrants suffer various types of economic disadvantage that can persist over generations. (Gabielli and Impicciatore 2022, 2310-11) A robust welfare system ameliorates but does not eliminate class differences, especially when non-citizens have less access to welfare, quality education, and employment. Misunderstanding and mishandling of these systemic disadvantages can lead to cycles of marginalization that are difficult to address systemically, even after one or two

generations are already born with host country citizenship. Some of the most serious implications have to do with the link between poverty and serious threats such as violent crime or terrorism, which deserve a discussion of their own.

Many European countries use a system of educational tracking, which evaluates children according to their aptitudes, and segregates them into either vocational or academic/professional education. (Lüdeman and Schwerdt 2013, 255-27) Tracking can happen just before secondary school (high school), upon which the child is recommended for a certain category of high school. (Ibid) Again unsurprisingly, children from lower-income and/or immigrant families are more likely to be tracked into vocational school, and from thence into jobs with lower status and pay. (Ibid) Immigrant children also often have to overcome a considerable language barrier, and this obstacle becomes more challenging the older their age at the time of entry into their new country/educational system. (Gabrieli and Impicciatore 2307-2308) Immigrant families are also more likely to have lower incomes, and thus have less access to high-quality schools, libraries, after-school academic assistance, and the like. (Ibid, 2308) Thus, they have, on average, less capacity to help their children catch up to their native-born schoolmates academically. (Ibid, 2312)

Career path challenges continue after school. The so-called “ethnic penalty” means that immigrants and minorities are less likely to be hired, and if hired, more likely to be in a job that they consider incompatible with their skills or otherwise unfulfilling. (Ibid, 2312-13) Jobseekers of immigrant descent born and educated in the host country can still experience an ethnic penalty, though this tends to decrease with every succeeding generation. (Ibid, 2313-14) Clearly, the ethnic penalty is connected to racism and unconscious bias, and not only rooted in the difficulties of moving to another country.

New immigrants who enter the market as job seekers or recent graduates also have some additional challenges. One of the most obvious issues is recognition of degrees, qualifications, and work experience. (Andriescu 2018) EU countries are improving their mutual recognition of qualifications between member states, but there is clearly still some work to do. There are even more difficulties when one considers how EU countries evaluate qualifications earned outside of Europe (Fellini, Guetto, and Reyneri 2018), and how visa regulations might over-restrict immigrants—sometimes even if the official intention is to protect them from exploitation. These and other challenges must be faced if EU member states hope to improve their management of minority populations, and/or tap immigrants as a way to address demographic decline.

## **Naturalization Policies**

Naturalization policies are the laws that allow for people born with another citizenship to become citizens of a certain country. Naturalization requirements are a useful indicator of what a state (officially) wants to see in new citizens. Are they allowed to be dual citizens, or will they be required to renounce their original citizenship? How rigorous are the language

requirements? (Goodman 2011) How much knowledge should immigrants have about the country's history, laws and state institutions? (Huddleston and Falcke 2020, 262) How important are professional qualifications such as academic degrees and work experience? (Wodak and Boukala 2015, 263) What about more subjective factors, such as conformity to the host country's cultural norms? Social norms are notoriously hard to define and measure, but some countries certainly attempt to do so, with one example being the controversial Dutch exam on cultural norms. (De Leeuw and Wichelen 2012)

Eligibility is only the (official) start of the journey. There are many other points along the way for measuring a naturalization policy's openness to new citizens. (Huddleston and Falcke 2020) Does the country offer support for immigrants who want to prepare for the naturalization process? For example, does it support affordable and convenient access to language and civics classes? Does it have offices, hopefully with sufficiently trained personnel, who themselves understand the naturalization process and are willing and able to explain its complications to immigrants? Are these personnel trained in diversity management and intercultural competence? What are the safeguards against discrimination within the naturalization process? To what extent are applicants able to express complaints against the process, or appeal unfavorable decisions?

Besides the policies and processes themselves, interested researchers` might want to look at the way the government presents or markets naturalization. For instance, does the state itself encourage foreign-born residents to at least consider naturalization? Encouragement can take many different forms. It can include the state-sponsored publication of advertising and information materials offering naturalization as a possibility. Visa and residence policies may also be designed with naturalization in mind. For example, years of residence as a student, researcher, or worker might be counted so that a person becomes eligible for naturalization after a certain period of time.

These elements all have a role in shaping overall naturalization policy. Since there are so many moving parts, so to speak, policies can develop processual bottlenecks or inconsistencies. (Huddleston and Falcke 2020) For example, checking someone's eligibility might be a difficult process, but the examination process following it could be fairly straightforward—or vice versa. Naturalization policies can also change drastically over time. Governments with much more liberal or much more restrictive views on immigration might come to power, and proceed to systemically make changes to the policy elements outlined above. The connection between party politics and immigration policy will be the subject of the next section of this chapter.

## **The Pandemic and Beyond**

The Coronavirus pandemic touched many aspects of European policy, not least its approach to immigration. (Sommarribas and Nienaber 2022)

The pandemic exacerbated pre-existing narratives about non-Europeans as threats to society. Immigrants, refugees, and international students and expats of color—especially those of Asian descent—were stigmatized as carriers of disease, resulting in a significant uptick in hate crimes against this demographic. Such offenses are ideal case studies in the irrationality of racism: most carriers of the virus into European territory were high-income native-born white Europeans who had caught the disease while traveling.

Policy changes in response to the pandemic happened both on the national and the EU levels. (Sommarribas and Nienaber 2022) Some were drastic crisis responses to the early days of the pandemic, such as border crossing shutdowns. Even European citizens experienced limits on their cross-border mobility. Business closures or downsizing meant that some non-European workers lost their visas outright and had to leave the region. (Fasani and Mazza 2023, 891-92) Impact was increased by the greater likelihood of immigrants to be employed in vulnerable sectors, especially those lacking options for remote working. (Ibid)

Once states shifted from immediate crisis response to finding solutions, more attention fell on the view of immigrants as scientific researchers and health professionals, and also as essential workers in usually low-status jobs in service, transportation, and the like. (Paul 2020) Simultaneously, debate over asylum seekers, and the migrants perceived to be similar or synonymous with them, has become more intense. Small-scale but frequent attacks in public spaces fuel fears about Islamist terror. Some culprits are recent arrivals, and others are even natural-born European citizens, as were the Brussels-born Paris shooters. Such incidents further polarize debates around immigration, being easy to present as examples of how immigrants and their descendants are a danger to Europe. Migration refers to a very real phenomenon, but the term now carries so much baggage that it can hinder reasonable policymaking. But how is one to talk about, and legislate, immigration without mentioning the word?

An example of this is the recent turn in German migration policy, which increasingly dovetails with its cultural and education policy. Through policies such as extensive state funding of the German Academic Exchange Service (DAAD), Germany hopes to woo more international students, to be retained and trained as “Internationale Fachkräfte,” translated literally as “international skilled workforce” or more snappily as “international talent.” Clearly, this term stresses migrants’ professional skills and socio-economic contribution to their host society. The use of “international” rather than “foreign” can be read as an attempt to downplay cultural Otherness. (It also paints their background in a more prestigious and positive light—native-born Germans often use similar terms to highlight their own work experience in other countries, thus lending the term connotations of desirable professional experience and adaptability.) This strategy runs the risk of instrumentalizing or even outright dehumanizing migrants, reducing them to mere cogs in an economic machine: valuable only insofar as they can work and pay taxes. A more optimistic view is to see such framings as a corrective to the cultural exoticization of migrants, which can be harmful even when it is done with good intentions. By de-emphasizing cultural or personal traits in official discourse, EU policymakers

might allow more space for migrants themselves to define their identity and overall place in Europe.

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## Chapter 10: Humanitarian Global Leader and Strict Border Guard: The European Union's Blended yet Fragmented Approach to Migration

Ma Vhiktoría V. Siva

### **The European Union as a humanitarian global leader and as a strict border guard**

The European Union (EU) envisions itself as a notable global humanitarian actor that is grounded in its policies, values, and significant contributions to humanitarian aid. Given its track record of being one of the most significant contributors of humanitarian assistance, the EU has the potential to significantly influence global development (Gänzle, Grimm and Makhan, 2012, p.1). In 2020 alone, the EU and its member states have collectively contributed 36% of global humanitarian aid (European Commission, 2021, p.1), with the Commission also announcing an initial budget of 1.9 billion EUR for humanitarian aid spending for the year 2025 (Delegation of the European Union to the United Nations in New York, 2025). These numbers are a reflection of how humanitarian assistance is an integral part of the EU's external policy and shows the EU's commitment in promoting its values at a global scale (European Commission, 2021, p.1).

The EU grounds itself on the values of freedom, democracy, rule of law, equality, human dignity, and human rights which are enshrined in several foundational treaties and documents. Notably, this is evident in Article 2 of the Treaty on European Union (Consolidated Version of the Treaty on European Union, 2012) and the Charter of Fundamental Rights of the European Union (Charter of Fundamental Rights of the European Union, 2012). Moreover, Article 3 of the Lisbon Treaty outlines the EU's global aims which include contributing to global peace, security, solidarity, mutual respect, protection of human rights, and the observance of international law (Treaty of Lisbon, 2007). The EU's strong grounding on these values are supposed to be reflected in its migration policies. However, there exists a gap between these ideal values and the actual creation and implementation of migration policies, especially when it comes to those that directly concern non-European immigrants, asylum seekers, and refugees.

### **Systemic Violence, Pushbacks, and Migrants' Rights Violations at the EU Borders**

Reported systemic violence and migrants' rights violations along the EU borders are contradicting the EU's role as a global humanitarian leader. Significant documentation has proven that member states employ violent measures to curtail immigration (Lindberg, 2024, p.1) and that widespread rights violations are recurring and underinvestigated (European Union Agency for Fundamental Rights, 2024). Accounts of pushbacks or the forcing back of migrants to their home countries without due international protection or asylum procedures (European Commission, n.d), has increased significantly and has become a systematic approach in the EU's migration policy (Pushed, Beaten, Left to Die : European Pushback Report, 2024, p.2). In a report jointly released by nine Non-Governmental Organizations (NGOs) in 2024, a total of 120,457 pushbacks were recorded across the EU borders. These numbers, accompanied by the trend of legalizing pushbacks which can be seen in the Finnish law of 2024, Latvian and Lithuanian law of 2023, and Polish law of 2021, show the concerning inclination of EU member

states taking a step back from the Union's humanitarian commitments (ibid., p.17). Examples of pushbacks recorded in Bulgaria are characterized by the use of aggression and police dogs, oppressive practices such as undressing and degradation, confiscation and destroying of personal belongings, and refusal to give medical aid (ibid., p.5). Another example is Italy's unofficial prisons at sea, wherein asylum seekers from Afghanistan, Syria, and Iraq recounted being detained in dark metal boxes without food or water as they were shipped to Greece on board commercial ships (Italy forcibly returning asylum seekers to Greece: Investigation, 2023).

Overcrowding and inhumane treatment in refugee camps have also been widely reported. Accounts from Mavrovouni Camp in Greece have shown inadequate hygiene facilities and lack of mattresses, heating, and electricity. Those who have received positive decisions on their asylum claims are excluded from food and healthcare support and were asked to leave the camp through their own means, leaving them no choice but to move to tents (Border Violence Monitoring Network , 2024, p.12). Conditions in Samos Camp in Greece have also been declared inhumane and degrading by the European Court of Human Rights (ECHR) in 2023. Reports from this camp describe 20-30 people sharing a container as living space and sleeping in a dining hall. Difficulty in receiving food and accessing clean water was also highlighted (ibid., p.14). There are also reports from Harmanli Camp in Bulgaria which detail Bulgarian authorities coercing Syrian residents of the camp to sign voluntary return documents without providing explanations nor translations of the documents they were signing (Border Violence Monitoring Network, 2025, p.24).

In addition to all of these, the rise of the European far-right in several member states is also starting to cause fears concerning increase in discriminatory and restrictive migration policies (Ehl , 2024). Anti-migrant rhetoric is particularly weaponized by the far-right in member states such as Hungary and Poland to sway electoral support by portraying migrants as threats to security and Christian identity (Gall, 2023; Gorondi, 2018). This politicization of migration is strongly linked to the rise of xenophobia and further expansion of right-wing populism in the EU. These growing concerns on xenophobia and records of rights violations along the EU borders directly contradict the EU's abovementioned values and humanitarian commitments. This contrast therefore brings to the spotlight the Union's very approach to migration and the integrity of its migration policy.

### **Supranational and Intergovernmental Strain in the EU's Migration Policy**

Migration is an EU policy-making area that is characterized by flexibility in order to accommodate the member states' interests (Silga, 2022, p. 909). It is an example of the Union's malleable approach to integration where the political interests of member states are being taken into consideration. This flexible approach to integration offers "opt-in and opt-out" arrangements that the member states can accept according to their political interests at the given time. This has allowed a certain level of freedom and has also made way for fragmented normative ideas regarding the EU's migration policy (ibid., p.910). Despite this flexibility, it must also be noted that Article 67 of the Treaty on the Functioning of the European Union (TFEU)

(Consolidated Version of the Treaty on the Functioning of the European Union, 2016) mandates the framing of a common policy on asylum, immigration, and external border control, contingent on member state solidarity. Effectively, the EU's migration policy is envisioned to be a mixture of supranationalism and intergovernmentalism.

Supranationalism and intergovernmentalism are two approaches that guide the EU's future developments not just in the policy area of migration. These two natures may be seen as contradictory and irreconcilable at times, yet its balance is essential in order for the EU to effectively function (Jones, 2007, p.99). Supranationalism refers to states ceding decision-making powers to a higher institution in the name of a greater level of integration. Within the EU context, this can be seen in how member states have given some of its decision-making powers to the EU wherein some Union-wide decisions are effective to all member states and may even override national laws (ibid., p.100). Intergovernmentalism is quite simply the opposite of this which pertains to member states maintaining their decision-making powers and remaining entirely sovereign (ibid., p.106). It is an approach to integration that leans on cooperation among the member states rather than a cession of decision-making authorities to supranational bodies.

The very existence of the EU rests on its supranational and intergovernmental duality. Finding the delicate balance and compromise between these two natures have always been a contention of EU matters across different policy areas and questions of sovereignty. In recent years, this challenge has become all the more evident in the EU's approach to border security and its member states' shifting political views on migration. The already existing strain was made apparent in 2018 during the creation and adoption of the Global Compact for Safe, Orderly and Regular Migration (GCM) and again in 2024 with the establishment of The EU Pact on Migration and Asylum.

### **The GCM and the EU member states' intergovernmental contentions on matters of migration**

The GCM is the first global intergovernmental agreement that seeks to address all dimensions of international migration. It aims to facilitate safe, orderly, and regular migration by putting forward a non-binding and cooperative framework that details 23 objectives, each focusing on a different aspect of migration. It also provides actionable commitments, strategies for implementation, and a framework that can be used for follow-up and review. Its non-binding nature ensures that states are not legally obligated to follow the framework. The GCM was adopted by the United Nations General Assembly (UNGA) on the 19th of December 2018 (United Nations International Organization for Migration, n.d.) with 152 votes in favor, 5 votes against, and 12 abstentions (United Nations, 2018). Notably, 19 of the EU member states signed the GCM, while 5 EU member states abstained (Austria, Bulgaria, Italy, Latvia, Romania), Slovakia did not take part in the vote, and 3 EU member states voted against the text (The Czech Republic, Hungary, and Poland) (Vosyliūtė, 2019, p.5).

The representatives of the EU member states who voted against the document cited different reasons for their vote. The Czech Republic emphasized that their critical concern regarding the lack of proper distinction between the definitions of “legal” and “illegal” migration was not rectified. Poland stated that they do not view the GCM as the proper instrument to manage the complexities of migration and that the compact does not align with the best interests of their country. The Polish representative also cited that some GCM provisions regarding the standards of detention may prove to be hard to implement for the country and that Poland remains faithful to its sovereign right of restricting the admittance of non-nationals. Both the Czech Republic and Poland however stated their commitment in terms of engaging with the issue of migration and finding grounded and sustainable solutions for migration issues (United Nations, 2018).

Out of the EU member states that voted against the GCM’s adoption, Hungary took the harshest stance by calling the GCM an “unbalanced, biased and pro-migration document”, stating that migration is a “dangerous phenomenon”, and warning the UNGA that they are making a grave mistake by adopting it. The representative of Hungary reiterated that endorsing the GCM would endanger transit and destination countries, and that Hungary maintains its sovereign right to decide on their country’s migration measures and security policies (ibid.).

Representatives of the EU member states who abstained also gave varied reasons for their vote. Bulgaria highlighted concerns on provisions that can lead to lesser migration control and brought up concerns regarding the term “newly arrived migrants” which can lead to different interpretations. Austria cited its legal order as their main reason, maintaining that their existing legal order clearly interprets legal and illegal migration which can be blurred by the Compact. Romania kept a more balanced approach, considering the divided perspectives of the EU member states and their approaching presidency of the Council of the European Union in 2019. Latvia abstained due to parliament decision and Italy’s government deferred the decision to a later parliamentary debate (ibid.). The EU did not cast a collective vote as a Union as it has observer status at the UNGA and therefore does not have voting rights. The EU did however engage in the creation and discussions of the GCM and has recognized that the resulting compact substantially embodies its values and objectives (European Union External Action, 2018).

The EU’s divided voice during the GCM vote shows the increasing assertion of intergovernmentalism among the member states in matters of migration. The stark stances of the member states that voted against and those that abstained, emphasized their right to sovereignty and their national decision to take a more intergovernmental approach in addressing migration. This intergovernmental attitude emphasizes the member states’ inclination to collaborative methods of decision-making and their reluctance to further delegation of powers to existing supranational bodies (Hodson, 2019, p.2).

This divided vote also highlighted the normative clash among the member states, showing the sharp distinction between the member states that see migration as ‘danger’ and a ‘threat’ and those that see it as an ‘opportunity’ (Vosyliūtė, 2019, p.5). In an own-initiative opinion

document, the European Economic and Social Committee (EESC) (2019) reiterated its concerns regarding far-right political stances that are molding migration rhetoric to generate fear and division within the Union. The EESC also expressed regret over the EU's fragmented GCM vote and advised all member states to ratify the Compact.

The outcome of the GCM vote has therefore challenged the EU's unified voice in terms of its external action, questioned its foundational principle of solidarity (Vosyliūtė, 2019, p.7), and also eroded the EU's power and credibility to negotiate at a global scale. Moreover, it has also highlighted the EU's continued lack of an effective migration policy that all member states can get behind.

Despite the controversy of the EU's fragmented GCM vote, it is still worth noting that 19 member states voted in support of the GCM. Most of these member states signed the Compact without any remarks or contestations, with Denmark, Lithuania, Malta, and the Netherlands emphasizing the non-binding nature of the Compact. This shows that there is still a commitment to creating and implementing supranational migration policies that are aimed towards better facilitation of migration rather than the outright prevention of it (Vosyliūtė, 2019, p.1). However, the perceived divide in the vote still echoes loudly in terms of the EU's struggle in maintaining its intergovernmental and supranational balance.

### **The EU Pact on Migration and Asylum of 2024 and the EU's new bid on supranationalism**

The EU Pact on Migration and Asylum of 2024 is an EU-wide set of rules which aims to establish a common asylum system while staying grounded to EU values and international law. These rules are described as "firm but fair" and have the long term goal of normalizing and managing migration, all while allowing a level of flexibility to the member states and highlighting the principle of solidarity. The New Pact is meant to ensure strong external borders without compromising human rights and has entered into force on June 11th, 2024, and applied in 2026 (European Commission , 2024a).

The New Pact is the EU's concrete answer to their perceived faults during the refugee crisis of 2015-2016. Specifically, it targets the exposed challenges concerning varying external border management capabilities of the member states. It reassures that all member states are standing in solidarity when it comes to matters of migration and that no member state will be singled out by disproportionate migration numbers and responsibilities (European Commission, 2020). To operationalize this vision, the New Pact is divided into four (4) pillars: Secure external borders, Fast and efficient procedures, Effective system of solidarity and responsibility, and Embedding migration in international partnerships (ibid.).

The first pillar of the New Pact deals with secure external borders, and is significant to explore in this chapter. Under this pillar, all irregular migrants will undergo robust screening where they will be registered and subjected to health and security checks within a certain timeframe. Migrants (including children as young as six years old) will also have their identification data

(facial images, fingerprints, identity / travel documents, and other identifying data) registered in the Eurodac database - the EU's biometric database that was created to manage asylum applications. Those that may pose security risks or do not qualify for asylum will be efficiently returned to their home countries with reintegration support. Lastly, this pillar details crisis protocols that the EU will employ in times of unprecedented migration crises or "instrumentalisation" of migrants. In these special circumstances, solidarity measures can therefore look like relocations of migrants, financial contributions, or other forms of solidarity (European Commission , 2024b).

This first pillar alone has already caught the eye of several human rights organizations and civil society actors as they expressed concerns regarding the safety and protection of the migrants that will be experiencing these provisions firsthand. Some of them even went as far as saying that the New Pact does not solve any of the existing problems that the EU should be focusing on and instead exacerbates already reported human rights' violations and anti-migrant sentiments. In a statement released in 2023, Médecins Sans Frontières (MSF) decried that the New Pact depicts negligence of human lives and even condones the derogation of human rights. MSF maintains that there is nothing historical about the New Pact as the EU claims, as it is merely a perpetuation and even an escalation of deterrence policies and systematic migrant violence at the borders (Médecins Sans Frontières, 2023).

Organizations also highlighted issues concerning the de facto institutionalization of detention which will result from the New Pact's screening and deportation procedures. The New Pact's fast-tracked screening will result in substandard data gathering and assessments where the migrants will have limited access to legal counsel (Woolrych, 2024) and run the higher risk of being racially profiled (Caritas Europa, 2024). This accelerated procedure being done under the guise of efficiency ultimately removes safeguards and protection that must be present under the normal asylum-seeking procedures (Sunderland, 2023).

Amnesty International (AI) and MSF also pointed out concerns regarding the New Pact's crisis protocols and solidarity measures (Amnesty International, 2023; Médecins Sans Frontières, 2023). The Human Rights Watch (HRW) also emphasized that the vagueness of the terms in the New Pact can easily be used to justify the derogation of human rights and to legalize the systematic denial of right to asylum once the EU or a member state is in a perceived crisis situation (Sunderland, 2023). The solidarity mechanism was also criticized as it gives the impression that member states that want to avoid the relocation of migrants into their territories can simply pay financial contributions as compensation. Conte and Yavcan (2023) pointed out that the new solidarity structure does not seem to release any tensions from the border countries and may even aggravate their already existing responsibilities. Additionally, these solidarity funds can easily be spent on deterrent mechanisms such as barbed wires, fences, and even prison-like detention facilities (Woolrych, 2024; Sunderland, 2023) instead of facilities and processes that are grounded in humane living conditions and human rights. This is a likely scenario considering the strong anti-migrant stances and political skepticism of some member states that were made evident during the GCM vote.

Although the New Pact shows the EU's continued effort of creating a supranational migration policy, it also further emphasizes the restrictions of supranationalism when it comes to migration affairs. Unlike in economic policies where the EU can supranationally enforce regulations, matters of migration remain to be within the decision-making discretion of the individual member states. This fragmented form of supranationalism in migration showcases goals that are uniform across the member states yet embody varied enforcement of policies where decision-making continues to be within the authority of individual member states. This kind of supranationalism seems to be reflected by the New Pact and the EU's approach to migration which inadvertently creates a migration governance that is supranational in intentions but intergovernmental in enforcement. Moreover, the EU's fragmented manifestation of supranationalism in matters of migration also raises questions about the EU's internal coherence and its international credibility as a global actor.

### **United in Diversity?**

The EU continues to walk the tightrope of supranationalism and intergovernmentalism in its pressing mission of creating a unified migration and asylum policy. This proves to be challenging, as migration policy is unlikely to have supranational qualities and member states prove to be reluctant in ceding control on this matter (Hoffmeyer-Zlotnik, 2024, p. 365). Finding the right balance between these two characteristics is proving to be of utmost importance not only in maintaining internal peace and cohesion within the Union but also in proving to the world the EU's role as a global humanitarian leader.

The failure to present a unified voice during the GCM vote stood as a stark reminder that several member states remain hesitant to accept supranational influence over matters of migration. Arguably, the GCM vote was supposed to be the perfect opportunity for the EU to assert itself as a global humanitarian leader that is grounded in its established values. By moving the migration discourse to a global level at the GCM, the EU was hoping to address differing migration opinions in a less politicized manner and bring home a document that eventually helps the member states in finding common ground (Badell, 2021, p. 357). However, the member states' concerns took precedence and instead highlighted the EU's endangered humanitarian foothold and the growing mistrust from within. The vote therefore further emphasized the need for a balanced supranational yet intergovernmental-conscious migration mechanism that has eluded the EU for so long.

These concerns gave way to the creation of the EU Pact on Migration and Asylum of 2024 which was supposed to curtail member states' migration-related concerns and is supposed to be a key document in (re)establishing trust within the EU. The New Pact is understood to be the EU's new bid for a unified migration policy and is another shot at a supranational mechanism that binds the Union in matters of migration discourse. However, the New Pact seems to be more of an intergovernmental decree wrapped in supranational intentions, as the intergovernmental apprehensions of the member states concerning migration are barely hiding behind the vague wordings of the pact and can even be seen asserting themselves in certain provisions. It can be



argued that the EU is bowing to intergovernmental pressures and that the New Pact is leaning towards an intergovernmental approach rather than the supranational one that it promises to have. Evidence of this can be seen in the vague wordings of the New Pact and the flexibility that is being highlighted in terms of solidarity measures and crisis protocols.

Human rights organizations like MSF and HRW have all raised issues concerning the vague wordings used in the pact. They argue that the imprecision of the definitions can lead to varied policy implementations that may have the tendency to undermine migrants' rights, deny the right to asylum, and overall skip out on commitments connected to refugee and international human rights laws. These verbal ambiguities are also interesting to point out, since one of the main reasons why the member states were divided in the GCM vote was because of perceived vagueness of certain terms used within the Compact. Yet, when it comes to the New Pact, the indirectness of certain terms and provisions were accepted by the member states.

The New Pact and the solidarity measures within it do not seem to address the core issue of human rights violations and large-scale violence that are already happening at the borders that are reportedly being carried out by state authorities themselves (Médecins Sans Frontières, 2023). Instead, it is more focused on heeding the member states' migration qualms by giving them notable leeway in certain implementations and interpretations, even at the expense of the protection and rights of the migrants. It seems that the primary objective of the EU when it comes to migration has revolved around preventing irregular migration and strengthening border controls, without much consideration to migrants' rights and increasing options for safe and regular migration (Oxfam International, 2017, p.1). This pattern is still present in the New Pact and is a testament to how the EU is still struggling to confront its humanitarian obligations in the face of geopolitical instability.

From its rhetoric to its provisions, migrants' welfare seem to take a backseat to matters of border security. The solutions being put forward seem to be beneficial in the short term and are quick answers to pressing intergovernmental coercions rather than grounded long term solutions that are meant to sustainably manage migration in the long run. It fails to take into consideration the movement and integration of migrants, their psychosocial needs, nor their positive contributions to European society. Overall, the New Pact is not as concerned about the migrants as much as it is concerned about the EU (Häkli, Kudžmaitė and Kallio, 2024, p.12) and that migrants' rights are being waylaid for the sake of intergovernmental pressures and fragmented supranationalism. This seems to be an antithetical position for the EU to take especially in light of its continued desire to be seen as a global humanitarian leader.

This politicization of the EU's humanitarian actions have become more evident in recent years. This can be seen in the New Pact's asylum procedures which can lead to varying asylum decisions based on country of origin, inadvertently reinforcing racial disparities, discrimination, and de facto detention (Bonneau, 2024, p.23). An example of this is the striking difference between the EU's treatment of Ukrainian refugees as opposed to refugees of other nationalities. In 2022, the EU's preliminary response to the arrival of 5.1 million Ukrainian refugees was by activating the Temporary Protection Directive (TPD) which granted immediate and

comprehensive protection without overburdening national asylum systems. This decision showed that the EU does have the capability to take in refugees as long as it aligns with its political will (Rasche, 2022, p. 1).

The activation of the TPD highlights the difference in treatment of refugees, wherein the EU granted immediate protection to Ukrainian refugees while other refugees from Afghanistan and Syria continue to experience detention, pushbacks, and indeterminate asylum decisions (Protecting Rights At Borders, 2023). Moreover, several policies are also increasingly criminalizing migration (Bonneau, 2024, p.25). Scholars have therefore argued that this counter-humanitarianism or prioritization of political or military concerns over humanitarian values (de Waal, 2018, p. 205) seems to be driving the EU's decisions regarding migration (Jaspars and Hilhorst, 2021, p.7) and is especially evident in the result of the GCM vote and the creation of the New Pact.

The EU's motto of "United in Diversity" carries even more weight in these times as Europe is now being confronted to actually talk the talk and walk the walk. This motto stands for the peaceful coming together of the EU as enriched by its diversity, varying cultures, traditions, and languages (European Union, n.d.). Surely, for this motto's profession of solidarity and harmony to truly carry its weight, it must extend to non-European migrants, refugees, and asylum seekers through humane and grounded migration policies. And surely, for the EU to be seen as a true global humanitarian leader, it must not only practice humanitarian principles in providing external aid, but more importantly, in creating and implementing migration policies that are rights-centred and non-discriminatory by truly rooting itself in its values and foundational treaties in words and in actions.

## **Conclusion**

The EU continues to struggle in balancing its supranational and intergovernmental duality in terms of creating and implementing a unified migration policy. Matters of migration exposes the limitations of supranationalism and highlights the member states' inclination towards intergovernmentalism. Migration continues to be a divisive factor that brings to light the inconsistencies of the EU's supranational humanitarian stance and its intergovernmental tendencies of being a strict border guard as can be seen in the fragmented outcome of the EU member states' GCM vote and the controversies surrounding the EU Pact on Migration and Asylum of 2024.

The result of the member states' GCM vote highlighted the growing divide within the Union, wherein some member states are taking a more intergovernmental approach to matters of migration. It also emphasized some member states' inclination to collaborative decision-making rather than further delegation of authority at a supranational level. Meanwhile, the New Pact of 2024 was meant to be a new bid for a supranational migration policy grounded in EU values and principles that will ultimately bring together the Union. However, the New Pact seems to solely focus on assuaging intergovernmental concerns without much consideration towards migrants'

rights and humanitarian obligations. It has been criticized for its vague wordings, solidarity measure cop outs, and counter-humanitarianism. It has also highlighted the continued migration policy pattern of the EU which focuses on preventing irregular migration and the reinforcing of border security, without necessarily fixing already existing problems which include the unjust responsibilities being shouldered by border states and the widespread violence and discrimination against migrants at the borders. The fragmented GCM vote and the criticisms surrounding the New Pact show how the EU is still struggling to balance its supranational and intergovernmental natures in the face of humanitarian responsibilities and a changing geopolitical landscape. The GCM vote showed the reluctance of several member states to cede control and sovereignty in migration matters and the New Pact seems to emphasize the continued lack of migration provisions that are focused on sustainable management of migration.

Solidifying the EU's identity as a global humanitarian actor entails having a well-established migration policy that honors its humanitarian commitments and has the ability to present a solid voice in the international stage when it counts the most. The inconsistencies in the EU's implementation of its own values in migration policies and its further reflection in the fragmented GCM vote, undermines the EU's authority in shaping international migration discourse. It further reiterates that the EU's credibility at a global scale largely depends on its ability to proceed collectively and lead by example. For the EU to truly cement its status as a global humanitarian actor, it must effectively cooperate with other global actors such as the UN and other pertinent state actors. The EU member states' participation at the GCM vote was the EU's attempt to assert itself at a global stage within the context of migration. Such UN-level participation does help build the EU's stance as a global actor through vocalizing a common EU stance. However, mere participation is insufficient to secure political influence and international sway (Farrell, 2012, p.233).

As the EU implements the New Pact in 2026, human rights organizations and Civil Society Organizations (CSOs) continue to bring attention to some of its problematic provisions. At a certain point, the EU cannot keep hollowly referencing its treaties, values, and motto without doing concrete steps that actually reflect them. For this to happen, it must do more than just hide behind vague provisions and imbalances of fragmented supranationalism and intergovernmentalism. It must decide to stand firmly in its values and principles of human rights and human dignity, and securely define its identity as a global humanitarian leader.

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## Chapter 11: The Human Capital Challenge

Cristina M. Bautista

Education and health are the primary components of human capital, and they are both means and ends of development. Developing the global population's human capital is critical for inclusive economic growth and keeping the world on its sustainable development track. This chapter is organized as follows: Part 1 describes a current problem, that is, the intertwined education and health crises which became more pronounced because of the Covid-19 pandemic, thus putting the world off-track. Part 2 defines the concept of human capital and why it matters in the broader global sustainability discussion. Part 3 provides the paradigm of human capital theory. Part 4 puts together some established empirical evidence. It also shows data on how much the member governments of the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) invest in the education and health. Part 5 are policy actions of the European Union to help address some of the education and health crises in low- and middle-income countries in Asia.

### What has been happening to our education and health conditions

A bleak condition appears to be looming in the education and health sectors with potential stress-causing impact on human development targets. There had been previous shocks prior to 2020, but nothing like that brought by the Covid-19 pandemic which dramatically, in an unprecedented way, shifted the global human development index (HDI) downwards from its projected trajectory. What could have been a relatively stable progress since the 1990s ceased to halt in 2020 and 2021 (Table 1), and the world has been described since then as going off track from the pre-2019 trend (UNDP, 2024b, p.30; WHO, 2025, p.3).

Table 1. Human development index. Selected years before, during and after the Covid-19 pandemic, 1990 to 2023 <sup>23</sup>,

	1990	2000	2010	2018	2020	2021	2022	2023
World	0.608	0.651	0.707	0.741	0.742	0.742	0.752	0.756
Philippines	0.593	0.632	0.669	0.700	0.699	0.690	0.714	0.720

Recovery from the pandemic has been unequal across countries. It remains incomplete with many less developed countries still struggling with the severe consequences which may have prolonged impact on health, learning and general living conditions. The widespread deaths-- an estimated 15 million globally-- meant that, rich or poor, there were losses which would never be recovered.<sup>24</sup>

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<sup>23</sup> The HDI is a summary measure of human development through three basic indicators: life expectancy for health, years of schooling for education, and per capita gross national income for standard of living. The HDI values range from 0 to 1, where 0.8-1.0 range is considered very high and less-than-0.55 is low.

<sup>24</sup> UNDP Human Development Report death estimate.

The ensuing economic recession and uncertainties further put pressure on scarce resources with the competing demands to save lives, sustain public services, address mental health concerns, ensure access to food, restore confidence, among others.

Moreover, the way to recovery after 2021 became rough as disrupted supply chains needed to be fixed and new sources of instabilities erupted—such as the resurgence of conflicts in the Middle East and Russia’s invasion of Ukraine. The latter led to a protracted war that brought tensions to transnational political and economic relations. Conflicts lead to displacements of people. Disrupted flow of essential tradable goods like fuel, fertilizers, and food lead to price pressures.

These shocks and their spillover effects certainly imposed a heavy toll on human development conditions. These were all happening against the backdrop of climate change, like extreme weather conditions of recurring drought and floods resulting in more vulnerabilities especially on the socioeconomically disadvantaged groups. In countries with weak institutions, corruption and inefficient use of resources contribute to wasteful leakages and slower progress.

**Education.** The Programme for International Students Assessment (PISA) series is a major barometer of what is happening to students and schools. It has been running for at least two decades, providing extensive support information for governments worldwide. The 2022 PISA was taken by about 690,000 students from 37 members of the Organisation for Economic Co-operation and Development (OECD) and 44 non-members. The results reveal both endurance and resilience in some, but weakness and vulnerability in others.<sup>25</sup> It is the eighth round of international assessment of student performance and well-being, and schooling conditions. Almost all member states of the EU and the ASEAN participated in this round.<sup>26</sup>

The PISA study investigates student performance alongside socioeconomic factors like gender, economic status and equity. The traditional tests look at the foundational knowledge and skills of 15-year-old students from public and private schools in mathematics, reading and science, and finding out what they can do with what they know. The 2022 PISA, for the first time, included tests on creative thinking in various contexts, an attempt to measure the students’ capacity to produce original and diverse solutions to both random and lingering problems. Given the global health challenges at the time, the study also gathered information on learning adaptation and resilience of educational systems across countries/ economies during the pandemic.

In this recent OECD report, 18 of the 81 participating countries/economies performed above the OECD average in the three core subjects. These were Australia, Canada, the Czech Republic, Denmark, Estonia, Finland, Hong Kong (China), Ireland, Japan, Korea, Macao (China), New Zealand, Poland, Singapore, Sweden, Switzerland, Chinese Taipei and the United Kingdom (OECD, 2023, p.44). Overall, however, there was an unprecedented drop from 2018 to 2022 in OECD average scores in mathematics and reading, with science score remaining stable, that could have considerably been due to the pandemic shock. More troubling though is the

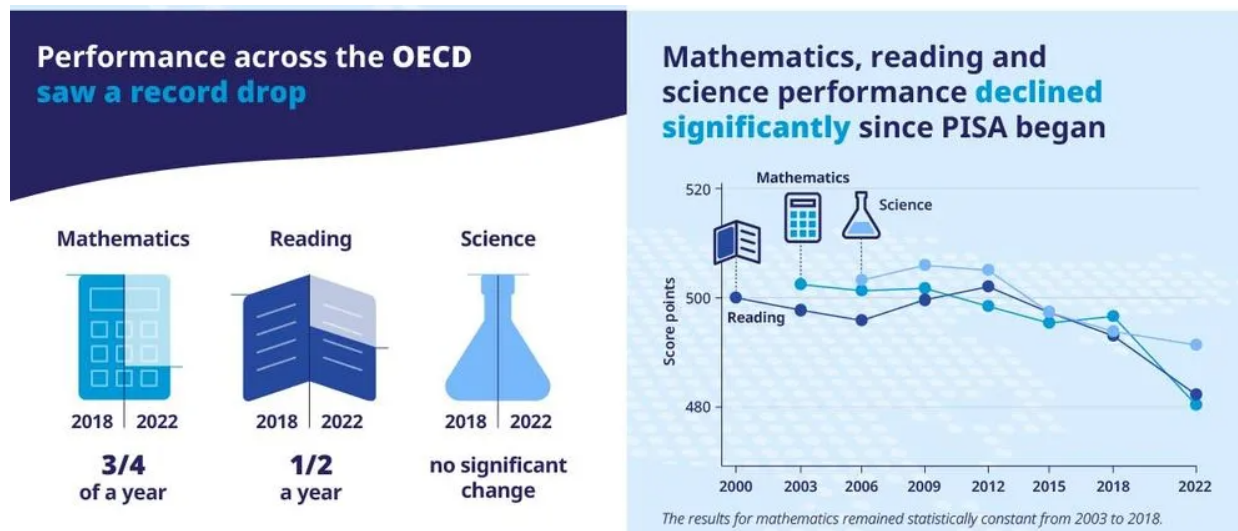
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<sup>25</sup> Launched in 1997 with the first international assessment done in 2000 and 2002 with 43 participating countries and economies.

<sup>26</sup> Luxembourg did not participate in 2022 but did so in previous cycles. Lao PDR and Myanmar did not participate.

declining trend in the average scores in the years even before 2018, implying possibly deeper issues in the education sector (Figure 1).

Figure 1. Selected infographics from PISA 2022 key results in OECD countries



Source: Based on the OECD (2023), *PISA 2022 Results (Volume I)*, p.183.

Source of image: [https://www.oecd.org/en/publications/pisa-2022-results-volume-i\\_53f23881-en/full-report/pisa-2022-key-results-infographic\\_3d2bee9f.html#title-55fda1799](https://www.oecd.org/en/publications/pisa-2022-results-volume-i_53f23881-en/full-report/pisa-2022-key-results-infographic_3d2bee9f.html#title-55fda1799)

For the Philippines, the average scores in 2022 in mathematics, reading and science were not too far from the 2018 scores, but much below the OECD average and the lowest compared to its immediate ASEAN neighbors (Table 2). In creative thinking, the Philippines ranked 63<sup>rd</sup> of the 64 countries which participated with a mean score of only 14 of 60 possible points.

Creative thinking was included in recent PISA because of the demands of a rapidly changing world for flexible, adaptable and innovative minds, as well as for the holistic formation of students that supports their appreciation for discovery, exploration, and finding meaningful experiences.<sup>27</sup> According to the World Economic Forum (2025, p. 35) *Future of Jobs Survey*, creative thinking is one of the top skills, ranking fourth in 26 core skills identified as very important by employers surveyed, following analytical skills (1<sup>st</sup>), resilience, flexibility and agility (2<sup>nd</sup>), and leadership and social influence (3<sup>rd</sup>).

Table 2. Philippine 2018 and 2022 PISA average scores (mean performance) in reading, mathematics, science, and creative thinking vis-à-vis selected ASEAN members and OECD average.

<sup>27</sup> "In its 2022 cycle, PISA defines creative thinking as "the competence to engage productively in the generation, evaluation and improvement of ideas that can result in original and effective solutions, advances in knowledge and impactful expressions of imagination". (OECD (2024), *PISA 2022 Results (Volume III)*, p.47)

	Reading		Mathematics		Science		Creative thinking (out of 60)
	2018	2022	2018	2022	2018	2022	2022
Indonesia	371	359	379	366	396	383	19
Malaysia	415	388	440	409	438	416	25
Philippines	340	347	353	355	357	356	14
Singapore	549	543	569	575	551	561	41
Thailand	393	379	419	394	426	409	21
OECD average	493	482	496	480	493	491	33

Source of data: OECD (2023), *PISA 2022 Results (Volume I)*. [https://www.oecd.org/en/publications/pisa-2022-results-volume-i\\_53f23881-en.html](https://www.oecd.org/en/publications/pisa-2022-results-volume-i_53f23881-en.html). OECD (2023), *PISA 2022 Results (Volume III)*. [https://www.oecd.org/en/publications/pisa-2022-results-volume-iii\\_765ee8c2-en.html#country-notes](https://www.oecd.org/en/publications/pisa-2022-results-volume-iii_765ee8c2-en.html#country-notes)

The dismal findings from the Philippines, a low-middle income country, is a cause for scrutiny of what has been happening to its educational system, both public and private. The Philippine government created the Second Congressional Commission on Education (EDCOM II) in 2022 to embark of a comprehensive evaluation of the education conditions in the country. The first such evaluation, EDCOM I, was done in 1991-- which clearly compels the government to do a long overdue review.

## Health

In the two decades before the pandemic, both global life expectancy and global health-adjusted life expectancy (HALE), also called healthy life expectancy, had steadily been improving.<sup>28</sup> Life expectancy reflects the overall mortality rate of the population, while the healthy life expectancy indicator considers the quality of life, unlikely debilitated by diseases and injuries. The past two decades witnessed various risk factors being addressed resulting in improved health outcomes. For example, data from the World Health Organization (2025, pp.22-23) show steadily falling maternal mortality, neonatal mortality and under-5 child mortality since 2000 in formerly problematic regions like Africa, Eastern Mediterranean and Southeast Asia.

However, the pandemic shock revealed the weaknesses of the health care systems particularly in less developed countries and the vulnerabilities of the older adult population in both developed and less developed countries. During the period 2019 to 2021, globally for both men and women, about one to two years of an average person's expected life were lost. This was also the case in Europe, whereas in Southeast Asia, the loss was roughly three years (Table 3).

<sup>28</sup> Life expectancy at birth refers to the "average number of years that a newborn could expect to live, if he or she were to pass through life exposed to the sex- and age-specific death rates prevailing at the time of his or her birth, for a specific year, in a given country, territory, or geographic area." (WHO website. [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-\(years\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-(years))). HALE is a measure used by the World Health Organization to estimate the "average number of years that a person can expect to live in 'full health' by taking into account years lived in less than full health due to disease and/or injury." (WHO website <https://www.who.int/data/gho/indicator-metadata-registry/imr-details/66> )

As per the World Health Organization, this could almost be entirely attributed to the rise in mortality brought directly and indirectly by the spread of the coronavirus Covid-19 among those 30 years old and above (2025, p.3). Even mental health issues like anxiety and depressive disorders contributed to the morbidity increases.

Table 3. Life Expectancy (LE) and Healthy Life Expectancy (HALE), 2000, 2019 and 2021 (Data in number of years; by sex)

	Global			Europe			Southeast Asia		
	2000	2019	2021	2000	2019	2021	2000	2019	2021
LE at birth									
Both sexes	66.8	73.1	71.4	72.4	78.1	76.3	64.1	71.4	68.4
Male	64.4	70.6	68.9	68.3	75.0	73.3	62.8	69.6	66.6
Female	69.2	75.7	74.0	76.6	81.1	79.3	65.4	73.2	70.3
HALE at birth									
Both sexes	58.1	63.5	61.9	62.9	67.6	66.0	55.3	61.8	59.4
Male	57.0	62.3	60.9	60.3	66.1	64.6	55.1	61.4	58.9
Female	59.3	64.6	63.0	65.5	69.0	67.3	55.6	62.3	59.8

Source of data: WHO website. [https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-\(years\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/life-expectancy-at-birth-(years)) and <https://www.who.int/data/gho/data/indicators/indicator-details/GHO/gho-ghs-hale-healthy-life-expectancy-at-birth>

Advances in medicine, management of environmental risk factors, development of healthcare workforce, strengthening of health financing, institutional responses to improve the delivery of healthcare services, among others, are all in the checklist to meet global and national sustainable development goals. The progress and gains though have been insufficient for the 2030 targets (WHO, 2025). In large part, the problem is due to the reversal of gains during the two years of pandemic that have locked down geographic areas and restricted mobility. For example, the prevalence of global child stunting—a severe nutritional deficiency problem with adverse consequences on both physical and mental development—had been falling in the last two decades from 33% in 2000 to about 22% in 2020. The declining trend had been reversed after 2020 reaching at least 23% in 2024 (who 2025, p. 34). The loss in jobs and income during the lockdown years, plus post-2020 political and military conflicts as well as economic uncertainties must have led to insecure food access to many and consequently hunger and malnutrition.

The learning crisis and the health crisis are clearly interconnected. This can never be more true in the case of children. A university professor and former government official in the Philippines captured this in this remark:

“Many are already aware of our stunting problem, wherein one in every three Filipino children 5 years old and below is stunted due to chronic malnutrition, as reported by the Food and Nutrition Research Institute (FNRI)... It’s not the height that is the main problem here; it’s the underdevelopment of the child’s brain that is... Thus, a chronically malnourished child who is stunted at age 5 will no longer be able to achieve his/her full physical and mental potential, and is irreversibly damaged for life. Studies have

consistently shown that early childhood stunting has adverse long-term effects on individuals and entire societies, including poor cognition and educational performance, low productivity as adults, and consequently, lower earnings or wages.” (Habito, 2022).

A human-centered development approach ought to prioritize address the needs of children. The process involves formation of their human capital to enable them to meet the challenges of a volatile, uncertain world and still experience the good life.

### **What is human capital and why it matters**

The well-being of people, this generation and the next, is the bottom line of development efforts. A desirable development process is one that uplifts the sorry state of those impoverished, deprived and vulnerable, and that allows individuals to freely choose on how they will realize their potentials and benefit from their capabilities, with a sense of responsibility towards society and the natural environment.

Human capital is both a means and an end of sustainable development. It is both an input and an output of the development process.

The World Bank defines human capital as consisting of “the knowledge, skills, and health that people accumulate throughout their lives, enabling them to realize their potential as productive members of society.”<sup>29</sup> It is a result of investment spending of time and money in human capabilities. A person invests in his or her human capital. The family invests in the human capital of its members. So does a community, a firm, an institution, or a government. Thus, growing and developing a society’s human capital depends on two major inputs: one, the expenditures in education, trainings, and health care from both private and public sectors and two, the time consumed in these activities. The accumulated time spent in learning using the resources builds up one’s experience which further adds to human capital formation. In 2017, the World Bank Group announced its Human Capital Project, “an accelerated effort to encourage investment in people as a critical step to boosting inclusive economic growth and ending extreme poverty.”<sup>30</sup> It is meant to address a perceived problem of inadequacy of investments in human capital, making it hard for developing countries to sustain their economic growth.

Anchored on economic growth to meet a country’s long-term strategy of alleviating poverty and enhancing the quality of life, the mainstreaming of human development has been identified by the United Nations (UN) as one of the major directions to keep countries on track in achieving their sustainable development goals.

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<sup>29</sup> <https://www.worldbank.org/en/publication/human-capital/brief/about-hcp>. Downloaded October 6, 2024.

<sup>30</sup> <https://live.worldbank.org/en/event/2017/human-capital-project>. Downloaded October 6, 2024.

“Human development takes a holistic people-centered approach, emphasizing well-being and empowerment, particularly of vulnerable and marginalized populations. It positions poverty, inequality, and environmental sustainability on a par with economic growth in terms of their significance to human and societal advancement. This requires long-term commitments to health, education, equity, sustainability, and human security, and to creating enough decent employment. Human development also underscores the critical roles of gender equality and inclusive governance in unlocking human potential” (UNDP, 2024, p. 37)

The essential elements of development have been translated into specific aspirations adopted by the UN. From the eight Millenium Development Goals signed in 2000, the current agenda to meet 17 Sustainable Development Goals (SDGs) by 2030 reflect a broader concept of development—one that concerns national, regional and global relations and issues affecting current and future generations—in an era of more uncertainties. They require deliberate interventions from the government because the benefits of income growth do not always trickle down to most of the population especially to those at the margins of society. In countries with weak government, the private sector is expected to play a crucial role to help propel and sustain development.

Almost half of the SDGs are closely and directly connected to the condition and formation of human capital. These are SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 3 (Good health and well-being), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities). When official development assistance funds are channeled to health and education, then SDG 17 (Partnerships for the goals) also count.

Other SDGs can indirectly influence human capital through the effect on working and mobility conditions on workers’ productivity. For example, SDG 16 (Peace, justice and strong institutions) and SDG (Industry, innovation and infrastructure).

### **How important is human capital formation to the European Union?**

Respect and promotion of human rights and well-being is one of the significant considerations in the policies and relations of the EU with the rest of the world. The right to education and right to health are basic elements to preserve human dignity and self-esteem, open more freedom of choice, and provide the essentials to a rewarding life. These are elements integral to sustainable development.

The EU has been one of the frontrunners in formulating and supporting the UN SDGs. Within its member countries, SDGs have been mainstreamed into policy formulation and goals while tracking activities, accomplishments and gaps in the process. Much depends on localization, that is, inputs and implementation on the level of local authorities.

Soon after the 17 SDGs were adopted, the Eurostat began monitoring a set of EU-SDG indicators. The Eurostat, the statistical office of the EU, provides high-quality statistics on Europe, with substantial information on the EU members' progress towards meeting SDG targets. In addition, with the recognition of possible spillover effects of its consumption and production activities on non-member countries, the EU has started to pay attention to identifying, monitoring, measuring and addressing such effects.

### **The human capital theory: What does it say about human development**

Development is more encompassing than economic growth. Commonly measured by the gross domestic product and gross national income, economic growth is a necessary but not a sufficient condition to development. Thus, one can say that development is economic growth plus some other essential elements of a good life, most of which are thus covered by the SDGs. Todaro and Smith (2015, pp.22-23) identified three core values of development, and they are centered on human development. These are (1) "sustenance -- the ability to meet the basic life-sustaining needs", (2) "self-esteem -- to be a person with self-worth and self-respect", and (3) "freedom from servitude -- the ability to choose from an expanded range of possibilities in the pursuit of desirable goals, emancipated from oppressive beliefs and institutions that perpetuate poverty and inferiority." For example, food, shelter, clothing, health care are examples of essential basic needs for sustenance, while education and gender equality contribute to the development of one's self-esteem and attainment of freedom from servitude.

The standard economic analysis of investments in human development, particularly in education, is through the human capital approach. Here, investment in the person is likened to investment in physical capital that generate a stream of future earnings. It basically utilizes a cost-benefit analysis. For example, the private costs include both direct costs like school-related fees, transportation, books, etc., and indirect costs such as foregone income if the person were to work for income instead of study. The costs are analyzed against the future income gains for extra years of education, computed at discounted values.<sup>31</sup> From the private returns a person derives from education, the analysis can be extended to determine the social returns to education where government support is added as part of direct costs.

The process of investing in a person's education and health is often termed as human capital formation. The seminal work on developing a theory on human capital is that of Becker (1962), where he referred to investments in human capital as pertaining to "activities that influence future real income through the imbedding of resources in people" (p.9). He was interested then at studying factors that lead to substantial differences in income inequality and economic well-being. Another building block to the human capital theory is the work of James Mincer (as cited by Sherwin 1992, p.158), whose "research helped uncover the empirical content of human capital theory, where he used those ideas to study the determinants of earnings and the

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<sup>31</sup> Discounted here means that the future values are discounted or decreased to get the present value and make them comparable.



sources and nature of earnings inequality.” The so-called Mincer equation that models the annual earnings being positively affected by schooling and experience has led to widespread empirical studies with much interest in the returns to schooling. Often cited as well are contributions by Heckman (2006) where in one study, he argued the presence of diminishing returns to skill investment as people age. In other words, investments in preschool programs yield the highest rate of return, followed by schooling of children, and then post-school job training upon adulthood.

Becker (1962) described and analyzed four different investments in human capital, namely, (i) on-the-job training, to which he devoted a lengthy discussion, (ii) schooling, (iii) other information sources, and (iv) productive wage increases that improve emotional and physical health. He also looked at key determinants of such investment decisions, the most important of which is the perceived profitability or rate of return. Empirically, however, this is not easy to estimate because investments in the person come in different form and are spread over many periods of time. Other complexities may be that returns to human capital investments may be both monetary and non-monetary. Nevertheless, there had been econometric studies, as surveyed by Deming (2022), for instance, that try to estimate the effect of education on labor earnings.

While the key determinant is the perceived rate of return, what are the other practical factors determining the decision to invest in one’s human capital, specifically education?

One, demography plays a crucial role. Becker acknowledged that “an increase in the lifespan of an activity would, other things the same, increase the rate of return on the investment made in any period”, thereby affecting the incentive to invest. This implies the importance of mortality and morbidity (1962, p. 37). For example, decreasing mortality and morbidity rates in a country may tend to increase the rate of return in investments in human capital. Younger people, with expectedly longer lifespan, differ in investment decisions from older people. They will likely collect more benefits from the returns to their investments.

Secondly, there are life-cycle factors like differences in capabilities, opportunities, responsibilities, and attitudes as people grow older that affect investment decisions.

The third set of factors are individual and household characteristics and behavior. For example, in some societies where women tend to think they are less likely to work for pay anyway, then they have less incentive to invest in schooling or training to build their market skills set.

The fourth set are market-related factors also affect investments in human capital. Becker (1962, pp. 39-43) discussed some significant ones like increasing market size with associated increase on the need to specialize and be more efficient. Moreover, there are market wage differences, technological progress, risks and uncertainties, and knowledge of capital market conditions such as knowing about interest rates, opportunity costs, and risks. Then there is the element of uncertainty present in investments of any kind. Different uncertainties affect people’s lives and the incentive to invest is affected by expected returns over one’s lifetime.

The earlier studies on human capital theory focused on education. However, there had been growing recognition that the two components of human capital—education and health—are theoretically and practically linked (Table 4).

Table 4. Summary of linkages between investment in health and education

How health may affect education:	How education may affect health:
<ul style="list-style-type: none"> <li>• “Health is an important factor in school attendance.</li> <li>• Healthier children are more successful in school and learn more efficiently.</li> <li>• Deaths in school-age children also increase the cost of education per worker.</li> <li>• Longer life spans raise the return to investments in education.</li> <li>• Healthier individuals are more able to productively use education at any point in life.”</li> </ul>	<ul style="list-style-type: none"> <li>• “Many health programs rely on skills learned in school (including literacy and numeracy).</li> <li>• Schools teach basic personal hygiene and sanitation.</li> <li>• Education is needed for the formation and training of health personnel.</li> <li>• Education leads to delayed childbearing, which improves health.</li> <li>• The better the education of the mothers, the better the health of her children.”</li> </ul>

Source: Todaro and Smith (2015, pp. 283-284)

The mutually beneficial linkage between education and health reinforces the notion of joint investments in these two will yield optimum results for human development. An example of such an investment is the feeding program in primary schools. It has been widely known that malnutrition causes stunting among children, which in turn slows down brain development, and consequently the weakened capacity of young students to absorb, process and use information. Hence, feeding programs need to be well-designed to meet the nutritional needs of children.

Investment in human capital yields high returns to an individual and to society. Good education and good health are inputs that make a person more productive, enabling him to function efficiently and effectively to meet his personal goals and the goals of his workplace. In the aggregate, increased competence of the work force contributes to the competitiveness of an industry, which feeds into a nation’s competitiveness. For the community and broader society, there are also positive spillover benefits whether intended or not. For example, a more educated person may bring benefits to the community if he or she practices socially responsible behavior by supporting green projects. A healthier person may bring benefits to the community by simply strengthening his immune system, being free from illnesses and reducing chances of spreading communicable diseases.

Capabilities are among the outcomes of investments in human capital. Attention on capabilities in development economics was articulated by Amartya Sen in the 1980s. Citing the argument of Sen, Todaro and Smith (2015, p.18) states that “what matters fundamentally is not the things a

person has—or the feelings these provide—but what a person is, or can be, and does, or *can do*.” The idea of capabilities is embodied in Sen’s Capability Approach.<sup>32</sup>

There are five agents in human capital formation. First, the process starts in the mother’s womb. The way the mother takes care of her well-being affects the health of the unborn child. Second, after birth, the rest of family takes on the supporting role to raise the child in all aspects of well-being. Third, the individual himself or herself actively participates in the formation process. As a growing student and later a maturing adult, he or she invests time and effort to accomplish tasks and achieve desirable goals. The fourth agent is the immediate community outside the family, and this is the social circle, the school, the workplaces, or the neighborhood. The fifth is government, which is expected to provide additional support through infrastructure development like constructing more and better public schools and medical centers, especially for the socially disadvantaged, and incentive the efficient delivery of basic services and information, communication and technology services, among others.

### **What has been learned about human capital formation and how much is being invested**

Citing country studies, particularly on the United States and former Soviet Ukraine in the early to mid-1900s, Gunder Frank had long argued, based on strong evidence, “that investment in human capital is the crucial contributory factor to increased output” (1960, p.172). Standard economics lists three basic resources or factors of production, namely, land, labor and capital (that is, physical capital which are man-made goods used to produce other goods). However, during the period under study, growth in these three inputs inadequately explained the growth in industrial output. This led to the thinking that there must be additional factors substantially responsible for economic growth such as improvements in technology, in organization, in human capital, among others. Of these, human capital was regarded the most important after considering the effect of increased education and skills among workers on industrial production. What has been learned about human capital since then?

Quite a lot. In one extensive survey of economic literature on human capital, Deming (2022) acknowledges the substantial progress in empirical research, and sorts them into four stylized facts. First, human capital does explain a much of the variation in labor earnings within countries (at least one-third) and across countries (at least one-half).

Second, investments in human capital yield high economic returns from early childhood up to young adulthood. Deming found evidence on the significant benefits even from preschool food and health interventions. Looking at various studies with different economic research

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<sup>32</sup> “The Capability Approach is defined by its choice of focus upon the moral significance of individuals’ capability of achieving the kind of lives they have reason to value... A person’s capability to live a good life is defined in terms of the set of valuable ‘beings and doings’ like being in good health or having loving relationships with others to which they have real access.” *Sen’s Capability Approach*, *Internet Encyclopedia of Philosophy*. <https://iep.utm.edu/sen-cap/#H1>. Downloaded October 7, 2024.

methodologies, and following Mincer's 1974 model, Deming (2022, p.77) estimated a median of about 10-12 percent effect of an additional year of education on earnings.

Third, there are numerous ways to produce foundational skills in numeracy and literacy, but the main constraint are still financial resources. When used with appropriate incentives, these resources have better impact. What type of intervention works well and not so well vary from one setting to another. Going over several major studies in the first two decades of 2000s, Deming (2022) saw various input investments yielding differing results. Examples of these inputs are parenting practices, level of tutoring, teacher-training, provision of computers, adopting educational software, and incentives as well as disincentives for administrators, teachers and learners. Schools must also have strong accountability when provided with funding.

Fourth, beyond the cognitive foundational skills of reading, writing and arithmetic skills, Deming (2022) stressed the importance of higher-order skills like problem-solving, critical thinking and teamwork. Skills are essential element of human capital model. Cognitive skills are mental abilities to think, learn, remember, and apply to solve problems. Non-cognitive skills are social and emotional skills affected by personal traits and attitudes. The latter influence human behavior and interaction crucial to individual and community well-being. Examples include grit for growth-focused mindset, demonstrating emotional intelligence, and cooperative teamwork. These are deemed contribute to productive outcomes, and there is growing interest in economic literature on this.

To complement the data on human development, a relatively new measure has been developed called the Human Capital Index (HCI) launched by the World Bank in 2018 after the announcement of its Human Capital Project the year before. The project is meant to create space to sharpen the understanding of transformational effect of investing in children's health, education and social protection on their future productivity, and consequently on the country's real output. The HCI "quantifies the contribution of health and education to the productivity of the next generation of workers" (World Bank, 2024). For example, the HCI for the Philippines is estimated at 0.52.<sup>33</sup> This means that given the current survival, schooling, and health conditions, the future earnings potential of children born today will only be 52% of what they could have been with complete education and full health.<sup>34</sup> To appreciate the HCI range in Southeast Asia, Singapore's HCI is estimated to be 0.88 while it is 0.49 for Cambodia and 0.46 for Lao PDR, the two youngest ASEAN members.

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<sup>33</sup> Individual country data for HCI, updated 2020, are in the World Bank Human Capital Project site. <https://www.worldbank.org/en/publication/human-capital#Briefs>

<sup>34</sup> "Ranging between 0 and 1, the index takes the value 1 only if a child born today can expect to achieve full health (defined as no stunting and survival up to at least age 60) and achieve their formal education potential (defined as 14 years of high-quality school by age 18). A country's score is its distance to optimal education and full health. If it scores 0.70 in the Human Capital Index, this indicates that the future earnings potential of children born today will be 70% of what they could have been with complete education and full health." (World Bank HCP Factsheet 2024)

Such new data set is expected to serve as another input to social scientists producing micro-data grounded research especially on developing and less developing countries, with the aim of guiding policymakers and policy implementors. It is interesting to note that the HCI data set has disaggregated components by gender, thus providing sharper focus in analysis.

Like investments in physical capital, investments in human capital require significant financial resources. Hence, crucial in the equation is government spending. Below are selected data on Europe and Asia.

How much do governments spend on human capital formation?

Among the 27 EU member states, the average government spending on education in 2021/2022 was 5% of the gross domestic product (GDP) and the average spending on health was 9.2% (Table 6). Slightly disaggregated data show that the relative size of expenditures on education for earlier entrants (mostly from Western Europe which joined before 2000) and the later entrants (mostly from Eastern Europe which joined after 2000) were just about the same at 4.9% and 5% of GDP, respectively. For the health expenditures, the earlier entrants spent more, an average of 10.1% of GDP, than the later ones, 8.2%.

Table 6. Central/National government expenditures on education and health relative to GDP by EU Members, based on latest available year 2021/2022 (in percent)

EU Members (joined prior to 2000)	HDI (2023)	Spending on education (% of GDP)	Spending on health (% of GDP)	EU Members (joined after 2000)	HDI (2023)	Spending on education (% of GDP)	Spending on health (% of GDP)
Since 1950s:				Eastward and southward enlargement			
Belgium	0.951	6.2	11.0	Bulgaria	0.845	4.3	8.6
France	0.920	5.2	12.3	Croatia	0.889	5.2	8.1
Germany	0.959	4.5	12.7 [2022]	Cyprus	0.913	5.5	9.4
Italy	0.915	4.0	9.0 [2022]	Czech	0.915	5.1	9.5
Luxembourg	0.922	4.7	5.5 [2022]	Estonia	0.905	5.9	6.9 [2022]
Netherlands	0.955	5.1	11.3	Hungary	0.870	5.0	7.4
Since 1970s- 80s:*				Latvia	0.889	5.6	9.0
Denmark	0.962	5.9	9.5 [2022]	Lithuania	0.895	4.8	7.5 [2022]
Greece	0.908	4.1	9.2	Malta	0.924	5.4	10.6
Ireland	0.949	2.9	6.1 [2022]	Poland	0.906	4.9	6.7 [2022]
Portugal	0.890	4.6	10.6 [2022]	Romania	0.845	3.3	6.5
Spain	0.918	4.6	10.7	Slovakia	0.880	4.3	7.8
Since 1990s:				Slovenia	0.931	5.7	8.9 [2022]
Austria	0.930	5.0	12.1				
Finland	0.948	5.7	10.3				
Sweden	0.959	6.7	10.7 [2022]				
				Average:			

				13 countries	0.893	5.0	8.2
Average: 14 countries	0.935	4.9	10.1	Average: All 27 countries	0.915	5.0	9.2

\*Originally included the United Kingdom which got accepted in 1973 but withdrew its membership in 2019.

Sources of data: UNDP website "Human Development Index" <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>; [EU Countries - The Member States of the European Union](#) ;

World Bank website: "Health Expenditure, Total (% of GDP)"

[https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=EU-GB&name\\_desc=false](https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=EU-GB&name_desc=false;);

"Public Spending on Education, Total (% of GDP)"

[https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=EU-GB&name\\_desc=false](https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=EU-GB&name_desc=false).

For the rest of Europe that do not belong to the EU, the numbers are, on the average, lower but not too far. Government spending on education was estimated to be 4.2% of GDP around that period, and government spending on health was about 7.7% of the GDP (Table A1 in the appendix).

A stark contrast is that the government expenditures on education and on health among the ASEAN countries. On the average, these were estimated to be merely half the size of that in the EU. The national governments in ASEAN spent only an average of about 2.7% of the GDP for education and 4.7% on health. In spite these significantly lower values, the average HDI in ASEAN is still on the fairly high side at 0.745. Only two countries (Cambodia and Lao) are in the medium HDI range. On the opposite end, three countries (Brunei, Malaysia and Singapore) are in the very high range of at least 0.8 (Table 7).

Is it possible that the relatively high government spending on education and health by EU member states may be positively contributing to their very high HDI values? Although not tested here, it may be quite likely. The 27 countries in the EU had an average of 0.915 HDI in 2023 (Table 6). This is higher than the average regional HDI of 0.818 in Europe and Central Asia, and considerably much more than the world average of 0.756 and ASEAN's 0.745 (Table 7). Table 7. Central/National government expenditures on education and health relative to GDP by ASEAN Members, based on latest available data between 2016 to 2022 (in percent), with Human Development Index, 2023

Countries	HDI (2023)	Membership year	Spending on education (% of GDP)	Year	Spending on health (% of GDP)	Year
Brunei						
Darussalam	0.837	1984	4.4	2016	2.2	2021
Cambodia	0.606	1999	1.7	2021	7.5	2021
Indonesia	0.728	1967	2.4	2022	3.7	2021
Lao PDR	0.617	1997	1.4	2022	2.7	2021
Malaysia	0.819	1967	3.5	2022	4.4	2021
Myanmar	0.609	1997	2.1	2019	5.6	2022
Philippines	0.720	1967	3.6	2022	5.1	2021

Singapore	0.946	1967	2.4	2022	5.6	2021
Thailand	0.798	1967	2.6	2022	5.2	2021
Viet Nam	0.766	1995	2.9	2022	4.6	2021
Average	0.745		2.7		4.7	

Sources of data: ASEAN website: "ASEAN Member States." ASEAN, <https://asean.org/member-states/> ; World Bank website: [https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name\\_desc=false](https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name_desc=false) for "Health Expenditure, Total (% of GDP) - Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam." World Bank, [https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name\\_desc=false](https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name_desc=false) ; World Bank website: "Public Spending on Education, Total (% of GDP) - Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, [https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name\\_desc=false](https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=BN-KH-ID-LA-MY-PH-SG-TH-VN-MM&name_desc=false) .

## How is the EU helping in the global effort to improve education and health outcomes?

On education, the EU policy to support national education systems of its members, while helping address common challenges. These are felt in areas involving adult learning, apprenticeship and traineeship, early childhood education, early school leaving, funding of higher education, higher education attainment, integrating migrants and refugees, learning mobility, promoting inclusion and fundamental values, quality assurance in vocation education and higher education, recognition of skills and qualifications, teaching standards and teacher education, and university cooperation.<sup>35</sup>

On health, the EU policy is similarly to complement national government policies. The “EU countries hold primary responsibility for organising and delivering health services and medical care. EU health policy therefore serves to complement national policies, to ensure health protection in all EU policies and to work towards a stronger Health Union. EU policies and actions in public health aim to protect and improve the health of EU citizens, support the modernisation and digitalisation of health systems and infrastructure, improve the resilience of Europe's health systems, [and] equip EU countries to better prevent and address future pandemics.”<sup>36</sup> After the Covid-19 experience, the EU has established the EU4Health Programme, said to be unparalleled in terms of financial support for making a stronger more resilient healthcare system with much improved readiness to handle crisis and long-term challenges.<sup>37</sup>

<sup>35</sup> [https://commission.europa.eu/education/policy-educational-issues\\_en](https://commission.europa.eu/education/policy-educational-issues_en)

<sup>36</sup> [https://health.ec.europa.eu/eu-health-policy/overview\\_en](https://health.ec.europa.eu/eu-health-policy/overview_en)

<sup>37</sup> [https://health.ec.europa.eu/funding/eu4health-programme-2021-2027-vision-healthier-european-union\\_en](https://health.ec.europa.eu/funding/eu4health-programme-2021-2027-vision-healthier-european-union_en)

As part of international cooperation, the EU also assists low- and middle-income countries in addressing some similar problems. A cursory review of some of the major financial and non-financial assistance extended to Asia in the last five to ten years show a diversity of ways support has been granted to the education and health sectors (Table A2 for details). Among others, they include the following:

- Construction, renovation and/or rehabilitation of school facilities and learning spaces (Afghanistan, Cambodia, Myanmar, Yemen);
- Assistance to teachers in the form of subsidy and/or professional development training (Afghanistan, Bangladesh, Cambodia, Lao, Myanmar, Yemen);
- Provision of food aid and other support for children (Afghanistan, Thailand, Philippines, Yemen);
- Provision of learning materials (Afghanistan, Bangladesh, Cambodia, Lao, Myanmar);
- Support specifically for women and girls' skills development and empowerment (Afghanistan, Cambodia, Indonesia);
- Mental health support (Afghanistan, Thailand);
- Scholarships and short-term mobility programs for students, researchers and teachers, (Brunei, Cambodia, Indonesia, Myanmar, Philippines, Singapore, Thailand, Vietnam), some of which are part of Jean Monnet and ERASMUS+ grants and scholarly activities (Brunei, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore);
- Partnerships, knowledge transfer and capacity building, some of which are UNICEF partnership projects (Afghanistan, Brunei, Cambodia, Indonesia, Lao, Malaysia, Philippines, Singapore, Yemen);
- Support for technical education (Cambodia, Myanmar, Nepal);
- Support for inclusive education, especially the disabled (Lao, Indonesia);
- Skills upgrading for employability (Malaysia, Nepal, Timor Leste);
- Covid-19 response to education (Myanmar, Philippines, Yemen);
- Support for education in conflict areas (Philippines, Yemen);
- Support for maritime education, training and certification system for seafarers (Philippines); and
- General budget support for education and health for emergency and continuing needs (Afghanistan, Lao, Myanmar, Yemen).

By and large, the EU has maintained an exceptional record in it is human development conditions in spite the setbacks brought by the Covid-19 pandemic. Its response to its own conditions and the conditions of socially and economically disadvantaged countries is aligned to its primary value of respecting and protecting human dignity. This reflects its very commitment to meet the global SDGs. Policy directions and actions towards quality education and healthcare will create the needed resilience in a world of uncertainties. Putting people at the heart of social and economic progress is a more sustainable approach to meaningfully reduce poverty.

## Summary Points



1. The unprecedented shock brought by the Covid-19 pandemic in 2020 on the world had derailed the world from its sustainable development track, particularly from reaching its human development goals. The effort to set it back on track was made more difficult aggravating factors like regional wars, extreme weather conditions, and even national/local governance issues.
2. Global average human development index fell in 2020 and 2021. Governments are struggling with much effort to address the education, health and real income concerns of their population, with the apprehension that UN SDG targets for human development are likely to be missed by 2030.
3. International student assessments in 2022 reveal the strength and resilience of only a few countries. Majority of the 81 countries represented showed their vulnerabilities as scores, especially in math and reading, considerably fell from 2018. Global healthy life expectancies similarly dropped by about one to two years in 2021 from the 2019 level.
4. The learning crisis and the health crisis are much interconnected in theory and reality. This is an important issue most especially in the studies on children. Malnutrition stunts the physical growth of children and impairs their brain development.
5. Development efforts are paying close attention to investments in education and health. This is referred to as human capital formation.
6. According to human capital theory, the key determinant in investment is the rate of return and, for education, the return is high for young children, and still good for young adults. The rate of return to investing in education depends on demographic characteristics like age vis-a-vis life-cycle factors, attitude, and market conditions. Much has been learned empirically about returns to human capital formation and the requisites, but more needs to be done. The World Bank set up the so-called Human Capital Project to contribute to this effort.
7. A common measure of a human capital investment is the expenditure of the government in education as a percentage of the GDP and expenditure on health also as a percentage of the GDP. The EU spends much on these, an average of 5% of the GDP for education and 9% for health. This is roughly twice the amount spent by ASEAN governments.
8. The EU countries' HDI is notably at 0.915, significantly higher than the world average of 0.756 and ASEAN's 0.745.
9. As part of its commitment to help other countries meet their human development needs, consequently contributing to achieving the global SDGs, the EU has actively been allocating resources for external assistance to less developed and developing countries. Major examples on education and health are described in text.

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## Chapter 12: The EU and the Production and Consumption of Globalized Popular Culture

Manuel R. Enverga III

### Introduction

In 2018, the popular K-Pop boyband Bangtan Sonyeondan, better known as BTS, had their “Love Yourself” Tour (McCurry, 2019). The series of shows included performances in London, Amsterdam, Berlin, and Paris. In April of that same year, a Facebook post appeared in a group for potential concertgoers. Its message could be paraphrased as follows: “Hello, I am from Germany and I plan to attend the concert in France with a friend. Does anybody here speak English? I need some assistance”. The post received both critical and supportive responses. The former was exemplified in comments that told the German fan to watch the Berlin concert, rather than attending the Paris one. As one commenter put it: “You are taking slots that should be used by French fans! I don’t mind if Italian or Spanish spectators come, but Germany has two shows already. You should watch there!” On the other hand, supportive comments included those that offered the assistance requested by the author of the Facebook post. Some commenters even added that it was their choice where they should watch, and that they likely had valid reasons for choosing to attend the Paris concert, rather than the Berlin one.

It is unclear whether or not the author got the assistance they needed. However, the post is a useful illustration of how globalized popular culture, such as BTS, interfaces with specific manifestations of European integration, such as the freedom of movement guaranteed by the European Union (EU). The latter ensured that the author of the post could easily travel from Germany to Paris to watch their favored K-Pop boyband, without needing to bring a passport and undergo identity checks at the border. For BTS fans with EU citizenship, traveling from one member state’s city to another was likened to domestic rather than international travel.

The Facebook post described above serves as a useful entry point for this chapter, which examines the dialectical relationship between globalized popular culture and EU integration. On the one hand, Europe produces, or contributes to the creation of, popular culture that is transmitted globally. Such is the case with fashion, food, or video games. However, EU member states also consume cultural products from around the world. This is exemplified in the presence of K-Pop fandom in the region. During the process of production and consumption, cultural products encounter EU standards and regulations, which benefit or hinder their spread.

This chapter argues that the relationship between Europe and globalized popular culture is shaped by a dynamic interplay between cultural flows and institutional frameworks. In particular, the structures of the European Union both enable and constrain the movement of people, ideas, and cultural goods across the region. To explore these dynamics, the chapter is organized into three broad sections. The first introduces key concepts, such as popular culture and globalization. The second surveys theories related to how culture is produced and consumed. The final section presents case studies that illustrate how EU standards and regulations influence the circulation of global popular culture within Europe.

## Unpacking Globalized Popular Culture

This subsection surveys the literature on two key concepts needed to understand globalized popular culture. These are: (1) globalization; and (2) popular culture. Relevant debates on each are discussed in the succeeding subsections.

### *Popular Culture*

Popular culture can be understood as a set of practices, beliefs, and objects that embody the most widely shared meanings in a social system (Kidd, 2017). It is a contested concept within the academic literature, and Storey (2021) suggested that the concept is an empty conceptual category that can be filled in various conflicting ways, depending on the context. Popular culture's fluidity makes it difficult to define. However, it is often understood in opposition to "high culture" (c.f. Browne, 1972), which refers to a category of cultural products that require education or training to appreciate (c.f. Bourdieu, 1984). Consequently, high culture tends to be experienced only by members of higher social classes, popular culture is more accessible, and consumed by a relatively large and heterogeneous group of people.

The cultural products that can be categorized as popular culture and high culture vary depending on social context. For example, the work of Danesi (2019) enumerated examples of popular culture throughout history. The list included Shakespeare plays, opera, newspapers, jazz music, films, television westerns, rock music, hip hop, mp3s, and memes. Examining the inventory more deeply, one finds that some of the examples may have been considered popular culture when they were produced, but are now considered high culture. For example, Shakespearean plays were created for mass audiences in the 16<sup>th</sup> century, but today, such performances are attended by wealthier and more highly educated spectators who can afford to attend performances in theaters.

What is considered high and popular culture can also vary depending on local tastes and preferences. At present, Shakespeare plays may predominantly be considered high culture, but when they are transformed into accessible local adaptations, they can better embody widely shared meanings in society, to use the definition of Kidd (2017).

Contemporary popular culture is characterized by two interconnected trends. First is the increasing significance of the internet for transmitting content. This is evidenced by the popularity of streaming websites, such as Netflix or Disney+, social media platforms like Facebook, TikTok, or X (formerly Twitter), and online gaming (Danesi, 2019; Enverga, 2021).

The second characteristic of popular culture at present is that it is global in nature. The impact of this is twofold. On the one hand, producers of cultural products now aspire to reach consumers throughout the world. On the other, consumers have access to products from anywhere. One case in point for this is BTS' Love Yourself tour, which had sold out concerts in Asia, Latin America, Europe, and North America. In addition, even if the boyband is from South

Korea, and their songs are mainly in their native language, they have fans from all over the world who listen to their music, buy their merchandise, and consume their social media content. Thus, popular culture has been impacted by globalizing forces, which will be elaborated more deeply in the succeeding section.

### *Globalization*

Globalization is a complex and multifaceted phenomenon, and it is beyond the scope of this chapter to examine the entirety of its associated literature. In general, scholarly work on the topic has examined the nature and dynamics of an increasingly interconnected world (c.f. Appadurai, 1996; Beck, 1992; Giddens, 1990; Harvey, 1989; Lash and Urry, 1994; Mbembe, 2001). Popular culture is one domain of social reality that has been impacted by globalization, with cultural products being quickly exchanged throughout the world. This is exemplified in the spread of fast fashion brands and fast food restaurants among countries, but it is even more obvious when one considers the rapidity with which media products are transmitted online.

Appadurai's (1996) concepts of "scapes" or "flows" are particularly useful for understanding the dynamics of popular culture in a globalized context. His framework proposes that there are five "scapes" that are constantly moving around, allowing cultures to influence one another. These are: ethnoscapescapes (movement of people); technoscapes (transference of technology); financescapes (rapid exchanges of money); ideoscapes (symbols, narratives, and ideas); and mediascapes (the global spread of media products). Although the last is very clearly connected to popular culture, the others also contribute. The case described earlier about the German fans who wanted to watch the BTS concert in France exemplify all five of Appadurai's (1996) scapes to some degree.

The relative ease with which popular culture can be spread around the world has reconfigured expectations among producers who now compete for global attention. Today, it is difficult to think of a popular culture product that is "local", only created to be enjoyed by a small geographically bounded community. Instead, music producers, film studios, and fashion companies envision their markets as being global. Their success is based on revenue generated from around the world, not from a single municipality or country (c.f. During, 1997).

Apart from becoming a vehicle for the movement of goods, people, capital, and ideas, globalization has also engendered the conditions for the blurring of the boundaries between "local" and "foreign". This is exemplified in concepts, such as hybridization, transculturalism, globalized localism, and localized globalism. Taken together, these ideas advance the argument that contemporary popular culture is neither simply "local" or "foreign". Their production and consumption has elements of both.

Hybridization refers to instances where different cultural influences mix with one another (c.f. Pieterse, 2013). One example of a hybridized product in popular culture is "Frozen", a Disney film that featured an American cast, but was based on the Danish tale of *The Snow Queen*

(Snedronningen). Hybridity is also manifested in the spread of fusion restaurants that feature dishes from different cuisines (Herminingrum, 2019). The increasing frequency of intercultural encounters stimulated by globalization has allowed for more opportunities for hybridization.

Transculturalism, for its part, is underpinned by the assumption that cultures today are increasingly interconnected due to global flows. This has resulted in the weakening of notions of “foreign” and “local”, since most cultural products no longer just one or the other. Japanese video games and animated programs (*anime*) are transcultural in nature. Viewers watching the *Pokémon* series or players controlling Super Mario are engaging with products that are both Japanese and not. They are neither “local” or “foreign” products. The transcultural nature of these products is captured in the ideas of “cultural odorlessness”, de-nationalism, and *mukokuseki* (Annett, 2014; Clements, 2013; Iwabuchi, 2002). Both concepts refer to the invisibility of Japanese influences in products created in the country. If one were unaware of Pokémon or Super Mario’s origins, it would be difficult to guess based solely on the design of the products alone. The transcultural nature of Japanese products makes them suitable to a globalized world in which there are constant interfaces among different cultures.

Corollary to transculturalism is De Sousa Santos’ (2006) framework for understanding the blurred boundaries between the local and the global. He describes cultural flows as belonging to either of the following categories. The first are “globalized localisms”, which refer to practices, products, or beliefs that originate from a particular locality, and are transmitted globally. The second are “localized globalisms”, which emphasize how ideas and products that are distributed around the world are integrated into local contexts. *Karaoke*, a form of entertainment in which people sing into a microphone with prerecorded background music, exemplifies the dynamics of De Sousa Santos’ framework. Originally a *local* Japanese invention, *karaoke* has become ubiquitous throughout the world, making it a globalized localism. However, even if the activity and its associated equipment have spread globally, the meanings that are attached to it are local. For example, whereas *karaoke* has become a vehicle of artistic and cultural expression in different European countries, it has become associated with prostitution in Southeast Asia (Zhou and Tarroco, 2007). Thus, as a “globalized localism”, *karaoke*’s connotations vary depending on the place in which the cultural product is adopted.

### *Europe, Globalization, and Popular Culture*

Europe, and the states within it, are consumers of localized globalisms and producers of globalized localisms. Previous sections have already provided some examples of foreign cultural products that have penetrated European markets, such as K-Pop, *karaoke*. However, there exist a multitude of other examples. These include, films, music, television programs, video games, sports, technology, food, and fashion. The space limitations of this chapter prevent a thorough discussion of them all, but it is noteworthy that the distribution of such products within the

European Economic Area (EEA)<sup>38</sup> are inevitably facilitated or limited by EU regulations. On the one hand, the regional common market and its borderless nature (c.f. Connor, 2019; Grabbe, 2000) allows for the rapid distribution of popular culture from abroad. On the other hand, if such products contravene European regulations, the companies that manufacture them are forced to alter their merchandise to comply. If not, their products cannot legally enter the common market.

This regulatory power was exemplified in the EU's ability to compel Apple, one of the world's largest technology companies, to make their products compatible with the standard USB-C charger to be used in the common market (Sparkes, 2021; Vallance and Kleinman, 2023). More examples of the interfaces between popular culture products and EU regulations will be provided in a later section. However, the case of Apple's USB-C charger indicates the EU's regulatory power over products entering its jurisdiction.

Apart from being a receiver of globalized localisms, European states also contribute to the landscape of popular culture in the world. Noteworthy exports include textiles and fashion, which are distributed by prominent brands that include Louis Vuitton, Armani, and Zara (c.f. Djelic and Ainamo, 1999; Dunford et al., 2013; Orcao and Perez, 2014). Another prominent globalized localism that originated in Europe is association football, the world's most popular sport (c.f. Giulianotti and Robertson, 2004, 2007; Martin, 2005). Having its origins in England, some of the world's most popular clubs are in Europe, including Spanish teams like Real Madrid and F.C. Barcelona, Bayern Munich from Germany, Italy's Juventus, the French team Paris Saint-Germain, and English clubs like Manchester United, Chelsea, and Liverpool. A third example of globalized localisms from Europe are its cuisines, and the ingredients associated with them. Popular versions of French, Italian, German, and Greek dishes can be found globally (c.f. DeSoucey, 2010; Inglis, 2011; Lane, 2011), while specialized foodstuffs, such as *prosciutto di Parma*, feta cheese, Bordeaux wine, and Munich beer are provided with specialized geographic indicators and exported throughout the world (c.f. Curzi and Huysmans, 2021; Raimondi et al., 2019).

## Theories of Popular Culture Production and Consumption

Having provided an overview of globalization and popular culture as they relate to Europe, this chapter shifts its focus to the description of theories that explain the consumption and production of cultural products. The following two subsections discuss the unpredictable nature of popularity and how popular culture producers respond to that instability.

### *Consumption*

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<sup>38</sup> The European Economic Area refers to a group of 30 countries that benefit from, and are governed by, European common market regulations. These include the 27 EU member states (in 2024 when this chapter was written), alongside Iceland, Liechtenstein, and Norway.



Of particular significance to the study of popular culture is the examination of the dynamics of popularity. Scholars have provided several responses to the question: What makes popular culture popular? Their explanations can be divided into two categories: (1) endogenous and (2) exogenous. The former explain the popularity of cultural products in terms of characteristics that are inherent in them. The latter advance the argument that regardless of a product's inherent characteristics, their widespread acceptance is achieved through a random chance, the dynamics of social networks, or a combination of the two. Each of the two categories are discussed below.

### Endogenous Factors

When asked to explain the popularity of a film, series, music artist, or product, people's responses usually refer to factors inherent in the product. For example, a film has vivid visuals, a song has a catchy melody, or Apple products are user friendly. Others would mention a company's associations. For example, the Marvel Cinematic Universe is produced by Disney, which has a reputation for producing imaginative films. Yet another way to explain a product's popularity is to say that critics have rated it highly, or that it has won awards. All of the explanations given refer to endogenous factors. They explain popularity by highlighting an aspect that is inherent in the product itself. Each of the examples provided above refer to one of the three endogenous factors that will be discussed in this subsection. These are: (1) aesthetic value; (2) brand association; and (3) cultural consecration.

For the purposes of this chapter, aesthetics is not about a philosophy of art or beauty (c.f. Kant, 1914). Instead, it is broadly understood as appealing to the senses (Postrel, 2003). The work of Danielsen (2006), for example, discussed how musical compositions that are recognized as excellent sound appealing to listeners. Similarly, films, video games, or cafes have vibrant visual elements. Certain types of food provide olfactory pleasure and are enjoyable to eat. Mobile phones or designer apparel can feel good to the touch. The aesthetic value that cultural products possess can partly explain why consumers patronize specific brands, artists, or publishers. However, it will be emphasized later that aesthetic value alone cannot explain why products become more popular than others.

Brand associations are another factor that contribute to the popularity of a cultural product. Music, food, toys, video games, and television series are all examples of "experience goods" (Liebeskind and Rumelt, 1989; Nelson, 1970). The concept describes products whose quality cannot be determined before it is purchased. Brand associations are one approximation that consumers can use to determine how good a product is, before they are able to try it. For example, when an animation studio like Pixar creates a film, audiences can look to their previous releases, such as *Toy Story*, *Up*, *Inside Out*, or *The Incredibles*, and they will have an indication of the animation style used, as well as the kinds of stories are told. Apart from corporate reputations, country associations also contribute to popularity. The work of Simeon (2006) found that respondents to a survey were more likely to have positive associations with brands that come from countries that they view favorably. Finally, advertising can help to reinforce brand associations. Ramšak's (2022) work highlighted how alcoholic beverages

cultivate connections with celebrities, sports, or music to augment or maintain their popularity among consumers.

A third factor that can contribute to popularity is cultural consecration, which refers to instances when recognized authorities label, or *consecrate*, products as being particularly excellent or worthy of attention (Childress et al., 2017). This phenomenon is exemplified in critics' awards for films (Allen and Lincoln, 2004), elections to sporting Halls of Fame (Allen and Parsons, (2006), classifications of novels into bestseller lists (Verboord, 2011), categorizing wines as worthy of gold or silver medals (Allen and Germov, 2010), or Rolling Stone magazine's enumeration of the greatest albums of all time (Schmutz, 2005).

Although there are numerous studies that apply the concept, there are two criticisms that can be raised against the literature on cultural consecration. First, the consecrators' roles as recognized authorities need to be critically examined. What is it that they possess that gives them such power? Is it their education, or an esoteric ability to perceive the positive or negative traits of a product? This is unclear. A second weakness of the cultural consecration literature is that there is an absence of studies that examine the impact of consecration on popularity. It is beyond the scope of this chapter to engage with these criticisms further. Nevertheless, it is theoretically possible that critics' abilities to endow prestige or attention onto cultural products can impact success in the market.

The three endogenous factors discussed in this subsection are inherent in cultural products themselves. Music, films, fashion, gadgets, or food can become popular because they have appealing aesthetics, possess strong associations with positively viewed celebrities or brands, and have been consecrated as worthy of recognition or attention by legitimate authorities. Each of the three factors appear to contribute to popularity in some way, and they are usually referenced when people explain why they like a particular artist, film, or video game. However, endogenous factors only explain certain examples of market success. aesthetics, associations, and consecration cannot explain the popularity of cultural products that are poorly made, have no positive associations, and have not been recognized by critics or judges. Many internet memes exemplify the lack of endogenous characteristics, and yet they are undeniably popular. Their widespread recognition will be explored in the succeeding section.

### Exogenous Factors

The development of exogenous explanations of popularity stemmed from two observations. First was the realization that there were cultural products that had widespread appeal, but were not particularly strong in terms of aesthetics, association, or consecration. To use a more concrete example, endogenous factors could not explain why there were untalented singers, one hit wonders, or nonsensical songs that achieved first place in musical ranking charts. A second impetus for theorizing in terms of exogenous factors was the discovery that the statistics of popularity tended to follow a very predictable pattern, known mathematically as a power law distribution, sometimes referred to as a "superstar distribution" (Spierdijk and Voorneveld, 2009). When graphed, popularity tended to appear as follows:

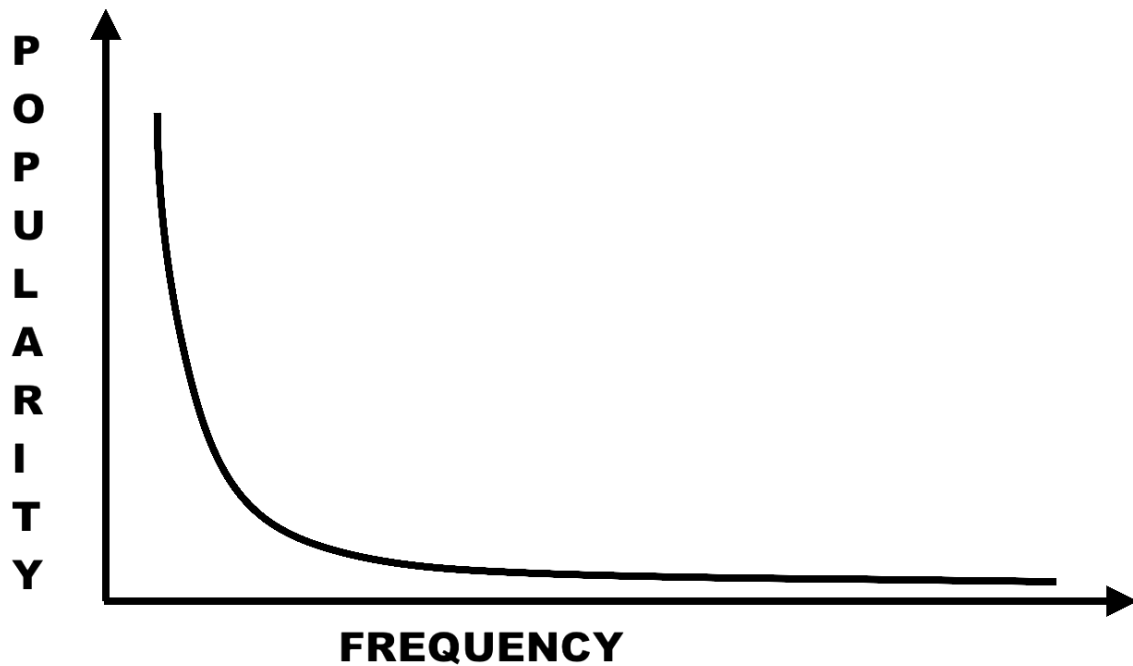


Figure 1 A graph of a "superstar distribution"

In the figure above, the x-axis represents the number of cases (frequency), while the y-axis depicts popularity. The image implies that there are a small number of cases who have vast amounts of popularity, while the vast majority have little or no popularity. When applied to music artists, the model makes more sense. The reality is that there are a small number of singers and bands with vast amounts of popularity, and consequently, financial success. The vast majority of musicians are unpopular. The graph below depicts the top ten best-selling albums in 2021.

# Best-selling music albums worldwide in 2021

(in millions)

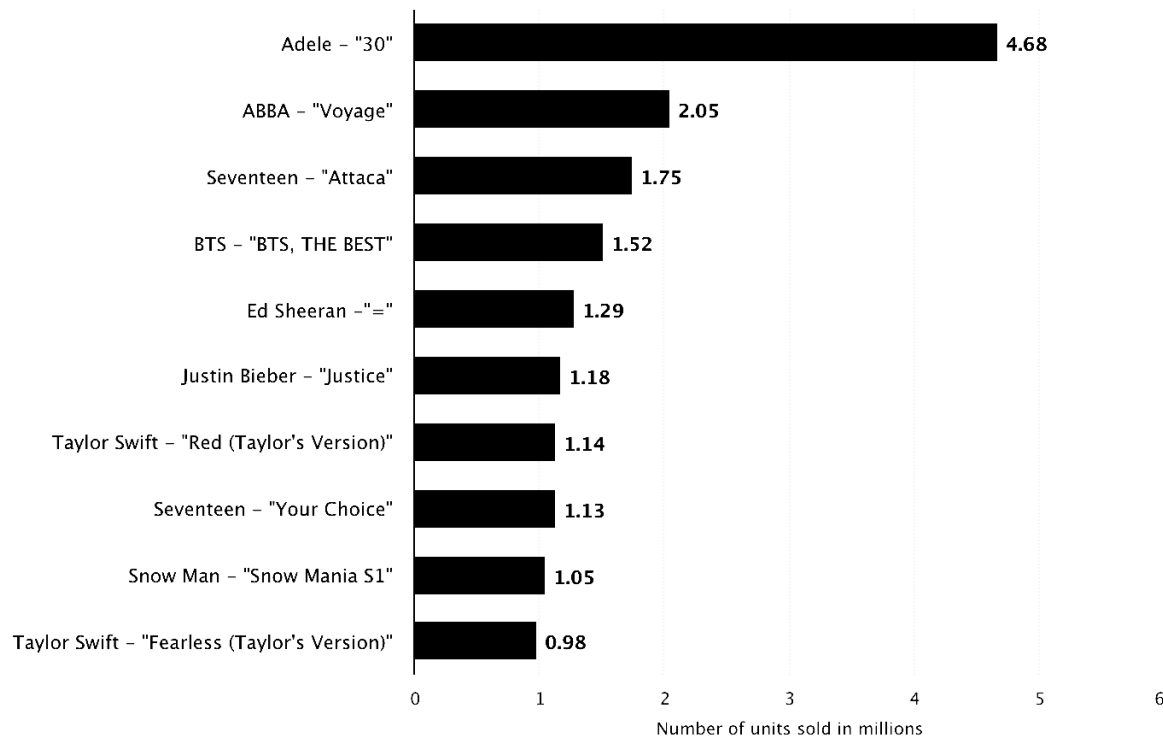


Figure 2 Top 10 Best-Selling Albums of 2021 (Statista, 2022)

Examining the graph above, the shape of the superstar distribution is apparent, with Adele's "30" vastly outperforming the album in second place, ABBA's "Voyage". If the graph included all of the albums produced in 2021, the difference would be even more severe, since it would include amateur albums that sold less than ten copies, or recordings that did not sell at all.

Although the graph above depicts popularity in terms of music in 2021, the same curve can be found if one were to visualize data on the most popular video games, books, or sports stars. As long as one is examining data on popularity, it is very likely to appear as a superstar distribution.

There are two theories that scholars have produced to account for both the superstar distribution, and the widespread appeal of products that lack aesthetic value, strong associations, and consecration. These are: (1) informational cascades; and (2) network externalities. Both of them explain popularity in terms of factors outside the products themselves. They emphasize the exogenous.

Informational cascades were first described in the work of Bikchandani et al. (1992), and can be likened to bandwagoning. As the authors described, it occurs when an individual follows the

behavior of those who preceded them, without regard to their own information. Put another way, purchasers consume products that are already popular, thereby adding on to existing popularity. Many markets are structured in this manner, with bookstores having shelves dedicated to “bestsellers” or restaurant menus emphasizing what is “most ordered”. Without prior experience of the product, a customer would purchase whatever is most popular.

The works of Salganik et al. (2006) and Salganik and Watts (2009) provided experimental data to support the theory of informational cascades. The team did this by inviting individuals to visit a website that showed them a list of unknown songs, ranked by their download count, and asking them to download one song. Multiple versions of the website were created, each with a different ranking of songs. In general, their results showed that visitors to the sites would tend to download whatever was listed as most popular, thereby contributing to that song’s popularity even more. When graphed, the resulting image resembled a superstar distribution.

Thus, the dynamics of informational cascades can explain how power law curves develop. They also indicate that popularity begets more popularity, following the dynamics of “cumulative advantage” (c.f. DiPrete and Eirich, 2006; Rigney, 2010). This implies that a key to success for cultural producers is to implement measures to make themselves prominent. Endogenous factors do not matter that much. The key is to gain popularity at the outset, so that it can be multiplied further.

Another explanation that is used by scholars to explain the superstar distribution are network externalities (Katz and Shapiro, 1985). The theory underpinning this perspective is that cultural products become increasingly desirable as more people consume them. The authors use the example of the telephone to illustrate their point. It is useless to the first person who uses it. However, its value increases as more and more individuals obtain a unit, since users have more people to call.

Similarly, cultural products gain value as they become more popular, since they come to be referenced in everyday conversations or become a shared activity among groups of friends or families. For example, when recalling how they started playing a video game, watching a series, or listening to a type of music, many would remark that they were introduced to the product by a friend or a relative. The work of Lin and Lu (2011) found that individuals are more motivated to join social networking sites when their peers also have accounts therein. Network externalities have also been found to influence the ownership of wearable devices, such as smartwatches (Wu et al., 2016).

As with informational cascades, network externalities create a cumulative advantage, multiplying the popularity of products that are already popular. Although scholars have not graphed the effects of network externalities, it is conceivable that they would likewise result in a superstar distribution. Both informational cascades and network externalities are also similar in that they explain popularity by emphasizing factors outside of the cultural products themselves. They focus on exogenous forces.

This subsection surveyed the existing literature on the consumption of popular culture. It presented two categories of explanations about why products are popular: the endogenous and exogenous. The subsection explained the significance of aesthetic value, associations, and consecration, but also argued that they could not account for the widespread appeal of all cultural products. As such, the section presented exogenous explanations, such as informational cascades and network externalities. These approaches were useful for understanding how products could become popular even if their endogenous characteristics were weak. They also explained how graphical representations of popularity tended to appear as superstar distributions.

### *Theories of Production*

There is an extensive academic literature on cultural production (c.f. Bourdieu, 1983; Horkheimer and Adorno, 2002). However, this chapter focuses on the application of the “Production of Culture” (POC) approach that was advanced in the work of Peterson and Anand (2004). The distinctive feature of the framework is its focus on the nature and dynamics of cultural producers as organizations operating within a market economy. By contrast, other approaches have emphasized the social conflict elements inherent in the creation of cultural products.

One of the key works in the POC perspective is Peterson and Berger (1975), which explained the rise of rock music in the United States after World War II. The approach taken by the author eschewed references to the cultural *zeitgeist*, and focused instead on factors such as market, organizational structure, and technology. For example, the article discussed how between 1948 and 1955, there was an oligopoly of five firms that controlled the production and distribution of music in the United States. Secure in their control of the market, they did not make innovations to the type of music they released. Before the arrival of rock in the 1950s, twentieth century, American music was dominated by a genre called “Tin Pan Alley”, which has its roots in ragtime and vaudevillian music (Shepherd, 2016).

The decline of the oligopoly resulted from a combination of technological innovations, such as the development of the television and the mass production of radio sets. The arrival of television led to the migration of comedies and dramas from audio to video formats. This created large openings in radio stations’ programming schedules that needed to be filled by more music than the oligopoly was producing. As such, radio executives began to include music from smaller studios that specialized in rock music, rather than Tin Pan Alley. The mass production of radio sets, for their part, allowed families to have several radios in one household, when hitherto, there was only one. Consequently, young people could choose to listen to music that was distinct from their parents, and rock was one genre that drew their attention.

Other factors were also discussed in Peterson and Berger’s (1975) work, and readers are encouraged to go through his publication to gain a better appreciation of the nuances of his argument. However, one impact that the article had within academic circles was that it

established a precedent for analyzing cultural products in terms of the organizational, technological, economic, and legal contexts in which they are produced. This came to be known as the Production of Culture approach. In their article summarizing the framework, Peterson and Anand (2004) enumerated six facets that should be considered when trying to understand a cultural product. These are: technology, law and regulation, industry structure, organizational structure, careers, and market. Each of the six are briefly discussed in the following subsections.

### Technology

Technological innovations impact the kinds of products that cultural producers create, and shape the ways that they compete within a market economy. A classic example of this is the development of the printing press, which democratized knowledge among increasingly literate European publics (Eisenstein, 1979). In terms of music, the development of microphones enabled soft voiced singers, such as Bing Crosby and Frank Sinatra, to displace operatic singers with powerful voices (Lockheart, 2003). The digitalization of music (Peterson and Ryan, 2003) allowed for the widespread distribution of music online. However, it also diminished the value of record sales in favor of royalties from music streaming. At present, live concerts have become a more important source of profits for artists and music studios than record labels (Schultz, 2009).

### Law and Regulation

Law and regulation are rules that cultural producers need to comply with in the pursuit of profits and popularity. Some of these may be advantageous, as was the case when copyright laws were implemented to protect the intellectual property of authors (Griswold, 1981). Disney has likewise benefited from this regime, with the result that unauthorized entities are unable to use its characters (Edwards et al., 2015; Jagorda, 1999). Regulatory mechanisms can also work against the designs of cultural producers, as evidenced by the EU's claim that Google broke its anti-competition rules by engaging in activities that could be construed as monopolistic (Geradin and Katsifis, 2020).

### Industry Structure

The facet of industry structure pertains to the manner by which cultural producers in a similar field are arranged. Peterson and Anand (2004) enumerate three configurations that they can take. These are: (1) many small competing firms producing a diversity of products; (2) a few large oligarchic firms; and (3) a combination of large firms that service large consumer bases and small firms that create innovative products that cater to niche markets. The industry structure impacts the kind of products that are released to the public. As the work of Peterson and Berger (1975) explained, new genres of music were unable to compete when the industry structure consisted of a small oligarchy. However, as the market became more diverse due to technological developments, the industry structure changed to include more record labels.

### Organizational Structures

Organizational structure refers to the way that cultural producers configure themselves. Peterson and Anand (2004) identified three types of organizational structure that are typical among producers of popular culture. These are: (1) the bureaucratic form, which has clearly

defined tasks for each office, and is organized in a hierarchical manner; (2) the entrepreneurial form, which does not have clearly defined tasks or a multi-tiered authority structure; and (3) a hybrid form that is flexible, but maintains simultaneously centralized control. Large organizations are better suited to the distribution of cultural products that have regular routines and necessitate large distribution (Coser et al., 1982). Small organizations, for their part, are better able to adapt to trends, and face fewer constraints towards innovation. When viewed in terms of the superstar distribution, it is the bigger organizations that are better able to absorb the risk that is inherent in popular culture. Having a few failed products will not bankrupt a large company as quickly as it would a small one.

### Careers

Occupational careers broadly refer to a person's work experience over time. Associated with this concept are expectations about the quantity and quality of a cultural creator's products. Galenson (2019) proposed a typology that divided artistic producers into two types. First, there are the conceptual innovators, who execute one original idea decisively. Second, there are experimentalists who develop their skills gradually, through trial and error. The first category tend to peak early in their careers, and do not grow dramatically beyond their initial performance. The latter, appear unoriginal early on, and produce their best work later in their careers (Simonton, 2007). Galenson and Pope (2013) compared the naturalist Charles Darwin with Albert Einstein, the physicist. They categorized the former as an experimentalist and the latter as a conceptualist.

This same distinction can be applied to cultural producers. There are conceptualist and experimentalist singers, directors, artists, and writers. While individuals may tend towards one category or another, their success often depends on the expectations of their industry. For example, the work of Chisholm (1993) discussed how Hollywood studios used to develop actors in an experimentalist way, allowing them to learn and develop over time. At present, however, the system has become more individualist, with actors being compelled to audition for parts. Their suitability is evaluated instantaneously, necessitating that their performance be perfect at that moment. As such, one can argue that present day Hollywood is much less sympathetic towards experimentalists than in the past. Although the example used here is about actors, different domains of cultural production have their own respective preferences for conceptual and experimental innovation.

### Market

Since cultural producers rely on consumers to patronize their products, their activities are shaped by the demands of the market. Hotelling (1929) discussed that markets could be configured in different ways. Theoretically, they can envision a singular unit, with all consumers wanting exactly the same product. In that case, all producers compete for a segment of the homogeneous market. In reality, however, markets are dynamic, and can be segmented into numerous parts, representing the preferences of different types of consumers. In that scenario, cultural producers have to adjust their strategies and products. For example, they can choose to be the sole provider for a small specialized niche in the market, or they can compete against other producers for a larger piece of the market. The work of Askin and Mauskopf



(2017) discussed how these dynamics are exemplified in popular music. Their study examined the performance of 27,000 songs in music rankings. They found that artists who created songs that were distinctive in some way appealed to more niche parts of the market, leading to better performance in the charts.

The POC perspective has been influential in sociological studies of cultural products. However, it is argued here that the framework is also useful in understanding the relationship between the EU and popular culture. As a policymaking and regulatory bureaucracy, it has competencies over law and regulation, industry structure, market, and careers. These will be illustrated more concretely in the subsequent section, which presents case studies that exemplify how EU policies and regulations impact the production or consumption of cultural products within the common market.

### **Case Studies Examining the Relationship of EU Policies and Regulations on Forms of Popular Culture**

This section of the chapter describes examples in which the EU's regulations have impacted products from popular culture. There are many more cases that could be chosen than the three that follow. However, the goal of this section is to demonstrate how concepts from the study of popular culture can be used to analyze the EU's influence on the consumption or distribution of cultural products.

The three examples that follow were selected because each clearly exemplifies how EU regulations interface with products of globalized popular culture in different ways. Together, they illustrate the broad scope of the EU's regulatory influence, from the protection of culinary heritage to the mobility of professional athletes and the governance of digital content online. By analyzing these distinct cases, this section demonstrates how seemingly technical regulations can shape the cultural experiences and practices of people both within and beyond Europe.

#### *Example 1: Geographical Indicators and the Globalization of European Cuisines*

A geographical indication (GI) can be broadly understood as a label that designates that products originate from a particular geographic location. GIs are protected by international copyright law, and ensure that products can only be labelled as such if they are produced in a particular place. Examples include Münchener Bier (beer from Munich, Germany), Prosciutto di Parma (a ham from Parma, Italy), and Bordeaux Wine (from Bordeaux, France). These sorts of food products are exported throughout the world, and are used in the preparation of German, Italian, or French dishes. More importantly, GIs ensure that products labelled as Prosciutto di Parma only come from the environs of one Italian city. Other places can manufacture prosciutto, but they cannot associate it with Parma.

The EU has two categories of geographical indications. The first is called the PDO label, which stands for "Protected Designation of Origin" (European Commission, 2023). These refer to food,

beverages, and other agricultural products that have very strong links to the place where they are made. For example, the label of Kalamata Olive Oil can only be applied to products that use olives from the Kalamata region in Greece. The second type of GI is the PGI, or “Protected Geographical Indication”. This label emphasizes the relationship between a product and a geographic region. In so doing, the product is associated with the quality, reputation, or other characteristic of the place. One example is Westfälischer Knochenschinken ham, which is produced in Westphalia using traditional methods. The meat may come from animals outside of the region, but their preparation follows procedures that have long been used in Westphalia. The difference between PDOs and PGIs lies in how much of the raw materials for a product have to be indigenous to the area it is associated with.

By implementing a GI regime, the EU is able to support the agricultural products of specific locations, since the labelling mechanisms guarantee a virtual oligopoly for food producers in the region (Joose et al., 2021). If no other companies are able to call their red wines “Bordeaux”, the vineyards of the French region gain a distinctive advantage in the market. The work of Aprile et al., (2012) found that having a GI label on a product raises demand, and consequently prices, for it. Given its economic significance, the EU works hard to have its GI labels protected throughout the world. During trade negotiations (Huysmans, 2020), the European bloc argues for stipulations that its labels be respected by their interlocutor. Consequently, geographical indicators are one way that EU regulations influence a form of popular culture around the world. European cuisine is a globalized localism (c.f. De Sousa Santos, 2006), and to produce it legitimately, restaurants and chefs will need products that have specific labels under the system of geographical indications.

### *Example 2: Freedom of Movement and Professional Footballers*

The right to free movement and residence is one of the essential freedoms guaranteed by the European Union (European Commission, 2023). It is codified in two of the regional bloc’s most important documents: (1) the Treaty of the Functioning of the European Union (previously called the Treaty of Rome); and (2) the EU Charter of Fundamental Rights. In practice, this gives all citizens of member states the ability to live in another EU country for three months without any requirements other than valid identification. Beyond that, other conditions may be required. The regional bloc’s legal framework also allows citizens to gain permanent residence in a country after legally living there continuously for five years. This is beneficial for workers because they are able to practice their professions anywhere in the Union.

Being a fundamental right, freedom of movement cannot be obstructed without good reason. However, prior to 1995, professional footballers were a class of people who could not easily move and find employment. During that time, they were constrained by rules set by the Union of European Football Associations (UEFA) that necessitated the payment of transfer fees if a player wanted to move to a team in another country (Briggs, 2005; Martins, 2007). Put another way, if a footballer was no longer under contract with their club, and had already negotiated a contract with a foreign team, they could not change affiliations until their transfer fees were

paid. However, if the new team was unwilling to pay the transfer fees, the footballer's career would be stalled.

The circumstances above befell Jean-Marc Bosman, a football player whose contract with RFC Liège, a Belgian club, had ended in 1990 (Parrish and McArdle, 2006). Liège prevented him from moving to Dunkerque, a French team, insisting a transfer fee of £500,000 be paid up front. An agreement was not reached between the two clubs, resulting in Liège keeping Bosman. However, since he was no longer under contract, the footballers wages were reduced by 75%. Bosman challenged the UEFA regulations at the European Court of Justice on the grounds that they went against the EU right to freedom of movement. The Court ended up ruling in his favor, citing that transfer fees curtailed the rights of professional football players.

The Bosman ruling, as it is sometimes called, resulted in the removal of transfer fee payments among UEFA teams. At present, it is commonplace for professional footballers to change teams at the end of their contracts. With this liberalization of the market for players, clubs now compete for talented footballers by offering them higher salaries and more benefits than were previously given.

### *Example 3: The Copyright Directive and Meme Production*

On 15 April, 2019, the Council of the EU voted to adopt the Directive on Copyright in the Digital Single Market into law. Article 13 was the legislation's most controversial measure because it required social media companies to filter or remove copyrighted material being shared on their platforms (Sanchez, 2021). A great deal of opposition originated from content creators, such as YouTubers, who argued that the videos that they produced could be censored under the terms of the Directive.

More significantly for this chapter, Article 13 was colloquially referred to online as the "EU meme ban". Shifman (2014) describes memes as digital items that share "common characteristics of content, form, and/or stance; that were created with awareness of each other; and were circulated, imitated, and/or transformed via the Internet by many users" (pp. 7-8). Essentially, memes make use of popular images, videos, or sound in the production of humorous content. However, many of the media used are copyrighted in some way. Content creators feared that if Article 13 were implemented strictly, social media platforms would be compelled to take down or filter memes (Blair, 2019; Capelotti, 2020). As a protest to article 13, the following meme was shared online:

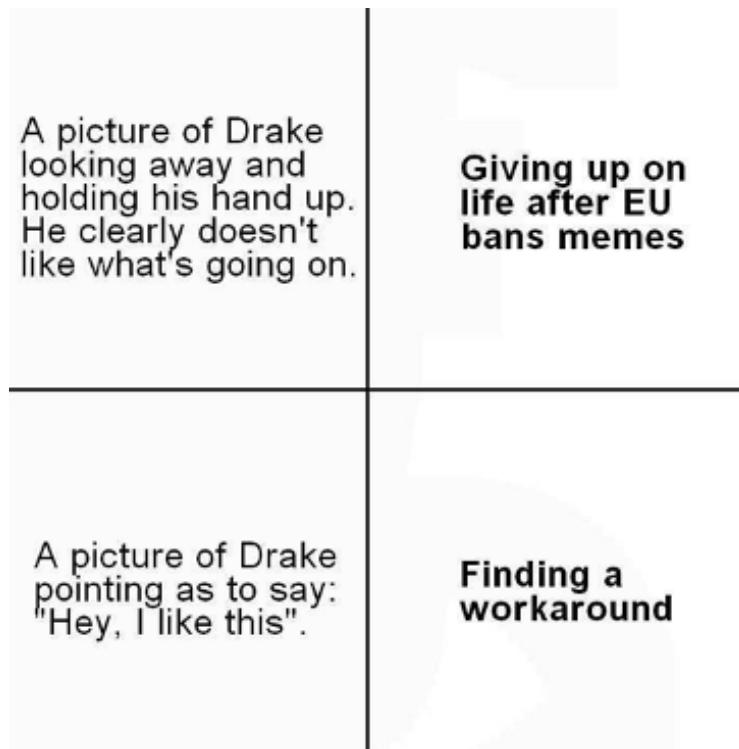


Figure 3 A satirical meme protesting Article 13 of the Copyright Directive (Enverga, 2019)

The meme template used above is a reference to the hotline bling meme, which features Drake, a popular singer. However, there are no images of Drake in Figure 3, because removing them is the “workaround” that the creator came up with to circumvent the EU’s supposed ban.

In response to the numerous criticisms against Article 13, the European Commission, the Union’s implementing agency, posted the following on social media to clarify the Directive’s actual impact on memes:



Figure 4 A Social Media Post Clarifying the Implementation of the Copyright Directive (Enverga, 2019)

As the transmission expressed, memes would be unaffected by Article 13. It explained that memes have been protected forms of speech for seventeen years, and the Directive would not change that fact. At present, memes continue to be produced about the European bloc, and they can even serve as a worthwhile topic of research (c.f. Enverga, 2019).

This case on memes indicates the powerful reputation that the EU has as a regulator. Directives are the strongest form of legislation that can be implemented in the Union, and the development of one on copyright law immediately raised alarm bells among online content creators. As with the previous two cases, the scenario described here exemplifies another way that EU regulatory power can impact the creation and dissemination of popular culture.

## Conclusion

This chapter has briefly examined the interfaces between the EU and the production and consumption of globalized popular culture. It began by surveying the scholarly literature on both popular culture and globalization, and examining the relationship between the two. This was followed by an exploration of theories pertaining to the consumption and production of popular culture. The subsections on these topics examined endogenous and exogenous explanations for popularity, as well as the relevance of the six facets of the POC approach. Finally, the chapter examined how the EU's policies and regulations shaped the preparation of European cuisines, the freedom of movement of professional footballers, and the propagation of memetic content online. The topics discussed in the chapter were intended to be of use to students in courses examining the interfaces between Europe, globalization, and popular culture. All three are dynamic, with new developments emerging constantly. As such, students are encouraged to continuously consider how they might apply the theories described here, and

how the EU's influence on the production and consumption of popular culture may evolve in the future.

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## Chapter 13: Concluding Reflections

Manuel R. Enverga III

This volume has examined the European Union's multifaceted presence in Southeast Asia through diverse thematic and disciplinary lenses. It has offered a detailed account of its actorness in a region that is increasingly important for global governance and international relations. The contributions have covered areas as varied as strategic autonomy explored by Salvador and Beronio, trade and digital agreements with the Philippines analysed by Cruz and Paderon, the Brussels Effect and regulatory power assessed by Enverga, competition law discussed by Robles, higher education cooperation examined by Tionloc and Mendoza, migration and human capital addressed by Jugo, Siva and Bautista, popular culture explored by Enverga, and the EU's role within multilateral fora such as the G20 presented by Cruz. Collectively, these chapters illustrate that the EU is not a passive or peripheral player in the region. It is an actor whose influence is exerted through multiple channels.

Several cross-cutting themes emerge from the contributions. First, the EU's engagement in Southeast Asia is strongly shaped by its identity as a normative and regulatory power. Its reliance on legal frameworks, regulatory standards and value-based diplomacy reinforces its presence even in policy areas where it lacks significant military leverage. This is evident in its trade negotiations with the Philippines, its influence over competition law and its broader approach to maritime and digital governance. Second, the EU's role is not uncontested or unidirectional. Southeast Asian actors, whether states or regional institutions such as ASEAN, are not mere recipients of European norms and policies. They engage selectively, adaptively and at times strategically with EU initiatives. This can be seen in higher education cooperation and in the negotiation of trade and investment frameworks. Third, the EU's actions in the region reveal a tension between its humanitarian aspirations and its regulatory or security priorities, particularly in migration and border management.

From a policy perspective, the findings of this book suggest that the EU's influence in Southeast Asia will continue to depend on its ability to combine regulatory leadership with genuine partnership. Policies that foreground shared interests, capacity-building and respect for local agency are more likely to yield sustainable outcomes than those perceived as unilateral impositions. The EU's commitment to multilateralism, as demonstrated in its Indo-Pacific strategy and its stance on freedom of navigation and overflight, positions it as a valuable partner in a region marked by major power rivalries and overlapping regional architectures. Yet, to remain relevant, the EU must also address perceptions of inconsistency between its stated values and its practices, particularly in the fields of migration and human rights.

Future research should continue to investigate the evolving nature of EU actorness in Asia, with particular attention to three dimensions. The first is the impact of new global economic and technological shifts, including digital trade and green transition policies, on relations between the EU and Southeast Asia. The second concerns the reception of EU policies at the societal level, including how regulatory and cultural flows are negotiated, resisted or appropriated in local contexts. The third involves the implications of changing geopolitical alignments, including

the roles of China, the United States and regional powers, for the EU's capacity to act as an autonomous global actor.

The chapters in this volume underline that the EU's global actorness in Asia is neither static nor predetermined. It is dynamic and consistently changing, shaped by internal debates within the EU, by the agency of Southeast Asian partners and by broader global transformations. Policymakers and researchers alike will need to remain adaptive and responsive to these future developments.

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