Report on the contribution of the
London School of Economics to the Challenge Project

September 2008

Karen E Smith, Reader in International Relations at the LSE and Leader of the LSE Challenge Team

The LSE is Challenge participant number 19 and contributes to Workpackage 2, Securitization beyond borders: exceptionalism inside the EU and impact on policing beyond borders.

During the course of the Challenge project, the LSE team has built upon the expertise of FORNET (a FP5-funded network on research and teaching on European foreign policy), which was administered by the LSE between 2002 and 2005. The main focus has been to understand and explain the extent to which concerns about illegal immigration, terrorism, and organised crime have been included in the EU’s relations with third countries, have affected those relations and have had an impact on the third countries themselves. This group of issues traditionally fell within the purview of the Justice and Home Affairs pillar, but as that pillar has increasingly evolved (and in fact is due to disappear entirely with the Lisbon Treaty, merged into the European Community pillar) it may be more useful to consider JHA to be a ‘policy universe’ rather than just a pillar – comprising issues that are dealt with at the EU level under a variety of different institutional set-ups (first pillar, second pillar, and remnants of the third pillar) – and across all of them. Those issues can be summarised as immigration and asylum policy, and combating crime (including terrorism, drug-trafficking, currency forgery and so on). They have an ‘internal dimension’, involving cooperation, coordination and policy-making which principally relates to activity within the EU’s borders, and an ‘external dimension’, involving the incorporation of JHA issues in relations with countries outside the EU’s borders – though that ‘internal-external’ distinction might be blurry at times. What the EU labels formally as the ‘external dimension of JHA’ (pillar) is arguable a sub-set of the range of EU policies that deal with the same issues in the policy universe, but under different pillars (terrorism is a classic example of this). The LSE Challenge team has principally been concerned with the wider ‘external dimension’ of this policy universe, though the internal policy-making process – particularly in respect of policies that will have an impact on the world outside the EU – has been a secondary concern as well.

There has been quite useful collaboration across the workpackages on the broad field of the external dimension of EU activities in the JHA policy universe. The work of the LSE team correlates particularly well with the work of two other Challenge participants, the University of Cologne and the Institut Universtari d’Estudis Europeus at the Autonomous University of Barcelona, who are working in different workpackages (workpackage 12 and 5 respectively). All three institutions were active in the FORNET network, so Challenge has provided an opportunity to continue collaboration developed within that network. A workshop organised by all three participants was held in February 2008, and a final conference presenting the research findings will bring together these three participants, as well as other Challenge partners, at the LSE in April 2009.
To analyse the extent to which concerns about illegal immigration, terrorism, and organised crime have been included in the EU’s relations with third countries, have affected those relations and have had an impact on the third countries themselves, the LSE team prepared a series of working papers that address different aspects of the external dimensions of Justice and Home Affairs (JHA), the European Security and Defence Policy (ESDP), and Common Foreign and Security Policy (CFSP), and the linkages between them. Five PhD students have produced nine working papers. All of these working papers have been made available on the website of the LSE’s European Foreign Policy Unit (http://www.lse.ac.uk/Depts/intrel/EuroFPUnit.html), and have been cited in other publications and conference papers. Four of the working papers have already been published in peer-reviewed journals. Members of the team have also participated in numerous workshops, seminars and PhD schools within the framework of the Challenge project. Out of one workshop co-sponsored by the LSE Challenge team, a group of PhD students has proposed a special issue of a peer-reviewed journal, based on papers given at the workshop, which has been accepted by Journal of European Integration. A special issue of a journal may also come out of another workshop, sponsored by several of the Challenge partners including the LSE, in which LSE Challenge team members also participated. In sum, our participation in the Challenge project has been quite productive and fruitful. This report summarises the main findings of the working papers and contributions to workshops and seminars.

The LSE Challenge Working Paper Series

Three working papers have been written by William Vlcek, and all three of these have since been published in peer-reviewed journals. Vlcek has been focused in particular on analysing the vast implications of EU measures to combat ‘terrorist financing’. His first working paper, on ‘European measures to combat terrorist financing and the tension between liberty and security’, questions the efficacy of financial surveillance as a method to counter terrorism. He surveys the international initiatives that have been taken to interdict money laundering in the past twenty years, and argues that these measures have been the model for current attempts to combat terrorist financing. But applying these measures has spillover effects for the financial transactions of citizens and non-citizens alike. For example, financial institutions now have to report suspicious activity, and if their systems for doing so are found lacking, they can be subject to financial penalties. And he notes, ‘The surveillance of financial transactions as part of the effort to combat terrorist financing does not actually address the risk of terrorism itself. It does, however, significantly expand the capacity of the state to reproduce a “data double” for any of its residents’ (p. 20). He concludes, ‘The answer to the overarching question – does financial surveillance interdict the financing of terrorism – is quite simply, we don’t know….Freezing the accounts of known terrorists and terrorist organisations does not tackle the unknown accounts of supporters containing the moneys that will be used for the next to-be-determined attack’ (p. 22).

Vlcek’s second LSE Challenge working paper picks up the theme about the implications of measures to combat the financing of terrorism for citizens and non-citizens alike. In ‘The European Court of Justice and Acts to Combat the Financing of Terrorism by the European Community’, he analyses a recent case before the Court of First Instance. The case raises numerous interesting questions, not only because it involved an application by EU (Swedish) residents against the implementation by the EU of UN Security Council sanctions which froze the assets of Swedish residents accused (not convicted) of supporting terrorism. It also allowed the court to intervene on a question of foreign policy. The court effectively decided that the European Community can freeze the assets of individuals in connection with the fight against terrorism, and if this action is required by the UN Security Council, then it falls

---


outside the scope of judicial review. Therefore the residents affected by the sanctions have very limited recourse for rebuttal and restitution. As Vlcek argues, the case points to the need to consider further the human rights implications arising from the imposition of financial sanctions on EU residents.3

Vlcek’s third LSE Challenge working paper continued his investigation into the implications of measures to combat terrorist financing for EU citizens and non-citizens, this time migrants. In ‘Development v. Terrorism – migrant remittances or terrorist financing?’, he finds that the anti-terrorist-financing measures make it increasingly difficult for migrants (legal and illegal) who are working within the EU to then send part of their wages to their families in their home countries.4 Given that migrant remittances can be much more important for third countries than any development aid received, and have been acknowledged as such by third countries, then it is clear, as Vlcek concludes, that such measures ‘that hamper the desires of migrant labour to improve their lives and those of their families hamper both the economic advancement of these individuals any hope for the emerging democratisation of the developing world’ (p. 20).

In another working paper, Victor Bojkov directed his attention to the impact of Euro-Atlantic integration on the security sectors of a Central and East European state, Bulgaria, which entered the EU in January 2007. To join the EU and NATO, Bulgaria was pressed by both organisations to comply with conditions regarding security sector reform. Bojkov thus examines the extent to which Bulgaria responded with reforms. He finds that informal networks hindered reform with respect to the police and its services; such networks slowed the pace of reform and led only to partial implementation. As a result, Bojkov argues, the Bulgarian security sector has not yet developed ‘the necessary capacity to address existing and emerging threats’ (p. 3). The military was better able to respond, mostly due to its hierarchical structure, thus making it more immune to capture by decentralised networks seeking to hinder reform. Bojkov’s paper points to the importance of analysing the limits to reform that can be posed by domestic constituencies – even when the pressures for reform are as strong as they have been on Bulgaria.

Two working papers in the LSE Challenge series examine the extent to which, and how, organised crime has been incorporated into EU external policies, and with what effect. Sinikukka Saari looked at the implications of EU JHA policies for non-UK citizens in particular. In her working paper on ‘Balancing between inclusion and exclusion: the EU’s fight against irregular migration and human trafficking from Ukraine, Moldova and Russia’, she analyses and critiques the EU’s fight against ‘human trafficking’. Human trafficking occurs when a person enters a country – illegally or legally – assisted by a criminal network, which then forces that person into forced labour or prostitution. Saari argues that the EU policy risks being ineffective, because migration policies are tight (and therefore lead outsiders to have recourse to trafficking) and because there is very weak protection of the victims of human trafficking. This, she argues, is ‘unethical’ and strengthens ‘the impunity of traffickers. Both of these shortcomings of anti-trafficking policy are signs that the EU and its members states are in practice prioritising exclusionist, traditional sovereignty-based approach to new security threats despite the inclusionist formulations of its strategic documents’ (p. 19).

Felix Berenskoetter looked at the extent to which, and how, the issue of ‘organised crime’ has been incorporated within the EU’s foreign and security policy, and more specifically within the European Security and Defence Policy (ESDP). In ‘Under Construction: ESDP and the “Fight against Organised Crime”’, he discusses how the ESDP has developed and engaged this issue, looking in particular at the case of the EU’s police mission in Bosnia-Herzegovina. Not much scholarly attention has been paid to the ESDP and the fight against organised crime, so Berenskoetter’s paper fills quite a gap in the

literature. As he points out, organised crime did not initially appear to fall within the remit of ESDP, but through the development of the EU’s role in ‘civilian crisis management’, the EU has been increasingly involved in fighting organised crime through ESDP missions. This development is not without problems, and the case of the police mission in Bosnia-Herzegovina illustrates several of these: ‘the question that needs to be explored is whether with these initiatives the EU has succeeded in disseminating “its” threat image of organised crime into Bosnian society and politics by combining it with “local” concerns’ (p. 23). The answer to this question can only be no – threat as perceived by ordinary Bosnians is quite different from threat in the EU’s discourse. EU intervention is thus not perceived as addressing Bosnian needs. Berenskoetter’s working paper has also been published in a peer-reviewed journal.\(^5\)

Raphael Bossong has written three working papers for the LSE Challenge series. In addition, he presented a paper at a Challenge workshop in Barcelona, which has been submitted as part of a proposal for a special issue of \textit{European Foreign Affairs Review} (discussed in the next section). Much of his work has focused on internal decision-making and integration dynamics in the field of the external dimension of JHA. In his first working paper, on ‘The European Security Vanguard? Prüm, Heiligendamm and Flexible Integration Theory’, Bossong tries to understand cases of ‘vanguards’, such as the G6 group, which links the interior ministers of the six largest EU member states, and the Prüm Convention signatories. Drawing on the theory of ‘public goods’ he shows how these two groups exert different effects on non-members, and are, thus, blurring the boundaries of ‘internal’ and ‘external’ EU JHA policies. The club of Prüm signatories was bound to grow quickly, even beyond the boundaries of the EU.\(^6\) By contrast, the G6 remains an exclusive lobby group within the enlarged EU. Given the extent to which it appears to be influencing decision-making in the wider EU, Bossong argues that the G6 should be given much more critical attention by scholars and the wider public, even if it may be have to be accepted as a reflection of ‘power-political realities’.

In the second working paper, on ‘The Politics of Subterfuge and EU JHA Governance Capacity’, Bossong tries to understand why JHA has been described as one of the most dynamic policy areas within the EU, and yet continues to be characterised by frustrations and blockades. There are quite serious structural constraints on decision-making, posed, for example, by the use of unanimous voting, or problems of domestic implementation. Bossong analyses five options used by actors to try to get around these structural constraints: using less binding forms of decision-making (which lowers the costs of agreements); framing controversial policies in terms of negative, not positive, integration; promoting transnational governance networks of experts and officials; using flexible integration, which can lead to vanguards or directorates of member states; and using politically- or crisis-driven windows of opportunity. All of the options have been used, and none alone can be said to account for the dynamism of the JHA policy area. These ‘subterfuge’ strategies not only raise problems of democratic oversight, but also underline that JHA policy has fuzzy borders and is unevenly applied.

His third working paper, ‘The EU’s Mature Counterterrorism Policy – A Critical Historical and Functional Assessment’, provides an historical overview of the EU’s internal and external response to international terrorism since 9/11 and critically assesses the policy outcomes compared to objectives set out in the EU’s ‘Counterterrorism Strategy’. Bossong highlights the event-driven and path-dependent development of EU counterterrorism policy, which resulted in incoherent or deficient outcomes. Measures to ‘pursue’, and ‘protect’ against, terrorists have grown rapidly, but they are undercut by a lack of focus and use at the operational level. Capacities to ‘respond’ to international terrorism have grown but whether these will be relevant in a real crisis situation can be doubted. Most importantly,


\(^6\) This theoretical prediction has since been proven correct, as seen in a recent data sharing agreement between Germany and the US that is based on the provisions of the Treaty of Prüm.
however, Bossong argues that the EU remains unable to do more to ‘prevent’ terrorism – which will thus limit the effectiveness and output legitimacy of the EU’s counterterrorism policy.

Thus, the LSE Challenge working paper series presents a series of findings regarding the dynamics of policy-making on justice and home affairs issues within the EU, the impact of conditionality in this field on third countries, the effectiveness of the relevant EU foreign policies, and the impact – intended and unintended - that EU policies can have on third countries and non-EU citizens.

**LSE Challenge Team Contribution to Workshops**

In addition to the working papers, the LSE Challenge team has been actively involved in other Challenge activities, including PhD schools, conferences and workshops. LSE PhD students have presented papers at several of these, and some of these papers have been developed into the working papers, while others are in the process of being reviewed for publication in peer-reviewed journals or have been published already. Furthermore, they have presented papers developed within the Challenge project at workshops and conferences outside the Challenge context. The LSE Challenge team has thus disseminated its work beyond the Challenge network and the European Foreign Policy Unit website.


William Vlcek disseminated his work widely. He presented a paper based on his CHALLENGE working paper on European measures to combat terrorist financing, to the European foreign policy workshop at LSE on 20 June 2005 and at the Challenge conference at King’s College London in May 2006. In April 2006, he presented a paper entitled ‘Along-side global political economy-a rhizome of informal finance’, as part of the panel ‘Deleuzian Perspectives on International Political Theory’ at the Political Studies Association Annual Conference, University of Reading, UK, 4 - 6 April 2006. This paper emerged directly from research related to the Challenge project, and the conference panel was reprised to a full meeting room at the 2007 International Studies Association Annual Conference in Chicago. His paper on the European Court of Justice cases contesting financial sanctions was presented at the Challenge conference at King’s College London in May 2006 and then at the Annual Challenge Conference in June 2006 hosted by the Centre d’Etudes et de Recherches Internationales (CERI) in Paris. Vlcek also delivered a paper to the EUSA conference in Montreal, Canada, in May 2007, and another paper to the GARNET Conference on the EU in International Affairs, in Brussels, Belgium in April 2008, both of which were based on work that he did within the Challenge network. Finally, a paper first drafted prior to his participation in Challenge was revised for publication and incorporated research completed for the project. A published version of ‘A Leviathan Rejuvenated: Surveillance, Money Laundering, and the War on Terror’ is forthcoming in the *International Journal of Politics, Culture and Society*. A further result from the wide exposure of his work for the Challenge network was an invitation to contribute a chapter to the forthcoming book *Europe and Transnational Terrorism: Assessing Threats and Countermeasures* (Baden-Baden: Nomos).

Raphael Bossong presented his first and second working papers (on flexible integration and on the EU’s governance capacity in JHA) at the second and third Challenge PhD training schools, which were held in October 2006 and April 2007. He also gave additional presentations on his work for Challenge, such as on the G6 at a practitioner’s workshop in Warsaw in December 2007, or on the EU’s
counterterrorism policy at an EU-CONSENT conference on the intersection of internal and external security, held in Vienna in May 2008.

In May 2007, Sarah Wolff delivered a paper on ‘Border Management in the Mediterranean- Dilemmas of Conceptualizing JHA as a Foreign Policy Objective’, to the Challenge workshop in Budapest. This paper was subsequently published in the *Cambridge Review of International Affairs* (June 2008).

In particular, the LSE Challenge team has been involved in two recent workshops which deepen the themes developed in the various working papers published. In September 2007, a group of PhD students from LSE and elsewhere, organised a workshop on the ‘Justice and Home Affairs External Dimension’. The three organisers were Sarah Wolff (LSE), Nicole Wichmann (University of Lucerne), and Gregory Mounier (University of Reading). Funding for the workshop was provided principally by the LSE Challenge budget, but also by the EU-Consent network, another FP-6 funded programme. Eleven PhD students from across Europe presented papers to the workshop, and five experts, from the Challenge, EU-Consent, and NEWGOV networks (all FP-6 programmes) commented on them. Several of the papers from the workshop, along with a commentary by Karen E. Smith, have been accepted for publication as a special issue of *Journal of European Integration* in 2009. The three organisers of the workshop are the co-editors of the special issue.

As the three workshop organisers, Wolff, Wichmann and Mounier, noted in their report on the workshop (published in the Challenge newsletter no. 22, November 2007):

> Although the Justice and Home Affairs External Dimension (JHAE) has given rise to a growing number of policy documents in recent years, in academia the topic remains largely understudied. This lack of attention stems from the fact that it sits uneasily between two distinct research communities, on the one hand Justice and Home Affairs (JHA) and the other hand, European Foreign Policy (EFP). A further reason is the prevailing view that JHA is first and foremost an internal EU policy, which pursues internal policy objectives. Considering the political salience of the question, it is startling that EFP analysts have made little attempts to integrate the findings of the flourishing literature on JHA. This is all the more surprising given the fact that the EU’s internal security dimension now encompasses a number of issues, such as the fight against terrorism, border management, irregular migration and the fight against organized crime, that impinge directly upon the EU’s relations with third countries.

The papers that were presented at the workshop and that are to form part of the proposed special issue all aim to address this lack of attention. As Karen E. Smith notes in her introduction to the proposed special issue:

> The articles here thus contribute to the general academic debate about why and how the JHA policy universe has evolved, and what it does. Certain themes appear throughout many of the articles, including the challenges of ensuring internal coordination and coherence in policy-making – challenges which have not diminished with successive treaty changes; the limits to the export or transfer of EU norms and policies to third countries; and the dominant role played by the member states – who can easily bypass EU-level mechanisms in favour of their own policies. Incentives are difficult to offer, yet when they can be tied to policies of conditionality, the EU can influence other countries. EU policy may be quite narrow in scope vis-à-vis particular countries (such as Georgia) because wider concerns (such as relations with Russia) play a more important role. And yet even as it tries to export its own norms to neighbours and beyond, the EU proves extraordinarily susceptible to US influence. Such themes should be familiar to observers of EU policy-making in general, and especially to those researching EU
foreign policy-making. The cases discussed in the articles here provide further evidence of the extent to which the EU still struggles to engage in strategic, coherent and effective policy-making – and so should certainly be of interest to those scholars interested in other areas of the EU’s foreign relations.  

The second workshop in which the LSE Challenge team was heavily involved was a workshop in Barcelona, Spain, in February 2008. The workshop was co-sponsored by three Challenge partners, the LSE, the Institut Universtari d’Estudis Europeus at the Autonomous University of Barcelona, and the University of Cologne, with financial help also from the CIDOB foundation. The workshop was on ‘The External Dimension of the Intra-EU Security: The CFSP, ESDP and JHA in the ENP Area’ – a title which indicates the continuation and geographical extension of the LSE Challenge team’s work on these broad themes. Raphael Bossong (LSE) presented a paper to the workshop entitled, ‘What is Really Problematic about the “Externalisation” of EU JHA Policy? An Exploration of the Critical Debate, with Particular References to the EU’s Fight Against Terrorism’. In that paper, Bossong surveys the concepts and critical debate that has developed regarding the ‘externalisation’ of EU JHA policy. First, he highlights the need to distinguish more carefully between concepts such as ‘externalisation’ and ‘external governance’. He then raises four sets of problems in relation to the external dimension of JHA policy: it sharpens the exclusionary effects of external governance; second, it exports flawed policies that are biased towards repression; it undermines the EU’s role as a normative power; and it exacerbates existing problems of coherence and coordination in EU foreign policy.

**Conclusion**

In sum, the LSE Challenge team has actively tried to fill the gap in the academic literature regarding the external dimension of Justice and Home Affairs policies, approaching such issues also from a ‘foreign policy perspective’. In this way, it has tried to bridge the distance between those who study Justice and Home Affairs and those who focus principally on the EU’s foreign, security and defence policy. The work of LSE Challenge team members has illustrated the growing importance of JHA issues in the EU’s foreign relations, and illustrated the weaknesses and shortcomings – both ‘empirical’ and ‘normative’ – of those policies.

The research has demonstrated the existence of large gaps between political intentions and effects, and between the discourse of EU actors (which tends to be ‘inclusionary’, focused on diminishing the importance of EU boundaries, or ‘normative’, emphasising the EU’s export of stability or the rule of law), and outcomes. As Sinikukka Saari and William Vlcek illustrate particularly vividly, EU policies can have quite discriminatory effects for non-EU citizens and migrant workers, and as Felix Berenskoetter showed in the case of the EU police mission in Bosnia, the EU can end up ignoring local concerns about security in favour of its own concerns. Raphael Bossong’s work has shown how the EU is failing to reach its policy objectives in the fight against terrorism. Such rhetorical gaps, and gaps between intentions and effects, should be familiar to students of EU foreign policy as well. One only has to think of the gap between the EU’s rhetoric regarding the promotion of human rights in international relations, and its actual policies, which are highly inconsistent in that some human rights violations may be criticised while others are not, and member states can even circumvent or undermine EU measures taken in response to human rights violations.

Another important issue that appears in many of LSE Challenge papers is the relevance (or not) of a distinction between internal and external security policies. Often in the academic literature internal and external security are described as increasingly ‘merged’, and attempts to distinguish between what is internal and external as a fruitless endeavour. To some extent, the LSE Challenge working papers support this claim. Felix Berenskoetter depicts the extent to which EU concerns regarding its security.

---

7 Karen E. Smith, ‘The Justice and Home Affairs Policy Universe: Some Directions for Further Research’, introductory article submitted to *Journal of European Integration*. 
needs have ‘infiltrated’ the ESDP. William Vlcek also illustrates how external security policy as decided at the UN Security Council is then imported into internal policy. And Raphael Bossong’s work on terrorism deals with an issue that is often seen as the paradigmatic case of a merger between the internal and external. Yet the LSE Challenge working papers also illustrate the limits to this ‘merger’. Bossong in fact shows how coherence across the internal and external realms is by no means easy to achieve. Furthermore, there are persistent differences in the organisational logic of internal (EU) security actors and external security actors, as Victor Bokjov found in the case of the Bulgarian security sector. The policy universe of the external dimension of JHA may lead to overlaps between and across pillars and policies, but there is no seamless merger of internal and external security, either in terms of institutions or policies. Thus these working papers come to very similar conclusions to previous work on EU foreign policy. Achieving ‘coherence and consistency’ in foreign relations is no easy matter: it may not be so much a case of the first pillar contradicting outright the second pillar or the second pillar contradicting the third pillar, but certainly the different legal and political contexts of decision-making create potential and actual obstacles to consistent, coherent policy towards the outside world. Policy-making in the JHA policy universe is thus no different. The findings of the LSE working papers correlate closely with the findings of the Institut Universitari d’Estudis Europeus and the University of Cologne teams.8 Institutional issues, including problems of inconsistency and bureaucratic infighting, plague this policy area.

The work that the LSE Challenge team has produced should thus provide good grounds for further theoretical and empirical work on the external dimension of the JHA policy universe, and on the overlaps between JHA and foreign policy. There is much here for both analysts of JHA and of EU foreign policy to consider, and the beginnings of a merger of future academic work on JHA and EU foreign policy.

---