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As a result of an ill-advised military intervention by some European countries, Libya has been in a state of bloody civil war for many years. It is now achieving a modest degree of stability thanks to the military intervention of Russia and Turkey, which are backing opposite sides of an internal conflict; the two countries are not particularly friendly with the EU. And yet, Libya is a critical factor for the control of immigration flows into Europe and for the stability of the Sahel region. That same Turkey is also blackmailing the EU on immigration and threatening EU members Greece and Cyprus with territorial claims. The Russian foreign minister has publicly humiliated Josep Borrell, the EU High Representative, during a visit to Moscow and declared the EU “non reliable”. The former President of the United States, of all people, has addressed us Europeans in terms that are usually reserved for foes and not for friends and allies. The confrontation between China and the US is becoming the defining factor that will shape world affairs for the rest of this century. And yet, EU member states don’t share the same view of how to react. Other examples could be added. One should therefore not be surprised if both European citizens and foreign powers will ask why the EU, for all its accomplishments, has so far failed to develop a common foreign policy. In short, where is Europe’s telephone number, the one that Henry Kissinger had once famously asked for?

Political choices are more often determined by events than by design. When the process of European integration began, a common foreign policy did in practice exist. It was forced into being by the need to confront the Soviet threat under the umbrella of NATO and the benevolent hegemony of the US. As it happened, continental integration and the Atlantic bond became the two sides of a common European narrative. There were differences, of course. For instance, France and the UK, despite the loss of their colonial empires, fought hard to retain a Big Power status and continued to maintain a relatively high level of defence expenditures, including a national nuclear deterrent. For most other countries, the NATO shield was an opportunity to save money that could be put to better use for economic and social needs. This attitude was (and still is) prominent in Germany. By the same token, the country that had been the origin of the WWII tragedy could reassure itself that this pacifist posture was also welcomed by its allies.

In the 1960s, France’s General de Gaulle tried to defy the two-pillar concept and steer the European project towards a path that was more independent from the US. His plan failed; neither Germany nor any other member of the then EEC followed him. As a result, all initiatives towards a common foreign policy were stalled for a long time. Since then any French attempt to promote a more autonomous European foreign policy,

however justified, has been a constant source of suspicion not only for the US and the UK, but also for practically every other European NATO member. However, reconciliation between France and Germany survived and is still the cornerstone of European integration. Despite this French turbulence, the double pursuit of economic European integration and NATO solidarity, worked rather well. Contrary to some romantic idealizations, there has never been a transatlantic Golden Age: tensions, frictions and misunderstandings have been frequent. However, they did not prevent the West from presiding over what can safely be described as three historical masterpieces: the remarkable accomplishments of the EEC (which later became the EU), the victory in the Cold War and the peaceful achievement of German reunification.

Today's world

The end of the Cold War and the collapse of the USSR have generated an illusion. Because we in the West won the Cold War and proved the superiority of our political-economic system, we were all ready to believe that the rest of the world, including Russia and China, would rush to become “like us” and that democracy was an easily exportable commodity. This unipolar illusion didn't last long. The significance of Islamic terrorism had been neglected despite several signals. When 9/11 took the West by surprise, the US reacted with badly conceived policies (even blatant mistakes) in Afghanistan and Iraq that destabilised the Middle East and fuelled terrorism even more. The “Arab springs” were mishandled, including the Libyan uprising. The Syrian Civil War was first underestimated and then was not met with an adequate reply. A number of African nations, mostly Europe's former colonies, have been destabilised by Islamic terrorism and ethnic or social tensions. Chinese and Russian interests are now penetrating the continent. The collapse of the former Yugoslavia has destabilised the Balkans. The end of the USSR and Russia's desire to regain control of its former empire threatens parts of eastern Europe and the Caucasus. The mounting instability at the periphery of the EU has led to increased immigration flows. Many of the mistakes that have been made were American, but Europe has its part of responsibility, especially, but not only, in Libya. Finally, and perhaps most importantly, the new century has seen the explosive economic and political growth of China. At the same time, the financial crisis that started in 2008, followed by the insufficient reaction to the coronavirus pandemic both in Europe and in the US, have weakened the image of the West internationally. They have also undermined, with the emergence of populist parties, the credibility of western political leadership internally. Some analysts draw a parallel with the 1930s and suggest that the very foundations of liberal democracy could be in danger.

This unravelling of the unipolar order and the emergence of a plurilateral one took some time to develop. In a much more complicated world, the US was reassessing its priorities under double pressure: to diminish its exposure to international crises mainly in the Middle East and to dedicate more attention and resources to Asia. These developments haven't necessarily been “anti-European”, but they have forced the EU members to reassess their priorities and reconsider the EU's place in the world. If the old order took some time to unravel, the hysteresis was even longer before the Europeans understood that they had to readapt.

With the 2007 Lisbon Treaty the EU attempted to streamline and redefine its international ambition, as well as the powers of its institutions. The treaty established the role of the High Representative for Foreign and Security Policies, a sort of European Minister of Foreign Affairs and a very partial reply to Kissinger's request for a “telephone number”. It also formally enlarged the EU's responsibility to include matters of security and

defence. These were important developments, but they also created unreasonable expectations. The progress was in fact more limited than the rhetoric suggested: the member states are free to have their own foreign policy and the requirement of unanimity for common action remained. On the other hand, the progress is not insignificant. The creation within the institutions of a professional, specifically European foreign service is a welcome addition. On at least two important occasions the EU was able to deliver a joint position followed by common action: the negotiations for a nuclear deal with Iran and the reaction to the Russian intervention in Ukraine.

“Today’s world” poses an additional challenge for the EU. Unlike the Americans and with the possible exception of the French, it is not in the tradition of the Europeans to see themselves as a “shining city upon a hill”, a beacon of hope for the world. However, all nations tend to set their foreign policy priorities not only in terms of interest, but also of values. The EU is based on the principle that international relations should be governed by a multilateral set of rules and institutions. Its very nature is an attempt to go beyond the world of competing sovereign powers established by the 1648 Treaty of Westphalia, a world that has been the norm until now. The EU naturally aspires to export its own “post-Westphalian” model. All this contrasts with the reality of an emerging world that is still distinctly Westphalian. The EU can be admired for its achievements, but the world’s appetite for multilateralism has not increased in recent years. This does not mean that we should give up. But we have to adapt.¹

Then, adding to the instability of the world order in which the EU evolved was hurricane Trump. Now that he is gone and we prepare ourselves for - hopefully - a better future, the EU must assess the damage. The transatlantic bond is in a shambles. The psychological trauma was so deep that even someone like Angela Merkel stated that the EU can no longer take the US for granted. Opinion polls are particularly worrying. In most EU member states the majority of people has ceased to trust the US; in some cases, the level of confidence in China is even bigger. On the other hand, it can be argued that if we look at what has actually happened, nothing really seems to have changed. NATO has not been dismantled; the level of US commitment to the defence of the EU’s eastern border has actually increased. Apart from some minor “skirmishes”, which are largely a result of past disputes, the threat of a real trade war with the EU has not materialised. American troops are still in Syria. Trump may say that Putin is a nice guy, but American sanctions against Russia have been tightened. And the list goes on. What did happen and what makes the damage very serious is the collapse in mutual trust. A major ally must be transparent, reliable and predictable; Trump was the opposite.

Now that it is over, there is the temptation to go “back as before”. This is not possible, however. One reason is that it is impossible to define “before”. As we saw, a Golden Age never really existed. Another reason is that some of the issues that went sour under Trump were not new, such as the pressure to increase European defence expenditure or the trade frictions. The pivot to Asia was already US policy under Obama, as was the desire to disengage from the Middle East. The EU-US relationship cannot simply be restored; it must be repaired. It is certainly possible to rediscover the mutual trust, but it will not be easy to cancel from the European minds the idea that “another Trump could happen again”.

¹ Strengthening the EU’s contribution to rules-based multilateralism. (Communication to Council and Parliament – 2/2021)

Strategic autonomy?

It should not be surprising that in such a transformed context, a European common foreign policy has to be upgraded from those things that are desirable to those that are necessary. Before we ask what can and should be done, we must answer another question. Are there serious strategic divergences between the EU member states that stand in the way of more common action in the international field? It is not an easy question. After all, our countries have a different (often conflictual) history and geography, they are sometimes in competition with each other and also tend to have different perceptions of their priorities. For instance, it is clear that the perceived Russian threat is more important for the countries on the eastern flank, while those in the south are more preoccupied with the Mediterranean. As we have seen, Germany has a more entrenched pacifist bias than France. Finally, foreign policy is at the heart of national sovereignty; it is not surprising that countries should be a bit reluctant to give it up. On the other hand, nothing fundamental seems to make more EU convergence impossible. However, this means that progress will have to be gradual and in many cases pragmatic.

Two new concepts have been developed. One is covered by the term “geopolitical”, which has been used to define the new European Commission chaired by Ursula von der Leyen. The other is the idea that the EU should develop “strategic autonomy”. Vast literature already exists around these concepts, although both terms remain as attractive as they are ambiguous and elusive. One could even wonder if they are just an attempt to substitute a label for a policy. “Geopolitical” means that the Commission will integrate in its action the geopolitical implications of what it does or proposes to do. The concept of “strategic autonomy” is more complicated and adding “open” to it, as the Commission suggests, doesn’t make it any clearer. In fact, it is a metaphor of our evolving relations with the US. It implies in practice that we have to decide how we will handle our alliance with a post-Trumpian America in a changing world. To simplify the discussion, the choice is between strategic autonomy which aims to make Europe “more independent” from the US and one whose purpose is to give the EU a bigger role within “the West”. We should also avoid making strategic autonomy (a bit like multilateralism) an end in itself and not a tool of the EU’s foreign policy. The question that should be asked is what our interests and objectives are; on that basis, we could then decide which type of strategic autonomy is useful for pursuing them. The EU will also have to balance its ambition against its means and be realistic. For Opera lovers it amounts to: “*Non può quel che vuole, vorrà quel che può*”.²

The first option in defining strategic autonomy, which some would define as neo-Gaullist, seeks gradual emancipation from American hegemony. It implies a strong common effort to strengthen European defence, at least to some extent independently from NATO, an independence that should be extended to technological and industrial policies. In essence the EU, while remaining a friend and an ally of the US, will decide on case-by-case basis when to join the US in its international actions and when to take an independent course. However, this option is based on the assumption that strategic military autonomy is a credible prospect in the foreseeable future. Nobody really thinks that, not even in Paris. Its main weakness is that it would be divisive and no unity of purpose is conceivable around it. There is, however, also a more “pacifist” version. It rests on the assumption that, with the potential threats to international peace moving away from Eurasia and into the Indo-Pacific region, Europe could enjoy its “Swiss moment”: protect its superior social system, focus on the economy and see itself as an international mediator that waves the multilateral flag whenever possible. The

² “He cannot have what he wants; he will want what he can have”. (Mozart – *Così fan tutte* – Act II)

temptation, popular in Germany and elsewhere, is to believe that we can repair relations with the US in order to retain its strategic commitment to European security and to expand transatlantic economic cooperation, but deal with China, and to some extent with Russia, on an “economy first” basis and avoid being entangled politically in the confrontation that is developing in Asia. It could be defined as “Atlanticism on the cheap”.

The alternative (let’s call it the “Western”) view is based on the assumption that it is the relative decline of the West’s power and notably that of the US that makes Western unity at least as important, although for different reasons, as it was during the Cold War. The US still possess an unchallenged military superiority. Together with Europe it also largely controls the world’s financial system. However, economic dynamism is moving to Asia, the West’s technological superiority is challenged and its rule-making power is increasingly contested. More importantly, while some emerging strategic competitors indulge in trying to separate Europe from the US, their rejection of Western values encompasses us all. One can play with the illusion that the “great Satan” is America, leaving Europe off the hook. It is easy to forget that in the emerging world Hollywood, Nike and Apple still make people dream, while the memory of the humiliation that natives bore at the hand of European colonialists is alive and well. The bottom line is that, while we can try and distance ourselves from America’s mistakes, there is no way we can avoid bearing the consequences of its failures.

It can be argued that these are not clear-cut choices.³ The concept of autonomy includes the right to disagree. However, the possibility of the EU decoupling itself from the US is much smaller than some people think and it is necessary to acknowledge it sooner rather than later. As we shall see, there is practically no foreign policy issue that doesn’t have an “American” dimension. This is even truer today than it was during the Cold War when Europe was the undisputed priority of the US. It is hard to see how Europe could now retain America’s commitment to NATO without also being a political ally in Asia, the US’s main priority for decades to come. What demonstrates this more than anything else is the serious and very dangerous prospect of a closer link between Russia and China.

In particular, the EU will have to decide if the combination of the two concepts, geopolitical and strategic autonomy, should remain confined within the context of “economy first” or even “economy only”. This, with the promotion of multilateralism, has been, until now, the defining element of the EU’s foreign relations disguised under the magic words “soft power”. Today this is not good enough. For the EU to be taken seriously, its foreign policy must encompass the whole range of the political and strategic issues, including immigration flows, that confront it in the wider world. The Commission has produced a blueprint for the future of transatlantic relations that goes in the right direction. Concrete action will have to follow.⁴ Our international friends and rivals, starting with China and the US, will be watching and will judge us on that.

One long-standing assumption, popular on both sides of the Atlantic, has been that of the UK being the indispensable bridge linking the two sides. It will be in everybody’s interest that after Brexit the UK becomes an integral part of a renewed transatlantic relationship. However, from now on the US and the EU will be each other’s most important partner and will have to learn to deal with each other directly without intermediaries.

³ European strategic autonomy: what it is, why we need it, how to achieve it. Natalie Tocci, IAI, February 2021

⁴ A new EU-US agenda for global change. (2/12/2020)

A fierce debate is going on in the US on the future of its role in the world, on its level of commitment and how much of it will be determined by idealism or realism. With Biden and his very competent and also deeply atlanticist foreign policy team a convergence with the EU is possible, but at the condition that the Europeans understand what they want and what they are prepared to do. We also have to keep in mind that, whatever course we take, there is no way to avoid the reality that for economic, institutional, political and strategic reasons, the transatlantic relationship is and is bound to remain asymmetric for the foreseeable future. Contrary to expectations that Biden's priority for domestic policies would somewhat delay his foreign policy initiatives, in recent weeks and specifically at the Munich Security Conference, he clarified a number of points that are at the same time encouraging and are increasing pressure on Europe.

If "economy first" is not a sufficient guide for Europe, it is equally doubtful that the "democracy first" slogan emerging from some positions of the Biden Administration could by itself be the basis for a viable Western foreign policy. In the present world, full democracies are an exception rather than the rule and the list is not increasing.⁵ The new transatlantic dialogue is only beginning. The ongoing debate also points to the fact that the West has to pursue a strategy that seeks to include non-government actors, such as multinational companies and NGOs. They act according to their legitimate interests and it would be both unrealistic and wrong to try and guide them; however, they are also part of the "Western way of life" and are sometimes more effective than governments in promoting it.⁶ Together with Hollywood and European football, they are the heart of the West's soft power.

The economy

Even so, the economy is where we should start, if only because it is the field where the EU already has real clout. This is due both to its size and to the degree of unity that has already been achieved; the most important element is that the European Commission negotiates trade agreements on behalf of all member states. However, there are new challenges. The world economy is undergoing profound technological and systemic change. Globalisation has brought new opportunities, but also problems, such as the emergence of new competitors like China. The governance of the world economy is being reassessed and the EU cannot afford not to seek a place at the table.

To understand what is at stake, we have to start with our domestic priorities. For all our success, we also have serious problems. Not only the institutions and the rules that govern the euro have proven to be fragile, but our economy has also become less competitive and has been lagging behind in development and the adoption of digital technologies. Our capital markets are fragmented and will suffer from the loss of London as a major financial centre within the EU's jurisdiction. China, the US and others have become more aggressive and protectionist. Pressure is therefore mounting to develop instruments of industrial policy to allow us to fill the gap. On the external front, this implies that trade defence instruments should be strengthened, that a more rigorous vetting of potentially predatory foreign investments should be introduced and that the implementation of competition rules should be adapted accordingly. The coronavirus pandemic has pointed to the danger of the interruption of some critical supply chains that could be too dependent on a few, possibly

⁵ Global democracy index 2020 - EIU

⁶ Opening up the Order - by Anne-Marie Slaughter and Gordon LaForge (Foreign Affairs - March 2021)

not reliable, third countries; the EU is considering ways to shorten, diversify and even in some cases reshore them. Finally, the green transition that implies a sharp increase in the price of the carbon content of production will have an impact on the competitive position of European industry.

Some people seem to believe that the EU has the leisure to decide its economic and social priorities in full autonomy and that the rest of the world will have to adapt or pay for it. The problem is that no other big economic area, including China and the US, is as dependent on foreign trade as the EU. Access to foreign markets is vital for our growth. In devising its new industrial policy, the EU will inevitably have to bear in mind that whatever it does to protect its industry, it is likely to be reciprocated at least to some extent by its partners.

During the recent crisis and despite the protectionist turn taken by the US, the EU has continued to develop its network of trade agreements, right up to the most recent and important one with Japan. However, we are also experiencing an increasing “free trade fatigue” in parts of public opinion. If often for the wrong reasons, it is a fact that it will be increasingly difficult to get new agreements ratified. In addition to the traditional preoccupation with labour conditions, the green and digital transitions will pose even bigger challenges, while the legitimate preoccupation with the defence of our competitiveness and values risks becoming the vehicle for much less noble protectionist instincts. It would be the dark side of the newly acclaimed geopolitical dimension of our external economic policy. Despite the fashionable narrative on de-globalisation, even during the pandemic trade within Asia and between Asia and the West has shown remarkable resilience. No doubt the rules of globalisation will have to be adapted to the requirements of labour standards, climate change and fair competition. However, short of a major war, globalisation and technological change are phenomena that no government can dream to revert without causing even more damage to the national economy. Finally, one very important reality to keep in mind is that in the present political, legal and institutional structure of the EU there is no such thing as “European protectionism”; it can only be national and, when it happens, it also affects the EU’s internal market.

In a recent Communication to the Council and Parliament, the Commission outlined an ambitious agenda that attempts to reconcile all these goals. In its own words, “Open strategic autonomy emphasizes the EU’s ability to make its own choices and *shape* the world around it thorough leadership and engagement, reflecting its strategic interests and values”. It is difficult to imagine that this ambition can be fulfilled without partners and allies.⁷ Among them, the most important is bound to be the US and this clearly transpires from the Commission’s communication. However, it will imply goodwill on both sides. Economic nationalism, mercantilism and even protectionism were the trademark of the Trump Administration, but they are also shared to some extent by the Trade Union movement and by a part of the democratic party base (the announced tightening of Buy American provisions is not a good sign). All we know at this stage is that the Biden presidency could open a promising path for dialogue with the EU. The question is how wide it will be.

The list of the potential bilateral problems between the EU and the US is long and each of them can lead to unintended disagreements. However, there are priorities. We could continue to disagree on food standards, on how many hormones we are allowed to inject into the meat that we eat, but there are issues on which it is in paramount mutual interest to do all that is possible to agree. For the sake of this analysis, it is better to focus on those issues that are most important and urgent. It can be argued that we should start with the reform of

⁷ Trade policy review – An open, assertive, sustainable trade policy (Communication from the Commission – 18/2/2021)

the WTO and other multilateral institutions. It seems logical, but it is difficult to imagine that it could happen before we have tested our capacity to converge on some strategic issues. During the Obama presidency a big opportunity was missed when both the US and the EU failed to conclude the TTIP, an ambitious free trade project that included a crucial chapter concerning regulatory convergence. It would be unrealistic to try and revive it in the present climate, but there are a number of issues where transatlantic convergence is necessary for both sides. One good place to start would be to try and settle once and for all the old disputes, such as the Airbus-Boeing litigation.

The underlying theme of the abovementioned priorities is the regulation and the governance of the world economy. Until recently the power to shape the rules was effectively in the hands of the US and also, to a large extent, Europe. Over the years, as we were building our single market, the EU developed a set of rules and standards that cover vast parts of the economy. They serve economic objectives, but they also reflect the values that permeate our economic and social system, one of which we Europeans are understandably proud and one that goes under the name of “social market economy”. This is not the place to debate how appropriate the objectives and values are. What concerns us here is that, because they give us access to our big common market, but also because they are considered attractive, they have served as a template for similar regulations in many foreign countries. It has been called the “Brussels effects”⁸ and has occasionally attracted the accusation of being “regulatory imperialism”.

Globalisation, the emergence of China and more recently the loss of credibility of the West for its responsibility for the 2008 financial crisis, followed by the less than glorious response to the coronavirus pandemic, have changed the situation. Already at the beginning of the financial crisis it was understood that the West could no longer run the show alone. This has led to the creation of the G20 and other changes in the management of the existing multilateral economic institutions such as the WTO, the IMF or the World Bank. These were positive and inevitable developments, but so far the results have not met the expectations. China, but the same could apply to many other big emerging actors, understandably claims that the existing rules of the game reflect Western interests and values. In practice, however, instead of proposing new rules, it advocates the right to disregard or to weaken the existing ones under the pretext of national sovereignty. Instead of a world of new rules, we seem to be heading towards one of less or even no rules at all. Neither China nor any other emerging country have yet developed a view of the world that is sufficiently coherent to make them attractive as rule shapers. As a consequence, there is still a small window of opportunity for the West to take the initiative to develop a new model for the governance of the world economy that takes more into account the interests of emerging countries, while preserving its interests and values. But this will not happen without a clear convergence between the EU and the US.

One important issue is climate change and the green transition.⁹ It will inevitably have an impact on various sources of supply, not only fossil fuels but also other critical raw materials. The other major impact will be on the regulatory and financial implications of the transition. The other main actors, including China, are members of the Paris agreement and the US under Biden has decided to re-join it. However, the existing agreement provides only a general framework. Nothing at the moment guarantees that the rest of the world will match the EU’s strategy. The Commission’s intention is to compensate the discrepancies that may result

⁸ The Brussels effect. How the European Union rules the world. – by Anu Bradford - OUP

⁹ The geopolitics of the European green deal – Bruegel and ECFR – 2/2021

with the introduction of a still undefined carbon adjustment mechanism at the border. This is at the same time logical and problematic. Although the proposed mechanism will strive to be compatible with the WTO, we can be sure that it will be contested. We shall therefore want that a sufficient number of countries adopts policies that, if not identical, are at least compatible with ours.

The digital economy is based on the circulation of data and access to the Internet. It must be free but also safe, and it must respect privacy as well as other basic democratic values. The business model of many actors in this field is different from that of more traditional modes of production, which has significant implications for tax collection and competition rules. In the recent past the EU was at the forefront of regulation, for instance with the GDPR directive for the protection of privacy. The European Commission has now proposed a new set of rules to cover these issues. It is an important demonstration of “strategic autonomy” because it embodies the idea that we should take the lead and try and make those rules as international as possible. However, the real test will be the degree of agreement that the EU will be able to reach with the US. There are several reasons for this but the main one is that the majority of the big actors are American multinationals. In the already mentioned Communication, the Commission has proposed an ambitious agenda for these negotiations; we can expect the Biden administration to be open to it, but the road to a meaningful agreement will be long. The political climate on both sides of the Atlantic seems to be ready for a new model of regulation and taxation of the digital giants. We should not let domestic political dynamics on either side get in the way of sensible agreements.

Finally, the frequent use of the extraterritorial enforcement of unilateral financial sanctions as a foreign policy tool by several US administrations is strongly resented by European business as well as governments. Given the dominant role of the dollar, the EU has few possibilities to react. US sanctions against Iran have been a recent case. One way to react would be to promote the international role of the euro, but it is a highly controversial issue even within the EU.

What about human rights?

The respect for human rights has become an integral part of the foreign policy objectives of all Western democracies. Even the staunchest realists must accept this as a fact because large parts of our public opinion support it. Unfortunately, nobody ever developed a tool book to help governments put it into practice. The problem is that human rights as a component of foreign policy stand at the intersection between interests, values, ethics and emotions; a place that, as we have learned since Machiavelli, is both murky and slippery. Since there is no established doctrine, we have to adapt to the changing circumstances. Very few people will go as far as suggesting that we should entertain no relations with countries that commit gross human rights abuses. The alternative to not dealing with people we don't like is war. We dealt with the Soviet Union, therefore there is no reason not to do it with the sinners of today.

First, we must clarify our objectives. Regime change cannot be one of them. Short of war, there is nothing that we, even the almighty US, can do to induce regime change in a foreign country. If it is to be effective, action has to be targeted to specific and real behaviour; we must sanction what the human rights abusers do and not what they are. The present situation is not without examples. China (Uighurs, Hong Kong), Russia (Navalny),

Saudi Arabia (Khashoggi), Iran and Turkey are obvious cases of autocracies that relentlessly tighten their grip on their own people. One important complication is that some of them are our allies.

Specific results, such as commuting a death sentence or freeing political prisoners, even a military group giving power back to civilians sooner than anticipated, may be easier to obtain. However, much depends on the incentive. Does the other side need something from us? Is it worth it for us to give them what they want? Experience proves that too often this kind of bargain amounts to nothing else than blackmail. In many cases, to be effective, action has to be sustained for a period of time and we must be aware that in the short run the effect could well be strengthened nationalism and our support for the regime. The experience of the Cold War also tells us that, while it is necessary to take the right precautions against espionage and abuse, a generous policy of opening our universities to foreign students and researchers can have positive long-term effects.

Very often we have multiple interests at stake with the target country. We must therefore decide which aspects of our relationship should not be affected by the dispute about human rights. It is one of the most difficult judgments to make because different members of the EU could have different priorities. Here again, the Cold War is a useful precedent. Human rights should not be an obstacle to agreements that enhance security and diminish the danger of conflict. Economic and trade negotiations are a different problem and should be handled with care. Experience shows that to link human rights with trade negotiations has limited effect. Unilateral economic sanctions and sanctions against individuals are more effective and often they are the only tools that we have. Arms exports are a particularly delicate subject on which there is little agreement at European level.

It is common for those regimes (Russia does it often) to react by pointing to the imperfect nature of our democracies and even insulting them. It is a familiar mal-information tool and a trap that must be avoided. In these cases, even “yes but..” as an answer is a “yes” too many. Finally, when the other side feels confident enough, it will want to retaliate. China does it systematically, even as a reaction to purely verbal statements. The present dispute with Australia is a good example. We must be aware of that and decide in advance how to react; there is no worst show of weakness than withdrawing under threat. It is too often forgotten, even within the EU, that democratic countries should show solidarity when one of them is bullied by an autocracy on matters related to human rights abuses.

On balance, all this is not conceptually very different from the rules that govern the game of deterrence. But here we have an emotional and ethical dimension that needs to be explained to our public. So far, EU institutions and national governments have not been very good at it. The most difficult task is to be transparent and explain to the public the always difficult balance between interests and principles.

The defence of Europe

Nobody will deny that European defence is possibly the most difficult aspect of the debate about strategic autonomy, but also one that cannot be avoided. The EU's defence posture has numerous weaknesses and Brexit has made them worse. The first is a general lack of resources allocated to defence, something that reveals a still widespread conviction that this is not a priority. Even the long-standing pressure from the US,

which Trump has only articulated in more brutal terms, has led to some improvements but not to a radical change. The second is that there are enormous differences between member states. Before Brexit, about half of the EU's entire defence expenditure was provided by two countries: France and the UK. The gap between France and Germany, to mention only one, is still huge despite some recent improvement. The third is that money is not only scarce, but is badly spent and the whole system is fragmented. The only real unifying factor seems to be the common membership of NATO. There are a number of useful common projects, but they are seldom examples of efficiency. The European defence industry is fragmented and far less efficient than the US's. Governments that are almost always in the driving seat seem to be guided mostly by reasons of industrial, regional or social policy. And yet, a much bigger effort to really integrate the defence industry of the different member states may have an even greater impact than the desirable increase of the overall financial commitment. If the EU's defence industry is to be streamlined and consolidated, the consequence will be that it will become more efficient and also less dependent on US imports. The US should be led to understand that there is a trade-off because it will be difficult to make Europeans accept the necessity to spend more for their defence if this is not at the same time part of a common effort.

Third, a defence system must respond to a strategic doctrine. Traditionally, the main source for it has been NATO, but since the end of the Cold War the alliance has been struggling to produce a new coherent mission. This leads us to the key issue: the relationship between European "strategic autonomy" and NATO. Under President Sarkozy, France put an end to the schism initiated by De Gaulle and hope was raised that the concept of a specific European defence effort within the NATO framework had ceased to be controversial. The atmosphere has certainly improved, but old misunderstandings are still alive. The recent bitter exchange between President Macron and the German defence minister is a good illustration. It is absolutely essential that the question is clarified once and for all. On the one hand, nobody can possibly believe that the EU can guarantee its security alone. The point is not that the objective is not desirable in itself, but that the time necessary to achieve it deprives it of any credibility as a practical political proposition. On the other hand, the main reason for the pressure that Washington puts on the EU for it to assume more responsibility for its own defence and counter the security threats in its vicinity is to allow the US to increase its effort in Asia while remaining committed to the defence of Europe. This is a coherent design and a definition of strategic autonomy that should be in the interests of both the US and the EU. For the EU it implies at the same time bigger responsibilities, but also a bigger role. Provided the NATO framework is maintained, nothing should prevent specific European initiatives and projects. The burden to clarify the issue, however, is on the EU. Any persistent European ambiguity will only increase the natural suspicion in the US.

From the EU's point of view, this means a double challenge. First, we must review our defence system in order to modernise it, overcome its fragmentation and at the same time deal with the technological developments, such as cyber warfare, robotics, drones, space and artificial intelligence, that will radically transform warfare in the decades to come. The sharing of intelligence should be improved. This is in itself a huge effort. We can build on the programmes that have been launched in the recent past, but they will have to be considerably improved. The fact that the European Defence Fund has been severely cut during recent negotiations for the EU budget is not encouraging. Secondly, we should accept that the perception of the security threats that our member states face now will continue for some time but will not always be the same. A certain degree of flexibility will therefore be required.

The main challenges

As mentioned earlier, there are hardly any foreign policy issues or security threats that do not in some way involve the US. Without going into details, which would take too long, I shall attempt to divide them into three categories. The first concerns issues for which we should be prepared to assume greater responsibilities and which the US could encourage us in. They include our immediate neighbourhood. It can be argued that in the past the EU approached this issue with a sort of bulimic cult of its own enlargement. In more recent times, in part because of the Turkish debacle, the enthusiasm has declined. What remains is the issue of the **Western Balkans**. The EU has taken the strategic decision to offer them a long-term perspective of full membership. Even knowing that it will be a long and difficult process, it is high time to decide on a clear path. Otherwise, we risk damaging their democratic transformation and opening the way to Russian interference at the same time.

The 2014 crisis in **Ukraine** was the point of no return of the West's relations with Russia; Ukraine's stability remains a major EU responsibility. It means that we will have to do more to help its economic recovery and democratic progress. It also sheds light on EU's complex relationship with the US in eastern Europe. On the one hand, part of the diplomatic effort was, so to say, subcontracted by Obama to Europe and notably to Germany. The only piece of meaningful negotiation that exists, the Minsk II Agreement, operates under the so called "Normandy format" that includes France and Germany, as well as Russia and Ukraine, but not the US; something that would have been impossible to imagine only a few years before the crisis. The agreement has so far helped to avoid escalation, but it has led to little real progress. Since a long-term solution will have to include credible guarantees for Ukraine's security, active US involvement will be necessary.

Next, there is the big question of **Africa**. We can expect and hope that the US will want to engage more in the continent, if only to counter Chinese and Russian penetration, but the main burden falls on Europe. The dream of a "Euro-African Community" is probably just that: a distant dream. But we certainly need a comprehensive African policy. There are many strategic issues at stake for us, including the control of immigration flows. I would nevertheless suggest that there be one urgent priority: **Libya**, on which I wrote at the beginning of this paper and which could well be described as the single biggest European foreign policy failure, second only to the invasion of Iraq by the US. The mistake has been compounded by the failure of France and Italy, the two European countries most involved in and with the biggest knowledge of the country, to avoid petty rivalries and find a common ground. The result now is horrendous from Libya's socioeconomic perspective and it is a serious threat to European interests in general. Ending the civil conflict in Libya should thus be an EU priority. It is difficult to achieve, however, unless Paris and Rome get their act together. Another critical problem is the instability of the **Sahel** region where France, with modest support from some other EU members and the US, has been engaged for eight years in a military and political mission to counter Islamic terrorist groups. This crisis, which in some ways is also the offspring of the Libyan blunder, has now acquired some of the features that have bogged down the US in Afghanistan. If the trend continues, it could completely destabilise a number of already fragile countries in the region, aggravate immigration flows towards Europe and facilitate the spread of terrorism to North Africa and Europe. Solving this problem should be a common European priority, but first it would be necessary to understand what France actually wants to achieve in the region.

The second category of issues that we must confront concerns those for which we have a primary interest but cannot deal with effectively without strong support and cooperation from the US. One is **Turkey**. It is a key country in the eastern Mediterranean, a NATO ally, an important economic partner, at least nominally a candidate for EU membership and in the past it was considered one rare example of democracy in a Muslim country. Unfortunately, the latter factor now belongs to the distant past. Turkey has become increasingly autocratic and its foreign policy has displayed initiatives in Syria, in Libya and in procuring Russian weapons systems despite strong American objections. All this has made it more and more at odds both with its NATO membership and its European ambitions. The dangerously ambiguous relationship that has emerged between Turkey and Russia is of particular concern for the EU. Almost nobody, neither in Europe nor in Turkey, still thinks that EU membership is a serious prospect for Ankara even in the distant future. To say it openly and unambiguously treat Turkey as a third country would simplify a number of choices. This has been clear for some time and it may have been better to say so earlier. However, neither keeping the prospect of membership alive nor denying it is a substitute for a policy and one is urgently needed. We cannot simply rule Turkey out; a solution must be found that takes into account Turkey's legitimate interests. On the other hand, observers often underestimate the extent to which Turkey depends on the EU for its economic prosperity and on the US for its security.

The other big issue is **Russia**. That after the fall of the USSR Russia would become "like us" was one of the biggest illusions of the post-Cold War euphoria. After a period of turmoil in the 1990s, Putin stabilised Russia around the three principles that are rooted in the country's history: Orthodoxy, Autocracy, Nationalism. They stand in the way both of the modernisation of the Russian economy and society and of the reconciliation with Europe and the West. The repression of domestic opposition and the aggressive behaviour towards the EU, from Ukraine to the poisoning of exiles to interference in foreign elections, is well known. Mistakes have been made by the West, but we should keep in mind that "Putinism" is the expression of the profound forces that come from within Russian society and are not the result of our policies. Russia is in bad economic shape and demographic decline; its economy is smaller than Italy's and almost entirely dependent on the export of gas and oil. It is also facing increasing domestic social and political tensions. It would, however, be a mistake to underestimate the resilience of the regime, at least for the foreseeable future. We must therefore deal with Russia as it is, including acknowledging the international role that it has achieved in the Middle East and elsewhere partly because of the West's mistakes, as well as its position as a strong military and nuclear power.

What should be done? We must accept that a grand pan-European bargain with Russia, or the "reset" that is sometimes proposed by France, is as unrealistic as our past belief that Russia could join the club of Western democracies. The reason is that the two narratives, Russia's and the West's, are at the moment incompatible and totally asymmetrical. As a result, there is no way we could give Putin what he wants from us: i.e. recognition of a Russian sphere of influence and a right of intervention in Eastern Europe and the Caucasus. It would compromise the sovereignty of Ukraine, Georgia, Moldova and possibly even some former satellites that are now members of the EU and NATO. On the other hand, Putin couldn't give us what we want, which is exactly the opposite: stop interfering. Any commitment on his side would not be credible and would be challenged as a sign of weakness by his nationalist base. The only option is therefore to continue the dialogue in all possible fora, to remain firm on the main issues, while negotiating in a pragmatic way where and when there is a verifiable and demonstrable mutual interest. Russia remains dependent on European technology. At the same time, as the climate transition progresses, our dependence on gas imports will diminish. Our clout in

the economic relations with Russia is therefore bigger than sometimes acknowledged. This clearly requires coordination with the US. It is a common interest that the START Treaty is kept alive and that there is a united Western front on issues like Ukraine, Belarus and the Russian presence in Syria and Libya.

All this can be achieved only if Europeans are united. A common front was achieved in response to the Ukrainian crisis, largely delegated to Germany and France, as well as to the Commission for implementation. Despite some grumbling from some parties, it has held up well until now; sanctions are still in place, as is the case for Russia's expulsion from the G8. More recently, on Belarus, on the Nord Stream 2 pipeline and on the reaction to the Navalny poisoning the front has been fracturing. Hungary's Orban and possibly others are breaking ranks by ordering the Russian (and also the Chinese) coronavirus vaccine before it has been authorised by the EU. We have also seen a number of uncoordinated initiatives, including Josep Borrell's not very timely visit to Moscow. Betting on European disunity, Russia is clearly tempted to overplay its hand; the odds are that it will backfire. However, if the European position is to be taken seriously not only in Washington but also in Moscow, it is essential that a degree of unity is re-established quickly.

The third category concerns issues that are important for the EU's security, but for which we must admit that the main actor is bound to remain the US. One is the **Middle East** and in particular the **Israel-Palestinian** problem. The "Abraham agreement" has created a new situation on the ground. It opens the prospect of peace between Israel and many Muslim countries, now including Morocco. It also makes the "two states" solution, traditionally the cornerstone of the European position, less credible at least in the immediate future. This in itself is no sufficient motive to abandon it; the Palestinian problem will not go away only by means of denying its existence. However, realism tells us that there is not much that we can do for now.

The other big issue that the EU has inherited from the Trump administration is **Iran**. The Europeans did well to try and keep the nuclear agreement (JCPOA) with Iran alive. This opens the way for Biden to re-join it. Unfortunately, the domestic situation in Iran is much worse than before the Trump presidency. The same is true for Iran's interference in its neighbourhood, from Iraq, to Syria, to Lebanon. The potential alliance between Israel and the Sunny monarchies that emerges from the "Abraham agreement" and is openly supported by the US is potentially destabilising in that it risks consolidating two hostile blocs - the other being composed of Russia, Iran with all its Shia satellites in the region and possibly also Turkey.

The China question

Europe cannot avoid having a China policy. Our links with the US are too strong to avoid the impact of whatever result that confrontation brings; we must also be conscious that the role of a mediator is not an option. This doesn't mean that we have to blindly follow the US. We must identify our own interest, but with the knowledge that the US will look at our China policy as part of our mutual global relationship. Starting with the US domestic debate will help our reflection. If we browse through the main US foreign policy magazines, we will clearly see that the amount of academic, political and diplomatic effort that feeds the discussion of this issue is comparable only with that concerning the USSR during the Cold War; at the moment, there is nothing similar in Europe to match it.

There are some points, however, on which a consensus seems to be emerging. The first is that the hope that the adoption of a market economy would make China more democratic and willing to fully participate in the multilateral system has not materialised. Under Xi Jinping the regime is becoming increasingly autocratic, nationalistic and also more assertive. The second is that, although the Chinese political system is antithetic to Western values, its foreign policy is based on pure nationalism and not, as was the case with the USSR, on a socioeconomic ideology. The third is that during the Cold War the USSR represented a strategic threat, but was economically almost irrelevant. China is both a strategic and an economic power that the rest of the world simply cannot ignore, one on which the policy of containment that was so effective with the USSR cannot work. Finally, to have a China policy implies to have an Asia Policy. All this is relevant also for defining a European position.

There are two Asias, and they function in different ways.¹⁰ The first is the “economic Asia”: it is increasingly interdependent as a continent, but also with the rest of the world. This Asia is developing a number of specific institutions and China is part of some of them. The Trump administration’s stupidest move was to withdraw from the Trans-Pacific Partnership (TPP), negotiated under Obama. It was a potential free trade area that included a great number of countries in Asia and the Pacific coast of the Americas. It was, among other things, meant to be a counterweight to Chinese economic dominance. After Trump’s withdrawal, the remaining partners went ahead with a similar pact rebaptised as CPTPP. More recently, a sensation was created with the announcement of the conclusion of the Regional Comprehensive Economic Partnership (RCEP), which includes China and a number of Asian countries, some of whom are strong allies of the US: Japan, Korea and Australia. Although it contains a number of provisions that favour further economic integration, despite the grandiloquent announcements, the RCEP is in reality less far-reaching than the CPTPP. It is nevertheless a strong indictment of Trump’s ill-advised policy and a symbolic political victory for China.

Several conclusions should be drawn from this. The first is that decoupling from China’s economy, as some of Trump’s rhetoric seemed to suggest, is not an option because it would damage the American (and European) economy.¹¹ More importantly, the rest of Asia, including those countries that are close allies of the US, would not follow. The second is that this growing interdependence is made difficult to manage by China’s model of state-controlled capitalism, which has proven, at least so far, to be highly efficient but also hard to reconcile with the rule-based market economy that is predominant in the West as well as in many Asian economies. The third is that the economic confrontation with China is less about trade than about competition for the technologies that will shape the future. The US has a long tradition of being able to mobilise the nation’s resources to face a technological challenge. There is no reason to believe that it will not try and do the same this time. This is an additional reason why the EU should hurry to define its own industrial policy. The West’s reaction must therefore consist in targeted policies that address critical technological and industrial issues but also take into account the interests of its other Asian partners.

Then there is what can be called the “strategic Asia”, whose picture is totally different. The difference with Cold War Europe couldn’t be greater. The countries of the Indo-Pacific region don’t share the same political regimes or indeed the same values. Some of them (Australia, New Zealand, Japan, Korea, Taiwan and to some extent India, Indonesia and Singapore) can be considered democracies; others are very far from it. In addition, while

¹⁰ A tale of two Asias – by Evan A. Feigenbaum and Robert A. Manning – Foreign Affairs – October 2012

¹¹ Anatomy of a flop: why Trump’s phase one trade deal fell short. – By Chad Brown – PIIE – 2/2021

NATO and European integration were built on the reconciliation with Germany, nothing of that sort has happened between Japan and the countries that it had invaded and oppressed during the war. Bilateral animosities are numerous and have deep roots. While all those countries share a certain degree of fear concerning China and welcome American presence in Asia, nothing similar to the transatlantic bond between the US and Europe exists there. The result is a complex web of relations and a patchwork of bilateral defence agreements between the US and some countries. Some are large but of limited scope, like the Quad that includes the US, Australia, Japan and India for joint naval exercises, or the “five eyes” that includes the US, Canada, Australia and New Zealand, as well as the UK, in the intelligence field.

The challenge that the US faces is therefore complicated. The strategic threat that comes from China is far less clear than the one posed by the USSR, although its long-term significance could be bigger. China is potentially a far more powerful rival than the USSR ever was. The difficulty lies in reading China’s intentions or looking for its deliberate long-term plan.¹² The history of previous great empires, such as Rome or Great Britain, tells us that they were the result of successive enlargements of territories, influence and dominance. They were driven by economic expansion or motivated by perceived security needs. They responded to opportunity, not design. It cannot be denied that an openly nationalistic China is in an expansionary mood, as it is proven by her encroachment in the South China Sea, provocations against Japan, Vietnam and Taiwan, bullying of Australia, border skirmishes with India, support for North Korea, the nature of her impressive military build-up, as well as a gradual establishment of military bases abroad that now reach Djibouti on the African coast. China appears to be encouraged by what she regards as a successful, even if controversial, response to the coronavirus pandemic. There are signs that she sees herself as a potential leader of the “south”: an ambition that can be dangerously supported by her conviction to have the upper hand in the confrontation with a West that is in irreversible decline.

On the other hand, China has serious weaknesses: demographic decline, excessive private debt, huge wealth and regional inequalities, the inevitable difficulty in maintaining state control over an expanding private capitalism (as suggested by the recent case of Alibaba) and also signs of increasing social and political tensions. Success often breeds a tendency to overestimate one’s strengths. The development of the Belt and Road Initiative (BRI), the flagship program that supports the spread of Chinese international influence, is proceeding far less smoothly than Beijing’s propaganda suggests. As long as the US avoids making big mistakes and despite the importance of economic interdependence, China’s appeal for the “leadership of the south” is likely to remain limited. However, if China makes a serious mistake in betting too much on the West’s decline, it would equally be wrong on our part to underestimate the resilience of the regime and count on a domestic crisis that could materialise (if ever) several years from now.

The flaws of the two rivals’ perception of each other carry the serious danger that the situation could escalate into a conflict. The US should therefore be well advised to implement a complex policy mix that will include an element of deterrence. Taiwan is the obvious example of an issue that could dangerously escalate into a conflict that nobody wants (the Asian equivalent of the Berlin problem during the Cold War). North Korea is also there - a time bomb waiting to run amok. Like with all deterrence, the policy mix must include some sort of understanding and communication with the objective of avoiding escalation. At the same time, the US will also want to develop a strategy that could gradually bring China into some type of negotiated world order. It

¹² The world China wants – by Rana Miller – Foreign Affairs – February 2021

is not an easy balance to seek. To pursue a China policy that is not only antagonistic but also inclusive requires a minimum amount of mutually accepted rules of the game. At the moment this is not the case.

What about the EU? An American strategy of the type described above would not be contrary to our interests, but it would require active engagement on our part. As far as the economic part of the strategy is concerned, the overall approach could well be the one that I have outlined above. The interests of the EU and those of the US will not always coincide, but an effort will need to be made to reconcile them. The investment agreement reached between the EU and China may or may not have been premature and unwise as some suggest.¹³ What matters more is that an understanding between the EU and the US is reached on some really strategic issues like the role of Chinese companies in the roll out of 5G networks.

Europe's contribution to the military side of the Asia strategy can only be minimal. But this doesn't exonerate us from engaging politically in the Indo-Pacific region. We cannot be reliable actors in the area if we don't develop strong links with the other regional powers. We are already doing it for trade and investment; we should also do it politically. We should also make sure that we participate in whatever security dialogue that - hopefully - emerges and involves the US, China and the other regional powers. The real problem is that no European policy can carry any credibility without unity. Given the lack of urgency that is felt concerning China's strategic challenge and the keen interest that some EU members show for trade and Chinese investments, that unity is not easy to achieve at the moment. We should start with the more important European countries. The position of France, Germany and even Italy has been hardening towards China recently, but even they are still wavering between long-term strategic objectives, the prospect of short-term opportunities and the fear of Chinese retaliation.

The institutions

An EU foreign policy should both be the expression of a unity of purpose and be effective, which means that common positions should also be followed by action. It is generally accepted that the present institutional set-up is too fragile and dysfunctional to handle the problems that are discussed in this paper. There are two main sticking points. The first is that most decisions of some importance require the unanimous agreement of all member states. This makes the process, in the most optimistic scenario, slow and cumbersome when events often call for swift action. In many cases decisions are blocked indefinitely, or subjected to considerable delay. This affects the international credibility of the EU and pushes even its friendliest partners to try and deal directly with the individual member states. And yet, experience shows that when consensus is reached and even more when on that basis the Commission is given the task to negotiate the results are good. The obstacles are well known. They seldom reflect major strategic disagreement; they are more often due to the lack of mutual trust, to the hope that in this way there will be more visibility for national initiatives, sometimes to petty blackmail. Many believe that the introduction of a qualified majority would be desirable. It is correct and it is right that those who share that opinion should continue to ask for reform. The problem is that it is not going to happen anytime soon. The reason is that it would imply an important treaty change that can only be decided unanimously. One short way to explain these obstacles is that, contrary to many fields of the economy, member

¹³ The limits of the EU-China investment agreement – by Daniel Gros. CEPS – February 2021

states are not really prepared to share large parts of their sovereignty in the area of foreign and security policy. Things may change, but the time doesn't seem to be right for such a major treaty change. And yet something needs to be done.

The Treaty allows for what is called “constructive abstention”, but its scope is not great. The other solution is to proceed with pragmatism. A significant group of countries can take an initiative with the objective to transform it later into a common action or decision. I have already mentioned examples of success. Negotiations with Russia in view of the Minsk agreement on Ukraine have been managed by France and Germany. The negotiations for the JCPOA with Iran were managed on the European side by France, the UK, Germany and the EU High Representative.¹⁴ To some extent such an approach is already foreseen under the treaty, but it is the substance that matters. One condition for success is to have the objectives be sufficiently representative of an overall European set-up, not to raise the suspicion that a few big countries have kidnapped the entire process for their advantage and not to run against important national interests of one or more members. For this, it is also important that the process respect certain institutional procedures, keep the European Parliament informed and associate as much as possible with the High Representative. Such an approach would not overcome all the obstacles. It would however be an indication that unjustified obstructionism by a small number of countries is sterile. If successfully managed, it could become the basis for the establishment of the “European Security Council” proposed by France.

This brings us to another important point. The position of the High Representative is not easy. The representative is very exposed, but at the same time has an uncertain mission. In fact, he or she can only act with some authority if he/she has a mandate from the member states, or can reasonably presume that his/her initiatives will be endorsed by them. It is a credibility and an authority that can only grow with time and patience. Another asset that should not be neglected is the existence, under the responsibility of the High Representative, of an embryonic form of a European professional diplomatic service.

A flexible and pragmatic perspective would also make it both possible and desirable to include the UK in some of the initiatives. From the point of view of the EU's international role, there is no doubt that Brexit has been a loss because of the country's clout and because it still has one of the best diplomacies in the world. Such a development will only be possible when we can re-establish the mutual trust that has been lost during the Brexit negotiations and that has led to the rejection by Britain of the EU proposal to include cooperation in foreign policy and security in the final agreement.

Leadership and consensus

While the institutional framework for the EU's foreign policy is bound to remain flexible, pragmatic and in constant evolution, its success will depend on the leadership that can be deployed by some key national governments. In the crucial moments that economic integration faced in recent years that role fell on Germany. It can be argued that, where foreign policy is concerned, it falls to a large extent on France. The reason for this

¹⁴ Differentiation in EU foreign and security policy: EU lead groups in the Iranian nuclear dispute and the Ukraine crisis – by Riccardo Alcaro and Marco Siddi – IAI – 12/2020

can be found in history, in the fact that France is the only EU member with a significant military capacity and in the special international role that it retains as a permanent member of the UN's Security Council.

President Macron has given clear indications that this is one of his priorities. In a sense, he can claim copyright of the concept of "strategic autonomy" and has outlined his vision for an ambitious European international agenda in many important speeches and interviews. Unfortunately, until now the results have not matched the expectations. Leadership stands on the will to show a way forward, but also on the capacity to create consensus around it; and in a multinational context, it requires mutual trust. Reputations are hard to die in international affairs and this often undermines trust. In establishing its leadership in economic matters, Germany had to overcome its reputation of being exclusively obsessed with inflation and austerity. In the case of Macron's foreign policy initiatives, the reaction of many other EU partners has been a suspicion of neo-Gaullism. It must be recognised that the fact of having acted unilaterally in some cases and the rhetoric occasionally used in defining the goal of strategic autonomy have fuelled the old suspicion that France's real objectives are: its immediate interest, its protectionist economic instincts and the never dying ambition to steer the EU on a separate path from the US, thereby undermining the Atlantic Alliance.

The criticism, to a large extent, is unfair: Macron's European credentials and ambitions are impeccable and he belongs to the 21st not the 20th century. However, France must recognise that the suspicion is real and without a larger consensus its ideas will get nowhere. Like all leaders, Macron speaks to two audiences: foreign leaders including his European partners and a domestic public opinion that is shaping for the forthcoming elections and is sensitive to nationalistic messages. We must understand that. However, at some point a leader must also choose the audience that matters most. Concerning economic integration, after long hesitations Merkel understood that she had to prioritise European consensus even at the expense of taking some risks with her domestic public opinion. With Merkel's departure, Germany will enter a period of political transition. This enhances France's position, but it also deprives Macron of a bridge to northern and eastern Europe that has proven valuable in the past. He will have to fill the void himself.

There are four tests to pass if the message is to be effective, and they are all related to "strategic autonomy". The first concerns trade. The impact of globalisation, the changing posture of the US and the China question have changed the traditional debate on free trade. However, the countries of northern Europe that have always been together with the UK, the standard-bearers of free trade in the EU, are clearly suspicious of French protectionism. Only Germany can carry them along. People in France must be aware that the concept of economic autonomy still doesn't have the same meaning in Berlin as it does in Paris. Italians can occasionally also be attracted to some protectionist statements, but only until someone reminds them of the implications of being the EU's second exporter after Germany.

The second hurdle concerns the relations with the US, of which I have already spoken extensively. Any sustained suspicion of a neo-Gaullist design would compromise consensus in Germany, northern Europe and beyond. Thirdly, we can intensely dislike the behaviour of some eastern European members: seeking US protection and the EU's money while practicing Putin's values. Their habit of breaking ranks is irritating and unacceptable. However, a simple look at the geography and a recollection of recent history tells us how critical they are for our security. At times it may seem excessive, but the fear that some of them have of Russian aggression is genuine; it must be understood and taken into account. Finally, a leader in the European context

must be prepared to make the first move in sharing some sovereignty. It is what Robert Schuman did in 1950 by offering equal status to a defeated Germany in the Coal and Steel Community. It is what Kohl did 50 years later when he offered to share the D Mark for the sake of building the euro. Could some form of joint management of France's seat in the UN be considered?

Failure to address these issues could make consensus impossible. Or it could perhaps produce the paradox of pushing Germany, northern Europe and others towards a minimum common denominator: something similar to what I earlier called "the Swiss version" of strategic autonomy, one based on the concept of "economy first" or even "economy only". A Germany in domestic political transition after the departure of Merkel may be tempted to become even more cautious and risk-averse than it has been traditionally. A "minimum cost" autonomy from the US could then become a way to justify appeasement with Russia or China primarily for economic gains.

This is probably not exactly the outcome that Macron has in mind.