

The Five Structural Problems of EU Foreign Policy

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Assessing the European Union's relevance as a foreign policy player is one of international analysts' favourite pastimes. Is Europe already an important international player, a force to reckon with, a geopolitical powerhouse? Alternatively, is the EU a notorious underperformer, a political dwarf unable to live up to high expectations abroad, grandiose rhetoric at home, and significant responsibilities worldwide? Only very recently, in a much-covered twist of events, the world's most important practitioner of international politics, the president of the United States, handed down his own verdict in this ongoing dispute: Barack Obama decided in early February that he would not attend the upcoming EU-US summit, scheduled to be held in Spain this spring. Commentators around the world almost unanimously considered this a snub and saw Obama's decision as further proof of the EU's lack of real global importance, its political impotence, and as a sign of the president's disappointment with what he once considered his most important international ally.

Moreover, the president has a point. These days, even the most ardent pro-Europeans admit that the Common Foreign and Security Policy (CFSP) of the EU is the big un-kept promise of the otherwise hugely successful European integration process. Analysts familiar with the immensely technical nature of the EU's inner workings will point to streamlined provisions in the Lisbon Treaty, reformed institutions, and new instruments designed to improve the EU's external oomph. They will also point at the significant ground covered since the EU first aspired to a unified role on the international stage in its 1992 Maastricht treaty, most notably the more-than-twenty police and military missions and operations conducted under the EU's auspices. Nevertheless, these improvements are small change when compared to what Europe

could potentially be if only its performance was commensurate with its size, wealth, and accumulated political experience. What then keeps this dormant giant from assuming its proper role in the world?

Five structural problems lie at the heart of Europe's lacklustre foreign policy performance.

1. THE COMFORTABLE POST-WORLD WAR II BARGAIN

After World War II, a morally and economically bankrupt continent began reconstructing itself. In this reconstruction process, an external player, the United States, played a decisive role. Not only did America provide the capital for jump-starting the devastated economies of Europe (by means of the European Recovery Program, a.k.a. the Marshall Plan), it also provided the security umbrella under which the war-torn nations of the old world could start their social and political healing process. Europeans and Americans struck a tacit but fundamental bargain. The Europeans agreed to delegate sovereignty over their own security to the Americans, who, by means of NATO and hundreds of thousands of troops, established a permanent foothold in Western Europe. The US shouldered the lion's share of the Cold War security workload and was granted the status of a veto power in European affairs. In return, the Europeans, freed, for the most part, of the economic and political burden to guarantee their own security, could concentrate on building up their expansive welfare states and on putting their nations on the path to social cohesion, internal stability, and, subsequently, European integration. Both measures were intended to create a durable and sustainable peace inside Europe while the US was trying to keep the external enemy at bay. This great bargain worked out brilliantly. Internal conflict in European societies was kept at an astonishingly low level (especially when compared with the conditions in preceding decades), economic recovery unfolded at stellar speed, and the integration process, despite the occasional hiccup, proved to be immensely successful.

However, this golden European age came at a price. The European social model rested on the assumption that the United States would subsidise it indefinitely by permanently granting Europe a free ride on American security services. Not only were European societies not accustomed to spending huge amounts on

security and defence, in addition, their welfare states grew big and unsustainable—yet politically untouchable. Furthermore, the reliance on American leadership and the Pax Americana made Europe intellectually lazy on most strategic matters. The continent got used to not having to answer to its own existential questions. Europe, thus, became vulnerable. Should, for whatever reason, the dominant role of America end at some point, Europe would have to learn to play the tough game itself, with all costs, political, social, and economic, that this might entail.

The end of the Cold War in 1991 and the relative decline of US global power since 2001 have laid this vulnerability bare. Granted, the American security guarantee, ultimately symbolised by the nuclear umbrella it provides for Europe, is still in place. But Europe has become less crucial for US strategic planning, budgets are becoming more restrained, and political will in Washington to keep engaged in Europe is diminishing. It is thus simply a matter of time that the grand bargain will come to an end.

In addition, there is no lack of insight into this fundamental truth. But Europe, still hooked on the great advantages the great post-World War II bargain offered, finds it difficult to change its political posture. Even though the EU, for almost 20 years, tried to muster the means to become a self-reliant player, this process is far from being complete. Some say it has barely started. The Old Continent finds it tough to reverse the bargain and get back to normal. It cannot simply cut back on its welfare states without risking political upheaval. Nor can it easily start building the muscle needed to play a more independent role in the world without creating nervousness amongst its peace-loving peoples.

The most visible immediate foreign policy result of the great post-war bargain is the utter absence of any serious European military capacity in Europe. The comparatively small assets Western Europeans had amassed during the Cold War were significantly reduced after the fall of the Berlin Wall as part of the post-Cold-War “peace dividend”. What remains are military capacities nominally the size of the US military, but considerably less advanced and less usable in today’s security landscape. This deficit has a direct impact on the Europeans’ ability to be a relevant foreign policy player, for at the heart of all diplomacy lies strength to back it up if needs be. Europe does not need sophisticated military assets to invade countries or occupy

large swaths of territory. It needs these means to keep Russian aspirations of influence over Central and Western Europe at bay. And, more importantly, it needs them to assume the role as security guarantor in areas of strategic importance, such as the Middle East, Eastern Europe, Central Asia, and Africa. Only as a security guarantor will the EU be able to exert a mediating influence over warring parties in hot conflicts. Only then will it credibly and independently be able to look after its volatile neighbourhood in the southeast, around the Mediterranean and, potentially, in the far north.

Due to the protracted cosiness of the grand post-war bargain, however, Europe is neither mentally, nor politically, nor materially prepared to assume that role any time soon.

2. THE ABSENCE OF A UNIFYING MECHANISM

The EU is a club of twenty-seven sovereign nation states. In a large number of policy fields, these states have communalised decision making by giving up national veto powers, thereby facilitating compromise-building considerably. Not so, however, in the realm of foreign policy. Here, where notions of sovereignty and independence are most affected, and where the histories, political cultures, and geo-political necessities of nation states are most prevalent, the political game is a strictly inter-governmental one, meaning that all decisions have to be supported by member states, with Brussels institutions playing a facilitating role at best.

The Lisbon Treaty has not changed this, and it was never intended to do so. From the beginning of the process that eventually led to the new compact, there was consensus among member states that this fundamental part of the European order should not be changed. However, being acutely aware of the utter necessity to streamline the tedious decision making processes in the European Council Secretariat and amongst member states, a number of considerable changes were introduced in Lisbon. A new permanent president of the Council was created to bring about more continuity in the inner-institutional proceedings. The office of the High Representative of the European Union for Foreign Affairs and Security Policy was established with footholds in both the Council and the European Commission to speed up decisions and to enhance policy cohesiveness. Also, a European diplomatic service, called the

External Action Service, was introduced to represent the Union abroad and to synchronise external efforts formerly conducted by separate institutions.

While all of these changes might well lead to progress on the technical level, they do not heal the central illness of the EU's foreign policy i.e., its lack of a forceful and reliable unifying mechanism with the capacity to quickly and effectively synthesise member states' individual positions into a common EU stand. Instead, in situations requiring a timely common response of all twenty-seven, especially in crisis management, national instincts tend to prevail over unified actions.

The great task of the new institutions created by the Lisbon Treaty will therefore be to initiate a reversal of instinct. It will be a daunting task, reversing ages-old habits and reducing national pride to a secondary virtue. With their instincts reversed, member states would act very differently in moments of crisis. They would search for a unified position first and revert to national policies only if no unified approach can be found. The good thing about this is that the reversal of instincts would not take any of the jealously guarded sovereignty away from member states who so eagerly guard their foreign policy prerogatives. It will only mean that they first put a serious effort into consulting with their EU partners before going it alone.

How can this be accomplished? It is mostly a matter of timing, trust, and quality. The permanent president and the high representative will have to propose a common position to all member states' governments almost instantaneously. The suggestions would have to be of such high quality and would diplomatically take into consideration the various national sensitivities that it would be very difficult for individual member states to reject them and go for it alone. Crucially, the president and the high representative would have developed such a trusting relationship with EU governments and such smoothness in their own apparatus that member states would see their work as an asset rather than a liability. The ultimate aim would be to establish this mechanism so firmly that it would work regardless of the people holding office at any given time.

Over time, this practice, if done with diligence and prudence, would create a unifying dynamism without formally undermining nations' sovereignty. Even more importantly, it would gradually raise the political costs of breaking out of the suggested EU

position. Nations still could do it alone (national sovereignty being intact) but there would be a strong incentive not to do so (the hefty political price tag being attached). Slowly but surely, this mechanism could create the kind of unity that is required to develop a common strategy, speak with one voice, and ponder strategic considerations. With Lisbon being in place, external pressures steadily rising, and no substantial further step toward integration being in the pipeline, the time is now to establish this informal mechanism of instinct reversal. It would be an informal step forward. But it would be a step far more important than any of the formal reforms of the institutional setup. In addition, you would not even have to write a new treaty for it. Admittedly, from today's perspective, it all clearly sounds like science fiction, but what is the alternative?

3. THE LACK OF STRATEGIC SCOPE

If the historic background and the absence of effective tools are grave but manageable problems, the lack of strategic scope is a far more fundamental one. For it is vision and political willpower that are indispensable when it comes to developing a strategic culture. In their absence, hope for change becomes futile for only they can compensate for insufficient rules and overcome path dependencies. Only they can motivate entrenched elites and an indifferent public to underwrite and accept massive reforms.

Unfortunately, political leaders in the EU's twenty-seven have, for some time, failed to portray a common understanding of what the EU's foreign role should be and what goals should be achieved by it. Even though there is certainly no lack of declaratory output, this output falls short of producing clear political guidance going beyond the general and mostly vague default language. This also holds true for the European Security Strategy of 2003, the mere existence of which was a sensation at the time. What are regularly missing from these documents are operational elements, which point the way to policy implementation, and a clear prioritisation of policy objectives. What is also missing is a clear public stand taken by European leaders explaining to the people the political imperatives of our day.

To make things worse, it does not look much better on the

practical side of things. In some of the great geostrategic questions of the day, such as energy policy vis-à-vis Russia, enlargement policy vis-à-vis Turkey, or the EU's role in the Middle East peace process, the EU portrays little sense of common purpose. EU policies on these questions are rarely guided by a common purpose and a common strategy that would flow from that purpose.

Furthermore, the big member states must accept a large share of the blame for the lack of strategy in the EU. Germany has no appetite for a more pro-active, globally oriented foreign policy posture, thus doing its utmost to stall progress on CFSP. Britain, albeit equipped with a naturally global outlook on things, has never managed to shed its inborn scepticism vis-à-vis the integration process. For example, its commitment to increased defence co-operation in the EU has been repeated many times, but London shows little ambition to institutionalise these efforts. And France has traditionally looked at the EU as a mere vehicle to further its claims of national greatness abroad. Furthermore, France's role as a leading player in EU security affairs was severely hampered by its absence from NATO's integrated command structure, a situation that has changed only very recently.

By and large, the inward-looking approach to Europe seems to prevail over the outward-looking one. This approach focuses on the EU as a club of states that regulate their inner-European business by means of a fixed set of rules. The proper functioning of the institutions and the gradual improvement of the rules are the main objective of this school of thought. Proponents of this philosophy usually hold sceptical or hostile views concerning the accession of Turkey into the EU. They argue that a country the size of Turkey would cause irreparable harm to the inner workings of the EU, leading to eventual break-up of the institutions, and subsequently of the entire integration process.

In contrast, the outward-looking approach does not deem institutional considerations unimportant but it refuses to make them the central rationale of the European project. This school of thought considers the development of a meaningful, muscular, and sustainable foreign policy posture of the EU the next big project of the integration process. Based on a more geopolitical and less institutional understanding of international politics, proponents of this approach argue that a mere look at the map and

at international realities should instruct the EU to develop into a unified foreign policy player. For them, Turkish accession to the EU is a geopolitical imperative of historic proportions.

Traditionally, the outward-looking approach has been the rather less popular one in Europe. Fear of globalisation and the loss of national identities have made this rather bold concept even more unpopular in recent years. Solid majorities in Germany, Austria, and France are against Turkish accession to the EU. A significant portion is against any further enlargement. Even an open-minded and outward-looking nation such as the Netherlands has recently turned inward-looking, triggered by a severe soul-search and an acute feeling of lost identity. Despite overwhelming global necessity for the EU to actively engage the world and become a stabilising force in its vicinity, the inward-looking view of Europe has gained support over the last few years and will presumably remain a tough sell for some time to come.

In sum, the strategic understanding of Europe's role in the world is notoriously underdeveloped both in most national governments and in most EU populations. The commonplace insight that globalisation will shape our lives, regardless of whether we like this or not, is widely disregarded. The fact that in a changed setting no EU member state is big enough alone to make much of a difference in the world, and that all long-term strategy would be best conducted in accord with other member states, has very little real-world impact. The negative impact of this parochialism, however, can be quite concrete. Russia continues playing member states against each other to maximise its political and business gains. In the Middle East, the EU's status as the largest donor does not translate into policy relevance in the crucial questions. Enlargement policy, one of the EU's greatest foreign policy accomplishments, is losing its appeal to both the domestic and the foreign audiences.

Europe's lack of a strategy for its external policies stands in stark contrast with its economic clout, its wealth, and its accumulated historic knowledge. Europe is neither living up to its own claims of global importance, nor to expectations in both its immediate surroundings and overseas. If this does not change, Europe will lose even more credibility and political influence worldwide. In an age that increasingly requires global decision making, this does not bode well for the pursuit of EU interests.

4. EUROPE'S DEMOGRAPHIC DECLINE

The most important socio-economic mega-trend affecting the EU's ability to play a strategic role in the world is the continent's dismal demographics. The core of the story is well researched and publicised: in the medium term (i.e. over the next 30 to 40 years) there will be fewer Europeans and these fewer people will be significantly older. According to the estimates of the Brookings Institution, a US think-tank, the median age of Europeans will rise from 27.7 in 2003 to 52.3 in 2050. During the same time period, the median age of US citizens will only reach 35.5. While, according to the United Nations, the world's population will be increasing from 6.1 billion in 2000 to 9.2 billion in 2050, Europe's population will decrease from 727 to 691 million people. Europe will thus not only be less populated in absolute terms but also very much smaller when compared to the other regions of the world. Europe's share of the world's population will fall from almost 12 percent in 2000 to 7.6 percent in 2050.

In addition, fewer people will work, making the European economy less dynamic and less innovative. Over the last two decades, European growth rates, productivity, and GDP have all significantly underperformed when compared to those of the United States. The European Union's Lisbon strategy, intended to turn the EU into the most competitive economic area worldwide, is now officially acknowledged by the European Commission to have failed. All of which indicate that the EU's economic dynamism is already stagnating, if not declining. How the financial crisis of 2008 and 2009 will affect Europe's economic capacity remains to be seen.

As one consequence of this long-term negative trend, more and more people will seek entitlements from public coffers—ranging from retirement pay to health insurance to welfare handouts—thereby making most established welfare state schemes unsustainable. Political systems in Europe will consequently be very busy dealing with internal distributory conflicts, eagerly seeking to avoid social unrest as traditional notions of communal solidarity collapse.

The demographic crisis in Europe, generally speaking, will make societies less affluent, thereby reducing one crucial source of political and military power: wealth. It will make societies more risk-averse and less willing to place the preciously scarce

remaining human capital in harm's way. It will, in sum, make the affected societies less capable of pursuing and defending their vital interests if need be.

Low-birth-rate societies will have a strong demand for substantially increased immigration in order to sustain their workforce, thereby increasing the potential for inner-societal conflict even further. At the same time, older, less dynamic, less affluent, and more conflict-ridden societies will naturally be less appealing to elite immigrants and less convincing as role models abroad, thereby losing much of their soft power that was once based on the credibility of their social models.

As neither incentives to increase the birth rate nor mass immigration will be able to change the pattern of demographic decline, Europe's significance in the world will inevitably be reduced in the medium and long term. It is important to note that this decline will be a relative one, for Europe will, of course, remain an important market and economic stronghold for some time to be. Only that this strength will count for less, and that it will buy less influence over world affairs.

Given these developments, it will become increasingly difficult for European leaders to play a leading role in world affairs. Europeans will be hard-pressed to find a remedy for this silent farewell to world power. One of the safest bets for Europeans to make up for the lack of numbers is to become a highly innovative player in international economic and political affairs by providing cutting-edge solutions to global problems such as climate change or by providing the most innovative ideas in emerging business fields. Given the relative weakness of European universities in international rankings, the continent's highly regulated research environment, and rather backward-oriented government policies on secondary and higher education in many European countries, this strategy seems to be unfeasible at least for now.

Demographics, as they play out in Europe today, are an almost overpowering force. But it should also sharpen the senses for the urgency of swift action on CFSP. Time is running out for the Europeans if they want to matter in the future. If twenty years down the road, the EU will still look as uncoordinated and splintered in foreign affairs as it does now, it will be too late.

5. THE NATO-EU DEADLOCK

In theory, the European Union should find the North Atlantic Treaty Organization (NATO) a natural partner for its aspirations to become a viable foreign policy player. Membership of the two organisations is largely but not entirely identical, the capabilities of both are complementary in many ways, and American scepticism about the EU turning into a counterweight to the US-dominated alliance has almost entirely disappeared in recent years. Still, both organisations have virtually no meaningful official relationship, let alone any concrete common missions or operations.

Any attempt to make the common NATO-EU agenda more meaningful is vetoed by Turkey (a NATO member) which does not diplomatically recognise the Republic of Cyprus (an EU member) and will thus not accept any EU-NATO cooperation of which that country is part of. Turkey recognises the so-called Turkish Republic of North Cyprus, an entity created a few years after the Turkish military occupation of Northern Cyprus in 1974, but not recognised by the international community. The EU, quite naturally, will not accept any project that would exclude one of its full members, in this case Cyprus. Turkey, NATO, and the EU have been unable to find a practical solution to this deadlock, which for both sides is treated as a matter of principle. The situation is further aggravated by Turkey's ongoing negotiations for EU membership, which have partly been suspended because of Ankara's unwillingness to grant Cypriot ships free access to Turkish ports. In essence, Ankara refuses to "normalise" relations with a full member of a club that it intends to join.

This is even more unfortunate as, after a long and sometimes bumpy prelude, NATO-EU relations seem now to bear great potential for both sides. Both organisations had very little programmatic overlap until after the end of the Cold War, when both became partners in tying Central and Eastern European countries firmly to the West. Both organisations, by means of their respective enlargement strategies, exercised one of the most successful operations of stability export in history. For most countries from the former Warsaw Pact, membership in NATO and EU were two sides of the same coin.

Furthermore, a long period of US-led scepticism about Europe's own security-related ambitions slowly ended after the

United States realised that the EU did not and could not aspire to replace NATO or the United States as key pillars of European security. Under the 2002 *Berlin plus* agreement, which regulates the cooperation between both organisations and which essentially declares the EU to be NATO's junior partner in all matters security, the EU could potentially use NATO military assets if not vetoed by any NATO member. Two EU operations have been conducted under the provisions of *Berlin plus*: Operation Concordia (2003), designed to implement the Macedonian Peace Agreement of 2001, and Operation Althea (2004), which oversaw the implementation of the Dayton agreements in Bosnia and Herzegovina. Initially, Operation Concordia was delayed for almost five months because of Turkish reluctance to allow the EU to make use of *Berlin plus*.

NATO and EU have plenty of common business to mind. Resurgent Russia is as much an issue for the EU as it is for NATO. Afghanistan shows that common ideas and coordinated strategies for civil reconstruction and state building are direly needed. In an age of internationally networked terrorism, the dividing lines between domestic (or homeland) security and international security has become increasingly hard to define. Energy security is high on the list of both the EU and NATO. For these and a good number of other issues, real cooperation between the two would appear to be all but indispensable.

It is a good sign that French President Nicolas Sarkozy has taken his country back into the integrated command structure of the Alliance—against much public discontent in France about the move. France's full re-commitment should strengthen the EU's foreign policy potential, and it will most likely strengthen the European position within NATO, at least informally. Whether this move will also create new momentum for the now defunct official relationship between the two bodies remains to be seen.

In case the situation does not improve, it will hurt the EU more than it would hurt NATO. It is the EU that is aspiring to take on a more relevant and significantly expanded role in the world, and it is the EU that needs the alliance's expertise, assets, and, on occasion, even its consent. Should the deadlock continue, and all signs indicate that it will, another major obstacle for the EU to unfold its foreign policy potential will remain firmly in place.

WHAT IS AHEAD?

So far, we have discussed underlying, structural problems of the European Union's Common Foreign and Security Policy. They will, at least in the medium term, determine the outcome of many foreign policy debates within the EU. But, apart from short-term crisis management, what will be central on the EU's agenda over the next two to three years? One institutional issue and three policy issues will stand out.

a. Institutionally, the big question is how the new rules of the Lisbon Treaty will play out in practice. What will the new power balance between the member states, the Council Secretariat, and the Commission look like? Will the new rules really lead to the much-needed streamlining of decision making? Can they bring about the reversal of instinct described above? Alternatively, will they, as some observers fear, lead to infighting and not more but less clarity about who is in charge? How will the newly named permanent council president, Herman von Rompuy, and his colleague, High Representative Catherine Ashton, shape the new offices? Will they be able to exceed the generally low expectations that were voiced after the posts were filled? Will the new external action service gain the kind of momentum and strength so that it could, at least partially, replace the member states' own diplomats in foreign countries? There is some evidence that even some of the bigger European nations are already adjusting, i.e. scaling down their own institutional diplomatic setup in order to accommodate the new European realities. And, finally yet importantly, can the European Parliament continue to gain political weight and power vis-à-vis the Commission and the European Council? Increasingly, critical voices can be heard, claiming that the EP has become overly confident and is overplaying its cards.

The new set of rules is an unprecedented institutional experiment with an uncertain outcome. If they work out well, many things will be easier in Brussels. In the end, however, their importance for the EU's foreign policy is limited. After all, the member states hold the key to success or failure of the EU's foreign policy. No institutional setup can replace political leadership and willpower coming from the national capitals. Whether they will be

ready to exercise this leadership will be the most interesting issue to watch in the coming years.

b. The three outstanding policy issues are (1) the relative decline of US global power, (2) resurgent Russia, and (3) the question of Turkey's accession to the EU. In a positive scenario, America's weakness will force the EU to get serious about its own diplomatic and military capacities; Russia's robustness will force the EU to speak with one voice; and the unresolved Turkey conundrum will force the EU to embrace a strategic role and resist its inward-looking temptations. In the negative scenario, America's weakness will drag Europe down with it, leading to a severe decline of Western influence around the world; Russia's power politics will splinter the EU on some of the most important strategic questions (including energy security and the territorial integrity of central and western European states); and the Turkey issue will become the symbol of a European Union as a self-absorbed, inward-looking giant unaware of its strategic potentials and obligations.

All three questions, of course, are inextricably intertwined. Without the development of a strategic European mindset, there will be no improved military capacity. Without a more unified approach to its external affairs, there is no Europe that could even make use of either strategy or military muscle.

The European Union, once more, is at the crossroads. Foreign policy remains the one major remaining unresolved issue on its agenda. The need for real change is gigantic. But the EU also has formidable obstacles to overcome, some of which are implanted very deeply at the very heart of the organisation itself. Positively turned, one can say that this is the moment for European leaders to make history. Maybe the EU is lucky and will find a new Schuman, de Gaulle, Adenauer or de Gasperi. For the future of Europe, one can only hope that it will.

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