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[Global Power Shifts](#)

A Question of Identity

The EU Needs to Become a Global Player
in the Changing World Order

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The European Union's internal structures are currently plagued by division. These rifts all boil down to a question of identity: What is the EU? At the same time, the changing world order is forcing the EU to decide who it wants to be. The answer is clear: It must take steps to become a global player.

Spring 2021 marks one year since the start of the coronavirus pandemic in Europe. For the last twelve months, the European Union's policies and actions have been dominated by the pandemic and its disastrous consequences. During this period, the EU should have been focusing on completely different issues, particularly relating to climate policy and sustainability. We also anxiously observe deepening rifts within the EU, and the impact the crisis will have on these divisions remains unclear. The pandemic has also highlighted the scale of the changes in the international order. This article assesses several overlapping issues from the perspective of foreign policy. It is worth looking at how the world order has changed and at the challenges confronting the EU. This reveals a growing need for the European Union to step up to the role of a truly global actor. An examination of these issues may also provide answers to how the EU could heal its internal divisions by building a shared sense of identity.

The European Union in a Changing International Order

If we look back to 30 years ago, we see that Europe existed within a completely different global order. The Two Plus Four Treaty and the disintegration of the Soviet Union signalled the end of a decades-long phase of bipolarity that dominated international relations. Despite all the confrontation and division, this bipolar phase still provided a relatively high degree of stability. And in the early 1990s, in the wake of upheavals, the balance of power was still clear to see. The United States was the only remaining great power, the world order was unipolar, and for a few years we continued to live in a clear and stable international system. Since that

time, the world order has become increasingly complex, however. Specific incidents and crises, gradual processes, unavoidable trends such as demographic change – all these have contributed to the shift towards a multipolar international system.

Today, Europe – and therefore the European Union – finds itself in a confusing, often disorderly world with multiple centres of power. The situation is also beset with crises and characterised by rapid upheaval. Against this background, Donald Trump's recent term as US president was an unpleasant wake-up call for much of Europe. With his erratic style of politics and "America First" approach, Trump illustrated Europe's reliance on the US in terms of security above all, while simultaneously pointing out that it can no longer take US support for granted. In parallel, China's eventual emergence as a great power has presented Europeans with a new reality that we still have to learn how to deal with.

This foreign policy situation also confronts the EU with a series of problems in its immediate neighbourhood. In a nutshell, these include instability in the MENA region, the difficult partnership with Turkey, the outlook for the Western Balkan states, the multiple challenges in the Eastern Partnership countries, and the strained relations with Russia.

Over recent years, the EU's position – both globally and in terms of its immediate neighbourhood – has intensified the debate within EU institutions and in the Brussels political sphere about the EU's role in the world. A number of concepts are still being discussed with the aim of enabling the EU to suitably fulfil its role in the global context. If the Union is to consider

the big picture (not just on climate change); if it is to meet all the challenges mentioned here and those that lie ahead; if it is to keep up with the manifold changes occurring now and in the future, then it has no choice but to adopt a role in which it is on an equal footing with the US and China. This role will certainly be defined by the transatlantic relationship and cannot be understood as a position of equidistance. Should the EU be unwilling or unable to play such a role in future, it will inevitably lose influence, power, security, and prosperity in relative terms – a prospect that cannot be an option for the EU. At the same time, a return to purely nation-state perspectives will not bear fruit for Europe’s member states within a global context over the long-term. No European state alone will be able to hold its own in competition with China and the US. Only the European Union has the collective power to do this. It is, therefore, imperative that the EU exploits this potential and works to transform itself into a political union that can compete on the world stage. On the face of it, this necessity is fuelled by exogenous factors, but a closer look reveals that endogenous factors are also at play.

The EU as a Global Actor – A Necessity Fuelled by Exogenous Factors

Let us begin with the exogenous factors and turn our attention to the aforementioned debate that has been going on for some years. This reveals a myriad ideas, arguments, and concepts for our consideration. Most of these contributions fall under the headings of “European sovereignty” and “strategic autonomy”.¹ For its part, the European Commission makes extensive use of the term “resilience” in its strategic outlook – a term that observers interpret as falling short of the aspiration to be a player in its own right. Overall, therefore, much of the discourse is not new. There is still a great deal of disagreement, especially regarding the terminology used and how it should be understood in real terms. Last year, the European Office of the Konrad-Adenauer-Stiftung worked in joint forces with the European Policy Centre (EPC) on a study relating to strategic autonomy. On

the one hand, it aimed to broaden the scope of the debate, which tended to be restricted to the military sphere in the past. While the study was also designed to contribute to a uniform, broad understanding of strategic autonomy and pave the way for taking concrete action in selected policy areas. During the project, it also became clear that the terms “sovereignty” and “autonomy” are already widely used by EU institutions to legitimise their political actions.² Those who sometimes revel in arguments about terminology overlook this political reality.

The EU has already made significant progress in certain areas to become a more relevant global actor.

In some areas and from an institutional perspective, over the past decade the European Union has already made significant progress towards becoming a more relevant global actor, a fact that should not be ignored here. As early as the Lisbon Treaty, the EU had developed the regulatory framework for dealing with the changes to the international system. Three key examples in this respect are the creation of the post of President of the European Council, the appointment of a High Representative for Foreign Affairs and Security Policy together with the creation of the European External Action Service, and the reform of the majority voting system for Council decisions. The EU’s Common Security and Defence Policy (CSDP) and Common Foreign and Security Policy (CFSP), whose roots go back still further, have gained greater weight as a result.

Nonetheless, the debate about how much weight these policy areas should carry for the EU has subsequently intensified. As mentioned previously, the focus was initially on security and defence. That 27 separate armies afford huge potential for creating synergies is still an evident fact. Having said that, national defence is linked to the inherent understanding of what

constitutes a nation state. Regarding Europe's collective security, NATO, to which the majority of member states belong, provides a protective framework as a defence alliance independent of EU aspirations. Despite this, it was right for the EU to create institutions such as the European Defence Agency (EDA), which supports member states in armaments planning, procurement, and research. The Permanent Structured Cooperation (PESCO) was also developed as part of the CSDP. Although certain PESCO projects have attracted justified criticism, it is heading in the right direction and should continue on this path. However, as recently observed in the debate on security and defence, opinions are divided about what this path could and should look like. Views diverge strongly about the extent to which EU defence policy should be less dependent on the United States. The recent election of Joe Biden has lent new weight to this question.

We cannot merely dismiss the fact that the EU needs the US for its security.

Divergent views emerged in Germany and France on this issue around the time of the US presidential election. In an article published by Brussels-based Politico, German Defence Minister Annegret Kramp-Karrenbauer stated her belief that Europe must acknowledge that it will remain dependent on the United States for the foreseeable future.³ In an immediate response, French President Emmanuel Macron voiced his incomprehension of this, saying in an interview that Kramp-Karrenbauer's statements were a "historical misinterpretation".⁴ But Germany's Defence Minister remained undeterred. A few days later, in a keynote speech to students at the Helmut Schmidt University in Hamburg, she said: "The idea of strategic autonomy for Europe goes too far if it is taken to mean that we could guarantee security, stability and prosperity in Europe without NATO and without the US. That is an illusion. But if we take it to refer to our capacity to act independently as Europeans where our common

interests are concerned, then yes, that is our common goal and reflects our common understanding of sovereignty and ability to act."⁵ Indeed, she is correct when she says the United States currently provides 75 per cent of all NATO equipment and capabilities. That's why we cannot merely dismiss her statement that Europe still needs the United States for its security, and that this will not change any time soon. However, we still have to ask whether this could or should be changed over the medium or long term.

There are two key aspects to addressing this issue. Firstly, EU countries, especially NATO members and Germany, in particular, will have no choice but to increase their contribution to joint security. This entails noticeable increases in defence spending, which must be used to build substantial capabilities so as to share the burden more fairly within NATO. The example of Airbus shows that European solutions can be competitive. Still, the US also has an interest in maintaining its security supremacy in Europe. Increased defence spending would bring the EU closer to the goal of gaining importance while strengthening the transatlantic alliance and improving the balance of NATO by bringing the EU's weight to bear. On the other hand, the ultimate goal of increased spending should not be breaking away from the US, as this would neither be of benefit to Europe nor to the United States.

Secondly, the question of whether the EU should remain dependent on the United States in military terms fails to adequately address the issue of Europe's role in the world. Rather, a much broader concept should be developed, moving away from a purely military understanding of this question.

Expanding our view of how the European Union could become a more powerful global actor presents numerous policy areas with countless opportunities for action. In economic terms, a glance at the key figures reveals that the EU is already a global heavyweight. What is more, Brussels has always spoken with one voice on trade policy. Trade agreements such as those with Canada (CETA), Japan (JEFTA), and



Strategic autonomy? In the view of German Defence Minister Annegret Kramp-Karrenbauer, this idea “goes too far if it is taken to mean that we could guarantee security, stability and prosperity in Europe without NATO and without the US”. Source: © Stephanie Lecocq, Reuters.

South America (MERCOSUR) are testament to the EU’s standing and safeguard its prosperity. Talks on the proposed TTIP agreement with the US are currently on ice. Yet, Donald Trump’s attempts to undermine the negotiations through bilateral deals with individual EU member states came to nothing. To date, the EU has always stood united on trade issues. Boris Johnson, too, realised that he was dealing with a Union that speaks with one voice when it came to the UK’s new trading relationship with the EU. Particularly on trade issues, this approach of acting as a cohesive bloc is key. Leveraging the EU’s full weight as an economic area achieves

equally strong results. The European Union has already embarked upon the right course here and should continue to pursue this path in order to support the rules-based international order. The trade wars witnessed over recent years do not benefit the EU. It can only move forward under a system with fixed rules. Whereas, at the same time, it cannot afford to be naive. A good example here is the recent investment agreement signed by the EU and China. At first glance it was a success, particularly from the point of view of the German Council Presidency; yet, it has attracted loud and justified criticism. Opposition from environmental and human rights

organisations was certainly to be expected in this context. But far more surprising was the scale of criticism emanating from business associations such as the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK). In the face of this criticism, the Commission felt obliged to clarify that the deal is far from being a free trade agreement. Rather, its aim is to regulate market access and enable fair competitive conditions. The DIHK and BDI were particularly critical of the lack of effective protection for investors. This example illustrates the fact that despite the EU being a strong player when it comes to trade, the Union can only proceed in small steps especially when dealing with difficult partners. However, the fact that China was willing to agree to including a chapter on sustainability for the first time, is certainly a step in the right direction. Agreements on trade issues are usually the result of lengthy negotiations. If it is to preserve its status as a trading power, the EU must continue to pursue its path with unity and perseverance and be content with small advances when dealing with difficult partners.

European competition law fails to take global competition into account.

In terms of economic policy, another area deserves attention when it comes to consolidating the EU's position among its global competitors – European competition law, which can have a very detrimental effect from a global perspective. It is currently aligned with the horizon of the European Single Market. Unfortunately, this can place member states at a serious disadvantage compared to their international competitors, as painfully demonstrated by the much-publicised collapse of the Siemens-Alstom merger. In 2019, in her role as Commissioner for Competition in the Juncker Commission, Margrethe Vestager blocked the proposed merger between the German and French train manufacturers Siemens and Alstom, citing European competition

law. The merger would have resulted in unfair competition when it comes to the European Single Market, so in this respect Vestager can be deemed to have acted correctly. However, if we bear in mind that the two companies together are still only around half the size of the China Railway Rolling Stock Corporation (CRRCC), their largest global competitor, European competition law fails to take global market conditions into account.

Two more recent examples highlight other policy areas that must be considered if the EU is to become a truly global player. The first example relates to the COVID-19 pandemic, illustrating the light and shadows of Brussels' approach to the crisis. When the pandemic hit Europe hard in spring 2020, the EU soon discovered how dependent it is on even comparatively easy-to-produce goods like medical masks. Global demand exploded, stocks were far from sufficient, and it was impossible to ramp up domestic production quickly enough. The member states scrambled to find a solution and bought whatever masks they could find. The EU urgently needs to learn its lessons from this. If it is to maintain its resilience and ability to respond to crises, the institutions must improve their crisis management and prepare for worst-case scenarios, particularly with respect to medical supplies. In the long run, this will certainly include the capacity to manufacture and stockpile essential goods and protect sensitive infrastructures.

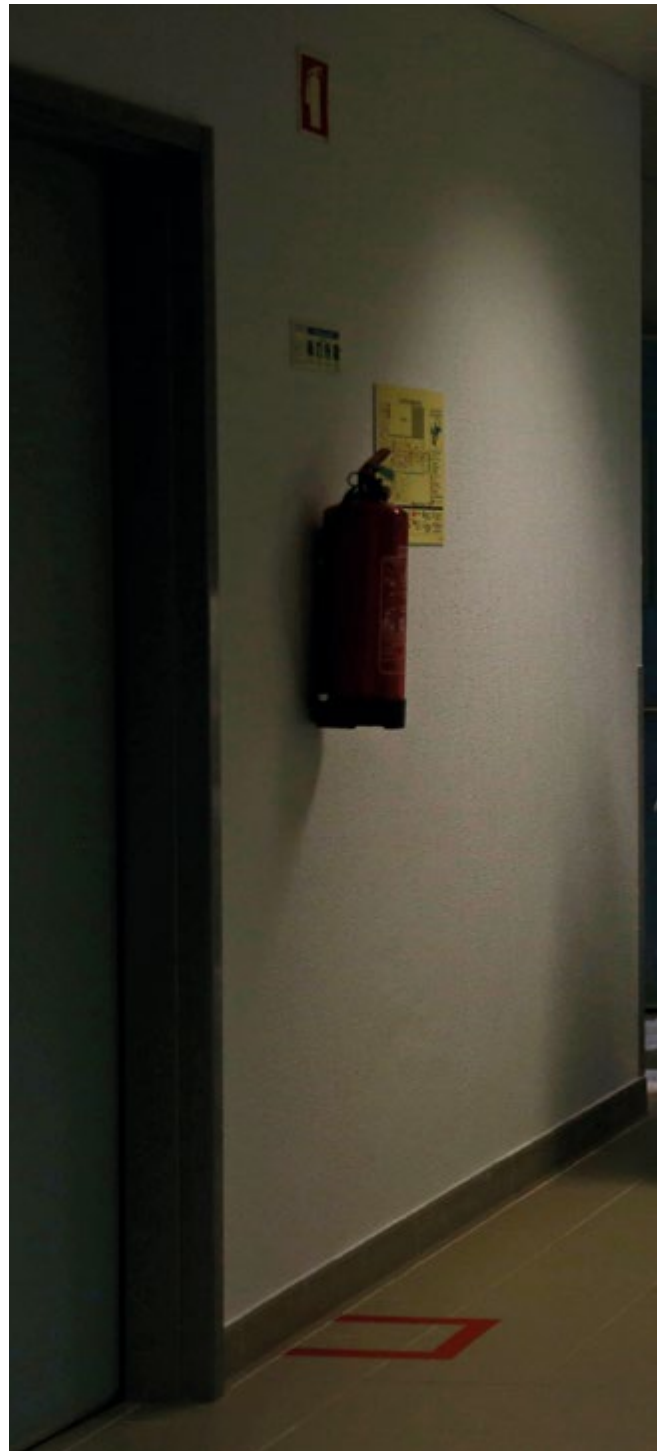
The second example also relates to the pandemic. An immediate lesson learnt from the first wave of the pandemic in spring 2020 was that the EU acted as a single bloc when ordering vaccines that following summer. Much criticism has been levelled against the vaccine procurement and distribution strategy, mainly fuelled by frustration and impatience about the sluggish start to the vaccine rollout across the EU. However, the EU's approach to negotiating, procuring, and distributing the vaccines could provide a promising example of the EU's future orientation regarding its role in the world. Right from the start, the EU tackled this vital strategic challenge by negotiating with the pharmaceutical giants as a single

bloc. This underscores the EU's image of itself and has the potential to sustainably enhance the reputation of and trust in the EU institutions, both internally and externally.

In 2020, the European Union also passed a new EU budget for the next seven years, which includes a multi-billion recovery fund – a financial package of unprecedented size. The process of agreeing this financial package was marred by obstacles and involved tough negotiations. One small aspect of this process may end up having a greater impact on the EU's future than was expected during the negotiations. In the public perception, the European Parliament has exerted pressure particularly regarding the rule of law. This is true, but it is only one side of the coin. The parliamentarians also made clear that they saw the funding for research and innovation contained in the package as being too low. In terms of volume, there is no doubt that the amount is rather low. Nevertheless, the Parliament has demonstrated that it has the right instincts in this respect. Precisely this expenditure is crucial for the future, and it is here that the EU faces particularly tough competition from the US and China. Meanwhile, Europe's success in developing vaccines has testified to the enormous potential of such investments. The question has rightly been asked whether Europe should be increasing spending on this area to become less dependent on research conducted elsewhere.

A final area requiring action from the European Union relates directly to the foreign policy decision-making processes of EU institutions. There are calls for renewed reform of the Council's decision-making procedures. As it stands, the principle of unanimity applies to decisions on the Common Foreign and Security Policy, meaning that they can be blocked by individual member states. Of late, these vetoes have

frequently been conflated with other issues. Most resolutions tend to be approved in the end, but it can be an agonisingly slow process that



Sufficiently prepared? The EU needs to learn its lessons from the COVID-19 pandemic and prepare for worst-case scenarios, particularly with respect to medical supplies.

Source: © Pedro Nunes, Reuters.

seems out of sync with the fast pace of our age. This is why the principle of unanimity should be reviewed. Unfortunately, however, striving to

reform this principle currently seems like a futile endeavour. Even though it is certainly desirable to reform the unanimity principle especially in



the long run, it is currently more expedient for the EU to exploit its existing toolbox of foreign policy options to the full. These range from the diplomatic work of the High Representative, to upholding the rules-based multilateral system through membership of international organisations, to development aid, and targeted sanctions regimes.

The above-mentioned broad understanding of a weightier role for the EU in the world allows us to identify a number of policy areas that harbour potential in this respect. The areas listed here are just a selection and do not claim to be comprehensive. The terms Green Deal, digital transformation, and demographic change alone reveal key issues that also need to be addressed for the future. We can also assume that other policy areas and issues, which cannot currently be foreseen, will be added to the list. What is more important, however, is that the EU develops and presents a view of itself as a global actor, irrespective of specific policy areas. It goes without saying that this process will be more focused on content than headlines, will be subject to constant change, and will probably never achieve a final, aggregate state.

Endogenous Factors also Favour the EU as a Global Player

We have shown how a few exogenous factors are pushing the European Union towards adopting a more powerful role in the global arena. The more we address the question of what this role might look like in real terms and the specific steps necessary to achieve it, the clearer it becomes that some of the answers go beyond the EU's external role. They relate to the question of the EU's identity. The question of what the EU can be, or wants to be, also resonates when we look at recent disputes within the Union.

Over recent years, we have observed divisions within the EU time and again that could not be resolved or appeased by the usual Brussels compromises. One example of this is the question of how to deal with refugee flows, particularly across the Mediterranean. For years, the Dublin

System had disadvantaged EU countries with a Mediterranean coastline, but it was not until the massive surge in refugee numbers in 2015 and 2016 that there was EU-wide acceptance of the need for reform. However, the reform process has been limping along for the past five years. There is still no unified concept on issues such as the right to asylum, fair distribution or cost sharing, an effective repatriation policy and developing a functioning but humane external border management system. Meanwhile, refugees are still drowning in the Mediterranean or living in dreadful conditions in camps on Greek islands on the EU's periphery. This sobering appraisal leads many to conclude that the member states must take steps to address this issue. And, as a global actor, it is essential for the Union to pursue its interests with credibility and moral integrity, the cornerstone of which are the universal human rights.

The coronavirus pandemic has revealed how the EU has struggled to organise an adequate and coordinated response.

The next example takes us in a similar direction. Particularly over the past year, there has been sharp conflict within the European Union over the extent to which the Brussels institutions can set and enforce the rule of law. This is currently playing out in an infringement procedure, but the dispute is more about the principle and undoubtedly fuelled by domestic political motives in Hungary and Poland. When we recall that, quite rightly, the EU insists on these same rule of law criteria applying beyond its borders, particularly when it comes to its neighbourhood and enlargement policies, it seems strange that they are being so hotly contested internally. Although it may be inappropriate to compare member states with standards prevailing in very different, often fragile, neighbouring countries, we cannot overlook the fact that certain

occurrences in Poland and Hungary seriously contravene the EU's majority understanding of the rule of law. This particularly applies to judicial independence in Poland and the Hungarian government's attempts to control the media. Here, too, we come to the same conclusion: The EU as an external actor can only expect other countries to uphold standards relating to the rule of law if it credibly applies these standards internally and demonstrates that it has a clear identity in this respect.

Besides the deep rifts manifesting themselves in migration and the rule of law, the coronavirus pandemic has also inexorably revealed how the European Union has struggled to organise an adequate and coordinated response and to manage the crisis in a proactive manner. Most of the steps taken to contain the pandemic have been at national level. This is understandable in so far as health policy is a competence belonging to individual member states. Nevertheless, the EU has failed to impress, particularly during the first wave of the pandemic. It has, quite rightly, been accused of lacking resilience on several levels. As we said earlier, the joint vaccine procurement and distribution strategy is the right one and provides a sound model for the future. However, this cannot detract from the fact that the EU must put its crisis resilience, contingency plans, and crisis response mechanisms under scrutiny, not only to live up to its claim of protecting its own citizens, but also to avoid finding itself at a major disadvantage compared to other global actors. This is particularly important since the EU can realistically expect to face other similar crises in future due to population growth and climate change.

After considering these examples, we can conclude that the European Union must look inwards and answer a number of complex questions. What is its stance on rule of law standards? How can the EU's asylum system be reformed? How can the EU improve its resilience in the face of crises? These questions reveal how the EU's vision of itself as a global actor is one and indivisible with the identity that the Union creates for itself. For the sake of its future, the

European Union has to actively seek answers to these questions and develop a vision of itself as a global player. To succeed, the EU has to be bold and consider the big picture.

-translated from German-

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