The World HandCOV'd
STRATEGIC INSIGHT

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WHY THE EU IS NOT MAKING A NEW WORLD

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The ongoing coronavirus pandemic has asked questions of the European Union. For some, its relative invisibility during the early phase of the pandemic confirmed its irrelevance; for others, its relevance and necessity are more obvious than ever in an increasingly insecure world. The pandemic provides an opportune moment to assess the EU's capacity to face security challenges in an emerging global order. The EU will need to adapt quickly if it is to retain its vigour and security.

Key takeaways

- Much of the criticism levelled at the EU during the pandemic assumes more supranationalism than the EU institutions possess. In matters of security and the wider world, the EU primarily functions on an intergovernmental basis – as it will continue to do so.

- The pandemic has reiterated the central role played by Germany in the bloc. Both member states and outside actors should more fully consider the form Germany's power takes when formulating their own foreign and security policies.

- The neoliberal consensus that has undergirded the global political economy since the 1980s has been shaken to its core. It is unclear whether EU member states will be able to agree on their preferences for the future global order, limiting their capacity to influence its details. The ability to find a new consensus will be the EU's greatest strategic dilemma in the coming years.

Pan-DEM-ic: Democracy in panic?

The first thing anyone noticed about the EU was its absence. As the pandemic reached the EU, many member states unilaterally closed borders. France and Germany both stopped exports of medical equipment, with scant regard for the rules of the single market. Each member state adopted its own policy response to the crisis and the EU seemed powerless to bring about a coordinated approach. In mid-March the president

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of the European Commission, Ursula von der Leyen, called on member states to keep borders open, but she might just as well have whispered into the wind.

And, as in any crisis, there was no shortage of windbaggery on display. Early commentaries on the crisis asked if Covid-19 would mark the end of the European project. It was the open season for critics of liberalism as 'liberal' states were taking patently illiberal measures. These measures, it was argued, showed that the EU's liberal principles had failed. Criticism was to be expected; the EU's most persistent critics use any crisis as an opportunity to predict its implosion.

Most criticisms of the EU assumed a level of supranationalism that does not exist. The EU has always been slow to act in international crises. Moreover, the pandemic was quickly 'securitised' in the broad sense that member states portrayed it as a significant threat to their communities and way of life. A truly common security policy, despite the EU's many institutional innovations, remains elusive. The EU's slow response to international crises reflects the intergovernmentalism at its heart. If member states were willing to cede greater sovereignty to supranational institutions in Brussels, only then might the EU act quickly and surely to stem a crisis.

Accordingly, confronted by a need to act swiftly, it was entirely predictable that the earliest policy responses to the pandemic would be at member state level. It is only by recognising the EU's intergovernmental approach to security that we can assess its ability to cope with strategic dilemmas in the future.

Berlin before Brussels

Having recognised the intergovernmental basis for EU security policy, perhaps the first strategic consideration the pandemic raises concerns the place of Germany. It is German willingness – along with France – to put in resources that has acted as the lynchpin of the prospective coordinated EU response to the pandemic. On 27 May, the European Commission presented a €750 billion recovery fund comprising grants and loans to member states. It is, of course, largely by chance that a German presented the package – von der Leyen. More EU power will be put formally in Germany's hands next month when it takes over the rotating presidency of the Council of the EU. The pandemic recovery will top the agenda.

Germany's backing is key to the recovery fund's success as well as the EU's long-term survival. The Eurozone crisis had already shown Germany's preponderant influence over European Central Bank policy, imposing harsh austerity upon Greece and others. The pandemic brought unprecedented state interventions in national economies and Germany's domestic response embraced deficit-spending far more willingly than during the financial crisis. The EU recovery fund proposes heavy borrowing, but in the long run

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Germany will bear the brunt of repayments since Germany contributes more than any other member state to the EU budget.

At the same time, the power of Germany in Europe has, arguably, been the central question for European security since 1871. The "German problem" has been defined in various ways, but in general concerns the consequences of a powerful state in the centre of the continent. It surfaced again with reunification in 1990 and Germany's reluctance to militarise its defence policy has helped ease the "problem." Raising the issue here is not meant to imply that Germany has any baleful intentions, merely to point to the structural challenge. With the EU relying so much on German power, its allies should think about the forms that power assumes.

As an economic powerhouse Germany sustains the EU. However, in the face of shifting threat perceptions and the likely redistribution of relative power over the coming years, Germany could feel the need to divert resources elsewhere. In the light of tensions between the West, Russia and China such reflections are inconvenient for President Trump's musings on NATO and his wish to drawdown US troop deployments in Germany. What is the alternative with regard to Europe's military security?

A dilemma of multilateralism

A second strategic dilemma facing the EU in the years ahead concerns its capacity to contribute to multilateralism. The EU's supporters, overestimating the bloc's supranational capabilities, expect the EU to show regional, even global, leadership. It has become *bien pensant* to proclaim each new crisis as the EU's defining moment. Such claims were invoked in the 1990s during the Yugoslav wars. In 2014 the Financial Times asserted that the Ukraine crisis was 'the hour of Europe.' In 2015 the EU's serving High Representative for Foreign Affairs and Security Policy Frederica Mogherini declared that the refugee crisis marked the EU's 'moment of truth.' In April, France's president Emmanuel Macron said that Covid-19 was such a moment.

The pandemic is without doubt the kind of problem that is best solved multilaterally. There are many such problems in the contemporary world. Problems ranging from health security to terrorism to environmental security cannot be addressed without international cooperation. There are too many externalities involved for states to address these issues unilaterally, and it is efficient to pool resources and share information. Yet as Covid-19 affected Italy and Spain in the spring, the EU institutions were unable to assume leadership even on a regional scale.

At first glance this is paradoxical because, in many respects, the EU is multilateral cooperation *par excellence*. However, the international response to Covid-19 has exposed the frailties of international organisations and commitments to them; most directly, the US announced its planned withdrawal from the World Health Organisation. With the

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US retreating from international organisations, many presume that the EU can – or ought – step up and take a lead in multilateralism. However, unless the twenty-seven EU member states agree to cede greater powers to Brussels, as they long ago did in trade negotiations, the EU cannot be expected to take on a leadership role in matters of global security. Once one recognises the intergovernmental motor driving the EU's engagement with the wider world, ambitions of leadership more broadly evaporate. This is not the EU's moment of truth.

Despite this, the basic conditions that encouraged European states to cooperate within the EU have not gone away and, for this reason above all, the current crisis does not portend the end of European integration. It will likely give impetus to strengthened cooperation in public health policies, but it will achieve little beyond that. The EU can help its members make a valuable contribution to global multilateral initiatives, but it cannot lead. The twenty-seven know that the membership of international organisations usually comprises states and they are unlikely to give up their seats at the tables.

Shaping the post-Covid world order

The faltering status of multilateralism in the present day reflects widespread beliefs that the global order is undergoing major change. As previous commentaries in this *The World HandCOV'd* series have argued, the pandemic has amplified, and perhaps accelerated, geopolitical trends. Thus, 2020 seems to represent a defining moment *for the world order* – and adapting to this will be the greatest strategic dilemma for EU member states over the next five-to-ten years. The mistake would be to exaggerate the EU's agency in determining the parameters of that order, while underrating its ability to shape the details.

No one can say how the global economy will recover from the pandemic, but EU member states risk becoming piggy in the middle as China challenges US leadership round the world. Most EU members have ignored US criticism and joined the Asian Infrastructure Investment Bank that China launched in 2014. Meanwhile, EU member states have cautiously agreed to allow Huawei technology in their 5G infrastructure despite US wrath. Individually, though, European states' power *vis-à-vis* China or United States is limited and it is the latter states' rivalry that will determine the parameters of the future global order.

EU member states' best response to China-US rivalry is to forge agreement on their preferences. Only then might they hope to influence the norms and values of the future order and its political economy. While some critics on the political right continue to maintain that the EU supports social democracy, and others (on the political left) see the EU as a vehicle for spreading neoliberal ideals, the EU in the twenty-first century is better viewed as a means for member states to collectively adapt to the pressures of the

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order within which its members must operate. Scholars have argued that through the EU it has been possible to ensure Europe's standards and rules are adopted at a global level. In the past this was described as 'managing globalisation,' though whether or not the globalisation label applies is a moot point.

It is not certain that EU member states will rally round the same ideas. As they look past the United States at other relationships, there are disagreements about cooperation with China and Russia. It is uncertain whether divisions between old and new member states, richer and poorer, large and small, can be overcome, and yet it is the member states' ability to find consensus about its preferences for the new world that will prove the real moment of truth.

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