



The Euro Crisis, the Other Crisis and the Need for Global Thinking

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In addition to the euro crisis the EU faces a second, more existential crisis, in the form of an ill-defined notion of the Union's global role. This contribution argues that the euro crisis should not redefine perceptions of the EU on the global stage, which it is in danger of doing. Instead, the EU and its members should embark upon a strategic reassessment in order to define three core interrelated factors. First, the nature of the EU's actorness remains ill-defined and it is therefore necessary to explain, both within and beyond the Union, what its global role is. Second, in order to facilitate the joining up of the myriad of sub-strategies in EU external relations, the notion of 'red lines' should be considered which define specific aspects of behaviour that are mainstreamed throughout the EU's external actions and, more importantly, upheld. Third, in spite of the rapid development of the harder elements of the EU's actorness over the last decade or so, there remains a worrying gap between rhetoric and reality. This aspect is of particular concern for the United States and will affect perceptions of the EU's ability to be a genuine strategic partner at a time of dramatic change in the international system. By engaging in what will inevitably be a difficult debate, the EU and its members will not only help give purpose and strategic direction to the Union's actions on the international scene, it will also speak to the euro crisis since both are fundamentally about the future shape and direction of European integration.

Introduction

As the EU finance ministers conclude another meeting on the euro crisis, it is remarkable how little thought has been given to the ramifications of this crisis upon the Union's external actions. The focus on the euro crisis has, so far, had two negative effects upon the EU's external actions. First, it has distracted attention from the urgent need for thought and debate about the Union's attempts to build a more coherent, effective and visible role for itself on the international stage in the face of a rapidly changing global order¹. Second, the euro crisis is in danger of defining the EU's external image in the absence of any concerted efforts to otherwise define the Union's global role. With this in mind, this contribution calls for a parallel and complementary debate on the EU's global role.

The need for this debate has been evident for some time and pre-dates the euro crisis. If we cast our minds back over the last decade (back to the Convention on the Future of Europe) the most pressing issue was the need for the EU to present a more coherent, effective and visible face to the world. What eventually became the Lisbon Treaty was supposed to help address this at a structural and procedural level, leaving the more political debate about defining the EU's place in the changing global constellations to the newly appointed senior posts in the Union and to the heads of state and governments of the members. Events, however, have a way of interfering with the best laid plans².

These events took the form of the global financial crisis and the connected euro crisis. Efforts to grapple with the latter have been characterised by not only their complexity but also fundamental disagreements about the nature of the crisis, or more precisely, crises (since the crisis has fiscal, competitiveness and banking aspects to it). Some have even suggested that it may not even be primarily about economics or finance but is political and 'even largely presentational' in nature³. Any resolution to the crises mentioned above will ultimately depend upon the ability to restore economic growth in the near future, notwithstanding any necessary institutional engineering or treaty amendments.

While, for understandable reasons, much of the attention has focused on the euro crisis, a second more existential crisis is looming. This crisis stems from the lack of any real clarity about the EU's global role and how it wishes to engage in and shape the emerging international order. The euro crisis is already shaping third party perception of the EU due to the simple fact that much of the Union's presumed external attractiveness has been based upon the export of its internal values and principles⁴. Hence, if the attractiveness of the EU's model of integration as exemplar is tarnished, the euro crisis risks redefining perceptions of the EU's global role in a negative manner. Indeed, as explained below, there is already some evidence that this is happening. Yet, to equate the euro crisis as the cause for the second, more existential, crisis would be a mistake since, as Björn Fägersten has aptly observed, 'while Europe is in decline in relation to the resources it can devote to

foreign policy and its ability to act as a unified actor, the euro-crisis has not caused, but only exacerbated, ongoing trends⁵.

Any ensuing strategic debates about the EU's global role should therefore actively consider the wider ramifications of the euro crisis but at the same time it should not circumscribe the parameters of these broader exchanges. In so far as there is mention of the EU's global role in the debates surrounding the euro crisis, it is often couched in terms of geo-economics and the EU's role in the G20 as the 'vector for Europe to speak with one voice in the world'⁶. The temptation for the EU to define its external role in geo-economic terms, based upon its traditional strengths in trade and the (still unclear) results of the euro crisis, runs the risk of neglecting the more political and normative underpinnings of the Union's external role. Any such reassessment must therefore be undertaken with one eye on the wider effects of the euro and wider global financial crises, but with an equally firm gaze on longer-term geo-political dimensions.

The arguments below suggest that the developing debates about the EU's global role were truncated by the euro crisis. Notwithstanding the euro crisis, it is argued that there is an urgent need for the Union to adopt a global perspective on its role, complete with a clearer idea of what links its numerous sub-strategies in its external actions. It is suggested that one such linkage might be found in the delineation of specific 'red lines' that would inform all of the sub-strategies. These red lines should then be mainstreamed through the various sub-strategies so that the character of the EU's international role and its actorness become more visible and coherent.

Beyond the delineation of red lines, any strategic perspective should also consider how comprehensive the EU wishes to be as a global, or even regional, actor. This will involve more serious thinking about the Union's 'harder' facets and whether the Member States have the necessary will and resources to underpin the Common Security and Defence Policy (CSDP). The extent to which the EU is persuasive on this point will be of critical importance to the reformulation of the EU's most important external partnership and, arguably, its only real one – the United States. Although dialogue with the EU's nine other strategic partners, and beyond, should be part and parcel of any such strategic reassessment, the United States is unique in its global reach and its comprehensiveness as an actor. Just as the EU needs the United States, the latter requires a strategically-oriented and capable partner.

A truncated debate

There were attempts to articulate the Union's role on the international stage prior to the Lisbon Treaty, such as those voiced in the European Convention a decade ago. In the interim between the Convention and the adoption of the Lisbon Treaty, a number of official documents, such as Solana's *A Secure Europe in a Better World: The European Security Strategy*⁷, or the Commission's *June 2006 Europe in the World*⁸,



the Report on the Implementation of the European Security Strategy⁹ on December 2008, all amplified the need for a more coherent, effective and visible Europe on the world stage. This accounts for the fact that of the 62 amendments made to its predecessors, the Treaties of Rome and Maastricht, no fewer than 25 applied to provisions on foreign and security policy¹⁰. There were even signs that, post-Lisbon, the newly ensconced President of the European Council, Herman van Rompuy, wished to pursue the dialogue when he observed that the main challenge facing the EU is 'how to deal, as Europe, with the rest of the world'¹¹. Whatever momentum was building up in response to this crucial question was soon overshadowed by the global financial crisis and the ensuing euro crisis.

All is not lost though. For example, the last two Gymnich meetings of EU foreign ministers, under the Danish and Cypriot Presidencies respectively, noted the importance of horizontal issues, or 'those issues that are so important for our relationship in the world and on which it is so important that we are engaged'¹². The Future of Europe Group, which combined 11 foreign ministers meeting in a personal capacity, made a strong plea for 'a comprehensive and integrated approach to all components of the EU's international profile'¹³. In spite of the preoccupation of the European Council of 18-19 October with 're-launching growth, investment and employment', they still found time to note the need to 'improve the EU's external relations'¹⁴. The European Council made reference to an earlier meeting in September 2010 which noted that the economic and financial crisis 'has dramatically shown the extent to which the well-being, security and quality of life of Europeans depend on external developments' and that 'the emergence of new players with their own world views and interests is also an important new feature of the international environment'¹⁵. In this spirit subsequent reviews of six key strategic partners (a term that itself lacks any strategic precision) commissioned by this European Council were disappointingly general and inconclusive and did little to elucidate a wider role for the Union on the international scene¹⁶.

It would therefore be an exaggeration to claim that the understandable concentration on the immediate exigencies of the euro crisis has completely obliterated consciousness of the need for the EU to think and act more strategically in its external actions. For those readers who doubt the wisdom, or even the ability of the EU or its Member States to think and act more strategically, it is worth noting that the EU adopted an internal security strategy in 2010 which involved public debate, consultation with numerous internal stakeholders, the advancement of a security 'model', a clear idea of objectives and the matching of the latter to resources and existing policies¹⁷. Although a strategy for the EU's external posture will inevitably be a good deal more complicated, the onus of drawing up any such strategy need not be entirely cast upon the EU's institutions or the EEAS, especially when there is mounting external interest and a willingness to contribute to any such process, as shown by the European Global Strategy initiative¹⁸.

Thinking globally to solve local problems

It is a truism to observe that the world moves on, but what is significant about the current reconfiguration of the world order is that this is being done with relatively little EU input and, importantly, in the absence of a clear strategic vision of the Union's role in the changing constellations. The first issue therefore is the nature of the EU's role in the emerging international system.

Historically the EU's role in external relations developed around trade and development. This has posed the challenge of fitting the more recent foreign and security dimensions into the relatively well developed and defined (former) *communautaire* aspects. One option, therefore, would be to strengthen the Union's strengths in these realms – a move which might also be suggested by the ramifications of the euro and global financial crises. This option would also play to the real strengths of European-level diplomacy which have historically been in the trade area. If the EU is to become a pragmatic and essentially geo-economic actor, a different set of calculus apply than those suggested for a Union that seeks to promote normative values built around its founding principles¹⁹. In the case of the former, a *realpolitik* perspective is called for, centred on defending the economic interests of the Union. This would suggest a highly pragmatic foreign policy geared

towards opening and sustaining market access. It would be trade led and based upon material interests, emphasising the negotiation of free trade area agreements. Any wider foreign and security policy considerations would be subservient to this trade-led perspective. As Richard Youngs has suggested, this is exactly the approach adopted towards Asia with 'no strategic perspective in Asia beyond a race for commercial contracts and reversal of its weakening economic presence'²⁰.

The development of the foreign and security policy aspects since the 1990s, the end of the Cold War and the attribution of legal personality to the EU under the Lisbon Treaty, has



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introduced far more concern with the more normative aspects of the Union's global role. However, any credible strategic approach to the EU's global role cannot be based solely on lofty principles, but will also have to include elements of pragmatism. As the EU and its members struggle to balance values and interests, it is important to bear in mind that values should inform interests, whereas interests may distort values.

The obvious danger posed by the euro crisis is that instead of broad normatively-informed principles and objectives being applied to the EU's external policies, Member States may be driven to prioritise short-term economic gains and interests over longer-term common goods. There is already some evidence that 'covert forms of protectionism' are on the rise, reversing the idea of economic openness which has been one of the fundamentals of the EU's common commercial policy²¹. An acceptance of variable-speed integration on fiscal affairs may further undermine the external logic of a united front on foreign policy.

The impression that the EU and its members are acting in more geo-economic and self-interested ways has already prompted some, such as the Association of Southeast Asian Nations (ASEAN), to 'start to question' the much touted European model²². The corrosive effects of similar impressions may be quite profound on other areas of the world, such as the southern Mediterranean, where, in light of the Arab spring, the EU promised to not only deliver on the three 'M's' (money, markets and mobility), but to actively promote the concept of 'deep democracy' and the principle of 'more for more'. Any impression that the EU is less than sincere about the more normative elements of its external relations will only erode the sympathies of young Arabs and undermine EU policy in the area. The failure to engage regimes, civil society and even social media in a normatively informed dialogue threatens to condemn the EU and its members to exactly the kind of trade-first relations promoted under the regimes that have just been overthrown. One of the more awkward questions for the EU and its members emanating from the Arab spring is where its much vaunted principles and values were in the EU's relations with the supplanted regimes. Challenges like these demand a strategic response.

Ideally, any strategic reassessment of the EU's global role should take account of both geo-economic and geo-political interests, balanced by the promotion of core values and principles. The EU's ability to export its particular model of regional integration can be historically attributed to this fusing of economic and political liberalism. On paper, the promotion of market economies is the flip side of democratisation and a human rights coin. The obvious danger posed by the euro crisis is that the tie between the two may be weakened, especially if the response involves protectionism, the relaxation of state aid rules, bilateral (and inconsistent) trade agreements and the jealous protection of its advantageous representation in many international organisations. The dangers of a potentially widening gap between the internal realities of European integration and the substance of the EU's external actions are nicely reflected by Justin Vaïsse and Hans Kundnani:



Source: <http://frontpagemag.com>

As a conflicted and divided Europe drifted towards economic stagnation and political gridlock, so the model for which the EU stands – that of an expanding and ever more effective multilateralism as a solution to the problems of a globalised world – was also discredited in the eyes of others. Emerging powers such as Brazil and China understandably wondered why they should pay to help rescue a continent which is proving unable to get its act together even though it has the resources to do so – let alone why they should listen to its lectures about regionalism and good governance²³.

This is the crux of the problem. The credibility of the EU's external policies has always depended upon its ability to export a particular model of integration as exemplar. The construction of the Union internally enables the EU to extol its variant of regional integration elsewhere in the world. Similarly, the promotion of the EU externally as exemplar is part of the reaffirmative process of the continuing construction of the Union and its identity. The danger is that at the core of the EU's advocacy are its much vaunted social

model and the internal market, both of which are under fire not only from the euro crisis but also longer-term economic malaise and shifting demographics. The juxtaposition between a Union that continues to export its model of integration, even if less convincingly, whilst engaging in geo-economically driven trade and energy deals will further erode the EU's overall appeal and ability to shape the emerging world order. Youngs noted the existence of this uncomfortable duality when he observed that, 'It is unsustainable for the EU to think that it can bask in post-modernism within Europe while guarding such a supposedly Kantian paradise through realist bargaining outside its borders'²⁴.

Given that European integration is based around a reaffirmative process between internal and external politics, it is logical to suggest that the adoption of a clearer strategic view of the EU's global role, its aims and interests, may shape the internal dialogue. This is all the more necessary if log-jam or paralysis threatens internally. In order to do so, the EU and its members will have to develop a keener sense of the Union's overarching strategic interests and values.

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Red lines?

Paradoxically, the EU is drowning in strategies, but lacks a strategy. In so far as one can talk of strategy in EU external actions, they are contained in no less than '134 individual country strategies ... strategies for most regions (Central Asia, the Andes, etc.), thematic issues (counterterrorism, non-proliferation, etc.), even whole continents (Asia, Africa, and Antarctica)²⁵. This approach to countries and regions is typical of the process-driven type of foreign policy practiced by the EU, with broad similarities between the individual country or

region agreements. In a similar vein, the presence of numerous dialogues with the strategic partners is often portrayed as a badge of pride, with less attention paid to what the dialogues actually achieve or a clear strategic conception of what the EU wishes to attain. The situation is somewhat reminiscent of the Dodo's mantra in *Alice in Wonderland* ('Everybody has won, and all must have prizes'). In this context, all shall have summits.

The need for a common strategic linchpin, linking and supporting all of the various sub-strategies, could take the form of 'red lines' that traverse the sub-strategies. These red lines should be normatively informed and relate to precepts of good global governance and, as noted, they should be connected with the internal realities of European integration. It may well be that the rise of Asian and other powers will challenge western notions of good governance and order, as may the equation of western notions of human rights and universal values with a number of Islamic cultures. Rather than avoid such debates, the EU and its members should embrace them since the recent (but still tentative) changes in the southern Mediterranean, Myanmar and even China itself suggest that they are not entirely antithetical to 'western values' or notions of democracy and multilateralism. What is sometimes portrayed as a crisis of liberalism may actually be more about the institutionalisation of a liberal world order at the multilateral level, but is not necessarily a contestation over 'the basic rules and principles of the liberal international order', where the likes of China or Brazil 'wish to gain more authority and leadership *within* it'²⁶. What many of the EU's so-called strategic partners are volubly demanding is a greater role in an international order which still largely resembles the post-war *status quo* and not the realities of the 21st century.

In broad terms, 'red lines' can be defined as those principles that have inspired the Union's 'creation, development and enlargement'²⁷. The treaty gives us many potential 'red lines', but two obvious ones spring to mind: multilateralism and the rule of law. Considerable effort would be required to move them from the realms of mantra to workable strategic elements. Multilateralism, as noted above, would require a greater willingness on the part of the Union and its members to end what is perceived by many to be the latter's over-representation in many international forums. This has already become a litmus test for a number of strategic partners, like Brazil and India, of how sincere the EU and its members are about promoting multilateralism. In addition the EU is under pressure from not only the emerging powers but also the United States to engage in such a reassessment. In spite of the difficulties of any such reformulation of the representation of the EU's members in the key multilateral bodies, it is hard to see how the Union's multilateralism mantra will appear credible if the *status quo* is blindly defended.

The promotion of the rule of law as another potential red line could also play to the EU's inherent strengths. It would, however, require much more thought about how it should be systematically applied across all aspects of the EU's

external action since the Union lacks any 'comprehensive and authoritative framework enabling the EU to take stock and subsequently monitor rule of law compliance in any particular country in any given year'²⁸.

Any red lines would then have to be 'mainstreamed' through the geographical desks of the EEAS and other relevant parts of the Commission and supported by the Member States. This is easier than it sounds since the predominance of geographical perspectives is reflected in many parts of the EU including in the funding instruments which tend to reflect the priorities of geographically-oriented regional or even country strategies. Only two of the eight principal funding instruments (Democracy and Human Rights and Nuclear Safety Cooperation) really qualify as thematic²⁹. The transition to thematic and 'joined-up' approaches will demand a shift of mindsets. It will also imply wrestling with fundamental questions about the nature of the EU's actorness (What type of actor does the EU wish to be? Does it have aspirations to a global role or should it be primarily a regional actor? How comprehensive should its role be?), and a more critical approach to geographically-oriented 'strategic partnerships'. Above all, it would imply the willingness to think through the consequences for the EU's external actions with those who violate red lines in their relations with the EU and, conversely, the willingness to use positive tools to encourage others towards their adoption and enforcement.

While it could be argued that this is what the EU attempts to do with its current forms of conditionality, it has been done in a way that risks the promotion of double-standards which, in a variant of Gresham's law, threatens to prove that bad practice drives out good. In cases such as Russia or Central Asia, legitimate questions concerning the nature of the regimes, the judicial systems, the treatment of minorities, freedom of the press and human rights, have tended to be muted in light of the need for energy. This has led to a kind of fatalism where well-intentioned normative elements are held hostage to energy security considerations. A strategic reassessment could recast this by suggesting that the relations with these countries are framed by inter-dependence and not dependence (since they need access to a European market willing to pay market prices as much as many of the EU members need their oil and gas). Changes in perception such as this could then introduce a normatively informed strategy, complete with clear red lines that underpin the Union's fundamental aim of supporting a liberal world order to which there are no credible alternatives.



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The delineation of 'red lines' implies the need for both positive as well as coercive tools. The EU has well founded experience in utilising its more positive tools, such as financial aid or assistance and preferential trade agreements. It has the ability to use some punitive tools as well, such as sanctions. If the EU's aspiration is to be a comprehensive actor it should also have the ability to bolster 'red lines' where needed. More often than not, the use of civilian or military crisis management resources will be humanitarian in nature, but they also relate to wider questions of regional or global security and post-conflict stabilisation and reconstruction. The question of whether the

EU can credibly adopt a broad strategic perspective and 'red lines' based predominantly on its substantial reserves of soft power, has been challenged since the end of the Cold War by constant reminders that the EU's post-modern paradise is frequently challenged by the modern world surrounding it.

No war please, we're European

There is a difference between the decision to utilise soft power and the inability or lack of will to use harder power. The former is essentially a decision about the nature and character of the EU. The latter is a default position which on several occasions, such as in the Western Balkans, has resulted in EU reliance upon the United States to provide the harder power elements. The continuing behind-the-scenes dependence on America is all the more remarkable when the EU members maintain more active military personnel in uniform than the United States, but at the same time having less than 10% deployable. The traumas of the Western Balkans in particular provided a rude reminder about the nature of the modern world on the EU's borders and provided the impetus for what became CSDP.

The euro crisis may well imply that national austerity measures will further squeeze EU defence budgets which, in most cases, have been declining anyway for a decade or more (Denmark, Finland, France, Poland and Sweden are amongst those currently implementing significant cuts). A foreign policy-led perspective should suggest that even if there is any illusion left that its citizens live in a post-modern paradise, the world around us is distinctly modern or even pre-modern. The launch of recent operations in the Sahel (EUCAP Sahel Niger), South Sudan (EUNAVSEC South Sudan) and the Horn of African (EUCAP NESTOR) are indicative of not only the growing awareness of the security challenges from these countries or regions, but also of the contribution that the Common Security and Defence Policy (CSDP) can make in conjunction with longer-term instruments. A geo-economic perspective would suggest that at least the EU should have the ability to contribute, either alone or with like-minded allies, to the protection of vital trade routes. In spite of rhetorical support for CSDP, the ability of the EU to respond to either more demanding or multiple crises is conditioned by the hollowing out of armed forces, not to mention uncoordinated national budget cutting, which risks exposing the EU members to the effects of external instability, illegal migration, militancy and acts of terrorism.

As unpopular as it may be domestically within the EU, the case should be made to reinforce the EU's CSDP capabilities so that the Union is able to credibly embrace its comprehensive approach, first outlined by Javier Solana in 2003. Much can be done, as has been suggested in the past, by sharing and developing joint platforms, or enabling others to assume more responsibility for their own security by means of EU advice and training (the African Union being an obvious example). However, the EU still needs to establish its own credibility in this realm if it is to be respected. The net effect of over twenty missions spread over almost a decade needs

to be more thoroughly assessed. Most of the missions have been civilian in nature, but they have left the EU no nearer to a properly joined up civilian-military response capability. The EEAS remains bifurcated with crisis management still largely separate from civil protection, crisis prevention, mediation, post-conflict stabilisation and sanctions. Bearing in mind the EU's pretensions to be a 'comprehensive' security actor, much more energy needs to be devoted to thinking about linkages and how to do more with the same (and possibly less). The point is not to promote the harder security aspects *per se*, but to equip the EU so that it may cover a spectrum of responses ranging from softer options to harder ones at the other end of the scale.

The difficulties in responding militarily to the uprisings in Libya, which included the withdrawal of an Italian aircraft carrier mid-mission on financial grounds, the near exhaustion of British and French smart munitions, and with substantial behind-the-scenes support from America, provided an example of what has been memorably termed 'following from the front'³⁰. The decision by Germany not to support military intervention, siding with the BRICS, meant that the resulting operation could not be a CSDP one. Eleven European countries eventually participated in a NATO led operation. If the Libya operations demonstrated Europe's potential, it also showed its weaknesses. Not the least of which were the divisions within Europe, especially the wider concern of whether German interests in external actions will revolve around economic diplomacy and its own export needs.

Although the Member States continue to pay lip service to pooling and sharing, vainly spurred on by the remonstrations of the recent Polish Presidency, decisions on defence expenditure continue to be made on the basis of national security requirements. The underlying issue is often presented as a capabilities question, but the underpinning lack of political will from the Member States is a more serious issue. Although a strategic review at the EU level would not solve these problems, it may encourage the Member States to think through the consequences of the increasingly obvious gap between rhetoric and sources. The willingness and ability of the EU to become a more credible partner in this particular realm is a key litmus test to the most important of the Union's strategic partners.

The only real strategic partner

One potent reason to think through the linkage between the EU's dwindling 'soft power' assets and the harder power aspects lies in the relationship with the United States – arguably the Union's only real strategic partner in terms of the depth and breadth of the relationship. Although the relationship is primarily economic in nature, the security aspects should not be ignored. In the absence of a Congressional deal on deficit reduction, the U.S. faces automatic sequestration at the beginning of 2013 as per the Budget Control Act. Of the

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\$1.2 trillion in cuts, a sizeable portion (almost \$500 billion) will fall on the defence budget. Even without this scenario, the costs of assuming global policing roles will soon be beyond the United States. In a refrain that is familiar to Americans from the 1970s, they continue to look for global partners and burden sharing. Libya was an example of just such a scenario where the European allies should have been able to step up to the plate.

The EU is more likely to be a credible strategic partner, in the real sense of the word, if it is able to balance the extraordinary depth of mutual trade and (in particular) foreign direct investment (FDI) across the Atlantic with a more balanced security partnership. The admonishment by Robert Gates, former American Secretary of Defense, from February 2010 bears repeating in this context: 'The demilitarization of Europe – where large swaths of the general public and political class are averse to military force and the risks that go with it – has gone from a blessing in the twentieth century to an impediment to achieving real security and lasting peace in the twenty-first'³¹. Similar remarks have been made by the current Secretary of Defence, Leon Panetta, and they remain a significant impediment in transatlantic relations.

A key part of any strategic assessment should therefore be how to strengthen transatlantic relations, based on a shared view of the need for a liberal world order. The EU is likely to have a far stronger hand in shaping American perceptions and actions as a credible partner rather than as an 'impediment'. This would imply recognition that the transatlantic bargain of the 1950s needs replacing with a more relevant response to the geo-political realities of the 21st century. A more principled EU may well be an occasional irritant to the United States, but if it were capable of assuming the burdens incumbent in shaping and defending a liberal world order, it may also be more respected.

The objective of any such strategic realignment would not be to challenge China's role *vis-à-vis* the United States, or that of any other emerging power, but to reinforce the perception that the EU and the United States should jointly promote a common vision for the emerging international system, both through their mutual relations, as well as through those with third parties, and to stand by it. This would involve close and, at times, undoubtedly difficult discussions on defining and shaping common 'red lines' based on a clearer strategic understanding of the EU's standing and that of its members on this issue. Notwithstanding occasional differences, the EU and the United States have far more in common than almost any other strategic partners and could mutually reinforce one another in promoting and defending common standards of global governance and a liberal world

order. Canada and Japan could usefully be added to this list as natural allies of the EU in terms of their ability and willingness to promote shared principles and values.

Conclusions

The growing pressure to engage in a debate about the global role of the EU, from within and outside the EU, should be embraced. This debate should not be delayed due to the still uncertain outcome of the euro crisis. Rather than viewing the euro crisis and the quest for global strategy as disconnected issues, the linkages between them need to be stressed. The euro crisis has already had an impact upon the EU's global image in a detrimental manner which, if left unchecked, will further damage the Union's soft power and its global credibility.



The EU is more likely to be a credible strategic partner, in the real sense of the word, if it is able to balance the extraordinary depth of mutual trade and (in particular) foreign direct investment (FDI) across the Atlantic with a more balanced security partnership.

With this in mind, this contribution argues for a thorough strategic reassessment of the EU's global role as a matter of priority. The question of whether it should build upon the 2003 *European Security Strategy* and its 2008 review, or whether the drafting exercise should start afresh, is in many ways a secondary issue (although the latter may allow for a broader perspective beyond a potentially constraining security orientation)³². Any formal or informal strategic review should embrace, wherever possible, thematic or horizontal approaches ('red lines') with the intention of mainstreaming these concerns in an orderly fashion across the EU's areas of geographical interest. Any such strategic review should also be subject to periodic reassessment, ideally to coincide with the early stages of planning for the next financial perspectives (every seven years in other words).

Any worthwhile debate about the EU's global role in the changing world will prompt some fundamental questions: What kind of Union do we wish to be? Do the Member States have the necessary vision, leadership, solidarity and public support to take us towards a common goal? These core questions are of equal salience to the euro crisis as they are to the EU's wider global role. By striving towards a Union that is more coherent, effective and visible – the fundamental aims of the Lisbon Treaty in its external actions – some of the core questions underpinning the euro crisis will have been answered. The emergence of a more strategic, principled, directed and realistic EU is more likely to appeal to international partners than a Europe divided internally and adrift externally.

Notes

- ¹ In a notable exception, see the letter written by Charles Grant and signed by prominent EU foreign affairs experts, 'EU Foreign Policy must not become a casualty of the euro crisis', at <http://www.cer.org.uk/in-the-press/eu-foreign-policy-must-not-become-casualty-euro-crisis>.
- ² The original quote, of which this is a paraphrase, is often attributed to Harold Macmillan but its provenance is unproven.
- ³ C. Fred Bergsten, 'The Outlook for the Euro Crisis and Implications for the United States', Testimony presented before the hearing on 'The Outlook for the Eurozone', Senate Budget Committee, United States Senate, 1 February 2012.
- ⁴ Treaty on European Union, Article 3(5). See also Article 21.
- ⁵ Fägersten, B., 'European foreign policy and the eurozone crisis: A Swedish perspective', *UI Analysis* (Swedish Institute of International Affairs), p. 6.
- ⁶ Van Rompuy, H., President of the European Council, 'The Challenges for Europe in a Changing World', address to the Collège d'Europe, Bruges, Concert Hall 't Zand, PCE 34/10, Bruges, 25 February 2010.
- ⁷ *A Secure Europe in a Better World: The European Security Strategy*, Brussels, 12 December 2003.
- ⁸ *Europe in the World – Some Practical Proposals for Greater Coherence, Effectiveness and Visibility*, Communication from the Commission to the European Council of June 2006, Brussels, 8 June 2006, p.2.
- ⁹ *Report on the Implementation of the European Security Strategy: Providing Security in a Changing World*, Brussels, S407/08, 11 December 2008, p.2.
- ¹⁰ Menon, A., 'European Defence Policy from Lisbon to Libya', *Survival*, Vol. 53, No 3, June-July 2011, p. 75.
- ¹¹ Van Rompuy, H., *supra*. note 6.
- ¹² Remarks by High Representative Catherine Ashton before the informal meeting of EU Foreign Ministers (Gymnich), Cyprus, 7 September 2012.
- ¹³ *Final Report of the Future of Europe Group* (of the Foreign Ministers of Austria, Belgium, Denmark, France, Italy, Germany, Luxembourg, the Netherlands, Poland, Portugal and Spain), 17 September 2012.
- ¹⁴ European Council, Conclusions, 18-19 October, 2012, EUCO 156/12.
- ¹⁵ European Council, Conclusions, 16 September 2010, EUCO 21/1/10.
- ¹⁶ Reviews were conducted for Brazil, China, India, Russia, South Africa and the United States over the following year.
- ¹⁷ *Internal Security Strategy for the European Union: Towards a European Security Model*, March 2010 (Brussels: General Secretariat of the Council).
- ¹⁸ The European Global Strategy is an initiative by four think tanks, the Istituto Affari Internazionali, the Polish Institute of International Affairs, the Elcano Royal Institute for International and Strategic Studies and the Swedish Institute of International Affairs. See www.euglobalstrategy.eu.
- ¹⁹ See Articles 3 and 21 of the Treaty on European Union for an expansion of these fundamental objectives.
- ²⁰ Youngs, p.7.
- ²¹ Vaïsse, J. and H. Kundnani p. 6.
- ²² Fägersten, B., p. 10.
- ²³ Vaïsse, J. and H. Kundnani, *European Foreign Policy Scorecard 2012*, European Council on Foreign Relations, January 2012, p. 11.
- ²⁴ Emerson *et al.* p. 20.
- ²⁵ Hemra, S., T. Raines and R. Whitman, *A Diplomatic Entrepreneur: Making the Most of the European External Action Service*, Chatham House Report (London: Chatham House), p. 9.
- ²⁶ Ikenberry, J., 'The Future of the Liberal World Order', *Foreign Affairs*, Vol. 90(3), May/June 2011, p. 57 (emphasis added).
- ²⁷ Treaty on European Union, Article 21(1), see also Article 3.
- ²⁸ Pech, L., 'Rule of law as a guiding principle of the European Union's external action', *Working Papers*, Centre for the Law of EU External Relations, 2012/3, p. 35.
- ²⁹ Excluding the European Development Fund which falls outside the EU budget.
- ³⁰ *Ibid.* p. 14.
- ³¹ Remarks delivered by Secretary of Defense, Robert M. Gates, National Defense University, Washington D.C., 23 February 2010, at <http://www.defense.gov/speeches/speech.aspx?speechid=1423>.
- ³² See Lars-Erik Lundin, 'From a European Security Strategy to a European Global Strategy: Ten content-related issues', *UI Occasional Papers*, No 11 2012 (Stockholm: Swedish Institute for International Affairs).