



*Is Europe doomed
to fail as a power?*



Charles Grant

*With a response by
Robert Cooper*



CENTRE FOR EUROPEAN REFORM

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Is Europe doomed to fail as a power?

In the multipolar world that is emerging, which will be the powers that matter? The US and China, certainly. India and Russia? Perhaps. Brazil, Japan and South Africa? Not yet. And what about the EU? Ten or even five years ago, the EU seemed to be a power on the rise. It was integrating economically, launching its own currency, expanding geographically and passing new treaties that would create stronger institutions. But now, although the Union is respected for its prosperity and political stability, it no longer looks like a power in the making.

On many of the world's big security problems, such as Pakistan, the EU is close to irrelevant. Talk to Russian, Chinese or Indian policy-makers about the EU, and they are often withering. They view it as a trade bloc that had pretensions to be a power but has failed to become one because it is divided, slow-moving and badly organised. Barack Obama began his presidency with great hopes of the EU but is learning fast about the limitations of its foreign and defence policy: few of its governments will send soldiers to the dangerous parts of Afghanistan, while the Europeans are uncertain about how to deal with their eastern neighbours and with Russia. Some senior figures in Washington even have concerns about the EU's ability to ensure stability in the Balkans.

But does the EU's unimpressive performance on hard security matter? Should not the 27 governments just focus on deepening the single market, while they pursue national foreign policies and count on NATO to keep the peace? In fact the EU does need to improve its act, because the world is changing in ways that may not suit Europeans. It is not clear whether the multipolar world will be multilateral – with everyone accepting strong international rules

and institutions – or an arena in which the powerful pursue their objectives through the assertion of military and economic might. The EU and its member-states are instinctively multilateral, but the other major actors – the US, Russia, China, India and so on – can behave multilaterally or unilaterally, depending on their perception of what serves their purposes. So a crucial task for Europeans is to try and convince these powers that they can best achieve their national objectives through multilateral institutions. However, if the EU is weak and divided, Europeans will have little scope to shape the new global system.

This essay is not the place for a learned discussion on the nature of power. For my purposes, European power is the ability of the EU and its member-states to influence the world around them in the ways they desire. In practice this means encouraging people in other parts of the world to adopt political and economic systems that are compatible with, though not necessarily the same as, those of the Europeans. And it means persuading other governments to support a rules-based multilateral order.

The essay begins with a brief look at Europe's soft power, before describing some of the EU's failings in foreign and defence policy. It then examines the underlying reasons for Europe's relative weakness, and concludes with some suggestions on how the Europeans could improve their performance.

Is Europe's soft power durable?

Europe's soft power should not be sniffed at: the EU offers an attractive social, economic and political model. It is more stable, safe, green and culturally diverse than most parts of the world, which is why neighbours want to join and many migrants aim for Europe. The EU is leading global efforts to construct a post-Kyoto system for tackling climate change. It imports more goods than any other trade bloc or country and, together with its member-states, gives more than half the world's development aid.

It offers a model of multilateral co-operation that looks attractive to other regions – and at various times the African Union, ASEAN and Mercosur have tried to emulate aspects of what the EU does.

As *The Economist* has noted, “Brussels is becoming the world’s regulatory capital...usurping America’s role as a source of global standards.”¹ Multinational manufacturers often find it easiest to adopt the standards set by the toughest regulatory system in their supply chain. And on issues like car exhaust emissions, toy safety or the testing of chemicals, the EU’s rules are usually the strictest. Governments on other continents also see merit in adopting European standards: cars sold in China have to comply with EU rules on vehicle emissions. Europe’s competition authorities have a long reach, as General Electric discovered when it was not allowed to merge with Honeywell. This is a kind of soft power, even if people who set rules are never greatly loved.

But the Europeans should not take their soft power for granted. The EU’s increasing involvement in border controls, rules on asylum, combating illegal migration and the granting of visas has the potential to damage its reputation – externally and internally. Those living on the wrong side of the Schengen area’s external frontier – for example in Ukraine, Belarus, Moldova and the Western Balkans – now find it much harder to visit EU countries than in the past.² Indeed, the biggest complaint one hears about the EU in neighbouring countries is the difficulty and cost of obtaining a visa – and the rudeness of the officials granting them. Paradoxically, within the EU people tend to associate the Union with free movement of labour and openness to immigration, and that is one cause of its unpopularity, for example in Britain.

¹ *Charlemagne column, The Economist, September 22nd 2007.*

² *The ‘Schengen area’ consists of the 22 member-states that have abolished passport controls between themselves, plus Norway, Iceland and Switzerland. Britain, Bulgaria, Cyprus, Ireland and Romania remain outside the area. People in the eastern neighbours used to be able to travel freely to countries such as Poland or the Baltic states, but now need a Schengen visa.*

The fact that the EU is disliked by some of its citizens may harm its soft power. Public indifference or hostility towards the EU limits the scope of national governments to strengthen the Brussels institutions and sign up to more co-operation at EU level. People outside the EU also notice that it is not a popular organisation. On a recent trip to China I heard a senior Communist Party official cite the June 2009 European election results – and the apparent success of eurosceptic forces – as a reason for thinking that the EU would fail to become a more effective power. It is true that an EU that is less respected by its own people will be less respected by other governments.

The growth of euroscepticism in the EU should not be exaggerated. In the European elections most people voted for moderate parties that are broadly sympathetic to the EU. According to the autumn 2008 Eurobarometer survey, 56 per cent of EU citizens think their country has benefited from EU membership, 31 per cent think it has not, and 13 per cent do not know (only in Britain, Cyprus and Hungary did more people think their country had suffered than benefited). Given that the EU is a complicated, hard-to-understand organisation that deals mainly with issues that matter very little to most people – business regulation, trade policy, milk quotas, emissions trading and so on – most people are indifferent rather than strongly pro or anti.

However, euroscepticism appears to be a trend that is growing rather than diminishing in several parts of Europe, partly because of the economic crisis. In some countries the EU annoys people by stopping governments from applying interventionist or protectionist policies. Thus the Commission recently forced the Polish government to close down and break up two shipyards that had received illegal state aid.

Much of Europe's soft power depends on the apparent success of its economic model, and that is open to question. Many Asians view the European economies as sclerotic. The recession has hit Europe more severely than the US, China or India. Even before the downturn, the EU's trend rate of growth was 1 percentage point less than that of

the US. European levels of productivity were catching up with those in the US until the mid-1990s, since when the gap has grown: according to McKinsey, productivity (defined as GDP per hour) in the 15 original members of the EU is now 87 per cent of that in the US. Too few governments have taken the promises they signed up to in 2000, under the 'Lisbon agenda' of economic reform, seriously.³ All the international rankings of higher education show that European universities – with some exceptions – are falling behind the best in the US.⁴

³ Simon Tilford and Philip Whyte, *The Lisbon Scorecard IX: How to emerge from the wreckage*, CER report, February 2009.

⁴ Nick Butler and Richard Lambert, *The future of European universities: renaissance or decay*, CER report, May 2006.

As for Europe's response to the economic crisis, it would be unfair to say that the EU has been ineffective. In the autumn of 2008, when the financial system was near collapse, EU governments agreed to a common set of principles for rescuing banks. Later on they agreed to co-ordinate their economic stimulus packages. And this year the EU is likely to adopt a new and stricter set of rules for the regulation of financial markets. Of course, there have been arguments and differences of approach, but given that the EU has no power over national budgets, and – for now – little over bank supervision, that was to be expected. Thus far the member-states have not erected significant trade barriers against each other or countries outside the EU. Furthermore, both EU institutions and individual governments have given massive financial aid to the member-states most stricken by the economic crisis, such as Hungary, Latvia and Romania, showing that solidarity is a real EU principle.

Nevertheless, the evident differences of economic philosophy among Europe's leaders are worrying. France and Germany have teamed up to urge stricter financial regulation, while the British – keen to protect the City of London – have resisted much greater powers for EU institutions. Britain and France have tried to borrow their way out of recession, while German politicians (though approving a

sizeable stimulus package) have retained their historical and sometimes emotional opposition to public debt – even to the extent of passing a constitutional amendment that would prevent government borrowing from exceeding 0.35 per cent of GDP after 2016. President Nicolas Sarkozy has attacked the monetary policy of the European Central Bank for being deflationary, while Chancellor Angela Merkel has complained that its policies could stoke inflation.

Such arguments do not enhance the EU's or the euro's international prestige, for they suggest that in the next urgent crisis, Europe's leaders may struggle to work together decisively and effectively. But as far as the rest of the world is concerned, the internal arguments matter less than the growth rate. According to the OECD, the EU economy will shrink by about 5 per cent in 2009, and then experience zero growth in 2010 – a significantly worse performance than the OECD average.

In the long term, Europe's demography looks like constraining its growth rate. Projections from the European Commission suggest that the population of the 27 member-states will grow from 495 million today to 520 million in 2035, before falling to 505 million in 2060. Over that period the median age will increase from 40 to 48. And the number of over-65s will rise from 25 per cent of the working age population to 53 per cent. These figures evidently conceal huge regional variations: Northern Europeans are having more babies than they used to, while societies in Southern and Eastern Europe are greying rapidly. And demographic trends can change. Nevertheless the Commission believes that these demographic trends will reduce the EU's trend rate of economic growth from 2.4 per cent in the period 2007-20, to 1.3 per cent in 2041-60.

Europe's achievement in creating the euro contributes to its soft power. During the recent financial turmoil, the currency has helped to insulate the countries that adopted it from wild exchange rate fluctuations. But the Europeans cannot yet regard the euro as an unqualified success. The economies of Southern Europe are not

flexible enough to flourish in the eurozone. Their poor record on innovation, productivity, deregulation and the liberalisation of services has led to declining competitiveness and serious current account and budget deficits. The financial markets have some doubts about their long-term ability to stay in the eurozone. Greece looks like being the weakest link, and if its membership became an open question, the financial markets would quickly demand a massive premium for lending to other uncompetitive eurozone economies. To prevent the contagion spreading, the EU would bail out a government in serious difficulties – but it would not lend money without imposing painful conditions that politicians would find hard to swallow.⁵

⁵ Simon Tilford, 'The euro at ten: Is its future secure', CER essay, January 2009; Charles Grant, 'Ten years on, beware of Greeks bearing debts', *The Times*, March 26th 2009.

Hard power failure

Whatever problems the EU may have with soft power, its most glaring failure has been in foreign and defence policy. Hopes were high ten years ago when Javier Solana was appointed the EU's first High Representative for foreign policy. At the same time Tony Blair and Jacques Chirac invented the 'European Security and Defence Policy' (ESDP), which has led to the EU deploying two dozen missions of peacekeepers, policemen and civilians to troubled parts of the world.

The EU has notched up some useful achievements. Britain, France and Germany, together with Solana, have led the international diplomacy that has sought to prevent Iran from building nuclear weapons. So far the Europeans have held together and drawn the US, Russia and China into the negotiations, though they have not yet persuaded Iran to abandon the enrichment of uranium. Some ESDP missions have made a difference, such as the peacekeepers sent to Bosnia, Chad and Eastern Congo, the unarmed observers who monitored the peace settlement in Aceh in Indonesia, and the flotilla that is combating pirates off the coast of Somalia.

The EU clearly has influence in its own immediate neighbourhood. But in many more distant parts of the world, the EU's hesitant steps towards common foreign and defence policies do not often impress. The Europeans disappoint in three particular ways: they are sometimes divided on key issues, and fail to co-ordinate their actions effectively; they are over-represented in many international bodies; and their military muscle is weak.

The member-states have usually managed to keep to a common line in the Balkans, and the EU's presence in Bosnia and Kosovo has helped to ensure peace and stability. But in the past few years, the Europeans have appeared decreasingly united and effective. In February 2008, when the US and most European countries recognised the independence of Kosovo, five member-states shattered the united approach to the Balkans that the EU had so painfully forged in the 1990s. They refused to recognise it either because of close relations with Serbia (Greece), worries about parts of their own territory seceding (Romania and Spain) or both reasons (Cyprus and Slovakia). All 27 have subsequently supported the EU's dispatch of about 2,000 administrators and judges to Kosovo – the member-states tend to agree more easily on the practicalities of what to do on the ground than on points of principle.

Nevertheless EU policy in the Balkans is now messier than it has been for many years. Slovenia is blocking Croatia's accession to the EU because of a border dispute, Greece is thwarting Macedonia's progress towards membership because it does not accept its name and the Netherlands will not allow the implementation of Serbia's stabilisation agreement with the EU until the war criminal Ratko Mladic is caught.

In 2009 the embarrassments have multiplied. During the Gaza conflict, Czech Foreign Minister Karel Schwarzenberg led an EU presidency mission to the region at the same time that French president Nicolas Sarkozy was there with his own solo diplomacy. In April, the Poles, Italians and Dutch followed the US in boycotting the UN conference on racism in Geneva, accusing it of anti-Israel

bias, while their partners showed up (the Czech presidency stayed only one day, and the other EU governments walked out after a provocative speech from Iranian President Mahmoud Ahmadinejad). The EU governments with the closest ties to Israel are pushing the Union to upgrade relations with it, though most of the others think that the Israelis should first engage seriously in the peace process. The pro-Israel camp has prevented the EU from putting pressure on Israel by banning imports originating in the occupied territories, or by sanctioning firms that do business in them.

In May, just after a meeting of EU foreign ministers in Brussels, Franco Frattini, the Italian foreign minister, suddenly announced that he was flying to Iran to meet his Iranian opposite number. Frattini had said nothing about this plan to his EU colleagues and seemed ready to break the EU policy of no ministerial contacts with Iran. But when Frattini was on the way to the airport, the Iranians told him that he would have to meet Ahmadinejad, so he turned back.

When it comes to pressing international problems like Afghanistan, Pakistan or North Korea, the EU is either largely invisible or absent. Of the €49.5 billion that the EU has set aside to spend on external action in the period 2007-13, Afghanistan is due to get 2 per cent and Pakistan 1 per cent. In Afghanistan, the various EU bodies – the Commission, Solana's special representative, the humanitarian relief office and the police mission – work independently of each other. The European governments are involved in all sorts of ways, but seldom co-ordinate their various national agencies, let alone co-operate with each other or EU bodies. The result is a scattergun approach to aiding Afghanistan that is unimpressive. The US has one special envoy for Afghanistan and Pakistan, Richard Holbrooke. More than a dozen EU governments have appointed their own special envoys for those countries, in addition to Solana's special representative.

In Pakistan, the EU has traditionally done very little: on a per capita basis it has given about 20 times more aid to Nicaragua. To its credit, the EU is starting to take Pakistan more seriously. It ran a

successful election monitoring mission in February 2008, and then in June 2009, after the first EU-Pakistan summit, announced an extra €65 million in humanitarian aid. But the Commission still has a bigger office in Montevideo than in Islamabad. As for the ‘six-party talks’ that have attempted to deal with the North Korean nuclear problem, the EU is not involved.

The London G20 summit in April 2009 highlighted a second factor that undermines the EU’s credibility: it is over-represented in virtually every international institution. At the G20, in addition to the countries that are formally members (Britain, France, Germany and Italy), the EU was represented by the Commission, the Czech Republic (as EU president), Spain and the Netherlands, not to mention the heads of the World Trade Organisation, the International Monetary Fund and the Financial Stability Forum, who are also European. The surfeit of Europeans is even more evident at G8 meetings, when six Europeans (including the EU presidency and the Commission president) sit beside the US, Canada, Japan and Russia. One reason why the ‘quartet’, which is supposed to manage the Middle East peace process, is not more effective, is that it is in fact a sextet. Alongside the UN, the US and Russia, the EU often has three representatives: Solana, the commissioner for external relations and the rotating presidency. The EU is similarly over-represented in many other international organisations.

What is particularly trying for other participants in these bodies is that even when the Europeans agree amongst themselves, as they often do, each of them insists on speaking. Other governments think it pathetic that the EU – despite its proclaimed commitment to ‘effective multilateralism’ – cannot get its act together and streamline its external representation. It is also unfortunate that the EU cannot reach a united position on how to reform the UN Security Council: Italy has vetoed EU discussions of this issue, fearing that any reform would lead to Germany – but not Italy – joining Britain and France as permanent members. When one asks Indian diplomats why they do not take the EU seriously as a power,

they say that on the two strategic issues that matter hugely to India – reform of the UN Security Council (on which India currently has no place), and the US-brokered deal that will allow India access to foreign nuclear technology and supplies of uranium – the Europeans have been unable to agree among themselves.

A third reason why many countries – and especially the realist ones like China, Russia and India – do not take the EU seriously as a power is that, to quote Shi Yinhong, an eminent professor at Renmin University, “a power needs guns and guts”. The EU’s defence policy has certainly failed to fulfil its potential. One rationale for the ESDP was to ensure that there could be no repeat of the Bosnian war or its equivalent. That war stained the EU’s reputation in the early 1990s: the Europeans failed to stop it and peace only came when the US intervened. If the EU was today faced with a similar situation to that in Bosnia in 1991-92, it would probably stop war breaking out. Indeed, the diplomacy led by Solana and NATO’s then secretary-general, George Robertson, prevented a civil war in Macedonia in 2001.

But another reason for creating ESDP was to encourage Europeans to take defence more seriously. If the EU rather than just NATO played a role, it was thought, the Europeans might spend more on defence. But defence budgets have shrunk and are shrinking across the continent. Only a few member-states – Britain, France, Poland, Greece and Bulgaria – spend more than 2 per cent of GDP on defence (and the latter two contribute very little to EU missions).

The ESDP has spawned a host of new institutions – the EU military committee, the EU military staff, the Civil-Military Planning Directorate, the European Defence Agency, the Civilian Planning and Conduct Capability and OCCAR (which tries to manage joint industrial projects in an efficient manner). Many of these bodies do useful work. But the ESDP has failed to persuade European governments to boost significantly their military capabilities, R&D or joint procurement. Last year the EU needed Russian helicopters to

deploy peacekeepers to Chad, since its own governments had none available. On the civilian side of ESDP, too, capabilities are lacking. The EU often takes many months to assemble the police, gendarmes, customs officers, observers or judges that it may need to staff a mission.

In 2004 the EU launched the idea of ‘battlegroups’. In theory the EU should be able to send up to two battlegroups to a crisis zone at any time. Each of these is a rapid reaction force of some 1,500 troops provided by a single member-state or a group of them. But no battle group has yet been deployed. In 2008 the UN asked the EU to send battlegroups to eastern Congo. Britain and Germany were ‘on call’ to provide their battlegroups, but refused to send them. Some of the battlegroups that exist on paper are probably not useable: unfortunately, each government – rather than an independent body – is allowed to verify whether its battlegroup is operational.

Some British Conservatives still call the ESDP the ‘Euro-army’, with unintended irony. The mantra one hears throughout the Obama administration is more apposite: Europe’s problem is not too much defence, but too little.

The problems of Russia and China

Russia presents a test case for the EU’s ambition to run a coherent and effective foreign policy, and it is a test that the EU is currently failing. Russia is hugely important to the EU. It supplies 40 per cent of the EU’s imported gas and is the Union’s third biggest export market after the US and China. It competes for influence with the EU in their common neighbourhood. And it scares those member-states that escaped its rule comparatively recently. So there is a very strong case for the Europeans to concert their efforts when they deal with their large neighbour, to stand a better chance of influencing it.

Russia’s leaders are ultra-realist about foreign policy: they respect power but exploit weakness and division. The EU’s member-states are divided into three broad camps on Russia. The Baltic states,

Poland, Sweden and (usually) the Czech Republic tend to favour a tough approach. After the August 2008 war in Georgia they were reluctant for the EU to return to ‘business as usual’ with Russia, and they criticise its record on human rights. A larger group, including Germany, Italy, Spain and (usually) France always supports engagement with Russia – whatever its leaders say or do – and avoid criticising it. The others, including Britain, are in the middle.

One should not exaggerate the EU’s divisions over Russia. When Moscow’s behaviour is particularly egregious, the Europeans tend to close ranks. For example, all 27 united behind statements condemning Russia over the invasion of Georgia in August 2008. After the French EU presidency brokered an end to the fighting, the Union took only three weeks to deploy 300 monitors and their equipment to Georgia (though some member-states initially opposed sending any monitors at all, lest it annoy the Russian government, which in any case made it clear that EU monitors would not be allowed into the lands it had occupied). Again, when the Russians cut off gas to Ukraine and much of Europe in January 2009, the member-states soon united behind the efforts of Commission President José Manuel Barroso to broker a compromise between Moscow and Kiev.

But even though EU governments are not always divided on policy towards Russia, their instinctive reactions to pressure from Russia vary greatly. When Russia chooses to get tough, some member-states rise to the challenge but others quiver. Thus when Russia blocked Polish pork exports in 2007, Warsaw vetoed the start of talks on a Russia-EU trade agreement. But in November 2008, when the European Parliament invited a delegation of Russian soldiers’ mothers to Brussels to meet the London-based Chechen leader, Akhmed Zakayev, none of them travelled – because (according to Russian sources) Belgium made it clear that it would not give them visas. In March 2009 the Commission held a conference in Brussels on the modernisation of Ukraine’s pipeline network, but did not invite the Russian government. This provoked a furious reaction from Moscow and led to Chancellor Merkel criticising the Commission in public.

Most EU countries have very similar interests in Russia – they all want it to be well-governed and prosperous, at peace with its neighbours and more politically liberal than it is. So why do the 27 find it so hard to agree? History and geography play their part. Countries that have been occupied by Soviet troops naturally have a different perspective from, say, Spain, which spent most of the Cold War as a neutral country. The 27 are also divided over their attitude to human rights. In Northern and Eastern Europe, NGOs and politicians speak out about the behaviour of authoritarian regimes. But in Southern Europe, governments traditionally say very little about human rights.

Economics explains some of the disarray. Germany's industry lobbies strongly for its government to maintain good relations with Russia. Of the €105 billion of goods that the EU exported to Russia in 2008, €32 billion were German. The Cypriot banking industry has very close ties to Russia – and Nicosia happens to be the EU capital most reluctant to criticise Russia. For example at the OSCE summit in Corfu in June 2009, during the debate on Europe's security architecture, 26 member-states held to a common line that the OSCE should be the main forum for discussing this question. But Cyprus joined Russia in backing a different position.

Gas is particularly important. Twelve member-states get more than half their gas from Gazprom, while many others get none at all. Russia has persuaded countries such as Austria, Bulgaria, Greece, Hungary, Italy and Serbia to support its South Stream pipeline project. This would take Russian gas into South Eastern Europe and undermine the EU's rival Nabucco pipeline that would bring gas from the Caspian region and thus lower European dependency on Russian gas. Big energy companies in France, Germany, Italy, Austria and the Netherlands have cut various bilateral deals with Gazprom. Indeed Germany and Italy, both countries that are traditionally in the vanguard of European integration, have been among the most hostile to common EU policies on energy. German officials are explicit about not wanting EU institutions to play a

significant role in energy relations with Russia, lest they act against the interests of German energy firms.

The EU still lacks a single market in energy. There are few connections between national markets. France and Germany have led a group of countries in blocking the Commission's plans to 'unbundle' the supply of gas and electricity from its distribution. Because Germany, France, Spain and others protect vertically-integrated national energy champions, other companies cannot easily enter their markets, and cross-border trading of energy is discouraged. Until such time as the EU succeeds in creating a truly single market, some of the key member-states will believe that they and their partners have differing interests in energy. And that makes it very hard for the EU to speak with one voice on Russia.

The EU does not do much better on policy towards China. The EU cannot fulfil many of its international ambitions without co-operation from China – for example on tackling climate change, maintaining an open system for trade and investment, and reforming global governance. China is also influential on specific foreign policy problems such as Iran, Sudan, Burma and North Korea. The member-states have very similar interests in relation to China, and there is no single difficult issue like energy that provokes discord between them.

Yet the Chinese, like the Russians, are skilled at profiting from divisions among the Europeans. In Beijing, Britain, France and Germany compete for influence and for the attention of the Chinese government. In 2007 Angela Merkel's meeting with the Dalai Lama provoked Beijing to take retaliatory measures against German companies. But there was no solidarity from Britain or France, which saw an opportunity to advance their own interests – winning contracts and closer bilateral relations – with the Chinese government. A year later Sarkozy upset the Chinese for the same reason. They punished the whole EU by cancelling a summit at short notice, and Sarkozy found little support from other European

capitals. If the Europeans could agree on a common set of principles for dealing with the Tibetan leader – such as, they would see him but only after forewarning the Chinese and not in government offices – and stick to those principles, they would be in a much stronger position vis-à-vis Beijing. But they cannot. Spain, for example, has a policy of not meeting the Dalai Lama in any circumstances.

The Chinese take a realist approach to foreign policy: where they see strength and unity, they respect it. As a regular visitor to China over the past five years, I have noticed a shift in Chinese attitudes to the EU. They did see the EU as an emerging power in the multipolar world. But many Chinese scholars and officials have been, as they would put it, “disappointed” with the way the EU has evolved. Of course, the departure of Jacques Chirac and Gerhard Schröder and their anti-American attitudes has helped the Chinese to understand that the EU will not join them in opposing US hegemony. But the Chinese have also noted the Europeans’ disunity and the fact that they do not get tough or demand reciprocity.

In 2008 China’s trade surplus with the EU grew to €180 billion. Not unreasonably, the EU demands that China should remove many of its barriers to foreign trade and investment, and that it should enforce intellectual property rights. But the Europeans’ repeated requests for progress in these areas have had little effect. Indeed, in the past few

⁶ Charles Grant, *Liberalism retreats in China*, CER briefing note, July 2009. years, economic nationalism within China has grown.⁶ The Chinese have no intention of doing what the EU wants, since they believe the EU is not going to close its markets to them. They are probably right, thanks to a combination of the EU countries that are ideological free-traders and those that do not wish to annoy China.

China treats the US more softly than the EU because it is a real power and has the potential to do things that would harm China. Thus on the 20th anniversary of the Tiananmen Square bloodshed, Hillary Clinton criticised China’s leaders for not coming clean on the names or numbers of those killed. Her speech was not reported in

China and had no consequences for China-US relations. Yet when any European leader dares to meet the Dalai Lama in the ‘wrong’ way, the EU stands accused of seeking to work with Tibetan separatists to promote the break-up of China, and the state-controlled media do their best to whip up anger towards the Europeans.

This year, I have heard Chinese officials express concern about the impact of EU policies on only one issue: climate change. Many of them regard the EU’s demands that China commit to stabilising greenhouse gas emissions as unfair and unreasonable – and some would even say that the Europeans’ real game is to use rules on carbon emissions as a means of weakening the Chinese economy. They have noted that Sarkozy and some other European leaders have threatened to apply ‘carbon tariffs’ to goods made in any country that shuns the post-Kyoto system for tackling emissions. On this issue, the Chinese are not yet entirely confident that the Europeans will spare them punitive measures.

The lesson to be drawn from the examples of Russia and China is obvious. The EU will earn the respect of the world’s other powers if and when its member-states unite around a firm position and stick to it.

Structural rifts

For the past 50 years the EU’s story has generally been one of increasing integration. So why has the Union been less successful in foreign and defence policy than in other areas? And why has disunity become particularly evident in the past few years? Part of the answer to the first question is obvious: in many EU countries, foreign and defence policy is more sensitive than business regulation or even monetary policy. Thus on economic issues, political elites have agreed to qualified majority voting, and to powerful roles for institutions like the Commission and the European Central Bank. They show no signs of wanting to take similar steps when hard

security is at stake. The member-states do not want EU institutions to have too much authority or autonomy.

Another part of the answer to the first question is that Europe lacks a common strategic culture: some countries take defence seriously and believe in intervening to solve security problems, and some do not. This strategic rift has long been evident. Indeed, one rationale for the ESDP was to prod other member-states to adopt the British and French approach to security. As the 2003 EU Security Strategy put it: “We need to develop a strategic culture that fosters early, rapid and when necessary, robust intervention.”

But such a culture never developed. Most member-states provide peacekeepers for ESDP missions, but few believe in robust intervention or permit their forces to do real fighting. Thus when a largely German ESDP force went to Kinshasa at the time of elections in 2006, its rules of engagement did not permit it to intervene between warring militias. In Afghanistan, less than half the member-states – the UK, France, the Netherlands, Denmark, the Czech Republic, Poland, Romania and the Baltic states – allow their forces to go to places where they might get hurt (the Germans avoid the south of Afghanistan but have nonetheless suffered 35 fatalities while in other parts of the country). Many EU governments give the impression they would be happy if the Union were a big Switzerland – prosperous and safe, but reluctant to worry about problems in other parts of the world and very unwilling to take responsibility for solving them.

As for the second question, there are at least three reasons why the EU has become less effective in recent years: enlargement, the changing role of Germany and institutional problems. Successive waves of enlargement, especially that of 2004-07, have transformed the Union. I believe that enlargement has been the EU’s greatest achievement, helping to spread democracy, prosperity and security across much of the continent. But the recent arrival of a dozen new members has inevitably led to a less cohesive, more variegated Union, in which the member-states have a wide range of priorities and views of the world.

It would be wrong to say that the arrival of the Central Europeans has prevented the EU from forging common foreign policies, for the larger and older states have found plenty to disagree about. When it came to the invasion of Iraq in 2003, Britain and France led opposing camps. And when the EU was in disarray over whether to scrap the arms embargo on China, in 2004, Britain was for keeping it, while France and Germany were not. It is also the case that most of the new members are reluctant to wield a veto; being small countries they do not have strong views on many international issues.

Nevertheless it is self-evident that lining up 27 governments behind a particular foreign policy is harder than lining up 15. If it insists, one country can prevent agreement, since unanimity is required for decisions on foreign policy. The process of arriving at a common position has become more difficult. Now that there are 27 foreign ministers around the table, they seldom have substantive conversations. One reason is that there are no longer any secrets in the Council of Ministers: the Israeli, Russian or US government may know what a minister has proposed, even before the meeting has broken up. Because the Council meetings themselves achieve very little, the presidency now has to play an important role in brokering compromises through informal conversations.

Some new members are taking their time to learn the spirit of compromise that is necessary for effective decision-making. Lithuania sometimes holds out on its own in blocking an EU (or NATO) policy on Russia – at one point it delayed the start of talks on a Partnership and Co-operation Agreement with Russia, in the (forlorn) hope that Russia would ratify the Energy Charter Treaty.

But Cyprus is the new member that, according to many Brussels officials, has had the most negative impact on EU foreign policy. It has created more obstacles to the accession negotiations with Turkey than any other member-state. One of Cyprus’s first acts as an EU member was to veto the implementation of the EU’s commitment to

end its trade blockade on Northern Cyprus. That in turn led Turkey to refuse to honour its commitment to open ports to Cypriot shipping. This stand-off has led to the freezing of eight chapters in the Turkey-EU accession process. Of course, Turkey is not blameless, and can be as intransigent as Cyprus. But the poor state of Cyprus-Turkey relations has damaged the ability of NATO and the EU to work together on crisis management. Cyprus will not allow Turkey to participate in EU defence – for example it has vetoed Turkish membership of the European Defence Agency – while Turkey will not allow Cyprus to deal with NATO. Both Nicosia and Ankara have restricted contacts between the EU and NATO, so that the two organisations cannot even co-operate – at least formally – in places where they are both busy, like Kosovo and Afghanistan. Cyprus tends to view many foreign policy issues through the perspective of its own existential priority, which is to stop Northern Cyprus seceding. For example in 2006 it blocked an EU ‘action plan’ for Azerbaijan, because the Azeris had allowed direct flights to Northern Cyprus. And Nicosia’s views on Tibet or Taiwan – where it is a strong supporter of the Chinese position – derive from its view of the Cyprus problem.

Throughout its 50 years of history, the EU has always had enlargement on its agenda. One or two countries, such as France, have often had doubts about the process. But in the past few years the EU has, for the first time, become fundamentally divided on whether enlargement should continue. In theory all 27 states accept that the Western Balkans should ultimately join the EU. In practice several of them are behaving in ways that will keep that prospect in the far distance – and that damages EU influence in the region. There is no consensus on whether a country like Ukraine should one day join the Union – or even on the fate of Turkey, with which the EU has been negotiating accession since 2005.

This strategic rift over the future direction of the EU makes it harder for the 27 to agree on an effective ‘neighbourhood policy’

for the countries of Eastern Europe; if the EU cannot tell Ukraine, Belarus and Moldova that they might one day join, its sway over them is limited. The rift on enlargement spills over into policy towards Russia, which does not want to see former Soviet states slipping into the EU’s orbit. Some of the countries most reluctant to upset Russia, such as Germany, are also particularly hostile to policies that would bring countries such as Belarus and Ukraine closer to the Union.

In the competition for influence between the EU and Russia in their common neighbourhood, Russia sometimes wins. Through a mixture of bully-boy tactics (banning food imports or cutting off gas, for example), real benefits (such as loans of billions of dollars and visa-free travel), and easy membership of Russian-dominated clubs (like the Collective Security Treaty Organisation), Russia has succeeded in wooing neighbours such as Moldova away from the EU’s embrace. Sometimes, of course, Russia’s tactics are counter-productive: in 2009 Belarus has consciously distanced itself from Russia and tried to move closer to the EU. But the EU’s offer of regulatory convergence and ‘deep free trade’, together with much less money than Russia can provide, and no prospect of membership or visa-free travel, does not look particularly attractive to many people. Opinion polls suggest that more Armenians, Belarusians and Ukrainians want to integrate with Russia than with the EU; however, more Azerbaijanis, Georgians and Moldovans prefer the EU to Russia.⁷

⁷ Nicu Popescu and Andrew Wilson, *The limits of enlargement-lite: European and Russian power in the Russian neighbourhood*, ECFR, June 2009.

A second factor undermining EU cohesion in recent years has been the evolution of Germany. Traditionally, Germany has been an integrationist country which assumed that what was good for Europe was good for Germany, and vice versa. The fact that the largest country in the Union often displayed real altruism – paying the biggest share of the EU budget, standing up for the smaller member-states and brokering compromises – helped to bind the

whole EU together. But over the past ten years or so, many Germans have started to see their own interests as diverging from those of their partners. Both the enlargement of the Union and an increasingly rocky relationship with France have made it harder for Germany to steer the EU in the ways it desires. A younger generation of political leaders feels no need to atone for the war. Many Germans complain that the rest of the Union is out to squeeze them for money. Because Germans are less confident about the way the EU is developing, they have become more hostile to its enlargement.

⁸ Charles Grant, 'Unilateral Germany threatens to weaken Europe', *Financial Times*, December 5th 2008. See also 'Germany unbound?', a forthcoming ECFR report by Ulrike Guérot.

While most Germans still believe that their country is 'a good European' – and in some ways it is, for example through its budget contribution or its deft handling of the EU presidency in 2007 – in practice Germany is starting to behave more like Britain or France. That is to say

it has become more assertive of its national interests.⁸ Within the past year this has been evident on climate change policy, where Germany has watered down Commission proposals that could have damaged its industry; on Iran, where Germany has been reluctant to accept stronger sanctions that could hurt its exporters; on energy, where it has fought Commission plans for a more integrated market; and on Russia, where it generally opposes any proposal that the EU should take a tougher line with Moscow. German unilateralism has been particularly noticeable on economic policy. Since the financial crisis struck in the autumn of 2008, Germany's leaders have often been reluctant to consult their partners over policy responses.

Germany has become a more 'normal' country, but in one important respect it remains quite abnormal: its people and its politicians still incline to 'Swiss' tendencies. During the 1990s and the beginning of this decade, Germany's traditional pacifism began to wane. German leaders sent troops on NATO and EU peacekeeping missions in places

such as Bosnia, Kosovo and Afghanistan. But the government of Gerhard Schröder and Joschka Fischer (1998 to 2005) dragged the country further towards interventionism than many Germans were comfortable with.⁹

There has been something of a reaction under the subsequent grand coalition. The 'caveats' that Germany applies to the way its peacekeepers operate mean that their utility is sometimes limited. Germany is far from being the only EU country to jib at the robust, Franco-British approach to military intervention. But the EU's overall power is weakened by the fact that in its largest state, public opinion tends to oppose the use of military force.

Whatever problems Germany may be creating for the EU, Britain may soon emerge as the number one obstacle to coherent external policies. The Conservative Party is likely to win the next British general election. Conservative leaders see the point of the single market and EU co-operation in areas like climate change and energy. But they tend to be hostile to EU involvement in foreign and defence policy. In recent years Britain has contributed very few troops to ESDP missions, because of its commitment to Afghanistan. In 2009 it even cut back the number of policemen, administrators and law officers that it provides to these missions by 40 per cent. But a Conservative government could simply pull out of parts of EU defence co-operation.

The Conservatives are strongly opposed to the Treaty of Lisbon. That treaty's most significant reforms would streamline the EU's currently ramshackle foreign policy institutions. Evidently, the creation of better institutions will not automatically lead to united EU foreign policies. The EU's inability to develop a coherent approach to Russia has more to do with governments thinking they have different interests than with poor institutions.

That said, the EU's often dysfunctional institutions are a third reason for the EU's increasingly unimpressive performance on foreign policy.

⁹ Charles Grant, 'Germany's foreign policy: What lessons can be learned from the Schröder years?', CER essay, September 2005.

Now that there are 27 member-states involved in decision-making, rules and procedures have become more important. The most damaging aspects of the current set-up are the rotating presidency – the EU has suffered from the chaotic Czech presidency in the first half of 2009; the rivalry between two separate foreign policy bureaucracies – Javier Solana’s team in the Council of Ministers, and that reporting to Benita Ferrero-Waldner in the Commission; and the fact that the institutions lack enough good people to provide EU foreign ministers with high quality analysis on a wide range of subjects.

The Lisbon treaty would unite the rival bureaucracies and seconded national diplomats into an ‘external action service’ under the aegis of a new High Representative (fusing the Solana and Ferrero-Waldner jobs). He or she plus the new service would take on the foreign policy tasks of the rotating presidency. If implemented properly these reforms will help European governments to

¹⁰ Charles Grant, ‘Making a success of the EAS’, *CER insight*, May 21st 2009.

understand that they share common interests and to think constructively about how they pursue those interests.¹⁰

How to do better

Given the nature of the difficulties described in this essay, there is not much chance of the EU improving its performance rapidly. But over time it should be capable of learning to speak with one voice on more issues than it does today. Here are some suggestions to EU leaders on how they could help to achieve that goal:

- ★ Implement the foreign policy provisions of the Lisbon treaty. Many countries outside Europe would be delighted if the rotating presidency were replaced by a single, permanent institution to speak for the EU. The new institutions should help the Europeans to define their interests more clearly.
- ★ Reaffirm the EU’s commitment to the principle of enlargement. However, the EU has to recognise that enlargement is going to

move very slowly for a number of years. It therefore needs to devise a stronger neighbourhood policy that offers the countries around the EU closer political contacts, more liberal visa regimes, and greater opportunities to participate in EU policies. The recently launched ‘eastern partnership’ (for Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) is a step in the right direction but far too timid.

- ★ Stop trying to build EU defence with 27 countries. It will not work; too few of them care about defence. The ESDP, backed by all member-states, can perform a useful role in crisis zones, for example by deploying policemen or administrators. But when it comes to missions that may require the use of force, those countries with robust strategic cultures should form their own organisation. Just as the rules for joining the euro encourage countries to improve their performance on economic policy, a defence club with entry criteria that were hard to meet could spur governments to reform their militaries and change their approach to warfare.
- ★ Use small groups of member-states to help make EU foreign policy. A policy cannot be branded ‘EU’ unless backed by all 27. But 27 cooks in the kitchen is too many. On particular issues, the EU should encourage smaller groups of the most interested countries to draw up policy. It has done this already for Iran, where Britain, France and Germany take the lead. And the recently-launched ‘eastern partnership’ was a Swedish-Polish initiative. It is true that few countries would want to delegate the task of policy-making on really important issues like Russia or China. But even in these cases informal co-operation among the larger countries may be a necessary – though far from sufficient – condition for substantive policies.
- ★ Don’t forget the other Lisbon – the ‘Lisbon agenda’ of economic reform that EU leaders signed up to in 2000, and is due to end or be renewed in 2010. Europe’s soft power depends

on its economy being perceived as successful. That means EU governments should do more to promote innovation, competition, services deregulation and centres of excellence in higher education. The countries in the euro may wish to strengthen the governance of the eurozone; but the best way to ensure its long-term stability is for the Southern Europeans to take economic reform more seriously than they have done.

- ★ Make a common energy policy an absolute priority. This is crucial for the EU's single market, its ambitions in climate change and its foreign policy, especially towards Russia. If the EU can follow the Commission's lead in building a truly single market in energy, a pipeline network that provides more diverse supplies of gas, an emissions trading scheme that encourages much greater energy efficiency and investment in renewables, and infrastructure that allows for the capture and storage of carbon emissions, its foreign policy stands a greater chance of being independent and united.
- ★ Be patient. Making EU foreign and defence policy more effective will take a long time. Many of the complicated and trivial problems mentioned in this essay can be solved – and some have been solved – by painstaking and determined efforts from those working in EU institutions and national governments. This work helps to build the confidence and trust which makes it easier to tackle the more sensitive issues when they arise.
- ★ Finally, remember that leaders should lead. The EU would never have achieved anything without the vision of men and (sadly, very few) women who looked beyond the immediate interests of their countries and institutions. Of today's political leaders, few are prepared to spend political capital persuading voters that the EU is part of the solution to many problems. But without that kind of leadership, Europe will stay where it is – wobbly and splintering, surrounded by more vigorous poles.

But what should European leaders say? The argument used by an earlier generation, that the EU has banished warfare from the continent, no longer resonates with many citizens. Today's leaders need a new narrative. Talking about Europe's role in promoting multilateralism is hardly a vote-winner. They may have to focus on how the EU can help to tackle issues like climate change, energy security, the need to regulate financial markets, the Middle East peace process, the resurgence of Russian power, illegal migration and terrorism. Hardly stirring stuff, and very prosaic, but member-states on their own cannot do a great deal to solve such problems.

Leaders should also talk about the values the EU stands for. One reason the Union may want to intervene in a far away place is to support the principles that most Europeans believe in – for example to prevent a massacre, protect a minority or bolster the rule of law. Europeans want the global order to be based on their liberal internationalist values. And values also matter for the debate on enlargement: Europeans will welcome a neighbouring country into the Union if and when its people seem to share their values.

The task of building effective foreign and defence policies is hard enough in good times. The recession increases the difficulties. Hostility to imports, foreign investment and immigration is on the rise. The crisis has increased opposition to further EU enlargement. And the more that populist and nationalist politicians profit from the adversity, the harder it may be to achieve compromises at EU level.

The history of the last 50 years suggests a correlation between economic growth and public support for the EU and its projects. In the booming 1960s the EU set up its institutions and the customs union. But in the 1970s, when the continent faced stagflation, the EU achieved very little. The fast growth of the 1980s led to the programme to create a single market. After the recession of the early 1990s, the EU prepared to launch the euro. The downturn at the turn of the century was followed by vigorous growth and the

build up to the massive enlargement of 2004-07. Would either the launch of the euro or the eastward enlargement have happened when they happened without the background of strong economic growth? Perhaps not. The future vitality of the EU depends on European leaders sorting out the malaise in their economies.

They should not allow the economic gloom and the growth of populism to deflect them from striving to make the EU more influential. As Britain's Foreign Secretary, David Miliband, has observed: "The question for all Europeans is whether we want to be players or spectators in the new world order. Whether we want to support the US in promoting our shared values – of freedom and liberty, peace and prosperity – or stand aside and let others shape our 21st century for us....If we want to avoid a so-called G2 world, shaped by the US-China relationship, we need to make G3 co-operation – US, China and the EU – work."¹¹

¹¹ David Miliband, *speech to DemosEuropa, Warsaw, June 23rd 2009.*

The EU has much to be proud of over the past 50 years. It remains a unique historical experiment in co-operation among sovereign states, and has delivered prosperity, stability and security to most of the continent. But its achievements have been mainly internal. A single market, a single currency and strong rules on the environment are not enough if Europe wants to be relevant in the 21st century.

The Europeans should not leave the US, China, Russia, India and others to design the new world order. Those powers have their own problems and weaknesses, and an order shaped by them might be illiberal – or not much of an order at all. On their own, Britain, France and Germany are too small to push the design one way or the other. Indeed, for some emerging powers, there are no large and small European countries, only small ones. If Europe wants to be present at the creation, it needs to become more powerful and to develop a stronger sense of its own interests.



Response by Robert Cooper

Charles Grant has long been one of the most persuasive advocates of the European Union. Since the organisation he has put so much work into building up is called the Centre for European Reform it is reasonable that now and then he should point out the failings of the EU. He is right that it has many failings, and probably he is right too that these are most visible in the area of foreign affairs. I do not agree with all the details of his argument but it is not the details that I want to question.

Nothing is as efficient as a well functioning state. The European Union is not a state; and if you judge it against the standards of states it will often fail. It cannot make decisions as quickly as a state, nor can it back them up with resources as states can. In the EU a lot of time and energy is spent on forging a consensus, which leaves less for promoting Europe's interests externally. When the EU acts abroad in the mode of a classical power it needs to borrow the authority and the assets of its member-states. The ambition of the EU cannot often be much greater than the sum of the ambitions of its member-states, and they are not always ambitious. Nevertheless the Europeans can sometimes achieve much more by acting together than on their own.

The problems, failures and frustrations Charles describes are real. Those who talk glibly about Europe as a coming super-power would do well to note them. But without denying the criticisms it is also possible to look at the last ten years in a different light.

I have chosen that time frame deliberately: it is ten years since the appointment of Javier Solana as High Representative, and ten years

since the EU first started organising itself to undertake military or civilian operations abroad. That means that we are still young compared with NATO or the UN. We are still work in progress; but I do not think that we should be ashamed of what we have done in this period, though as ever in life this falls short of all that we could have done.

We should remember what came before. I was not directly involved myself but my memory of Europe in the 1990s is of us scrambling collectively to deal with the break up of Yugoslavia, trying without any organised machinery to reach a shared analysis, not succeeding at that, and then failing in our attempts to do anything serious as violence unfolded in Bosnia. At the end of the decade we gave ourselves some of the means to do better next time. The machinery created then, and developed over the ten years, has managed 22 operations overseas with a reasonable degree of success. Here are some examples:

- ★ The deployment of European (French-led) forces to the Eastern Congo in 2003 – to fill a gap before UN forces could arrive – may have prevented very serious bloodshed there. It cannot be proved, but that is the nature of preventive operations.
- ★ The civilian monitoring mission in Aceh (run jointly with ASEAN) built on the successful mediation of President Martti Ahtisaari and turned the agreement he negotiated into a reality on the ground. It was a sign of our success that the Indonesian government asked us twice to extend the duration of the mission, something I would never have expected from a country with a well-founded dislike of foreign intervention.
- ★ No one in the developed world has found a way of preventing the bloodshed in Darfur but the European deployment of more than 3000 soldiers to Chad (including, for a period, some excellent Russian helicopters – as Charles notes) contributed to the protection of refugees from the area. EU programmes

helped to resettle refugees and to train the local police.

- ★ The 300 monitors in Georgia, backed by diplomacy in Geneva (where envoys of Russia, the EU, the US, the UN, the OSCE, Georgia, South Ossetia and Abkhazia meet regularly) and reconstruction aid in Georgia have helped re-establish some level of calm and normality, though not regrettably the status quo ante.
- ★ In Kosovo 1,800 police, judges and customs officials are working with the Kosovars to build up their systems and to help the Serb minority to lead decent lives.
- ★ Off the coast of Somalia an EU operation has at least halved the success rate of pirate attacks (and almost without exception ships following the instructions of the EU naval task force have not been seized). Here also we have given Kenya development aid so that it can cope with the legal burden of dealing with captured pirates.

None of these missions has saved the world but they have saved lives; and they have made some parts of the world a better place. There is always more that could be done and resources are short; but I do not think we should be ashamed of what we have been able to do. From a standing start ten years ago this is a testimony to the commitment and creativity of all concerned. Does this amount to a coherent policy? No, but it is a whole lot better than we have ever done before, especially compared with the 1990s.

The second thing to say about the last ten years is this. When the international history of this period is written I guess that people will identify two world-changing developments. The first is the emergence of China as a major power. The second is the stabilisation of Central Europe. Many people played a part in this: Mikhail Gorbachev for a start, and national leaders such as Vaclav Havel and Bronislaw Geremek as well. The United States had a key role

and so did NATO. Nevertheless I doubt if I am alone in believing that the enlargement of the EU played the central role in ensuring that, contrary to all historical experience, the revolutions ended in decently governed democracies. If anybody doubts the importance of the EU in this they have only to contrast the position of those who joined and those who, unfortunately, did not.

As usual success has a price and in this case enlargement has brought a hangover. As the EU expands, the new candidate countries are more distant from the original members and may have further to travel to meet European standards. It is also important that enlargement should not damage cohesion. The EU countries are able to function together because of a sense of mutual belonging. Over-rapid enlargement would damage this – Charles says as much in accounting for the failing of foreign policy. It is true that the possibility of membership is a source of soft power; but it is also a risk to cohesion and without cohesion membership becomes empty, and the soft power evaporates.

A failing that Charles' article spends a lot of time on is the difficulty Europe has in standing up to major powers. The case of Iraq – depending on one's viewpoint – might be seen as one of these. We were divided on Iraq and so lost any chance of influence. There is undoubtedly a tendency for the gravitational force of large powers to

¹² Bobo Lo, 'Medvedev and the new European security architecture', CER policy brief, July 2009.

pull the EU with its rather weak links apart – that is the reality of not being a state; but it does not happen all the time. Even in the case of Russia which is endlessly analysed

and re-analysed there has been a cohesive response to President Dmitry Medvedev's proposals on European security¹², a common line on the 'frozen conflicts' (Abkhazia, Nagorno-Karabakh, South Ossetia and Transnistria), a common approach to dealing with Belarus and Ukraine, and solidarity when one or another member-state is bullied by Russia. It is true that 'instinctive reactions' to Russia are different – that is no surprise; maybe it is even true that some were initially opposed to sending monitors to Georgia. But that does not matter either: the

question is not how the discussion begins but how it ends: whether a common approach can be agreed. More often than not it is.

The big missing element with Russia is a common energy policy. Here history and national industrial interests are different. As Charles says, it would strengthen our hand if there were a common policy. To make that a reality will need major changes in national and European policies, infrastructure investment and much else. It would be worth the effort but it will take time, determination and political skill to bring that about.

That 27 countries do not always agree is not a surprise; what is remarkable is that they frequently find a sufficient basis of agreement to act together, even in areas such as Kosovo where there are also fundamental policy differences. Pluralism has its problems but also its merits. If the EU is slow to decide it may also be slow to make mistakes – which is not always the case with major powers. Looking back over the past ten years the EU's record as a foreign policy actor seems at least as constructive as those of the US, China, India and Russia. Others may not shake in their shoes at the mention of the EU. Should we be ashamed of that? Perhaps we might even take perverse pride in the fact that after centuries of bloodshed and imperial conquest Europe has moved on.

The world does not need another great power in the 19th century mode. The EU represents the aspiration for a world governed by law. This reflects the nature of the EU, itself a community of law. And one way or another it is the direction in which almost all our external policies point. In the 20th century such ideas were dangerously idealistic; in the 21st they may be the only way to organise a complex and interdependent planet. In amongst this lies the question of whether we can be a power without being a state. This remains to be answered. But it seems worth a try.

Of course there are many failings and failures – the latter is a normal characteristic of foreign policy. But we have made progress in the

last ten years and there is potential for more. Here the recommendations at the end are, with one possible exception, right. The exception is the idea of a lead group in defence. This undervalues the contribution of smaller countries and neutrals which has sometimes been quite striking: for example Austria, Ireland and Sweden in Chad. The recommendation I most strongly support is the call for patience in the daily slog of diplomacy. The EU itself has been 50 years in the making, and it was designed to promote the economic welfare of its members rather than for foreign policy. So we should not be surprised if turning the EU into something like a power is not done overnight. Anything worthwhile takes time.



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Is Europe doomed to fail as a power?

Charles Grant

With a response by Robert Cooper

How relevant is Europe in the emerging multipolar world? On current trends, the EU seems unlikely to be one of the powers that shapes the new order. Divisions among the member-states and a lack of military muscle have weakened the EU's foreign and defence policy. Charles Grant analyses the reasons for Europe's underperformance, such as the impact of enlargement, the lack of a common strategic culture and the changing role of Germany. He concludes with a set of suggestions on how to boost the EU's power. Robert Cooper responds that one should not judge the EU by the standards of a state, and that its actions around the world have helped to spread peace and stability.

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