

CURRENT HISTORY

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The European Union in an Illiberal World

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In the range of international responses to Donald Trump’s victory in the November 2016 US presidential election, German Chancellor Angela Merkel’s stood out. She stated: “Germany and America are connected by values of democracy, freedom, and respect for the law and the dignity of man, independent of origin, skin color, religion, gender, sexual orientation, or political views. . . . I offer the next President of the United States close cooperation on the basis of these values.”

To some observers, Merkel was signaling that the European Union, with German leadership, could lead a liberal pushback in an increasingly illiberal world. Such expectations are not without a solid foundation. After all, the EU is a cornerstone of the liberal world order, which is based on the spread of liberal democracy and organized by US-led international institutions. The EU is a staunch supporter of multilateralism and particularly the United Nations, of human rights and liberal democracy, of peace through institutionalized cooperation, and of free trade.

It also has a lot at stake, for Europe has done well with the liberal world order. European countries have benefited from being overrepresented in key international institutions such as the International Monetary Fund and the World Bank, and on the UN Security Council. The EU came into being (initially as the three European Communities in the 1950s) and developed in the relatively benign environment of transatlantic cooperation. While the United States has been at times a highly critical observer, not above trying to stymie developments it considered to be contrary to its interests, it has generally viewed the European integration process

as both a necessary and a desirable foundation stone of an American-led liberal world order. With broad US acquiescence or support, the EU over time developed institutions and capabilities in the area of foreign and security policy. Although the United States and the EU have repeatedly clashed on issues ranging from the Bosnian war in the 1990s to the International Criminal Court in the early 2000s, they have also worked together to protect shared interests and values.

With Trump as president, however, US support for these shared values and interests is no longer certain. Indeed, his administration may even undermine them. Trump has expressed his opposition to the Trans-Pacific Partnership and the North American Free Trade Agreement, and skepticism about institutions such as the United Nations.

The million-euro question is whether or not the EU is able and willing to function as a power in today’s changing global political environment. Authoritarian and populist movements and governments are challenging liberal democracy, and the diffusion of power around the world to rising powers such as China has strengthened opposition to key international institutions and norms. In a world of rising nationalism, the post-sovereign, post-nationalist EU is extremely vulnerable.

Over the past few years, the EU has faced numerous crises, from the financial upheaval in the Eurozone to the confrontation with Russia over Ukraine and the surge of refugees into Europe. European integration has been likened to riding a bicycle (keep pedaling or crash), and the United Kingdom’s looming departure has blown a hole through the bicycle’s front tire. In the past, the United States was often there to encourage the cyclist onward and even help with repairs, but the Trump presidency augurs a much less supportive

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role for Washington. On top of that, the European order is being actively challenged by Russia, which is also building strong links to allies within the EU and the United States. Under these circumstances, it is not unusual to read predictions of the EU's impending demise.

CREDIBILITY GAPS

As a leading international actor in the era of Trump, Brexit, populism, resurgent authoritarianism, and the diffusion of power, the EU faces two major credibility problems that could inhibit its leadership. The first is a growing “capabilities-expectations gap,” as the British international relations scholar Christopher Hill termed it over two decades ago: expectations that the EU can defend or even save the liberal world order are out-running its capabilities to do so. The second is a rhetoric-practice gap: the EU's struggles to live up to its liberal rhetoric in the past leave it exposed to the accusation that it lacks the credibility to lead now. But EU leadership, or at least decisive collection action, is still possible on some issues despite these gaps.

The exercise of EU power depends, obviously, on unity among member states. Unity will not be any easier to attain without the UK, even though it has been at times quite an awkward club member. Crucial elections this year in the key member states of France, Germany, and the Netherlands may make collective action more difficult as governments turn their focus to domestic concerns. Moreover, Brexit negotiations will drain attention and resources for the foreseeable future.

EU member states and institutions have always struggled to agree on clear priorities for external policies, despite a proliferation of strategies. Each member state has its own agenda, and agreeing on a set of EU priorities could require trade-offs that may simply be too difficult to negotiate. The 2016 EU Global Strategy is a laudable attempt to be more precise about the bloc's goals and means, but it contains a long list of “priorities” without actually prioritizing any of them or assessing critically how the EU could reach these myriad objectives given unfavorable external and internal circumstances.

Those foreign-policy priorities are not so much a result of strategic planning as reactions to events. Consider how the European policy on Iran's nuclear capabilities developed in the wake of the invasion of Iraq in 2003. To avoid another war, the EU used sanctions—and the incentive of

eventually lifting them—to back up initial diplomatic efforts by France, Germany, and the UK to prevent the development of Iranian nuclear weapons. But expectations that the EU can unite to defend the liberal order could founder on member states' incapacity to agree on a strategy to do so.

The principal basis for the EU's power in international relations is the size of its single market. The combined gross domestic product of the 28 member states is slightly larger than that of the United States or China, and these three big players have similar shares of world trade in goods. Because of the EU's size and wealth, countries want to trade with it. In principle, this gives the EU leverage. Brexit will diminish that leverage. British gross domestic product accounts for approximately 19 percent of EU GDP. Although the EU without the UK will still be one of the top three largest markets in the world, it will be almost a fifth smaller than it had been before Brexit.

The more worrying trend is that trade policy no longer enjoys a “permissive consensus” within the EU, whereby ordinary Europeans allowed Brussels-based technocrats to make policy without much public input. Trade policy is one area where the EU has substantial supranational powers, but it has become more difficult as anti-globalization forces contest free trade. In 2016, the Canada-EU Comprehensive Economic and Trade Agreement was almost blocked by the veto of one Belgian region, and the EU-Ukraine Association Agreement was rejected by the Dutch in a referendum. The pending Transatlantic Trade and Investment Partnership has likewise been heavily criticized within the EU and the United States. Expanding and deepening the EU's web of agreements may prove too time-consuming and politically difficult in the near term, which clearly limits its potential influence. (The lessons for Britain, seeking a new trade agreement with the EU, should be even more sobering.) Market power has been the foundation of EU international influence, but it may be too unwieldy to use efficiently and effectively.

After trade, the most important means of EU influence stems from its capacity to enlarge its membership. By making membership dependent on meeting a series of conditions, the EU has been able to foster reforms in prospective member states. But its enlargement policy is one clear casualty of the various crises that the EU has faced. Indeed, there seems to be little or no enthusiasm for further expansion to include those countries that

are already negotiating with the EU—Montenegro, Serbia, and Turkey—matching the apparently low desire, particularly in Turkey, to comply with membership conditions. The accession prospects for other hopeful candidates in southeastern Europe—Albania, Bosnia and Herzegovina, Macedonia, and Kosovo—have dimmed even further.

Beyond those candidates, it is clear that there will be no enlargement in even the medium to long term. The Netherlands' ratification of the EU-Ukraine association pact will proceed only because the European Council agreed in December 2016 that the EU would not confer membership candidate status on Ukraine. The dilemma for the EU is that its now-unpopular enlargement policy has been the most effective instrument for expanding its influence in Europe. In the zero-sum game that Russia appears to be playing in the neighborhood, a failure to further enlarge the EU augments Russia's influence and leaves countries outside the EU in an insecure grey zone.

BREXIT'S IMPACT

Brexit also negatively affects the EU's other foreign-policy instruments. It will substantially diminish the size of the EU's aid budget: Britain currently contributes almost 15 percent of all EU funding for developing countries. The EU's External Action Service will lose British experts, and since EU diplomacy also depends on the diplomatic capacities of its member states, the UK's loss will undoubtedly be felt in that arena as well. Although Britain was not in the forefront of recent EU diplomatic efforts to mediate the Ukraine-Russia conflict or to manage relations with Turkey regarding the refugee crisis, it has been a key player in the past, including during negotiations with Iran on the nuclear issue.

Britain has not been a major contributor of troops to EU military missions, and has ranked among the most reluctant member states when it comes to boosting EU defense cooperation. But a loss of British capabilities will nonetheless be felt because the UK has provided crucial resources to some missions, such as providing the operational headquarters for the EU's anti-piracy mission off the coast of Somalia. It could, however, be relatively easy to enable Britain to participate in future EU missions abroad, since there are already mechanisms allowing "third countries," including Norway and the United States, to do so.

Finally, Brexit will diminish the EU's soft power (its power of attraction), which was already undermined as the EU stumbled through crisis after crisis without appearing to resolve any of them satisfactorily. And now one of its key member states wants to leave. The EU's global image has undoubtedly suffered, reducing its ability to convince other states to support its preferences without having to resort to its other sources of power.

Along with the growing appeal of anti-EU populism in several other member countries, Brexit will reduce EU capabilities and make it considerably more difficult to meet expectations that Europe will take decisive action to defend the liberal world order. There are ways in which the impact of Brexit could be minimized by focusing resources on a more limited set of goals while stepping back from others. For example, the EU, usually through the high representative for foreign affairs and security policy, issues a large number of declarations every month with no clear purpose;

the resources devoted to preparing them could be better expended on other tasks. But even with such adjustments, the capabilities-expectations gap would still be worrisome.

The EU is prepared to drive quite a hard bargain with Britain.

HOLLOW RHETORIC

A further challenge is the rhetoric-practice gap in EU foreign policy, which calls into question the EU's credibility as a bastion of the liberal world order. Values such as respect for human rights and democracy are frequently highlighted as the heart of EU foreign policy. Catherine Ashton, the former high representative, often said that "human rights run as a silver thread through EU external policies." In practice, however, that thread has sometimes been hard to detect.

The nub of the problem is that member states have much to disagree about with respect to promoting values. There are divisions over the relative importance of values when core security and economic interests are perceived to compete with them. The persistent lack of European support for democracy in North African and Middle Eastern countries can be attributed to fear that liberalizing their political systems would open the door to radical Islamist governments. There are also intra-EU divisions over how best to promote values: some member states prefer a strategy of engagement, while others favor sanctions. These divisions lead

to variable, not to say inconsistent, policies—and thus leave the EU vulnerable to accusations that it has double standards, despite all the rhetoric to the contrary. This weakens the potential for EU leadership. Authoritarian regimes have become very adept at using Western hypocrisy to justify their own actions.

The rhetoric-practice gap is also wide when it comes to EU proclamations about its “partnerships” around the world. Even countries the EU labels “strategic partners,” with which it can cooperate in the pursuit of given goals, are sometimes treated as pupils to be educated as the EU sees fit. The myriad strategies and action plans that are intended to guide EU foreign policy tend to include long lists of things that other countries are supposed to do to meet EU expectations of reform or transformation. This may be reasonable, and some countries may in fact want EU help to enact reform. But with the rise of alternative powers, this model of interaction risks losing effectiveness: why put up with hectoring from the EU if you can choose other friends or allies?

The capabilities-expectations gap points to the challenges the EU will face in using its resources to try to reach its goals—if it can, in fact, agree on common objectives. The rhetoric-practice gap illustrates how EU collective action could nonetheless backfire. Yet the picture that emerges over the next couple of years may not be as bleak as this analysis suggests.

DEFENDING ITS INTERESTS

As the gap between rhetoric and practice demonstrates, the EU has never fully lived up to the image of a normative power held dear by some commentators and EU insiders. Its record is a mix of self-interested and liberal multilateralist policies. The EU may be one of the world’s most committed supporters of the United Nations, promoters of human rights and democracy, and upholders of the rule of law, but it can also act decisively to defend the shared security and economic interests of its member states. So even in a world in which there is considerable contestation of liberal norms and institutions, the EU can stand its ground—because its policies are intended to protect European interests, not the liberal world order as such, though sometimes the two can overlap.

The EU has in the past defended its interests robustly when they have been threatened. EU member states united to oppose the Reagan administration’s extraterritorial sanctions on European companies working on a Soviet gas pipeline in the early 1980s, for example. More recently, the EU has managed to maintain unity in implementing sanctions on Russia over its intervention in Ukraine, despite the fact that attitudes toward Russia vary widely across the union. Russia’s breach of core norms on respect for sovereignty and the acceptable use of force has so far been enough to preserve unity. The EU is likely to remain committed to the Iranian nuclear agreement even if the Trump administration renounces it, not only because the EU spent so much time and effort trying to forge it, but also because commercial and security interests align in support of the agreement. For many years, the EU pressed ahead on climate-change policy largely on its own, and it is unlikely to cease its support for international efforts to limit global warming now. Indeed, with Trump threatening to pull the United States out of the Paris climate agreement, an EU-China partnership on climate change could emerge.

Furthermore, the EU is not above practicing a bit of transactional foreign policy itself.

It can be an extremely hard negotiator especially on trade issues, tenaciously defending European economic interests, as numerous countries (such as South Africa in the 1990s, when it was in the midst of its transition to a multiracial democracy) have discovered. And it should be recognized that to many on the receiving end of the “liberal world order,” it may not look appealing at all. Global free trade does create winners and losers, and EU trade policy has been geared toward maximizing the gains for the EU, not necessarily minimizing the losses for trading partners, even developing countries. Opposition to the EU’s economic partnership agreements with African countries centers on the damage that their terms can do to development, as domestic producers struggle to compete against higher levels of imports from the EU.

The EU holds strong cards and has been prepared to play them when doing so suits its interests. Defending the European project in the face of Brexit is one such occasion, and all indications are that the EU is prepared to drive quite a hard bargain with Britain.

*Can the European Union
lead a liberal pushback
in an increasingly
illiberal moment?*

SILVER LININGS?

Another reason for some optimism about the role the EU can play in an illiberal world is that external challenges could prompt the member states to band closer together. Above all, a more mercurial United States, less consistent in its support for European integration, could force the EU to rely more on itself. In the past, US resistance to stronger European defense cooperation partly explained the EU's faltering progress toward a common security and defense policy. Although the US stance later changed to conditional support, American demands that Europe defend itself could push the EU member states closer together.

Strengthening the common defense policy is now a key focus of the high representative for foreign affairs and security policy, Federica Mogherini, as she signaled in the 2016 EU Global Strategy. Much work has been done on this front in recent months, including measures to strengthen EU cooperation with NATO. Of course, the extent to which European capabilities would need to be pooled and shared in order to achieve even a minimally effective common defense policy is daunting, and EU member states are still divided over numerous issues regarding the use of force. But a less dependable United States may end up functioning as an "external federator."

To be sure, the reasons for optimism mostly point to the probability that the EU will be able to defend its own interests in an increasingly hostile environment, whether or not those interests coincide with key tenets of a multilateral liberal order. But a more illiberal external environment could act as a useful reminder to the EU that many of the differences member states may have over values are minor when compared with the differences they have with other international

powers. This could lead them to focus on fundamentals—a set of core human rights, norms, and so on—and defend those against illiberal contestation. In so doing, the EU could reach out to moderates in many other regions—perhaps to establish a coalition in favor of the International Criminal Court, or against torture. EU member states have already been actively engaging in diplomacy within cross-regional groups in UN human rights forums, so there is a basis on which to build wide alliances in favor of fundamental norms. If this were to happen—and it is a big if—the EU could lead the liberal pushback, as long as internal clashes over values do not worsen, with Poland and Hungary taking an ever more illiberal path.

There are some grounds for believing that the EU will not be torn asunder by circling wolves. But the challenges are daunting, the capabilities-expectations and rhetoric-practice gaps are large, and the reasons for optimism are highly contingent on member states actively seeking unity, somewhat in contrast to their past behavior. As for the nation preparing to leave the EU, it is faced with difficult choices of its own. Will the UK try to stymie closer defense or foreign-policy cooperation in Europe? Will it turn its back on the EU and instead seek alliances with the Trump administration—which necessarily would be a transactional relationship—or other powers? Or will it end up as a close associate of the EU, with interests, values, and policies in alignment? The direction of British foreign policy is not yet clear, but at some point very soon, these questions will have to be addressed in London. A Britain that acts closely with Europe is obviously in the best interests of the EU; a Britain that does not would be yet another obstacle to EU leadership. ■