

European power plays in foreign policy

Blog post by Chief Economist Dr Gregor Irwin, 12 June 2018

European influence in the world is under threat. The privileged role enjoyed by European states in multilateral institutions has been challenged by the big emerging countries for some time now. More recently, both Russia and China have attempted, with some success, to play European states off against each other. And now the long-standing alliance with the US is in jeopardy, following the G7 shambles in Charlevoix, which saw Europe and the US move closer to an outright trade war.

This is happening just as the European Union faces its own internal challenges from populist governments, Brexit, and the painfully slow process of reforming the eurozone to make it more resilient, while externally the EU is struggling to find a coherent response to instability or aggression in its neighbourhood and an on-off migration crisis that is dividing member states.

Foreign policy has long been an area where cooperation by member states is either patchy or just too hard. In some areas, like sanctions policy, member states must move together, but this requires unanimity, meaning every member state, large or small, has a veto. In others, like the positions EU members take at the United Nations, there is informal coordination, but no requirement to vote together as a bloc, as shown by the recent split on a resolution criticising the US decision to recognise Jerusalem as Israel's capital.

Necessity may, however, be forcing a rethink. One area to watch, partly because of the precedent it could set for other institutions, is the UN Security Council. Last week, the German chancellor, Angela Merkel, proposed a new approach to EU coordination there, with two elements. The first, is that the non-permanent seats of EU member states on the council should become "European seats" and be bound together as a bloc. This would be a big deal, as up to three out of ten non-permanent seats are taken by EU members at any one time. The second, is for a new European Security Council to be created to set EU policy. This would be made up of ten EU members. One justification is that the smaller size of this body would make it more nimble than the Foreign Affairs Council. But it is also a power play which would give Germany more influence, as Germany believes larger EU states should be permanent members of the new body, with smaller states joining on a rotating basis.

These proposals are controversial and are unlikely to be agreed soon. But they will nevertheless put pressure on the UK and France, albeit for different reasons. The UK says it wants to continue cooperating with EU states at the UN, even after Brexit, but there can be little doubt that that will become harder and British influence will decline as a result. Germany's message to the UK is that Europe has options.

For France, it creates a dilemma. One idea being considered in the Quai d'Orsay is whether France should "Europeanise" its permanent seat, even if only informally. One possibility is for France to agree to being "directed" in the UN Security Council by the EU as a bloc. That could turn out to be

a shrewd and assertive move if it ends up bolstering France's stature - and influence - among the other permanent members.

These are big strategic choices with long-term implications for the diplomatic heft enjoyed by European states and the EU as a whole. They will also have ramifications beyond the UN, in powerful economic institutions like the International Monetary Fund, the G20, the OECD and the Financial Stability Board, where the sum of European influence is less than the parts. The "Europeanisation" of EU representation there may be inevitable at some point. That point may be hastened, if it starts in the UN Security Council.