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Seminar report:

How to strengthen the EU as a global player - Italy and Germany in the driver's seat?

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Istituto Affari Internazionali (IAI), Rome & Institut für Europäische Politik (IEP), Berlin²

About the seminar

The shared interests, challenges and opportunities of Italy and Germany in strengthening the EU's profile on the international stage were the topics of this joint expert seminar in Rome. The expert seminar was part of a tradition of seminars organised by the Istituto Affari Internazionali (IAI) in Rome and the Institut für Europäische Politik (IEP) in Berlin. The meetings serve as a forum for dialogue between practitioners and academics as well as a trigger for discussion and a platform for new ideas to support the development of the EU towards a strong foreign policy actor.

As recognized by the participants, this seminar took place in a challenging context for EU foreign policy. They identified a gap between the expectations related to the *legal words* of the Lisbon treaty, and the *real world* implementation of the Common Foreign and Security Policy (CFSP). While the European External Action Service (EEAS) has improved its game over the recent months, the Common Security and Defence Policy (CSDP) did not progress in the same speed as it did in the last decade. All these developments took place against the backdrop of the economic and fiscal crisis that dominates the agenda of the decision-makers and sudden, far-ranging developments in Europe's neighbourhood.

Hence, it was even more important to ask what common contributions Italy and Germany can make to strengthen the EU's foreign policy profile. Together with which actors can the two countries provide leadership in the development of a stronger foreign policy? What role can the common institutions play and how can they be reformed to work more effectively? Why did the development of CSDP fall behind its expectations and where are the drivers and obstacles for this policy located in the 27 capitals and in Brussels? How can the double-hatted High Representative (HR/VP) contribute to a new momentum in EU foreign policy? These questions provided a foundation for a rich discussion between the participants, which is covered in this report.

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The context – challenges in- and outside Europe's borders

The **financial and economic crisis** was identified as one of the key factors that negatively influences the EU's international profile and was discussed in a dedicated panel. A speaker raised the point that the crisis directly impacts upon the 'soft power' of the EU, as the attractiveness of Europe lies in its prospects as an economically stable partner. In addition, the crisis has an effect on the capability of European governments to concentrate on the development and implementation of EU foreign policy. National governments and EU institutions invest a large amount of their resources in "fighting the war against the bond markets". The agenda is hijacked by the development of the crisis and little time is devoted to foreign policy issues. As a consequence, the Lisbon treaty suffers from a "time warp": while decided on in a context of great hopes and ambitious, it entered into force in the middle of a crisis. As one of the experts pointed out, this limited capacity for ambitious progress in EU foreign policy has to be kept in mind and initiatives should not raise expectations that cannot be fulfilled under current circumstances.

A point of discussion was therefore, how to develop EU foreign policy despite the "centrifugal powers" of the crisis. It was pointed out that the crisis will continue at least for a few more years. One of the experts highlighted that it must be a priority to get the "own house in order" first, to be able to be a strong actor abroad. However, this view was challenged by other participants, who emphasised the need to act now and to concentrate on policies where it is possible to do more, such as enlargement policy, which is currently stagnating.

The participants agreed that much still depends on the outcome of the Eurocrisis. One of the experts argued that the current crisis leaves the decision-makers in a normative and institutional dilemma. On the one hand the governments have to answer the normative question, what kind of economic model the EU wants to pursue. On the other hand, the EU has to tackle the institutional question, if future institutional changes will be made via reforms of the common treaties or with intergovernmental treaties, as it was the case with the treaty on fiscal stability. If the result of the crisis will be a substantial deepening of the political union of the Eurozone that forms a core group within the EU, consequences for the common EU foreign policy will follow. Such a development involves the risk of marginalisation of the non-Euro member states also in the field of foreign policy, one participant pointed out.

Nevertheless, one of the contributions emphasized that the EU's international profile stayed surprisingly stable despite the financial crisis. Key economic partners still invest in the Euro area through the European Stability Mechanism or direct investments. The trade figures with major trading partners have not significantly changed. European countries still subscribe to a non-protective and open market policy, as expressed with recent green light for trade negotiations with Japan. As one of the participants pointed out, the crisis also propels a creative discussion on the future of Europe and the role of individual member states. Germany is a case in point, as it is assumed to play a leading role in the solution of the crisis and as a foreign policy actor more general. However, one expert raised the concern that the strong profile of the economic power Germany may have a negative effect on the external coherence of the EU's activities. For example, a special relationship between Germany and China could be harmful for coherent EU strategic interests.

The experts discussed **the future of the United Kingdom in the European Union** as another key factor of the EU's ability to act internationally. At this point in time, it is difficult to analyse, if some kind of exit of the UK from the EU is a likely scenario. The strategic choice of David Cameron to take a critical stance towards the EU and to please the critical voices that call for a EU membership referendum did not have the anticipated effect. On the contrary, the reaction was a rise in anti-EU sentiment. The envisaged opt-out and renegotiation from cooperation in justice and home affairs might however be a first test to reveal the UK's willingness to retreat from common policies. While an Italian participant of the seminar argued that a participation of the UK in EU foreign policy is desirable but not necessary, several other experts pronounced that the UK is vital for a strong EU in the world. The UK would represent an ambitious international actor that brings necessary strategic thinking to the table. The international contacts and standing make the UK an important provider of legitimacy for the voice of the EU on the world stage. Several panellists mentioned the need to convince the UK that a comprehensive EU foreign policy is the right answer to international challenges and complements, not substitutes, the national and sovereign foreign policy.

The discussion also focused on the **changing role of the US** as an important partner for the EU in the world, especially in securing Europe's neighbourhood. A participant of the seminar pointed out that it is likely that the US will still be the dominant power in the 21st century despite its current fiscal and economic challenges. Increase in population, possible energy independence and the unmatched military power are indicators for a strong role of the US in the decades ahead. However, several experts suggested that the EU has to prepare for a continuing disengagement of the US from the European continent. The strategic reorientation of the US from a transatlantic- to a transpacific actor means that the EU has to be able to ensure its own security. Will an energy independent US still be willing to provide the energy security for the EU? The participants developed the scenario that the US might not even be willing to 'lead from behind' in future crisis operations. Considering that 90% of the operations during the crisis in Libya were to some extent relying on the military support of the US, the pressure for the EU to work on its capabilities is high.

Opportunities for Italy and Germany

Participants did not miss to point out the various opportunities for Italy and Germany to promote the development of EU foreign policy in the upcoming years. On several occasions windows of opportunity may open up to influence the institutional setup, strategic development as well as the capabilities to act of the EU.

The **review of the EEAS** is scheduled for mid 2013. It was acknowledged that the EEAS' work has improved in the recent year. An expert reported that the permanent chairing of the working groups by officials of the EEAS improved the overall continuity of the foreign policy agenda. Bilateral delegations also contribute more efficiently to the EU presence in the world. In addition, several measures have been taken to improve the coherence in crisis management. A panellist also pointed out a tendency to give lot of attention to major crisis situations, while commentators overlook the improved day-by-day work of the new institutional architecture. The EEAS contributes to a convergence of the national policies in

the long-term, as the vote on the observer status of Palestine in the UN shows. The EEAS worked towards a coherent position of the EU and the voting behaviour of the member states was more in-line this time than during the UNESCO membership vote a year ago. Given that the service is only two years old, it made remarkable progress. Nevertheless, participants of the seminar also voiced critical remarks about the new service in Brussels. Leadership by the service and the HR/VP to provide impetus to the development of EU foreign policy are missing. In addition, the cooperation between the EEAS and the Commission faces challenges. Different foreign policy objectives clashed for example during the current work on a communication on the comprehensive approach: while the Commission was worried about a politicisation of its external policies, the service had the concern that CSDP is “watered down”. In addition, the development of an ‘esprit de corps’ within the service needs more time.

A discussion amongst the experts developed concerning the possibilities for substantial changes in the upcoming review of the EEAS. A participant voiced the concern that the leadership in Brussels might not be interested in a comprehensive review. Furthermore, the member states are preoccupied with the solving of the financial and economic crisis and miss the political will for a revision of the institutional structures. Another expert opposed this interpretation. The HR/VP has an interest to leave an imprint by the successful setup of the EEAS. In addition, Germany is very committed to the review, as a meeting in Berlin with likeminded member states as well as the report of the ‘Westerwelle group’ show. However, a problem might be the position of the European Commission, which has a minor interest in changing the status quo. An important change that the EEAS review could bring about is the establishment of deputies for the HR/VP. In addition, the comprehensive approach, which is supposed to tie different aspects of EU’s international activities together, might be reflected in the institutional design. The Commission is already losing its ‘hostility’ towards the service. In the end, several participants pointed out, that an EEAS review naturally leaves fundamental characteristics of EU foreign policy untouched. Unanimity will still be the rule in CFSP. Member states will still have the possibility to decide from case to case, how much they invest in the common foreign policy.

The upcoming year also provides the possibility to review the defence capabilities of the EU and work towards an efficient use of the **December 2013 European Council focusing on defence**. Several participants underlined that this European Council meeting will be an opportunity that should not be missed to provide more impetus to the stagnating common defence policy. A practitioner pointed out, that Italy is very determined to make use of this occasion. It released a non-paper on “More Europe” that aims to set the agenda on different aspects of developments in CSDP capabilities, such as a stronger integration of civilian- and military planning and conduct capabilities, a better coordination of the national defence restructuring processes and a strengthening of the European Defence Technological and Industrial Base. The non-paper will be followed up by a seminar in March 2013. The overall aim of Italy is to create the possibility for consensus on a wide range of issues before the December 2013 European Council.

The participants discussed the parameters for a successful use of the opportunity of the 2013 European Council on defence. A discussant pointed out that the member states need to develop concrete and interesting deliverables that structure the debate beforehand and allow

managing expectations. Due to the financial and economic crisis, there is also a considerable risk that the agenda of the European Council might be hijacked by short-term developments. In several interventions, it was pointed out that it is necessary to find the right partners to push initiatives forward. The Weimar triangle, now enlarged to the “Weimar pentagon”, which next to Germany, Poland and France also comprises Spain and Italy, was mentioned as an important forum in which consensus in a core group can be reached before the adoption by all 27 member states in the European Council. However, an expert voiced also disappointment with the current performance of the format, especially regarding its latest declaration from the November 2012 Paris meeting. A panelist alluded to the historic example of the creation of the Helsinki headline goals from which Italy and Germany can learn in the current situation. The political will of the two countries might drive the process and foster the development of defence capabilities.

Pooling and sharing of member state’s defence capabilities was another point of discussion during the seminar. Several experts acknowledged that the current fiscal pressures of the member states provide an incentive to pool their defence resources. Among the main players, only Germany can afford to increase its military spending. Member states should avoid the cost of a “non-Europe in defence” and work towards the development of common capabilities. Despite this common assessment, the participants discussed the features of pooling and sharing. One of the panelists described a vision of an Italian-German partnership in defence: military forces of both countries should integrate to a level, that they get dependent on each other. This reduces costs considerably and might have a spill-over effect on the convergence of the foreign policy of the two partners. Several participants of the seminar voiced concerns over such an ambitious approach to pooling and sharing. The discussion around the German deployment of Patriot missiles at the Turkish-Syrian border showed that the area of defence is still subject to pronounced sovereignty concerns and domestic politics.

Thus, a panelist pointed out that pooling and sharing has to be understood and communicated as a pooling of resources, but not as a pooling of sovereignty. Investments in common training, common systems and common infrastructure can increase the capability to act without the costs of a growing political interdependence of the member states. Pooling and sharing remains a nice idea, however, with the lack of trust among the parties, progress is very difficult to achieve. Nevertheless, one can hardly speak of sovereign states in a situation in which no single member state owns the capabilities to plan a war. Member states can win back their sovereignty, if they ensure that they can influence developments through the participation in common capabilities.

With regard to CSDP, also the **future approach to civilian and military missions** was discussed. An expert outlined the success and failures of current and past CSDP missions. Many of the missions would show almost no impact on the ground. Rather than counting the number of missions, the expert called for an independent assessment what has been achieved in the country/ region in question as a basis to decide on the future of mission mandates. However, the EU’s activities in Somalia would be a positive example for a comprehensive approach to a crisis. This assessment was also shared by a practitioner, who emphasized that it was the goal of the EEAS to have less and better planned missions. The current work on the

formulation of a comprehensive approach has the aim to place missions in a broader agenda of the development in the regions.

A reflection of **strategies and priorities of EU foreign and security policy** will mark the upcoming years. The foreign ministers of Italy, Sweden, Poland and Spain have initiated a think-tank driven process including a series of workshops and seminars with the aim to produce a report on possible elements for a European Global Strategy. Several participants stressed the need that member states should not only provide material, but also ideational support to EU foreign policy. A carving out of priorities and strategic interests would be key in this regard. However, if a new European Global Strategy is the right instrument was subject of debate among the experts. A participant was of the opinion that it is not time for a wide-ranging strategy document. The member states should rather start by identifying their interests in EU foreign policy and compose and put forward a list of common priorities. In addition, the current HR/VP would be reluctant towards a wide-ranging strategic exercise. The formulation of a European Global Strategy could be a project for the next mandate of the HR/VP. Nevertheless, many experts and practitioners held the view that the upcoming organizational review of the EEAS should be accompanied by a debate on priorities.

Some interventions evaluated the possibility of **treaty changes** in the long term. Participants pointed out that the Lisbon treaty still has potentials that have not been realized so far, such as the provisions on Permanent Structured Cooperation. However, more possibilities for qualified majority voting should be introduced, as mentioned in the report on the future of Europe by the ‘Westerwelle group’. Possibilities for subgroups of member states to pioneer integration in EU foreign policy should be created. A panellist questioned, in how far the positions of the ‘Westerwelle group’ reflect the positions of the German government. The expert added, that institutional changes are not necessarily the solution to the challenges of EU foreign policy, but the member states need to find ways to overcome their diverse positions.

The road ahead – recommendations for Italy and Germany

The seminar aimed to evaluate, in how far Italy and Germany can be in the driver’s seat on the road towards a strengthened EU in the world. On first sight, a focus on these two countries might seem counterintuitive. Many of the discussions on the future of Europe are highlighting the Franco-German motor or the role of the ‘big three’. Alliances are constructed around groupings, such as the Weimar triangle or the Nordic countries. While these cooperations remain important, this seminar showed that Italy and Germany share a wide range of perceptions and interests in the area of foreign policy that could provide the basis for a deepening of the EU as a foreign policy actor.

How can Italy and Germany make use of the upcoming years to strengthen the EU as a global player? Various panellists were of the opinion that the two partners should not miss the upcoming opportunities to make their voice heard. It was underlined that it would be important to **link the separate reviews and debates on EU foreign policy**. The review of the EEAS, the debate on priorities and strategies, as well as concrete foreign policy initiatives should not be seen as separate processes, but should be used to adopt comprehensive changes to the EU’s international profile.

In the view of the participants, it was obvious that Italy and Germany have to **work together with the European partners** to be successful in launching initiatives. The political will of the member states is essential for the development of EU foreign policy. In the area of defence, several experts suggested the Weimar cooperation as the right forum to develop and start initiatives. It represents a geographical and historical diverse group of member states and thus is able to make proposals on a broad basis of legitimacy. Furthermore, the Nordic partners such as Sweden and Finland have a strong interest in the common foreign policy and an expert referred to their proposal of a peace-keeping institute as a possible concrete initiative to put forward. The UK was seen as a vital partner for a high-profile European foreign policy and experts were of the opinion that Italy and Germany should convince the UK that a strong, comprehensive, but complimentary EU foreign policy is in its national interest.

Various experts underlined that **Germany should provide leadership**. It was recognised by the experts that it is difficult for Germany to assume a leadership role naturally, as it is not a traditional role for the country. However, Germany has recognized its responsibility to provide leadership. In the view of a panellist, it is worth for Germany to pay a higher share for the European integration process and a capable common foreign policy now, as this will lead to savings for all 27 member states in the future. However, one panellist also pointed out, that leadership is a delicate task, as all member states have to go through their own transformation process based on their national identity.

The growing scepticism of the public towards the European integration process was a matter of concern for the participants of the seminar. It would thus be important to **work against the alienation of the people from the European project**. Several participants stressed the need that the EU's international activities have to be made visible for the public through concrete measures - such as missions or free trade agreements - as well as through a concrete vision of the future role of the EU in the world. The involvement of national parliaments in the EU foreign policy process might also be important in this regard.

Italy and Germany should stress the need for the EU to effectively **engage with its strategic partners**. Panellists referred to the fact that the international realm is constantly changing and that for example the G20 format, though only a few years old, has lost its significance. The transatlantic partnership was highlighted by many of the participants as a priority for the EU, if it wants to be a high-profile international actor in the upcoming decades. An expert pointed out that in general the EU should continue to base its relations with international partners on its self-ascribed values, as other states often see Europe's normative basis as an attractive and distinct feature.

Finally, Germany and Italy should actively **participate in the shaping of the common institutions**. Several participants argued for a strengthening of the EEAS and the post of the High Representative. Especially the cooperation between the Commission and the EEAS has to be strengthened and the HR/VP should de facto be in charge of the external portfolios within the Commission. To foster the cooperation of the two institutions, Italy and Germany should begin to reflect on the time after the European Parliament elections 2014 and on possible candidates for both the President of the European Commission and the HR/VP.

While the seminar mainly dealt with the challenges of EU foreign policy, the participants did not miss to allude to the achievements connected to the EU's presence in the world. The Nobel Peace Prize for the EU was seen as a reminder of the positive influence of the EU on the overall stability in the region. However, current developments in the European neighbourhood show that the Nobel Peace Prize should work as a stimulus towards greater responsibility on behalf of the EU to make Europe's foreign policy more effective. In order to achieve greater unity in world affairs, steps towards deepening might become indispensable. It remains to be seen whether a deeper integration is possible in the EU of today, or even in an enlarged EU. In the end, deepening and widening of the EU might not go hand in hand. A deepening of the integration might rather imply a shrinking of the EU – possibly the new dilemma of EU integration beyond 2012.