

Workshop: EU Foreign Policy
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What does 2023 bring for the EU?

- Ukraine: One Year On...
- Hungary & Poland: Democracy, Rule of Law, etc.
- Two Presidencies: Sweden and Spain
- European Energy Transformations
- Brexit Redux / Brexit Repaired?
- European Political Community: What Now, Where Next?
- EU-US Digital Cooperation
- The EU's 2023 Global Role: *Déjà vu*, or Pure Pragmatism?

Ukraine One Year On...

- President Zelenskyy : NOT to take up the US offer of evacuation but to stand and fight, has had the most enormous consequences, both for his own people, but for Europe and indeed the world.
- The conflict has triggered quite possibly the greatest security crisis in Europe since the Cold War, impacting financial markets, energy security, food security, human security, and global supply chains (OECD, 2022).
- As the global ramifications of the war take hold, the United States and Europe remain committed to restoring Ukraine's territorial integrity and sovereignty.
- With some of the world's largest economies imposing sanctions in attempts to deter further Russian aggression, there appears to be little let up in terms of east-west relations (Rukomeda, 2023).
- Peace negotiations remain bleak: Russia's ongoing aggression in Ukraine is likely to continue. The knock-on effects are likely to continue as well, including both global and regional trade tensions, ongoing efforts to restructure energy security and energy policy, as well as tackling rising inflation.
- Helpful Reading: CER's "A year of war in Europe: The balance sheet" (February 2023)

Hungary & Poland: Democracy, Rule of Law, etc.

Orbán's government has conspicuously and continuously failed to fulfil both EU based rules, leading Brussels to adopt a set of hard-line measures against Budapest: essentially dismantling the structures of democracy within Hungary, along with specific opposition to the judiciary, and the free media, as well as establishing and embedding aspects of endemic corruption.

The EU: has done well to crack down – albeit tardily – on corruption and rule of law problems in member states, specifically Hungary, as well as its own Brussels institutions.

RESPONSE? The European Commission has threatened to withhold €22 billion of EU cohesion funds that Hungary desperately needs until the Hungarian government reinstates its commitments and meets the conditions related to judiciary independence, journalistic and academic freedoms, migration and asylum rights, as well as LGBTQI rights.

This domestic embargo does two things: (1) It will further isolate Hungary, as well as yielding grim economic dividends; (2) It demonstrates Brussels' increasingly robust determination not to put up with further challenges to its foundational principles via undemocratic approaches, coupled with corruption and graft. Pushing back against the grave risk of internal decay, Brussels has at last 'done something'.

WARNING: the EU should be wary about the Hungarian government's willingness to make compromises over the rule of law dispute. Orbán and his party retain a stable electoral base, as well as a highly centralized political system, both which may prove to be resilient in the face of this crisis.

Two Presidencies: Sweden and Spain

As **Sweden** takes over the rotating presidency of the European Council, concerns have been raised over the presence of far-right Sweden Democrats in the new coalition. Sweden's new minority government will have to continue where the Czech presidency left off, contending with the war on Ukraine, its knock-on effects on European security architecture, energy supply chains and military capabilities.

Prime Minister Ulf Kristersson affirming that “maintaining European unity in our support to Ukraine; continuing to gather countries and resources for Ukraine’s reconstruction; safeguarding international law; demanding accountability; and carefully monitoring Ukraine’s progress as a candidate country” will characterize their Presidency (Riegert, 2023). Sweden faces a tough task of ensuring Council unity on both Russian sanctions and financial assistance in Ukraine, EU enlargement & accession proceedings.

Spain's Foreign Minister José Manuel Albares : proposes a mini-Mediterranean summit with the task to “establish a great area of stability and shared prosperity” (Heller, 2022), putting the Euro-Mediterranean at the centre of the Spanish presidency priorities, with a focus on protecting EU citizens from the socio-economic effects of the war in Ukraine.

Head of the European External Action Service, Josep Borrell, has welcomed Spain's initiative and the Government's commitment to the European Project despite the volatility and complexity of the current international order.

European Energy Transformations

Dramatic year of energy changes in which the EU shifted publicly from Russian fossil fuel reliance, placed energy at the heart of sanctions against Russia, and embarked on the complex goal of collective gas purchasing.

RePowerEU: Blending both distinctly strategic energy security goals with long-standing climate objectives, the following three forms of energy legislation are likely to feature.

Energy Efficiency Directive: drive to save both energy and expenditure on energy, the new energy efficiency law, set for 2023, resting on the revision of the 2021 energy efficiency directive to boost overall energy savings targets, targeting demand-side, primary energy consumption by 2030. 2023 will need to find a compromise between the European Parliament's 2% target, the Commission's desired 1.5%, and Member States' 'staged approaches'.

Green Deal: Striving to be the first climate-neutral continent, this is the Commission's ambitious climate, energy, transport and taxation policy initiatives, fit to transform the EU into a modern, resource efficient and competitive economic model.

'Fit for 55': In accordance with the priorities of the European Green Deal, the European Commission proposed a broad, climate law package, based on decarbonisation by driving down CO2 emissions by 55% by 2030 (against 1990 levels).

Brexit Redux?

2023 has begun positively, with signals on redrafting the complicated Northern Ireland Protocol from returning Irish PM Leo Varadkar, new UK PM Sunak and various EU negotiators.

A **central feature** of the UK's 2019 Withdrawal Agreement with the EU, the protocol currently sees “Northern Ireland subject to EU sanitary and regulatory standards on goods while the rest of the U.K. exited”, with the result that “goods still flow freely across the Irish land border in both directions but at the expense of tougher controls on goods imported *from* Britain”, which in turn has given rise to anger and even violence between key factions, including the Democratic Unionist Party (British unionists).

Currently: 85% percent of goods arriving from Britain to Northern Ireland remains there, rather than moving into the Republic of Ireland, requiring far fewer checks.

Room for improvement : suggested by both European Commission President Ursula von der Leyen and the Commission's lead negotiator, Maroš Šefčovič. 2023 will therefore be the year of the deal: so far, this has taken the form of NEW but inhouse negotiations on the current deal, with a few new compromises producing CHANGE, but done in a piecemeal way so as to keep far-right UK politicians happy.

Risk? Workable vs. deficient halfway house. **High stakes:** Both governance in Northern Ireland itself (given its collapsed state) as well as broader trading arrangements between mainland Britain, Northern Ireland, the Republic of Ireland, and the EU mainland, hang in the balance.

Brexit Repaired?

In the UK, overall impact of Brexit is now being identified and felt independently from Covid and post-pandemic damage; in doing so, there is a change in attitude amongst the wider public, and key decision-makers, regarding the benefits, and indeed wisdom of Brexit.

Shifts in attitudes from confidence, to pragmatism, to reflection are not trivial. Likewise, an appreciation “of how much damage leaving the EU has done to Britain’s economy” requires an honest acceptance of its poor post-pandemic performance, and the areas where changes can still be wrought. While optimists may suggest this heralds a new dawn with the EU, 2023 is more likely to see practical changes addressing not merely the disruption associated with new trade barriers, but the nature of the barriers themselves.

EU: this presents a variety of opportunities, depending on its preferences and approach. Certainly, a renewed appreciation of Brexit itself opens a new negotiating approach, which should lead from renewed cooperation, rather than indulging in ex-post pride or reprisal.

For the UK, sensible approaches require rethinking the temptation of a legislative bonfire by scrapping a host of EU regulations currently enshrined in British statute. Parliamentary involvement – in both houses – is crucial to ensuring that progressive legislation with positive impacts Britain can sensibly be retained, alongside while contemporary legislation. Failing to do makes a mockery of the entire, and frankly ill-advised ‘take back control’ restorative at the heart of Brexit.

European Political Community

Cause? Geopolitical instability, questions over European security architecture, Russian invasion of Ukraine.

Details: October 2022 inaugural meeting of the European Political Community in Prague; attended by leaders of 44 countries, including Ukraine, UK and Turkey. Level and breadth of participation was an achievement in itself, marking the return of the United Kingdom within a continental forum and the consequential warming of EU-UK relations against a backdrop of Russian aggression.

Results? The de-escalation of a renewed conflict between Azerbaijan and Armenia, as well as initial cooperation with non-EU countries on common infrastructure concerns (Parkes and Nic, 2022).

Risks? Some inbuilt vulnerability exist within EPC, due to its lack of preconditions In members, or pressure to agree on common principles, bringing into questions its actual value and ability to achieve concrete results based on well-defined areas of cooperation.

Summit's pragmatic approach: to diplomacy was widely welcomed among its participants, realpolitik appears to have taken precedence over European values and principles (Pierini, 2022). France's insistence on generating collective security, energy and climate projects based on the principles of democracy and the rule of law.. BUT clashed with the presence of Azerbaijan, Armenia, Serbia, Turkey and Hungary.

Unrealistic? Discussions over collective security within the European continent remain limited in the absence of the United States and NATO. As such, the summit failed to derive concrete solutions in areas like security and energy, concluding instead with open questions.

EU-US Digital Cooperation

In terms of their transatlantic relationships, **the US and the EU are facing similar challenges** stemming from the rapid development of the digital society and economy.

Policy developments and regulation : relating to online disinformation, data protection and privacy, and artificial intelligence now play a central role on both sides of the Atlantic.

Reassuring: The EU & US kickstarted 2023 with a shining display of transatlantic digital cooperation. Washington and Brussels have recently outlined a joint position on trustworthy artificial intelligence, as well as emerging technologies such as quantum computing.

Goal? To oversee the global development of these technologies as they become standardized.

EU-US Trade and Technology Council meeting in Washington in late 2022: reiterated the benefits of improved EU-US digital cooperation and compromise, stating that “discussions helped to move the ball forward and onto a constructive path” (Scott, 2023).

Possible strife ahead? The EU remains wary of the recent US legislation on the Inflation Reduction Act, and increasing signs of protectionism in some parts of the Biden Administration.

Next steps: Over 2023, officials from both sides of the Atlantic are expecting to strengthen efforts to push back against Chinese digital financing, inviting other like-minded democracies, particularly the G7 countries, to join their efforts and digital programs on an ad hoc basis.

EU's 2023 Global Role: punchier?

A European 'geopolitical awakening'?

There has indeed been a shift in the EU's approach to foreign policy which itself reflects the evolving international security environment and the growing complexity of the challenges facing the bloc. In view of the intensification of great power rivalry increasingly the hallmark of the 21st century, the EU has been attempting to reshape its diplomatic approach, positioning itself as an independent actor.

Result? The concept of '**strategic autonomy**' has become a major point of reference in policy debates on the EU's global actorness this past year.

Hints: High Representative Josep Borrell's recent statements on the EU's relations with other major world powers, particularly Russia and China. Contextualised against the energy security crisis besetting Europe, the EU's chief diplomat has repeatedly stressed how the Union must avoid creating new dependencies and offer its own alternative to partner countries so as to balance other players. In his own words: "we are certainly not interested in creating new dependencies," adding, "We will always have dependencies - we cannot go one day to another from open to closed markets, but we need a balanced approach – we need to learn how to adapt." (Euractiv, 2023).

Outcome: Borrell's suggestions about aiming for a more 'balanced diplomatic distribution' not only applies to EU foreign affairs in general, but could have profound effects for how the EU thinks of itself as a strategic actor, capable of variants of autonomy.

EU: Walking the walk, not just talking the talk?

Borrell's proposal: that the EU should use its influence in world politics in “a more transactional way” suggests that the bloc is willing to use its leverage on economic, trade and energy matters more distinctly in the pursuit of strategic political goals.

Introduced in the **EU's 2016 Global Strategy** as ‘principled pragmatism’, this more realist interpretation of EU foreign policy has gained traction in recent years. Indeed, there has been a discursive shift amongst EU foreign policy practitioners, from promoting democracy and European values to promoting resilience and stability. This has been mirrored by Borrell's recent statement: “We're not an NGO, we have a certain political mindset, which cannot be imposed because then we risk a reaction to the rejection of the emerging world.” (Euractiv, 2023).

Indeed, **the shift to a more pragmatic approach** to foreign policy making does not indicate the rejection of liberal ideals - hence the term ‘principled’ (Biscop, 2016).

In this light, **European foreign policy is guided by what is concretely, materially possible** as guided by founding principles, within a new consideration of what makes up its strategic environment.

The combination of ‘soft’ civilian approaches to crisis management with more hard edged measures, enables the EU to project a flexible international identity – a comprehensive power rather than a purely strategic or normative actor. That's the theory, at any rate. Whether Borrell, and the EU can and will move in this direction in 2023, in any of the topics above, remains to be seen.