



## Europe and the Great Powers: Playing our Trump Cards

*Sven Biscop*

**“We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow”. US President Donald Trump has done his very best to prove Lord Palmerston right. “America First”: in Trump’s story, allies appear mostly when he exhorts them to pay more. Europeans would be well advised to take Palmerston’s advice to heart themselves. Not only has Trump repeatedly declared NATO to be obsolete, he has also welcomed Brexit and has even expressed the hope that more countries would follow the British example and leave the EU. With an ally like that... So, let us not be overly constrained by our US ally and create new partnerships, notably in Asia.**

Many Europeans still pretend that nothing has fundamentally changed. But a president who blames all ills on the outside world, who feels that America doesn’t need anybody and can just go it alone, who attacks the press as an enemy of the people, and who condemns anybody who disagrees with him as a “bad American”: these are the tell-tale signs of authoritarianism. It’s only because, unusually, this is happening in the US that we desperately try to find evidence to the contrary – even though voices in America too express this very

concern.<sup>1</sup> Fortunately, there is strong resistance against some of Trump’s policies, notably by the courts, and even in the Republican Party that he has usurped. The system may keep Trump in check. He might even come to see that maintaining a strong and united Europe is actually very much in the American interest.

Perhaps – or perhaps not. It’s precisely the unpredictability of our main ally that is so disconcerting. That we Europeans do worry to the extent that we do is proof of our utter dependence on the US. This should give us pause to rethink our position, even if in the end Trump does not sell us out to Putin, does not break the nuclear deal with Iran, and does not launch a trade war against China. The fact is that we shouldn’t be in the position where we are so dependent on what a US President does or doesn’t do in the first place. We are, alas, not a strategic actor.

When the transatlantic alliance works, it benefits Europe’s interests enormously. “Interests” is the key word here. It’s not just that the occupant of the White House has changed. His brazenness just alerts us to the fact that the world order has changed. The world has returned to a modern-day version of Palmerston’s (and Bismarck’s) balance of

power politics, with its constantly shifting strategic friendships and enmities among the great powers. Now more than ever Palmerston's dictum applies.

We should not ask ourselves who we like or dislike the most – Donald Trump, Vladimir Putin or Xi Jinping. We should define our collective interests, through the EU, and assess with who of the other three great powers we can partner to further which interests, flexibly and in full autonomy, even when the transatlantic alliance (pace Trump) remains a cornerstone of our strategy.

### A CHANCE WITH CHINA

Trump's protectionist stance has prompted many to suggest that China is now Europe's main ally when it comes to upholding free trade. Even on climate change the Chinese position might be closer to ours than the American one. An export-dependent China is as worried as we are, if not more, about the threat of a trade war. Trump has dealt us a trump card therefore: an opportunity to forge a closer but at the same time more balanced relationship with China.

EU Trade Commissioner Cecilia Malmström got it exactly right when she linked the fight against protectionism, on which the EU is ready to stand with China, with the ongoing negotiations on an EU-China investment treaty.<sup>2</sup> For an equitable treaty to be possible, China needs to reform and open up to European investors, as Malmström pointed out.

But should the EU not reform as well? If the Chinese market is too closed, ours is too open. By selling critical infrastructure to China and other foreign powers without any limits we enable them to subvert our decision-making and undermine our sovereignty. Will a newspaper in Russian hands still publish the news, or will it present "alternative facts"? Can

a seaport in Chinese hands still be used to channel military reinforcements to NATO's eastern borders in a crisis situation, or would we have to circumvent it? Member States, notably Germany, have grown more concerned in the last year, but no Member State is going to limit foreign investment on its own, for fear of seeing all investment redirected towards its neighbours.

The EU Hybrid Fusion Cell, which is to collect data and intelligence on "hybrid threats", is of limited value here, for which government is going to report an increased vulnerability if it just invited the Chinese in itself? What is needed is a binding EU framework that sets limits on foreign ownership of critical infrastructure. Once such a regime is in place, a truly reciprocal EU-China investment treaty will be possible.

That the EU and China can act together to maintain free trade does not preclude a frank dialogue about China's more assertive policies. China must be made to understand that its attempt to pressure its neighbours into accepting its sphere of influence in the region of the South China Sea, for example, will always act as a brake on its relations with the EU. Our interest lies not so much in the substance of the resolution of the sovereignty claims – who owns which island is of little importance to the EU – as in their peaceful resolution without any impact on the freedom of the global commons.

The alternative, China must also understand, is a military stand-off with the US, which under Trump is set to step up the military side of the pivot to Asia that Obama initiated. In his first phone call with Xi, Trump did confirm the US' continued adherence to the "One-China-Principle", which he initially had seemed to doubt. Only because President Xi requested him to though, according to reports of the

conversation – that does not really show a lot of conviction. Furthermore, the US has also stated – presumably not at Xi’s request – that the disputed Fish Islands between China and Japan are covered by the US’ defensive alliance with Japan.

Getting this message across will require more unity and clarity on the EU’s part than its measly “acknowledgement” of the outcome of the arbitration procedure between China and the Philippines in July 2016.<sup>3</sup> The way to contain such power politics is “a rules-based global order with multilateralism as its key principle”, as the Global Strategy rightly states. The UN Convention on the Law of the Sea (UNCLOS) and the peaceful resolution of disputes are as much part of that order as free trade regimes and an investment treaty.

Until now however, China prefers to address the maritime disputes with its neighbours in a purely bilateral context, where it can exert more power. If however China were to begin to behave as a responsible power, than for the EU it might not matter that in a certain part of the world China assumes responsibility for maintaining the freedom of the global commons instead of the US.

The EU should of course not rush into anything, at the risk of merely switching its subservience from Washington to Beijing. I am not advocating a China-Europe Treaty of Alliance (which would be another kind of “CETA”) with what remains, after all, an authoritarian regime, which for the moment is becoming more repressive again, not less. Challenging though it may be, maintaining a critical stance on human rights is essential for the EU’s own legitimacy and soft power. But under the heading of “principled pragmatism”, as coined by its Global Strategy, the EU should

not hesitate to pursue its interests and step up cooperation with China at the same time.

### **AMBITIONS FOR ASIA**

Free trade, obviously, is not limited to China. The EU should develop an Asian free trade agenda that includes China as well as Japan, India, ASEAN and others, as also announced in the Global Strategy. Here is another potential trump card. At the same time as envisaging a military build-up, Trump has withdrawn from the Trans-Pacific Partnership (TPP), which would have been the economic foundation of his strategy. As a result, countries that were counting on TPP to allow them to keep a critical distance from China now risk being sucked even closer into China’s orbit. China will not hesitate to move into the vacuum that Trump has thus created.

At a stroke, any future free trade agreements with the EU have gained real strategic importance, for there will be very few FTAs with western powers on offer. Because the EU can pursue an inclusive trade agenda, that encompasses rather than seeks to isolate China, and because it is not a military player in Asia, its strategy can be palatable for all parties as a workable alternative to ratcheting up military tensions.

In this context, the EU could deepen its partnership with countries like Canada, which is looking to Asia as its southern neighbour threatens to undo the North American Free Trade Agreement (NAFTA), and Australia (whose Prime Minister, Malcolm Turnbull, was brusquely rebuffed by Trump in their first phone call). Torn between its defence alliance with the US and its economic dependence on China, Australia has everything to gain from détente in Asia. So has Japan, but as yet Prime Minister Shinzo Abe is pursuing the opposite strategy, moving even closer to the US.

The precondition for an EU strategy along these lines to work is, of course, that it has the ability to conclude FTAs in an effective and efficient manner in the first place. In the wake of the chaotic decision-making on the Comprehensive Economic and Trade Agreement (the real CETA) between the EU and Canada, we will have to convince our partners that trade deals can still be made with us, and our own publics that those trade deals are vital to their own continued prosperity. Which is not to say that the substance of those deals is completely beyond criticism.

### RESOURCEFUL ON RUSSIA

Deepening relations with China could also be a way for the EU to increase the pressure on Russia somewhat. Just like ever since the Ukraine crisis Russia itself has been moving closer to China to signal to Europe that it has other options.

China's great foreign policy as well as foreign trade project today is the Belt and Road Initiative, a massive investment in infrastructure, including in a land route that links China to Europe by rail, via both Russia and Central Asia. For now, in spite of all the talk about "connectivity" and linking up the Belt and Road with the Juncker Commission's own investment plan, that rail link mostly benefits China: trains arrive in Europe laden with Chinese goods, and return mostly empty. The Chinese calculus might also be that the more traffic can be shifted to the land route, the less concerned Europeans may feel about the South China Sea.

Seen from the EU side, there is no need of developing this land route further, for there is a perfectly fine maritime route. Making sure that the maritime disputes in Asia do not threaten that is of much more importance to Europe than helping create a land route that could never really aspire to replace it.

Still, the EU could continue to show its goodwill towards the Belt and Road, which may generate some Chinese goodwill in turn. Except that it cannot. Because the rail link is dependent on Russia, with whom the EU has become trapped in a geopolitical dispute over the fate of *Zwischeneuropa*, the countries wedged in between Brussels and Moscow. Why invest in a trade route that increases one's dependence on an already assertive Russia? This, the EU should point out, is China's problem, not just Europe's, for the Belt and Road is a Chinese priority, not a European one.

Many issues objectively would seem to constitute a source of geopolitical tension between China and Russia, such as the fact that Asian Russia is rather empty of Russians but quite full of natural resources, or the increasing presence, because of the Belt and Road, of China in Central Asia, which Russia also considers its *chasse gardée*. However, it is also very much in Beijing's and Moscow's interest to continue working together closely in view of what they perceive as a western-dominated global order.

Europe should not hope to pry China and Russia apart, therefore, as Nixon and Kissinger did in the 1970s. But it can aim to make China realise that its usual stance of complete silence on Russia's "adventurism", which de facto amounts to supporting Russia, is not in its interest either. China has become an important economic partner for Ukraine, for example. But the more turmoil there is in Russia's "near abroad", the fewer economic possibilities for the Belt and Road Initiative, which eyes exactly the same region.

**CONCLUSION**

There is one major problem with this paper. Whatever happens in the world and whatever the other great powers undertake, one can always imagine a strategy to respond or even to anticipate, and thus safeguard Europe's vital interests. It requires a rather bigger leap of the imagination to see the EU in its current state swiftly adopt and resolutely implement any such strategy. I wrote "the other great powers" on purpose: Europe, united in the EU, is a great power too – if only it would muster the will to act like one. Only then will the other great powers treat it seriously.

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**Endnotes**

David Frum, "How to Build an Autocracy". In: *The Atlantic*, March 2017.

<sup>2</sup> Eszter Zalan, "EU Ready to Help China Fight Protectionism". In: *EU Observer*, 7 February 2017.

<sup>3</sup> *Declaration by the High Representative on behalf of the EU on the Award rendered in the Arbitration between the Republic of the Philippines and the People's Republic of China*, 15 July 2016.

<sup>4</sup> Ian Bond, *The EU, the Eurasian Economic Union and One Belt, One Road. Can They Work Together?* London, Centre for European Reform, March 2017.