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The EU Global Strategy: from effective multilateralism to global governance that works?

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Delivering effective global governance is amongst the five priorities of the European Union Global Strategy (EUGS). After its modest success in promoting its ‘effective multilateralism’ doctrine and rendering the world like itself, the European Union (EU)’s approach to global governance has now been somewhat overhauled. The Union remains idealist in promoting universal regimes with binding rules to be endorsed by the United Nations, but much more pragmatic in achieving this outcome. Effective multilateralism is now the end, not the means.

The European Union (EU)’s action on the international stage has been given a new impetus in the form of the European Union Global Strategy (EUGS). While uncertainties about the document long persisted, the EU’s High Representative for Foreign Affairs and Security Policy, Federica Mogherini, eventually presented the document on 29 June to the European Council – which EU leaders welcomed, also inviting the Commission and the Council of the EU to ‘take the work forward’. This comes right after the referendum of 23 June in the United Kingdom on the country’s membership of the EU, which resulted in the victory of the leave campaign (52%). While many may have

thought that a materialising ‘Brexit’ scenario would tempt the remaining 27 member states to go back to the drawing board and boost their joint ambitions, the High Representative opted to adhere to the initial timeline.

The EUGS lists – perhaps for the first time in an EU foreign policy document – a number of core interests that all member states share. Building on the strategic assessment of the world presented by Mogherini to the European Council a year ago, the strategy also identifies five priority objectives to be pursued collectively by the 28 so as to secure their joint interests: (1) the security of the Union itself; (2) the stability of the EU’s neighbourhood; (3) addressing conflicts and crisis; (4) cooperative regional orders; and (5) effective global governance. This paper focuses on the fifth objective and assesses how the message of the EUGS on the international system differs from the ESS’s ‘effective multilateralism’ doctrine that, for many, has fallen short of being the guiding principle of international relations.

BEYOND EFFECTIVE MULTILATERALISM

As rule-based multilateralism remains deeply entrenched in the union’s DNA, the EUGS was not necessarily expected to represent groundbreaking innovations as to how the EU should act on the global scene. As Alyson

Bailes pointed out, the EU's 'deepest interest lies in making others – and eventually the world – more like itself'.¹ Indeed, the 28-country bloc remains a multilateral entity *par excellence* – and this holds true in spite of a noticeable increase in intergovernmental tendencies characterising the EU in the wake of the 2008/2009 financial crisis.

In this light, it is hardly surprising that the new strategy's language – at first glance – resembles that of the ESS. The EUGS calls for a 'global order based on international law' centred upon the UN. It envisages the strengthening of multilateral processes where they already exist (trade, maritime security, marine resources etc.) and the expansion of fledgling international regimes in areas such as disarmament, arms control or international criminal law. Furthermore, in promoting effective global governance primarily through the UN, the EU will seek to act in collaboration especially with its transatlantic partner, the United States, as well as with a number of regional organisations and like-minded states in Asia, Africa and the Americas.

Despite the above similarities, however, the EUGS sets out a much more elaborate vision of how the world should be governed than did the previous strategy. Rather than trying to define the way multilateral rules are created – as may have been the objective of the ESS through the effective multilateralism doctrine – the EUGS aims for an effective global governance system, leaving much more room for manoeuvre in how it is achieved. In other words, while striking deals through universal institutions certainly remains the EU's preferred approach, the EUGS recognises that the format of effective global governance 'may vary from case to case' and the EU is best-suited to act as a 'co-ordinator' of a plethora of multilateral processes. In brief, effective multilateral governance is now the *end* rather than the *means*.

BOTTOM-UP MULTILATERALISM

More specifically, I argue that the EUGS's message on global governance differs from that of the ESS in four respects. First, a notable difference concerns the EU's approach to the traditional international financial institutions (IFIs), including the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO). In contrast to the ESS's focus on the consolidation and extension of these bodies, the EUGS does not even seem to take their central role as given any more. Unless they undergo structural reforms to better reflect the changed world order, suggests the strategy, they risk losing their unique status as *de facto* agenda-shapers in their respective domains. This is an important recognition of the fact that, having grown disenchanted with the slow pace of reforms in traditional IFIs, emerging powers (led by China) have become more proactive than ever in seeking to boost their influence in international affairs. One key dimension of their rise manifests itself in the creation of parallel institutions such as the New Development Bank (NDB), the Asian Infrastructure and Investment Bank (AIIB) or the Contingent Reserve Arrangement (CRA). These structures, over which EU member states exercise limited or no influence, are all tailored to the needs and strategic interests of emerging powers and have indeed the potential of shaping the rules of the game in international policy making.

Interestingly, the strategy presents 'the emergence of alternative groupings' as a necessarily detrimental development to EU member states. True, the latter are more likely to succeed in promoting their interests through traditional financial institutions – even if the price to pay is to compromise over a few seats or some voting power in favour of emerging powers. Given their overrepresentation in bodies like the IMF or the World Bank, EU countries are susceptible to retain a central role even if the cessation of a fragment of their

influence becomes inevitable. Yet, are we sure that the emergence of parallel structures is necessarily bad news for the EU? As things stand, the AIIB and the NDB, for example, appear to play a largely complementary role to the existing IFIs, presenting also the EU's private sector with promising economic opportunities.² Furthermore, turning a blind eye on the multilateral structures emanating from China and the like is at odds with the EU's former calls on the emerging powers to undertake increased responsibilities on the international stage. As such, a choice between the continued reform of established structures and the embrace of new multilateral institutions is more complex than it may seem at first. The sub- and sectoral strategies that will result from the EUGS could therefore take a more nuanced approach towards these alternative groupings, including a case-by-case assessment of their impact on the EU's interests.

Second, instead of promoting rule-making in a top-down fashion through formal global institutions, the EUGS appears to open the door to doing so in a bottom-up manner – notably in the area of trade. This is a clear departure from the ESS's emphasis on the WTO's centrality and expansion (including China's and Russia's integration) to negotiating trade deals directly with key – groups of – countries. Clinching trade deals with priority partners such as the US, Japan, Mercosur, India or the Association of South East Asian Nations (ASEAN) is seen in the strategy as a building block towards revitalising the WTO as the epicentre of trade talks. Informed by the recognition that the EU's 'prosperity hinges on an open and rules-based economic system', the EUGS thus demonstrates that the EU's approach to multilateralism can indeed be more flexible, giving more room to bi- or plurilateral arrangements with the aim of paving the way towards broader multilateral frameworks, as with the approval by the United Nations Security Council of the

outcome of the E3/EU+3 negotiations with Iran. In other areas, too, the format of effective global governance, claims the document, will have to be determined on a case-by-case basis, involving, for instance, initial co-operation with the G20 on climate change and sustainable development, and with NATO and the ASEAN on maritime security.

The third key difference concerns collaboration on the international stage. Departing from the ESS's overwhelming emphasis on the United States, NATO and a handful of other regional organisations such as the ASEAN, MERCOSUR and the African Union, the EUGS goes much further. China, of course, has clearly gone from being a marginal point of reference in the ESS to receiving a much more substantial attention in the EUGS. This is mainly a recognition of Beijing's increasingly central role in global commercial, climate and intellectual property considerations, among others. In addition, while the ESS only referred to Russia as a factor in the context of the Arab/Israeli conflict and the stability of the Balkans, the EUGS considers the country to be a challenger of the European security order. India also appears in the document as a strategic partner with which an ambitious free trade agreement is to be negotiated. However, despite these individual references to some of the key emerging powers of the 21st century, the strategy, surprisingly enough, omits to capture the increasingly institutionalised collaboration of the BRICS countries (Brazil, Russia, India, China and South Africa) led by the goal of shaping global governance – often to the detriment of the EU. After having been constrained to the release of joint declarations and the formulation of common positions on various international affairs, the BRICS co-operation acquired institutional qualities with the establishment of the NDB in July 2014. This dynamic is expected to continue at the 8th BRICS summit in India next October that is hoped to result in the establishment of a BRICS credit rating agency and an India-based

NDB institute to complement the work of the Shanghai-based multilateral. As such, the five-country bloc's commitment to boosting their political influence internationally through collective action appears to hold (despite their economic catch-up clearly losing steam), which the EU member states should also closely monitor.

Lastly, in addition to seeking to consolidate and expand multilateral mechanisms in areas where they already exist, the EUGS sets out the EU's ambition to promote international rules and regimes in so far uncharted areas. Consequently, the EU will aspire to play a leading role in supporting the emergence of multilateral governance notably in areas like cyber security, digital economy, space or health.

CONCLUSION: A SMARTER MULTILATERALISM?

Shortly after the approval of the ESS of 2003, the feasibility of EU's effective multilateralism doctrine was cast doubts upon. For about a decade, arguments have been made in favour of rendering the EU's approach to multilateralism more flexible, giving room to *ad hoc* coalitions, minilateral formats, strategic partnerships and transnational networks – in addition to formal institutions. To a large extent, the EUGS appears to cater for these calls. If adhered to, the strategy may allow the EU to decrease its overwhelming focus on binding global deals brokered through universal institutions as a

necessary starting point for international arrangements. While policy-making via universal deals has endured in certain domains such as climate change, decision-making in other areas has often shifted to more limited platforms – a dynamic the EUGS correctly recognises. The EU's future act on the international stage thus promises to be more flexible, where international institutions are not the point of departure for the resolution of an international challenge but rather the source of endorsement for a decision struck in a mini- or plurilateral context.

While the EUGS may provide a new path for the EU's approach to global governance, the strategy is, of course, not immaculate. Most importantly, it appears to turn a blind eye on the – potential – benefit side for the EU of the China-led shaping of the multilateral system as well as to the persisting dynamic of collective reformist action characterising the BRICS countries on the international stage. These shortcomings can, however, be redressed in the sub-strategies, policies and action into which the EUGS will be translated in the coming months – starting perhaps with a new EU strategy on Asia.

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Endnotes

¹Bailes, A. (2009) 'External Security Policies and the European Model', In: Tsoukalis, L. (ed.), *The EU in a World in Transition: Fit for what purpose?*, Policy Network.

²The NDB and the AIIB are exclusively dedicated to economic infrastructure projects, which only represent one of the many sectors in which most MDBs are involved. Such projects, for example, constituted only a third of the IBRD's operations in 2012-2013. Furthermore, the European Commission's Directorate-General for International Cooperation and Development devoted only 10% of its aid to economic infrastructure in 2013.



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