



“THE CHALLENGES OF A COMMON EUROPEAN FOREIGN POLICY”

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Ladies and Gentlemen,
Dear Friends,

In a few days, millions of people in this city and throughout the country will again celebrate the adoption of the Declaration of Independence and thus commemorate the decisive role of the Founding Fathers in creating and shaping the United States of America.

Although Europe has no “Declaration of Independence”, we sometimes tend to forget that the European Union has also her own founding fathers. Eminent politicians such as Adenauer, Schuman and Monet created a framework for peace and cooperation in a continent with a history of wars and made it possible for the EU to become a major world power and a force to be reckoned with in the trade, economic, monetary... and yes, also in the political field. Thanks to their efforts integration of Europe has come a long way. It has been a rich and unique experience. The horror of continental wars brought our founding fathers to believe that the integration of Europe was an end in itself to ensure systemic peace on the European continent. Their strategy was to irreversibly interlock Nation-States in a network of institutions, and to let them give up parts of their sovereignty. Europe’s Single Market and its Single currency are the major achievements of this strategy.

We have now integrated Nation-States in a collective system of governance, but without a Government. Europe is no longer a patchwork of fully sovereign states. Yet it has also not become a single Federal State. Over decades, and by sometimes small, sometimes big steps, sometimes by design, but very often

through reaction on “events”, Europe has devised a hybrid system in which, side-by-side, supranational European institutions exert federal powers and produce legislation in the field of monetary policy, agriculture or trade while 27 nation-states continue to exert national powers in the field of defense, fiscal policy or justice. And even where those 27 Nation-states still hold full sovereignty, they intensively coordinate their sovereign policies with each other. Thus, I meet every month with my 26 fellow colleagues, under chairmanship of Cathy Ashton to coordinate our policies. In other words, today in Europe, there is hardly a field of policy-making where Nation-States are not bound by European legislation or where they do not seek synergies through coordination.

For Americans, no doubt, a complex story! Yet integration will undoubtedly continue, while serving other purposes. **Globalization** has become the main drive for further integration.

Globalization is shaking-up the balance of power. The powerhouse of the global economy is moving to Asia where our new export strategies need increased market access. And the share of power in the governance of world affairs needs an overhaul. Our individual Nation States may have an opinion, but they have not such a strong voice in this process. Only collectively and through the Union can they exert leverage. Today Europe’s leaders work with the Union as the best external protection shield against global disruptions. And facing sovereign debt crises, they also turned Europe’s institutions into their internal platform for stronger surveillance of fiscal discipline and tightened coordination of structural reform. This was not the plan. It is an enforced process of improvement, resulting from unpredictable developments.

This brings me now to our main topic: Europe’s Foreign Policy. The complex model of hybrid governance, by which supranational institutions and nation-states exert powers side-by-side complementarily, also applies here. The new institutional arrangements flowing from the Lisbon treaty should produce more synergy between the Foreign policies of Europe’s Nation-states and institutions. But make no mistake: national foreign policies will not cease to exist. European States still hold their sovereignty on making war and peace. The thousands of diplomatic staff of the 27 European nations working in Embassies or Delegations remain civil servants of their own governments. The millions of European men and women under arms still obey to national commanders. Decision-making allowing the Union to deploy diplomatic or military action remains under tight control of the 27 Member States, deciding in each case by unanimity. One veto can suffice to block the European Union from action. If for example four

Member States refuse to recognize Kosovo, the Union cannot develop treaties and normal diplomatic relations with Kosovo.

While most of the tools for action in diplomacy or crisis-management thus rest in the hands of 27 Nations, we have however created a European External Action Service under leadership of Cathy Ashton, Europe's Foreign Policy supremo. This is a unique, hybrid diplomatic service where civil servants from the Institutions and diplomats from the 27 Member States will work side by side. Financial means of the Union and national diplomatic know-how are brought together in this diplomatic Service in Brussels and all over the world, in EU delegations.

Here again, Europe's undertaking is unique! This new Service should fuse different business cultures and breed a common strategic culture for the 21st Century. Europe has a wide array of know-how and capabilities. European Institutions have expertise in institution-and capacity building, in infusing change by norms and standards. This "soft power" is dense and broad, but often lacks a sense of political interest, short term output, and convergence with actions and strategies of the 27 nation-states. Put bluntly: it is too often a "checkbook diplomacy" lacking punch or muscle. Nation-States have political interests, expertise in diplomatic action and crisis-management. But their "hard power" is fragmented, and is rapidly dwindling by lack of investments and economies of scale. It no longer matches with global challenges. Last but not least, we do not, today, tap full potential from the rich diversity of strategic cultures of our 27 Nation-States. Our nations have historic relations and incomparable expertise with all corners of the planet. Spain and Portugal have a dense network with South America. Belgium, Portugal, France and the United Kingdom have strong bonds with most of the African nations. Our new Member States bring formidable expertise on Eastern Europe, the Caucasus and even Central Asia.

Bringing this diversity and divergence to synthesis and a common strategic culture is now the challenge for Europe's new External Action Service. In a few years time, the expected result would be that Europe's External Action Service will better tie-in all different strands of Europe's foreign policy making and develop a common platform for coordination with Europe's Nation-states on diplomatic action and crisis-management. A particular challenge will also be to "externalize" what we do in common internally: migration, policies against global warming, defending the Single Market through our common trade policy, developing a genuine "energy diplomacy". All this adds up to the tasks.

But improving soft power, stemming the decline of hard power and fusing diversity to breed a unique European strategic culture can of course not be the job of just the European External Action Service.

What about our attitudes and willingness to deliver? I spoke about a shift in paradigm in the field of economic governance. Leaders are clearly looking at the Union as an external shield against globalization and the internal platform for strengthening fiscal discipline and structural reforms.

Is a similar shift of paradigm taking place on the Foreign Policy front? I say yes, even though our External Action is still in its infancy. It is probably right to compare Europe's Foreign policy with where our Monetary policies stood before we took the first steps in launching the Euro, almost twenty years ago.

In the nineties, the irruption of wars in the Balkans left Europe's national diplomacies in disarray. We neither had capability nor resolve to bring destruction to a hold. On the European continent, crisis-management by Nation States seemed to have gone bankrupt. America's diplomacy jumped in and brought war to an end. Would we now fare better? Well, at least we learned that we are doomed to fail further if we do not act together through the Union.

Thus, twelve years ago, we appointed our first High Representative, Javier Solana, who was asked to develop our "Common Foreign and Security Policy". Only eight years ago, the Union embarked in crisis management, with its first military and civilian operations in 2003. Since then, Member states have deployed tens of thousands of military and civilian personnel under Command of the European Union. Today, collective action of the Union brought sounding success in many places on earth. In Aceh – Indonesia, the Union deployed a civilian mission to frame the implementation of a peace agreement between separatist rebels and Jakarta. Today, a huge success just known by few. Military action in the Congo, Chad, or Bosnia and a robust civilian operation in Kosovo are other successful examples of our new policies. Or say, tough collective sanctions on Iran, joint diplomatic demarches to avoid Serbia getting entangled in a negative process with Kosovo and the Union, our present maritime operation Atalanta in the fight against piracy along the coasts of Somalia: just to name other examples of success...

For sure, when we compare the present output of Europe's collective action with the output of America's foreign policy, our results may look meager. But what we do is just brand new. And we are indeed forced to make a long detour by a

shift of attitude before we come to a shift in result. So dear Friends, yes we experience a shift of paradigm in Foreign Policy. European nations failed by acting individually and therefore decided to invest their future capital in acting collectively.

Of course, we still have a lot to improve, and of course we still will lose a lot of energy with institutional wrangling in Brussels, with a mismatch of ambitions between Nation States and European Institutions or with diverging conduct for the coming years. It will still take time to overcome those remaining problems of our infant Foreign Policy. Meanwhile, other challenges around us are huge.

The Arab Spring or Awakening brings enormous opportunities for improved relations between Europe and the young societies on the southern Mediterranean. We are asked to invent a policy mix of short term action and crisis-management and longer term promotion of what Cathy Ashton calls “deeper democracy”. We are in the most challenging scenarios in our direct neighborhood since the collapse of states in the Balkans. But I dare say this time we display more resolve. European nations have taken the lead in negotiating a mandate in the Security Council and in running consequently the military operation against Kadhafi. Cathy Ashton is leading intense consultations with the new leaders in both Egypt and Tunisia. The Middle East Peace Process definitively needs to be reactivated and Europe should, in my eyes, take bold initiatives to avoid the deadlock to which inaction, cynic calculations or unilateral initiatives may lead. But Europe also needs to be more assertive with strategic partners, including the BRICS countries. Europe’s influence in the G20 – take the example of our push for regulation of the global financial sector – is not bad at all.

Dear friends,

To conclude, I will make some last remarks on what I think are other key issues for us to succeed in the coming years:

- **First, European Nations and Institutions** need to accept a real shift in attitude. This applies as much for within the Institutions in Brussels, where turf battles draw away attention and energy from the key task, which is to make Cathy Ashton and the Service succeed. It basically means work with one another, and not along or even against one another (new multilateralism).
- **Second, even if we cannot as from now always act together, we must at least find ways to read events together.** In the coming months and years, we must start reading from one book on, say, the BRICS, the G20 or on

Multilateral Organizations. We then have to define common strategies. The European External Action Service should bring to daylight these common textbooks.

- **Third, we have to provide adequate funding** for Europe's foreign policy. Presently, the European institutions run yearly an 8 billion Euro (11,5 billion USD) budget, which is roughly just four times the budget Belgium has at its disposal for Foreign policy, development cooperation and defense. It is not all about money of course, it is also about a better use of funds, rapid disbursements and special financial instruments for crisis management and deployment of civilian missions.
- **Fourth, we must improve the state of our rapid response and “hard power” capabilities.** We have more soldiers than America, yet the quality of their equipment is not on pair, mainly due to a total fragmentation amongst Nations. We do not need more budget for the military, our fiscal pains do not allow for this, but should integrate our efforts. The same goes for Europe's response capacity to natural and manmade disasters. Belgium has always advocated a European Disaster Response capability. The devastating earthquake in Haïti, the flooding in Pakistan, the tsunami in Japan all indicate that Europe will need better response capabilities on the domestic front, but also to provide efficient help on the world stage.

This, dear ladies and gentlemen, is basically what I had to say today. Belgium is extremely keen on having a strong foreign policy for the Union. The hybrid governance of this policy, bringing our Nations and Institutions to synergy, is a unique answer to the main challenges for the 21st Century. I therefore have tasked my staff to stay closely involved in discussions on building up the External Action Service and asked them to present, with our colleagues from Luxembourg and the Netherlands, some ideas on how we see this happen. This Benelux non-paper is presently being discussed within the European Union.

But my last word goes to the American friends in the audience. Europe rose from the ashes after the Second World War thanks to the generosity of your ancestors. Your Presidents all have advocated a stable, united European Union. We do have a common destiny and common responsibilities. A strong Foreign Policy is the best the European Union could offer to America, as the future challenges will more than ever request us to be united in our response.

I thank you for your attention.