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Introduction

Bart Szewczyk

This volume consists of the best essays written by students in my course on *Transatlantic Strategies: America, Europe, and the Future of the West* in the spring of 2018. The course examined diplomatic, economic, and military relations between the United States and Europe since the end of the Cold War and explored potential scenarios for the future of the West. It focused the analysis on the U.S. National Security Strategies since 1992, the 2003 European Security Strategy and 2016 EU Global Strategy, and the 2010 NATO Strategic Concept. The aim was to assess the main elements of strategic approaches by various decision-makers on both sides of the Atlantic since the end of the Cold War, appraise to what extent the strategies were successful and where they were deficient, as well as identify areas of common interests between Europe and America during this time period and for the foreseeable future.

Each student chose her or his own topic, applying the basic framework for strategic analysis—context, interests, objectives, and policy recommendations—while keeping in mind the need for a realistic relationship between means and ends. Their perspectives are wide-ranging and their conclusions original. Most importantly, the essays showcase the best of *Sciences Po*, principled pragmatism with cosmopolitan ethics. The future of the West will be bright, prosperous, and strong if it is shaped by thoughtful strategists such as these.

Germany in the Rescue of the West – From German Austerity to German Activism? What Germany is willing to pay to safeguard the Liberal International Order

Lara Hick

The world as we know it is changing. A seemingly rogue American president wants to make America great again – and the rest of the world, well, who cares. A Russian president aggressively attempts to restore Russian greatness. He annexes European territory and militarily supports a dictator who doesn't shy away from throwing chemical bombs on its own people. A Chinese president secures his dictatorial reign for eternity and strategically but quietly positions China as the world's most powerful nation. The liberal international order as we know it seems to exist – unless someone is willing to safeguard it.

In 2015, Merkel embellished the TIME's cover as the Person of the Year: She was named the "Chancellor of the Free World". Two years later, just after Trump's surprising victory in the U.S. elections, the world handed over Obama's baton to Merkel, not to Trump. She was crowned the leader of the (entire) free world. However, the optimism ebbed off. Germany's ability and, more importantly, Germany's willingness to answer the long-standing call to take over greater responsibility in the world is severely being questioned. In a world where economic strength is translated directly into power, Germany is powerful. But in today's conflict-ridden world, military strength increasingly determines power. In this Hobbesian world, Germany is weak.

In 2018, Germany places itself on the side-lines. A young and dynamic French President, who seems slightly as narcissistic as the American one, is buddying up with Trump. Macron does not shy away to use military force and is being respected for that. Just a week ago, Trump, Macron and May joined forces to launch a missile attack on Syria to penalize Assad's alleged chemical weapon attack on Duma. Germany wasn't even asked to join the table let alone the military action. Is this the new, isolated Germany? Is Germany even able to rescue the West if it wanted to?

Germany's economy is booming, but the country is politically paralyzed with yet another unpopular Grand Coalition. Since the Euro Crisis, Germany evolved to be the leading nation in Europe. However, its relentless enforcement of German Austerity has created new fault lines and left Europe less united. The visionary French President seems to fill Merkel's lack of vision for Europe. Outside of Europe, Germany sends mixed signals. Towards its historic and closest ally, the United States, Germany seeks to maintain good relations whilst emancipating. In the world, there is no other nation that profits more from a global infrastructure that allows international trade. Yet, Germany's interconnectedness and dependency on exporting goods is at the same time its biggest vulnerability. Germany has been free riding on the American security umbrella for too long, many claim. What is Germany willing to pay to safeguard the international liberal order from which it benefits so clearly?

Several obstacles remain for Germany to overcome its current ambivalent position. Germany lacks a clear objective and strategic culture in foreign policy; it needs to start defining a national security strategy. German military capabilities demand substantial boosting and military spending needs to be significantly increased. Further, only in a strong and united Europe can Germany thrive. Therefore, it must retreat from its divisive austerity policy. Only then Europe may grow closer again and find common answers to its pressing security questions. Lastly, Germany's biggest handicap for a more active foreign policy is domestic reserve. Germans generally reject the idea of global leadership. Public opinion needs to be shaped more actively so that Germany is politically willing to step up its game. Foreign policy begins at home.

Framing the Context: Germany at Home, in Europe, and in the World

Experts familiar with Germany's strategic position called for caution when Merkel was hailed as the new leader of the free world. Next to an anti-military public, Germany is situated in complex web of multi-level relations within Europe, with the United States and other global powers such as China, Russia or Turkey that curtail Germany's ability to act.

Germany at Home – reluctant to lead?

At home, Merkel has to maneuver in a context that is unfavorable to a more active German foreign policy. She is confronted with a fragile political situation, a military in dire condition and a reluctant public. After months of inaction, Merkel's conservative party managed to form a government with the social-democratic party so that Merkel could stay in power for a fourth term. This constitutes yet another unpopular Grand Coalition that does not promise great dynamic in policy. Further, in this constellation the new risen right-wing party Alternative für Deutschland (Alternative for Germany) secured itself the spot as opposition leader – to everyone's dismay and concern.

When it comes to German military capabilities, the picture is almost embarrassingly dire. Despite repetitive demands to increase its military spending, Germany still spends only 1,2% of its GDP on defense (equivalent to 37 billion EUR, in 2016). Germany had deprioritized military spending for the last decades, which stands in line with the strong belief in exercising foreign policy through multilateralism, not military. After the German unification in 1990, military spending dropped from 2,4% of GDP to 1,4% ten years later.¹ Only recently, Germany has begun to put emphasis on increased military spending, which can be seen in a respectable increase in absolute terms: Germany increased its military expenditure by 5 billion EUR since 2007. This

¹ World Bank. (2018). *Military expenditure Germany*. Available at https://data.worldbank.org/indicator/MS.MIL.XPND.CN?end=2016&locations=DE&name_desc=false&start=1964

absolute increase is not reflected in the GDP percentage, since Germany's economy has been booming and its GDP steadily growing. So, even though Germany's military spending increased, the relative importance of military expenditure has not experienced its necessary boost, leaving Germany at an all-time low of 1,2%. Certainly, Germany's anti-military public and party factions do not help the case. The Green Party and the SPD, who has been in government on and off since 1998 and currently heading the finance ministry, strongly oppose increased military spending as they consider it "armament policy".

German military is not only understaffed, but also underequipped and several military hiccups have drawn negative media attention: In 2013, a big scandal erupted when a confidential report on the German military forces in Afghanistan unearthed that the German standard rifle G36 shoots highly inaccurate under strong solar radiation. In 2015, German soldiers were allegedly executing NATO training sessions with broomsticks, since the original equipment was under repair. Since then, one report after another pinpointed German military's defections. Today, experts estimate that only in between 30% and 70% of German weaponry is operative; whereas the



German military expenditure: % of GDP and absolute volume in \$/bn (Source World Bank)

situation of German tanks have improved since 2014, German Air Force and helicopters are still in worrisome condition (less than 50% are operable) and German Naval Forces are almost insignificant.² In February, the Parliamentary Commissioner of the Armed Forces Hans Bartels presented his annual review and stressed the "deficiencies of personnel and material in all areas of the armed forces". According to Bartels, apart more than 21.000 high- and mid-ranking positions are currently vacant. The Commissioner concludes that German military is "virtually not deployable for collective defense" and unprepared for the possibility of a larger conflict.³

A damning verdict for Europe's most populous country

² Biermann, K. & Stahnke, J. (2017). „Kaputte Truppe“. *ZEIT online*. Available at <https://www.zeit.de/politik/deutschland/2017-04/bundeswehr-bestand-ausruestung-panzer>

³ Bundeswehr. (2018). „Jahresbericht 2017: Wehrbeauftragter kritisiert Verregelung“. Available at https://www.bundeswehr.de/portal/a/bwde/start/streitkraefte/grundlagen/innere_fuehrung/wehrbeauftragter/jahresbericht

More than anything in German military policy, words and actions differ. It seemed that 2014 marked a year of change in German attitude towards foreign and security policy. At the Munich Security Conference, former President Joachim Gauck surprised everyone with an invoking speech. He called for a rethinking in German foreign policy, demanding Germany to significantly expand its foreign engagement and to act more determined. Germany should not categorically say “No” to military operations.⁴ In line with Gauck’s speech, the Defense Minister Ursula von der Leyen trumpeted at the same security conference that German indifference is no option anymore: “If we have the assets and capabilities at hand, then we also carry the responsibility to engage”. Four years, a Russian annexation and Syrian war later, these words seem like much ado about nothing. Where is German military engagement? Admittedly, Germany has shown more readiness to deploy its armed forces abroad, including Afghanistan, Mali, Iraq or the Baltics. But the current dismal condition of Germany’s military does not allow for more. And as we have seen just past month in realm of the American, French and British missile attack on Syria, Germany is not believed a reliable military partner. At this year Munich security conference, Ursula von der Leyen, still Defense Minister, tried to reconcile their partner’s claims by promising to continue to boost military spending. She announced that Germany is committed to greater burden sharing within NATO. But will actions follow words this time? The coalition has at least agreed to add 10 billion EUR to the military budget over the next four years. However, fixing costs might well melt much of these additional resources. Further, the coalition agreement demands that every additional Euro spent on defense should be matched by development aid. This reflects Germany’s combined military approach but might just hamper hopes of a real, strong German military.

In contrast to leading military nations like the United States or France, Germany possesses a parliamentary army, which means it needs parliamentary approval for every new or prolonged military action. On one hand, this limits Germany’s quick, reactive striking capability. On the other hand, military action needs public support – which does not exist. Germans are reluctant to accept the use of military force, rooted in the “never again” motto, never again should Germany act as a violent power. Along these lines, Germans often deflect European leadership by claiming that the last thing the continent needs is a Germany that is once again militarily too powerful. A recent survey by the Körber foundation underscores the German reserved public opinion: 52 percent said that more restraint in world affairs was beneficial. The ageing population does not help the case. Former Foreign Minister Frank-Walter Steinmeier noted when he retook office in 2013 that demographics are a major constraint on Germany playing a larger role in foreign policy. An ageing society is less dynamic and open to change than one with greater proportions of younger citizens.⁵

⁴ Gauck, J.. (2014). „Deutschland muss bereit sein, mehr zu tun“. *Frankfurter Allgemeine Zeitung*. Available at: <http://www.faz.net/aktuell/politik/inland/gauck-rede-im-wortlaut-deutschland-muss-bereit-sein-mehr-zu-tun-12778744.html>

⁵ Szabo, S. (2016). „Germany: Resurgence, Stagnation, or Decline?“. In *Is the West in decline?* Edt. By Rowland, B. Lexington Books: London

A reluctant public, low military spending and defective armed forces, a stagnant political system – these internal issues greatly challenge Germany's ability to take over greater responsibility in safeguarding the liberal international order.

Germany and Europe – economic strength equals power?

From a German perspective, the European Union is vital. Germany can only be thought of in a strong and united Europe. Germany can only have interests alongside European ones. According to Daniela Schwarzer, Head of the German Council on Foreign Relations, the EU provides the country with a ring of friends. "And it allows Berlin to multiply its own international weight, to the extent it can win support for its positions among partners in the EU."⁶ However, Germany's intra-European popularity has taken a deep dent. During the Euro Crisis, Germany evolved as a "hegemon by default" and the German question was renewed: What role does Germany play in Europe? Do we have a European Germany, or rather a German Europe? Unfortunately, a decade long German austerity penance has dismantled European cohesion and left Germany greatly unpopular among its European partners. Is Germany too strong for a strong and united Europe?

The European Single Market and the American security umbrella made Germany the most powerful player in Europe. Security was externally provided, so military capabilities weren't necessary. Europe was largely defined by economic interaction. Hence, economic strength was directly translated into power.⁷ But Germany wasn't always the economic powerhouse in Europe. In 2004, Hans Werner Sinn, Germany's leading economists, named Germany the sick man of Europe. Ten years later, Germany would grow to a GDP of almost 3 trillion EUR. In 2017, Germany recorded an all-time high budget surplus of 36 billion EUR (just about the amount that would be necessary to fulfill the 2% NATO quota). The key to Germany's success can be partly found in the drastic labor reforms that were introduced in the early 2000s under the social-democratic Chancellor Gerhard Schröder. His Agenda 2010 and Hartz Four Reforms allowed for greater labor market flexibility, constrained wages and cut unemployment benefits. Further, Germany has kept upgrading its industrial base so that Angela Merkel told the former British Prime Minister Tony Blair laconically: "We make things people want."⁸ On the other side of the coin, as we have seen earlier and in contrast to other big European economies, Germany has avoided costly foreign engagements and refrained from boosting its defense budget. Germany has benefited from the American security umbrella the most.

⁶ Schwarzer, D. (2017). „Germany cannot afford to be a geopolitical bystander“. *DGAP*. Available at <https://dgap.org/en/think-tank/press/dgap-in-the-media/germany-cannot-afford-be-geopolitical-bystander>

⁷ Speck, U. (2014). „Power and Purpose: German Foreign Policy at Crossroads“. *Carnegie Europe*. Available at <http://carnegieeurope.eu/2014/11/03/power-and-purpose-german-foreign-policy-at-crossroads-pub-57167>

⁸ Szabo, S. (2016). „Germany: Resurgence, Stagnation, or Decline?“. In *Is the West in decline?* Edt. By Rowland, B. Lexington Books: London

The European Union is a peace project. Currently, populism and Euroskepticism threaten this Nobel-prize-winning quasi-utopia. Many argue that the Euro Crisis and especially Germany's handling of the Euro Crisis has fueled these populist and anti-European tendencies. Smaller nations perceived an unfair distribution of powers. They often complained that Germany was using its economic weight to impose their stance on issues such as the Euro Crisis but also later migration.⁹ In the (in)famous summer of 2015, Merkel unilaterally decided to open German borders for Syrian refugees to cross. And later demanded other European countries to take over their fair share of burden and allow equal redistribution of refugees – so far without success. But also France grew more and more uncomfortable with a too powerful Germany. However, in Germany's defense, Germany can never do it right. Due to their economic strength, Germany is expected to take over the biggest financial burden – but without having a say at all? German leadership is expected but Germany shall not become too powerful, please. Obviously, the German question remains as difficult as ever.

Times have changed since the Euro Crisis. Angela Merkel has found a new contender for European leadership and economic power is challenged by military strength. The young and dynamic French President Emmanuel Macron could not be a more contrasting figure to Merkel and yet reaches for Merkel's baton. In his refreshing Sorbonne speech, just days after the German elections, Macron outlined his vision for Europe including a joint European army, the long-overdue completion of a banking union and a common fiscal budget. It was practically a direct invitation to Merkel to join him on his journey to advance Europe. But Merkel's reply is still outstanding. Macron is taking things in his own hands, leaving Germany behind. Just past week, we witnessed a bizarre French-American get together. Two vain cocks celebrating their male bonding through repeated handshakes, kisses and flattering words. The jury is still out on whether Macron's pompous visit was effective. Nonetheless, Macron seems to have positioned himself as Trump's closest buddy while being his biggest critique. Besides the grand show, Macron held an energetic rebuttal on issues such as climate and the Iran deal in front of the US Senate. Macron fought for the international liberal order. And Merkel? She was allowed to visit as a sideshow after Macron had left.

Lastly, military power may become a determining factor inside Europe. Since Trump's presidency and retrenchment politics, the American security guarantee is questioned and leaves Europe to step up their game in defense and security issues. This would greatly enhance the French and British position inside Europe since they would then be able to project power through their superior military capabilities also inside Europe, not only beyond. Germany's power derived from economic strength would fall short or need to be paled with military strength.¹⁰

⁹ Speck, U. (2014). „Power and Purpose: German Foreign Policy at Crossroads“. *Carnegie Europe*. Available at <http://carnegieeurope.eu/2014/11/03/power-and-purpose-german-foreign-policy-at-crossroads-pub-57167>

¹⁰ Kundnani, H. (2017). „New Parameters of German Foreign Policy“. *Transatlantic Academy*. 2017 Paper Series. No. 3.

Germany needs Europe to be strong. However, Germany's power inside Europe is crumbling. The failure of Germany to jointly tackle partly homemade migration crisis with its European partners is a showcase. Germany finds itself more and more isolated. First, too much resentment might be left due to Germany's austerity measures that have not even led to a successful recovery. Second, Germany's economic strength might not translate into power anymore. Third, a more dynamic and active French President challenges Germany's leadership role.

Germany and the United States – an old ally estranged?

The transatlantic relations are under strain. The American president criticizes Germany's trade surplus and low military spending. He is dangerously toying with the idea of raising tariffs on car imports, clearly targeting Germany's strong car manufacturing industry. Merkel's reaction remains the usual: keeping calm. Only during the German election's peak phase, Merkel surprised with emancipatory words during a campaigning speech in a rustic Bavarian beer tent: "The time in which we could completely rely on others are on the way out (...) We Europeans truly have to take our fate into own hands." Is Germany entering a post-Atlanticist era?

The United States overtook France as Germany's biggest export market. However, this trading relationship is quite unbalanced. As Hans Kundnani, senior transatlantic fellow at the German Marshall Fund, analyzes: "Since the financial crisis of 2008, Germany and the United States have found themselves on opposing sides of arguments about imbalances in the global economy."¹¹ Justifiably, U.S. officials have repeatedly criticized Germany for profiting from an undervalued Euro, which unfairly boosts Germany's exports. The United States on the other side is suffering from a trade deficit for a long time. For Trump the solution to this imbalance are greater trade barriers – a return to neo-mercantilism. However, a world with more trade barriers would greatly endanger Germany's economic success, a success that depends on export for almost half of its GDP and a third of German jobs.

After Trump's election and before Macron, Merkel appeared to be not only the economic but also moral stronghold of the West. Already in 2002, Charles Kupchan forecasted "The End of the West" due to a clash of civilizations between the United States and Europe. The Americans still live(d) by the rules of realpolitik, viewing military threat, coercion and war as essential tools of diplomacy. Whereas Europe, and in particular Germany as *Zivilmacht*, has spent the past fifty years trying to tame international politics, setting aside guns in the favor of settling conflict through multilateral international organizations.¹² Kupchan believed that the once united West was well on its way to separating into competing halves. Fifteen years later, the West

¹¹ Kundnani, H. (2017). „New Parameters of German Foreign Policy“. *Transatlantic Academy*. 2017 Paper Series. No. 3.

¹² Kupchan, C. (2002). „The End of the West“. *The Atlantic*. November Issue 2002. Available at <https://www.theatlantic.com/magazine/archive/2002/11/the-end-of-the-west/302617/>

is in danger of breaking up. But a retreating United States, rather than an up stepping, competing Europe threatens the liberal international order.

Germany remains ambivalent towards its historically, the United States of America. Rooted in its economic strength, Germany might have threatened the American leadership. But Germany was never able to compete on a military basis. And didn't have to. Germany benefitted greatly from the American security umbrella, which it will never be able to substitute by its own. The transatlantic relationship is marked by an economically strong and independent Germany vs. a military weak and dependent Germany vis à vis the United States.

Since Trump, the German-US relations have complicated further. Only 11% of Germans have confidence in the US President.¹³ Der Spiegel dedicated six covers to the American President as “an unpredictable threat to liberal values”. The publication of an Atlanticist manifesto by a group of leading German foreign policy analysts triggered a lively debate between Atlanticists and Post-Atlanticists: Should Germany “preserve” the transatlantic partnership or “decouple” itself from the United States.¹⁴ The Atlanticists warn against Germany turning its back on the United States, since it “would bring insecurity to Germany and ultimately Europe”. The Post-Atlanticists stress the long-term, structural shifts in American foreign policy that have started long before Trump and will not end with Trump. “The U.S. can no longer and will longer be the stabilizer and protector of Europe”.¹⁵ America’s skepticism about multilateralism, globalization and its role as global hegemon providing public goods for everyone predates Trump. Germany has contributed to this backlash by having been one of the biggest free riders on the American guaranteed liberal international order. Subsuming the slightly polarized debate, Hans Kundnani emphasizes “the Post-Atlanticists radically underestimate the dependence of Europeans on the United States in security terms”.¹⁶ This leaves Germany in its ambivalent situation between economic strength and military dependence. Its room for maneuver, then, heavily depends on Germany’s change of heart in military terms.

Germany in the World – only an economic force to be reckoned with?

Germany has become a global power. Its economic strength is globally reckoned. It is the world’s most popular country. And in 2014, Germany could top the title of world exporting champion with the world soccer champion – “Germany is Weltmeister” as

¹³ Pew Research Center. (2018). „6 charts on how German and Americans view one another“. Available at: <http://www.pewresearch.org/fact-tank/2018/04/26/6-charts-on-how-germans-and-americans-view-one-another/>

¹⁴ Kleine-Brockhoff et al. (2016). “In Spite of It All, America.” *German Marshall Fund of the United States*. Available at <http://www.gmfus.org/publications/spite-it-all-america-transatlantic-manifesto-times-donald-trump-german-perspective>.

¹⁵ Lau, J. & Ulrich, B. (2017). “Something New in the West.” *ZEIT Online*. Available at <http://www.zeit.de/politik/2017-10/foreign-policy-germany-atlanticism-relationships-values>.

¹⁶ Kundnani, H. & Puglierin, J. (2018). „Atlanticist and “Post-Atlanticist” Wishful Thinking“. *German Marshall Fund of the United States*. Policy Essay 2018. No. 1.

Roger Cohen titled in the New York Times. Merkel is said to have sway of the world's strongmen Erdogan, Putin or Xi. The question remains, whether Germany's global power only derives from its economics strength, or whether Germany is considered as a political player as well. Is Germany willing to exert its power for interests that go beyond its own, to safeguard the liberal international order?

Germany is a deeply globalized country that has huge stakes in a liberal, rule-based international order as it secures international trade. A recent McKinsey found that Germany is possible the "most connected" of all major economies.¹⁷ The ability to send goods, people and information safely around the globe is key, which requires the existence of a physical infrastructure – which until now is provided by the United States.¹⁸ Germany has groomed a complex global web of mostly economic ties, which strongly impacts German foreign policy. Hans Kundnani and Stefan Szabo developed the concept of Germany as a "geo-economic" power: to use one's economic weight to pursue German interests, without asserting to military force.¹⁹

For a long time, Germany refrained from an active foreign policy. But world affairs have pushed Germany out of its comfort zone as witnessed in its relations with Russia and Turkey. After the Russian annexation of Crimea in 2014, it seemed that Germany would finally take over its leading role. Merkel's external impact was never greater than during the Ukraine crisis. Germany evolved to be the crucial intermediary between Moscow and Kiev, drawing up the Minsk Agreement. Leading the West's confrontation with Russia, Germany unified Europe to implement economic sanctions against Russia. This active move broke with Germany's traditional equidistance to Russia. Geographically and economically, Germany used to always have closer ties to Russia than its Western comrades. Many German businesses share investments in Russia. All the stronger were the sanctions' impact – even though German businesses' resentment against the sanctions are growing and building pressure on Merkel. Along the same lines, Merkel emerged as a leading figure in forging a migration deal with Erdogan. Yet again, she went into the negotiations with Germany's economic weight in the back: to use it as a stick or carrot.

Finally, Germany's relationship to China is as close as it is controversial. Both share many common characteristics such as their dependence on exports, big trade surpluses or the claim of being deflationary powers. Both underwent a similar trajectory, transforming their political economy to an export nation. Both are left with similar vulnerabilities. But there is one big difference: China is following its own authoritarian version of capitalism that does not adhere to German, Western ideals. As former Head of Policy Planning at the Foreign Office, Thomas Bagger, concludes: "We have every interest in China's peaceful, non-violent rise, and eventual

¹⁷ McKinsey Global Institute. (2014). "Global flows in a digital age." Insights and Publications. April 2014. [insights/globalization/global_flows_in_a_digital_age](https://www.mckinsey.com/insights/globalization/global_flows_in_a_digital_age).

¹⁸ Speck, U. (2014). „Power an Purpose: German Foreign Policy at Crossroads“. *Carnegie Europe*. Available at <http://carnegieeurope.eu/2014/11/03/power-and-purpose-german-foreign-policy-at-crossroads-pub-57167>

¹⁹ Kundnani, H. "Germany as a geo-economic power". *Washington Quarterly*. Summer 2011: 31-45.

transformation. But what are the instruments to bring this about?”²⁰ In the last decade, German and Chinese interests were well aligned. The wind has subtly changed direction. Germany has collected internal and external criticism for abiding – if not indirectly supporting – Chinese human-rights-violating, undemocratic interpretation of capitalism. Further, Germany is more and more worried about China’s growing influence in Europe, heavily investing in strategic sectors. Only recently the German think tank Global Public Policy Institute published a critical report on Chinese investments in Europe and how they threaten Europe’s cohesion.²¹ In my opinion, the German-Chinese relationship deserves very close attention. It could carry an interesting potential in forging an unconventional partnership to safeguard – at least certain – elements of the liberal international order both benefit of: a secure, rules-based international system.

Understanding German Interests and Objectives

Germany’s interests are directly shaped by its political-economic situation at home, in Europe and in the world. The complex context that is described above leaves ambivalent optimism for Germany to safeguard the liberal international order. Too many constraints hamper Germany’s ability and willingness to act as a stronger international, political player.

Germany’s domestic interests are clearly to remain economically strong but militarily cautious. However, how long may Germany maintain this imbalance of economic strength and military (public) reluctance? In light of the manifold military aggressiveness that Germany is surrounded with, can Germany truly afford to stay militarily silent? The migration crisis has not at least shown how closely foreign and domestic policy is intertwined. Or is it possibly good that Germany as the geographic heart of Europe plays the role of a calmer, mediating participant that promotes diplomatic rather than military solutions to conflict?

In Europe, Germany’s interests have been and always will be alongside European ones. Only in a strong Europe, Germany can thrive. Clearly, the Euro crisis has strained European cohesion and Germany’s stubborn austerity policy has made Germany quite unpopular amongst its European allies. Therefore, Thomas Bagger defines Germany’s objective as follows: “it is imperative that^[SEP] Germany charts a path forward for the Eurozone^[SEP] and the entire European Union that revitalizes the^[SEP] entire European economy—not only the German one.”²² It is certain that many Germans have very different ideas on how this path should look like. Further, the German-French motor is key for a stronger Europe. Fortunately, Germany’s newly appointed

²⁰ Bagger, T. (2015). „The German Moment in a Fragile World“. *Washington Quarterly*. Winter 2015: 25-35.

²¹ Benner, T, et. al. (2018). „Authoritarian Advance. Responding to China’s Growing Influence in Europe“. *Global Public Policy Institute*. February 2018.

²² Bagger, T. (2015). „The German Moment in a Fragile World“. *Washington Quarterly*. Winter 2015: 25-35.

Foreign Minister Heiko Maas has acknowledged the importance of a closer German-French cooperation. A day after his inauguration, Maas traveled to France to meet with Jean-Yves Le Drian, his French counterpart. He announced that Germany would work “very intensively and quickly” to follow through on Macron’s plans to reform the European Union. It will be worthwhile to hold Maas to his words. Most likely to be fulfilled is Germany’s increased support of the European Defense and Security Union.

With the United States, Germany desires to strike a tricky balance of maintaining traditionally good relations whilst emancipating. The obvious question remains, from what exactly Germany wants to “emancipate” from: the American hegemony? The American security umbrella? The likelihood of that seems slim. Although measures are undertaken to at least appear as if Germany is serious about reaching its 2% NATO objective. Defense Minister Von der Leyen, Foreign Minister Maas and Merkel have officially promised that Germany will steadily increase its military budget. However, words are yet again not matched by action. Just past Wednesday the Social Democratic Finance Minister Scholz presented the budget plan for this legislature – and the promises made during the coalition talks are not met by far. With the announced incremental defense budget increase, Germany would only reach 1,3%. Besides the grievance about military spending, it is clearly in Germany’s interest to appease the American grievances about global trade imbalances. Germany must avoid an agitated American president who follows through with his threats to radically raise tariffs.

On a global level, Germany’s economic interests have mainly defined German foreign policy. Surely, Germany is interested in maintaining the global physical infrastructure that enables global trade. To speak about further concrete German interests and objectives outside of Europe is very difficult. They are left unspoken, if not undefined. Reactiveness rather than pro-activeness marked Merkel’s foreign policy in the past. This is unlikely to change. Circumstances rather than specific interests will shape Germany’s global foreign policy. However, Germany’s reactivity may result in being left behind as witnessed in the recent Western joint missile attacks on Syria.

Recommending Strategies – From German Austerity to German Activism?

In a time where economic strength translated into power, Germany evolved to be a “reluctant hegemon” in Europe. When then the world turned south and strongmen like Erdogan, Putin or even Trump attacked the liberal international order, much faith was put into Merkel to take over leadership. Unfortunately, Germany has not proven itself to the task. Public rejection of German global leadership and increased military involvement pose the biggest handicap for a more active foreign policy abroad. But Germany’s engagement differs from inside and outside of Europe. During the Euro Crisis, Germany threw around its economic weight to force German austerity on all Euro countries. It started to extend this “geo-economic” power to shape Europeans

external action towards Russia and Turkey. Economic strength is Germany's most useful – and possibly sole - foreign policy instrument: whether as a carrot or stick in form of sanctions. However, times have changed. Realpolitik has returned and with it the importance of military strength. If Germany wants to safeguard the liberal international order as it is – a rules-based system rooted in multilateralism -, Germany needs to act differently. After all, Germany has benefitted the most from a secure liberal international order.

The stars do not align well currently. Germany finds itself on the sidelines of world politics again. In Europe, Germany has made itself unpopular with its austerity penance and is being overtaken by a visionary French President who sticks to his words when it comes to military interventions. In the United States, Germany has been aggravating many political elites long before Trump. Germany continues to build up trade surpluses, yet fails to fulfill NATO's 2% quota. Overall, the West is fed up with a German foreign policy whose actions do not match its words.

Germany needs to define its own national security strategy. Despite the country's growing international weight, Germany's foreign policy culture and institutions have remained weak. Germany's objectives are vague, to say the least. Surely, this is rooted in Germany's traditional self-understanding as a Friedensmacht. But Germany cannot mask its inaction behind its "never again"-motto anymore. Only with a national security strategy, Germany can turn towards a more pro-active foreign policy.

Germany needs to boost its military spending to become a believable partner. Increased military spending is necessary to retrieve the country out of its current weaponry misery and to pare its economic strength with a military one. Further, Germany should consider revising the parliamentary approval for military engagements. Only when Germany has a functioning army it can deploy quickly, Germany might be able to become a real force to be reckoned with.

Germany needs to shape public opinion in order to secure the political will for greater foreign engagement. Domestic constraints are huge and the negative media attention German military has been receiving clearly doesn't help the case. German's feel uncomfortable with the thought of a strong military, which is also mirrored by German's reluctance to join the armed forces. Becoming a diplomat, yes. A military officer, no. A targeted media strategy that transparently connects Germany's interests with a more active foreign policy could positively influence public opinion.

Germany needs to forge strategic partnerships inside Europe to break out of its current isolation. To prepare fertile ground for renewed European partnerships, Germany must retreat from its austerity policy. It must leave room for other countries to grow economically in their own way. Possibly, a weaker Germany might help Europe to become stronger. Economic and security issues are linked. Hence, Germany needs to open up to the idea of a European fiscal and political union, which poses a precondition for a common security and defense policy. Finally, a novel German-

French division of labor could serve as an innovative solution to Europe's issues: Germany could provide economic growth while France provides security.

Whether Germany can safeguard the liberal international order will be decided first at home and then in Europe. Germany finally must acknowledge its global responsibility and strategically define the next steps of its foreign policy. Otherwise it will not only become globally insignificant, but it will endanger its own future as world's most popular economic powerhouse.

Stronger together? Perspectives for closer German-French foreign policy cooperation in the context of foreign policy towards Russia

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Introduction

In 1965, assessing the implications of the Elysée Treaty in an article in *Foreign Affairs*, the German-French intellectual Alfred Grosser concluded that “French and Germans, though closely united, [...] continue to have different points of view on some central questions. Between France and the Federal Republic, a marriage has been performed. Divorce is highly improbable, but the spouses do not belong to the same denomination” (Grosser, 1965). The article addressed the fundamental conflict between De Gaulle’s vision of channelling the gravitational forces of West-Germany’s re-emergence into a more independent common European foreign policy and Germany’s unwillingness to sacrifice the primacy of its transatlantic relationship. Ultimately, De Gaulle’s idea of Europe as a strategically autonomous ‘third power’ next to the United States and the Soviet Union remained non-reconcilable with West Germany’s firm bond to the United States as the guarantor of its security and economic prosperity (Delcour, 2010). Indeed, Grosser asserted that “the great industrial power which is the Federal Republic has no desire whatsoever to be a great political power. In Brazil, India or elsewhere, German capital and German steel mills have no political purpose” (Grosser, 1965). Fifty years have passed and yet the essence of this observation from a bygone era is considered by many to still hold true. Then as now, the issue of different denominations remains at the core of the challenge to construct a common Franco-German line at the core of EU foreign policy.

One central ‘denomination’ difference results from the asymmetry of foreign policy tools and cultures in both countries. France has a long tradition of being an independent first-rank global actor. The country’s P5-membership in the United Nations Security Council (UNSC), its nuclear power status and its sizeable and experienced military have allowed it to conduct relatively independent foreign policy. However, like the United Kingdom, France lacks sufficient global economic clout and momentum to match the geo-political abilities of the US, China and also Russia, whose nuclear and military capabilities could be considered as compensating its economic weakness.

Germany, on the other hand, has a substantially larger and more dynamic economy than France, however lacks the permanent global presence, policy tools and geo-political culture to rise to the role of an independent global foreign policy actor. Indeed, the new Foreign Minister Maas recently re-emphasised that at the heart of German interests lay the protection of multilateral institutions to which Germany has trusted its security and trade interests. Tools of German foreign policy are therefore multilateral

in nature, including diplomatic means, economic sanctions, and – if no other options remain – military engagements as part of UN-sanctioned missions (Bundesregierung, 2018b). In sharp contrast, President Macron asserts that “France must be a strong and independent European power” and that the priorities of French foreign policy centre on “security, independence, solidarity and influence” (French Embassy in the United Kingdom, 2018).

In this light, the benefits of increased scope and weight of a combination of the two powers’ foreign policy efforts seem obvious, especially when seen in the context of the institutional and economic might of the European Union. Indeed, important progress has been made on the path towards a common Franco-German foreign policy at the heart of an EU framework. Today, considerable integration exists in the foreign policy and security architecture of the two countries. The Elysée Treaty established close coordination and regular government consultations, including among foreign and defence ministers. From the establishment of a 6,000-strong German-French brigade in 1989, to the integration of important industrial infrastructure (e.g. Airbus or the merger of tank producers Kraus-Maffei-Wegmann and Nexter), to the creation of PESCO; slow but continuous progress has taken place. Paris and Berlin have acted in tandem during the negotiations of the Iran nuclear agreement alongside the UK, the US, Russia and China. France and Germany also lead various important diplomatic formats, such as the Weimar Triangle (with Poland) or the Normandy Format. Germany has supported France’s UN-sanctioned military engagement in Mali, first logistically and later by stationing a small contingent of troops under an EU training mission.

Crucially, following Russia’s annexation of Crimea and its support for separatist forces in Eastern Ukraine, the governments in Paris and Berlin both acted to abandon their previous models of ‘strategic partnership’ (France) and ‘modernization partnership’ (Germany) with Russia, which were built around rapprochement through modernization via close political and economic cooperation. Against substantial domestic opposition from business interests, particularly in Germany, both countries built consensus for diplomatic action and a unified European sanction regime against Russia, following the lead of the United States (Seibel, 2015). The response, while not as swift or comprehensive as some had called for, nonetheless showed that Europe is principally able to react to substantial political crises in areas of its immediate interests – in this case triggered by a forced unilateral change to European post-WWII borders by Russia. In the face of the magnitude of this development, European foreign policy coordination was able to avoid Russia’s tendency to divide Member States via bilateral interactions and act in a unified manner. Since then, France and Germany have jointly taken the initiative in the negotiation of the Minsk agreement which to this day has been the only serious (but so far unsuccessful) attempt at solving the situation in Ukraine.

In stark contrast, unlike in the Crimean case, France and Germany have not been able to agree on a strategy for common engagement in cases as vital to European interests

such as the Syrian and Libyan civil wars. In these cases, France has acted alongside the US and UK, while German politicians retreated to emphasising the absolute exceptionality of German military participation. In the light of this disunity at its core, a role for the EU as a relevant foreign policy actor duly became unrealistic.

The discrepancy between these cases in terms of French and German willingness or ability to agree on a common foreign policy position and to implement it in the European context raises two important questions which I seek to investigate in this paper: (1) Why was it that both countries were able to agree and act relatively quickly in the case of Crimea? (2) What lessons can we draw from this case for the prospects for an effective common European foreign policy in other cases?

I will argue in this paper that European foreign policy coordination is constrained by Germany's reluctance to act decisively in situations that do not immediately affect its perceived vital national interests, and that the Ukraine case differs from other cases precisely because German national interests were directly affected. Russia's actions in Ukraine were sufficiently drastic to force Germany to give up its generally cautious foreign policy stance to reassure its Eastern European neighbours and contain further Russian aggression. I will furthermore argue that, in the Ukrainian case, France did not have substantial direct interests at stake. Following its interventionist tendency Paris was willing to sacrifice aspects of its engagement policy and nascent economic relationship with Russia to respond to a strategic threat from a fellow P5 member. Finally, I will argue that EU coordination, in particular in the fields of sanctions coordination and European energy diplomacy, has been an important tool in aligning interests of various Member States to maintain a relatively united front towards Russia. Nonetheless, while these improvements in coordination and interest alignment are important, a common European foreign policy will remain difficult to achieve without a more assertive German foreign policy culture.

The remainder of this paper is structured as follows: the next section will outline the interests and policy strategies of France and Germany vis-à-vis Russia. It will then discuss the European policy response to the Ukraine crisis in the context of the various interests of EU Member States and outline measures taken by the EU to align those interests to increase the coherence of the European policy response. The last section will present an outlook and challenges to achieving a broader common EU foreign policy. The paper will conclude by outlining ways for France and Germany to overcome these shortcomings.

French interests and recent approaches vis-à-vis Russia

The French relationship with Russia may be best understood from the history of the two countries as Great Powers on the Western and Eastern borders of the European continent. Russia's interests are seldom directly tangential to French military and economic interests, yet the two countries' relations are developed and comprehensive.

Their membership in the UNSC, their status as nuclear powers and their ambitions for regional influence in the Middle East form the core of overlapping interests. While Russia supported the French UN-sanctioned intervention in Mali, the two countries are strictly at odds over support for the government of Bashar al-Assad in Syria, whom Moscow supports and Paris firmly opposes (The Guardian, 2015). In Eastern Europe, Russia's actions can affect vital French interests indirectly, when a potential crisis would force France to redirect its scarce military and diplomatic resources away from core interests in the Mediterranean, Africa and the Middle East. This effect is often amplified by dynamics within the European Union, where crises tend to shift the policy making agenda within the European institutions.

Before the Crimea crisis, French-Russian relations had expanded significantly, especially during the Chirac and Sarkozy presidencies. High-level government consultations as the backbone of a 'strategic partnership' have been in place since 2001. In 2010, in the context of a state visit by Russian President Medvedev, President Sarkozy spoke of France being "the great friend of the great Russia" (cited in Delcour, 2010). The same event also marked the completion of the final negotiations between both countries about the sale of two Mistral class helicopter carriers to Russia, which would later be cancelled in light of Russia's actions in Ukraine.

Concurrently, economic relationships, which had hitherto been relatively limited compared German, Italian or Austrian engagements in Russia, were also significantly elevated. Against heavy criticism from Poland and the Baltic States, France decided to increase its role in the group of large European energy importers of Russian hydrocarbons (i.e. Germany, Italy, Netherlands and Austria). In 2010, Gas de France (now renamed Engie) joined the consortium of minority shareholders in Nord Stream, a gas pipeline under the Baltic Sea that directly connects Russia with Germany (Nord Stream AG, 2010). In 2011, French oil-major Total became possibly the most important French corporate actor in Russia when it purchased a sizeable minority shareholding in the private Russian gas company Novatek and the vast Yamal LNG field. This decision has tied one of the largest French companies closely to Russia, where Total generated 20% of its global oil & gas production in 2017 (Total SA, 2018).

Overall however, French energy imports from Russia are relatively limited, unlike in many other European states (including Germany) where they constitute a major part of the economic relations of with Russia. France, largely as a consequence of its retention of a vast nuclear park as its most important source of electricity, has a more diversified energy mix, which also includes gas and LNG imports from Algeria, Nigeria and Qatar. In 2016, gas contributed only 6% to French electricity generation (iea, 2017) and Russia accounted for only around 25% of French gas imports (BP Plc, 2017).

In summary, the Franco-Russian relationship is dominated less by directly overlapping interests, but by the two countries unique geo-political roles as P5 and nuclear powers as well as their interventionist foreign policies. While common energy projects exist in

particular in the context of oil-major Total, the overall degree of mutual dependence is limited. Hence, despite an initial reluctance to confront Russia by means of sanctions, mostly as a result of the likely forced cancellation of the Mistral delivery to Russia (Seibel, 2015), France had no clear interest to oppose a strong response to the Crimean annexation, as long as vital communication channels to Moscow remained open.

German interests and recent approaches vis-à-vis Russia

For Germany the relationship to Russia is a matter of vital national interest and has been at the centre of foreign policy strategy for many generations. German-Russian relations are driven by an intricate web of domestic interests and individual and institutional memories, which are framed by the two countries' long history of conflict and interaction. Relations between the countries continue to be shaped by the enormous loss of life and suffering during WWII, its geo-political consequences, as well as the more than fifty years of Russian dominance over the German Democratic Republic, which still affects the views of citizens and institutions both in the former GDR and in former West-Germany.

Areas of traditional German foreign policy and Russian interests overlap and often collide in Eastern Europe, Eurasia, the Balkan and Turkey, where the EU and Russia compete for influence. Germany's role as the largest member of the EU and its geographic position in the centre of Europe, necessitate its foreign policy vis-à-vis Russia to take into account implications on its Eastern European neighbours, particular Poland and the Baltic states. These states are, for geographic and historical reasons, often wary of an overly close relationship between Moscow and Berlin that could marginalize their security and economic interests. As a consequence, German-Russian relations are moderated by a unique web of mutual dependencies.

Similar to France, prior to the Crimean crisis Germany pursued a 'modernisation partnership' with Russia, which involved close political and economic cooperation and, by building on long-established economic ties in particular in the field of energy, promoted a strong increase in trade and investments by German companies in Russia. Indeed, both countries are profoundly interdependent in terms of energy and trade. Germany depends on Russia for energy supplies while Russia depends on Germany as an important market and as the largest supplier of industrial equipment. Indeed, Russia supplied close to 50% of German gas imports in 2016 while Germany accounted for 24% of Russian gas exports (BP, 2016). Even after the implementation of Russian sanctions following the Crimea annexation, German exports to Russia made up 15% of total Russian imports in 2017. Nonetheless, Russian trade accounts only for a very small portion of overall German exports (2% in 2017), hence showing Germany's limited exposure to the Russian market (Statistisches Bundesamt, 2018).

Energy infrastructure also plays an important role in the relationship between the two countries. The Nord Stream pipelines, which bypass the Ukrainian transit route to directly connect Russia with north-eastern Germany, significantly improve supply security for Germany and other Western European states. The first of two pipelines was finalized in 2011 and an expansion, anticipated to be completed by 2019, would increase Nord Stream's combined capacity to 110bcm, which is roughly equal to Ukraine's pre Nord Stream transit volumes of 110bcm in 2010 (Reuters, 2017). It would therefore allow a significant reduction of transit via Ukraine (as well as Slovakia and Poland), reducing transit revenues and bargaining position. Eastern European states, in particular Poland, vehemently argue against its planned expansion, citing the increased dependency of key European markets on Russia and an undermining of solidarity amongst European Member States.

Importantly, even after the implementation of sanctions against Russia, German energy companies have preserved their relationship with Gazprom and indeed Russian gas imports into Germany have further increased in 2017, as Germany is reducing its use of coal for the production of energy (European Commission, 2018). The controversy over the Nord Stream 2 expansion highlights the substantial tensions within the EU that are created by Germany's insistence on protecting its energy interests and direct relationship with Gazprom and Russia.

In summary, Germany's unique and multi-layered relationship with Russia is based on mutual interdependence in energy supplies and trade and moderated by the interests of Germany's neighbours in Eastern Europe. It is in this context that Germany's foreign policy response to the Ukrainian crisis should be understood. Despite significant domestic economic interests and calls for a foreign policy based on dialogue rather than confrontation (Seibel, 2015), Germany's position reflected a careful compromise between its own direct interests and those of its European partners. It chose to follow its old 'denomination' and to adopt the US policy of sanctions against Russia. Nonetheless, by lobbying to structure sanctions in a way left energy imports largely unimpeded, Germany also protected its vital energy interests, and with them an open line to Moscow.

Interest alignment in EU foreign politics – improvements and limits

Within other EU Member States, interests towards Russia are diverse and complex. In some cases, such as Italy, they centre on energy supply and regional influence – in Italy's case in particular the Balkan and Northern Africa. Outside of the supply of energy, Italy's vital interests are only peripherally affected by Russia. Its main interest therefore is to avoid an all-out confrontation with Russia and to keep economic relationships intact (Rosato, 2016). On the other side of the spectrum stand the Eastern European and Baltic states, with Poland as the most significant voice among them. Poland's relationship with Russia is complex. Its border with the heavily

militarized Russian enclave Kaliningrad emphasises the security challenge at the heart of its national interests. At the same time, Poland's size, economic and population growth pose it as a rival to Russian's influence in Eastern Europe. Warsaw is also one of the strongest supporters for Ukrainian NATO and EU membership, a position which it shares with its long term ally in the US (Buras & Balcer, 2016). Finally – while its future foreign policy relationship with the EU is not yet clear – the UK remains an important actor, not the least because of its P5-membership, nuclear status and capable military. The UK is also an important factor in Ukraine, where it fulfils an important military training mission. London's relationship with Moscow has deteriorated strongly in the aftermath of the poisoning of Viktor Skripal, however it had long been relatively distant. British support for the sanctions against Russia and support for Ukraine was – after some initial reluctance – a strong and important driver for creating consensus among EU members (The Guardian, 2014).

EU foreign policy coordination

The above mentioned different interests of the various parties with respect to Russia illustrate the difficulty for EU Member States to agree on a common foreign policy on any topic. This point is illustrated by the conflict between supporters of Nord Stream 2, most prominently Germany, and strong opposition from Poland, Slovakia the Baltic States but also the European Commission. A consequence of this behaviour is that Third States, such as Russia, can utilize points of division among EU members to interact with states on a bilateral basis rather than through EU foreign policy institutions, i.e. the European External Action Service and the High Representative. Due to those two dynamics – competing interests on the inside, and the strategy to 'divide and conquer' by outside Third States – the establishment of Brussels as an important foreign policy representation of its Member States has so far been largely unsuccessful.

Nonetheless, as with the project of Franco-German foreign policy coordination, Russia's actions in Ukraine have kick-started some important European initiatives to improve its central capacities to align and coordinate interests. First, the High Representative and Commission have proven to be effective in upholding unanimity for implementing and upholding of sanctions against Russia in the Common Foreign and Security Policy (CFSP) since 2014. Second, the EEAS-led eastern neighbourhood initiatives in Ukraine since the signing of the Association Agreement in 2014 have given the EU foreign policy actors a clear purpose and competency to oversee and implement the various support measures to Ukraine. The proposed 26% increase in the External Action budget (EEAS, 2018) for the 2021-27 legislative period, underlines the increasing ambition of Brussels' based foreign policy coordination. Third, most importantly in the context of Russia, the European Commission (EC) has gained substantial additional new powers to align the external energy interests of EU member states. At the core of this endeavour stands the EU Energy Union and Energy

Diplomacy which aim at (1) increasing internal energy security and solidarity, (2) support and coordination for the diversification of external energy sources and (3) aspiring for Europe to “speak with one voice” in its external energy relations. The EC’s is funding and coordination of the connection of the Finnish and Baltic gas connections to the European mainland via the Balticconnect pipeline to reduce the regions risk of supply disruption caused by Russia, serves as an example of these initiatives (European Commission, 2017a). As a consequence of the threat from Russia’s actions in Ukraine, in July 2015 Member States have supported the EU Energy Diplomacy Action Plan, which calls “to enhance common analysis and to enable commonly agreed actions and messages, in particular to support the external aspects of the Energy Union” (Council of the European Union, 2015).

While this is very far from an independent ability of Brussels to impose upon its members any kind of foreign policy discipline or alignment, it is still an important step to closer cooperation on a crucial element of the EU’s external relations. Since 2015, some important external supervision powers have been added to the EC’s tool box. In November 2017, the Security of Gas Supply Regulation was strengthened significantly, forcing Member States to introduce union-wide supply disruption simulations and improve their capacities for internal market solidarity. It also expanded the reach of European regulations to all gas related infrastructure to and from Third States, i.e. including Nord Stream (European Commission, 2017b). This followed on an April 2017 legislative act which introduced an ex ante requirement for Member States to inform the EC of negotiations with Third States on energy supply contracts and forces States to submit non-binding and binding agreements to the EC for review. The EC even received the right to participate in these negotiations (European Union, 2017).

Each of these initiatives serves the purpose of reducing internal potential for conflicting interests by introducing EC supervision in external policies for sanctions, neighbourhood and energy. They can help to establish Brussels as a foreign policy actor in these areas. Still, without the agreement and support of France, Germany, and other member states these initiatives can only help to reduce the potential to individual foreign policies to undermine a common position in important questions.

Prospects for a common EU foreign policy: French and German perspectives

Europe’s response to Russian aggression in the Ukraine has shown that, where France and Germany engage assertively and make domestic sacrifices to protect the interests of affected Member States, it is possible to construct an EU foreign policy consensus that protects the interests of all European Member States. There is certainly no shortage of important items on the European foreign policy agenda that necessitate such a consensus: establishing a stable equilibrium of relations between Europe and Russia, ending protracted conflicts in Ukraine and Syria, clarifying the

future of the Iranian nuclear deal and relations with Iran in general, defining the EU's relationships with the United States and China and finally the important climate negotiations ahead of 2020.

For Germany, the opportunity of elevating Franco-German foreign policy alignment from opportunistic cooperation to holistic foreign policy integration lies in binding France's military and political weight into a global forum where German interests can be expressed more effectively than through bilateral relations. This is of high strategic importance given that today no credible unilateral tools of foreign policy exist for Germany (with the possible exception of its trade financing and weapons export capabilities). Integration with France is also imperative from a different perspective; to manage the (small but not inconceivable) risk of a renewed Franco-Russian entente without German participation - under a different French government in the future - which would significantly weaken Germany's ability to conduct any form of foreign policy towards Russia.

But Germany must be prepared to pay the price for such integration. Three components can be identified to align 'denominations': (1) Germany must modernize its military and diplomatic capabilities to be able to conduct military intervention missions in the European neighbourhood. It must also moderate the firm domestic consensus of principle unwillingness to participate in such missions; (2) Germany must continue to support the Energy Union and contribute by investing into projects that improve the integration of the internal market (e.g. via investment in north-south electricity infrastructure); (3) Germany must lead by example and step back from unilateral initiatives, such as Nord Stream 2, that openly foster discord amongst Member States. Chancellor Merkel's and Foreign Minister Maas' recent more cautious comments regarding Nord Stream 2 indicate the adoption of such a stance (Financial Times, 2018).

France, on the other hand, must end its policy of using the EU clout only opportunistically where it suits French foreign policy interests, while engaging in unilateral action or initiatives with fellow P5 members US and UK elsewhere. By doing so, France undermines the effectiveness of the European foreign policy coordination institutions. This is even more relevant in the context of Brexit. Where on important matters of European interest (such as recently in Syria) France and future non-EU member Britain bilaterally join a coalition with the remainder of the EU sitting on the fence, any attempts to a common EU policy are significantly undermined.

If a German increase in strategic capacity and willingness to engage could be achieved, France's interests would be well served to contribute its capacities to EU common foreign policy. After all, France too is in a bind with limited economic resources in a deteriorating military strategic environment (Gomart, 2017). The French model of effective strategic military and diplomatic autonomy is better served within a European context, in close alignment with its German neighbour.

There are substantial political and cultural hurdles in the German domestic environment to adopt a more ambitious foreign and security policy. A historically conditioned pacifism, both in the population and amongst political representatives, has long posed an obstacle to military engagement of any kind. Following the highly controversial German engagement in Kosovo and the less controversial but ongoing and unpopular combat mission in Afghanistan, public support for military intervention has decreased substantially. Ahead of the April 2018 intervention in Syria by the US, UK and France to respond to the repeated use of chemical weapons by the Syrian government, a Kantar Emnid survey in Germany showed 86% of respondents opposing German participation in a military mission in Syria (Reuters, 2018).

In addition, some of the reluctance to a more assertive foreign policy may be found in the different institutional structures in Berlin compared to Paris (Demesmay, 2018). While in France the President of the Republic has far reaching liberties in defining foreign and security policy, German decision making is subject to parliamentary majority and the need to create consensus within the governing coalition. This is further complicated by the political dynamics between the parties that form the government coalition. The German Foreign Minister is often the most senior politician of the junior coalition partner and has (with the exception of the current and the previous 'Grand Coalition' government) traditionally been the Vice Chancellor.

This reluctance and need for consensus can be an asset for German policy, where diplomatic solutions and dialogue are highly valued. A significant German remilitarization and adoption of a French-style interventionist strategic culture are both fundamentally undesirable and unnecessary. However, in recent years, the hurdles for foreign policy engagement by Germany, constructed of public opinion and institutional complexity, are prohibitively high where German interests are not immediately affected. In selected cases, military intervention may be unavoidable to protect common interests, as has been the case in the Balkan in the past and could be argued was the case in Syria. It is upon political leaders in Germany to increase their efforts to explain the necessity of such policy. Importantly, French and other European partners should demand and support such efforts.

Conclusion

Fifty-five years after the signing of the Elysée Treaty, the question of European 'strategic autonomy' is as present as ever. The European Union Global Strategy speaks of an "appropriate level of ambition and strategic autonomy" for the Union to be able to "promote peace within its borders and beyond" (European Council, 2016). Indeed, Chancellor Merkel has called for European states to "bring European weight to the solution of global problems" (Bundesregierung, 2018a).

However, in light of the numerous individual Member States' interests, it is hard to foresee how the fundamental problem of the multi-voiced Europe foreign policy can be overcome without significant alignment of interests at the core of the EU between

France and Germany. As we have seen, the 'different nominations' in Paris and Berlin in terms of foreign policy have posed substantial challenges so far, which are observable for example in the differences in opinion on interventions in Syria and Libya. Yet, as the response to Russia's actions in Ukraine has shown, Europe and its two largest Member States are in principle able to overcome diverging interests and foreign policy approaches in order to respond in a coordinated – albeit imperfect – manner through sanctions and diplomatic action.

I have argued in this paper that Germany and France, and the coordination among them, make or break the prospects of coordinated EU foreign policy. In order for France to submit its interventionist foreign policy to a stronger degree of European coordination, Germany needs to move away from its highly cautious approach to foreign policy engagement, in particular in situations that (unlike the Ukraine crisis) do not directly affect its vital national interests. Berlin needs to foster both the institutional capacities and the foreign policy culture necessary for such assertiveness. This is especially important given the exit of the UK from Brussels' foreign policy coordination – no matter what the post Brexit arrangement will look like.

This paper makes it clear that many hurdles remain to a common European foreign policy which would represent the continent's interests more effectively vis-à-vis other great powers. Nonetheless, the Ukraine crisis has opened the policy agenda for important initiatives and tools to align interests among Member States. It is upon France and Germany to use this momentum to overcome their different 'denominations' in order to make Europe's voice heard more effectively on the global stage.

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The Role of Sanctions in U.S. Foreign Policy: A Comparative Study of U.S. Strategy Towards Iran, North Korea, and Russia

Alexandra Kolev

Historical Context: Sanctions as a Foreign Policy Tactic

The intrinsic link between politics and economics has become increasingly evident through the United States' amplified use of sanctions in its foreign policy approach since the 1980s. Defined as "economic measures directed to political objectives,"²³ sanctions serve to reinforce foreign policy priorities as either a multidimensional economic extension of war or as a coercive deterrent to war. Sanctions can be unilateral or involve many stakeholders, but are typically supplemented by additional diplomatic measures, including the dissolution of diplomatic relations.²⁴ After the unprecedented destruction of the First World War, the League of Nations briefly considered the use of sanctions against Italy in 1935 as a diversionary tactic for the potential escalation of international conflict.²⁵ It is not until after World War II, however, that the United States adopted sanctions as a crucial means for avoiding physical conflict. This is particularly evident during the Cold War, with significant growth in the use of sanctions in U.S. foreign policy during the 1980s and 1990s.²⁶

The U.S. is still the most avid and prolific user of sanctions as a core foreign policy mechanism and continues to adapt its strategy for sanctions implementation to align with the evolving geopolitical environment. In 2001, for instance, international support for the U.S.-backed UN Security Council embargo on trade and commerce with Iraq prompted a political rebranding, in which U.S. Secretary of State Colin Powell outlined a new policy strategy as "smart sanctions."²⁷ This new strategy aimed to more precisely target leaders in Saddam Hussein's regime, adapting to geopolitical pressures to improve the efficiency of economic penalties. In accurately discerning the surrounding context, interests, and objectives, U.S. economic sanctions follow a consistent trend in shaping American foreign policy strategy.

²³ Barber, James. "Economic Sanctions As a Policy Instrument." *International Affairs (Royal Institute of International Affairs 1944-)*, vol. 55, no. 3, 1979, pp. 367–384. JSTOR, JSTOR, www.jstor.org/stable/2615145, 367.

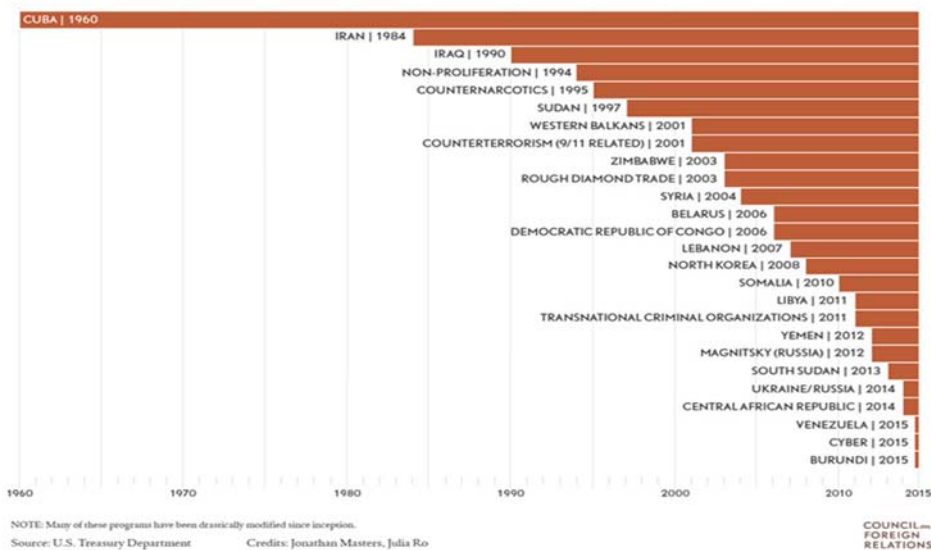
²⁴ Ibid.

²⁵ Ibid.

²⁶ Rarick, Charles A. "Economic Sanctions: Failed Foreign Policy Tool and a Cost to American Business." *Economic Affairs*, vol. 27, no. 3, Sept. 2007, pp. 65-70. EBSCOhost, doi:10.1111/j.1468-0270.2007.00757.x.

²⁷ Kafala, Tarilk. "How Smart Are Smart Sanctions?" *BBC News*, BBC, 8 Mar. 2001, news.bbc.co.uk/2/hi/middle_east/1207742.stm.

U.S. SANCTIONS PROGRAMS



Objectives of U.S. Sanctions Regimes

Rationale for imposing economic sanctions are varied and conditional upon the actors and geopolitical climate in which sanctions are imposed. As argued by James Barber, there are three fundamental categories of objectives by which to determine a State's impetus for imposing sanctions.²⁸ The first category captures primary objectives, or foreign policy priorities that concern the conduct of the State targeted with the sanctions. Primary objectives for imposing sanctions are diverse in nature and constitute a range of priorities, including attempts to alter internal politics in the target State, pressure allies back into compliance with international agreements, deter States from acting beyond their borders, punish objectionable behavior, and influence States to adhere to widely accepted international norms.²⁹ Secondary objectives, by contrast, involve the prominence and reputation of the sanctions-imposing State and can be directed towards both domestic and international audiences to bolster domestic status. The final category of objectives for implementing sanctions entails tertiary objectives, which govern the structure and behavior of the international system.

Naturally, these objectives are not mutually exclusive and a mix of different priorities may be used to validate the imposition of sanctions upon States, institutions, or individual actors. American sanctions against Cuba, for instance, were justified through both secondary and tertiary objectives, insofar as the secondary objective included the aim of gaining domestic political support for taking decisive action against Cuba and the tertiary objective was defined as America's policy to end the spread of communism in the Western Hemisphere.³⁰ Therefore, the U.S. had two separate, multidimensional objectives to fortify its decision to impose sanctions in 1960. It is

²⁸ Barber, "Economic Sanctions As a Policy Instrument," 370-383.

²⁹ Ibid.

³⁰ Ibid.

essential to note that sanctions strategy must continually adapt to the escalation and interweaving of new objectives. Rather than “[piling] on more sanctions as the number of objectives has grown,”³¹ policy strategists must establish a coherent prioritization of goals in order to impose sanctions to the strategic advantage of the nation.

Sanctions in U.S. Foreign Policy: Critiques

Sanctions policy is often criticized for its projected cost to American business, as policy imposing economic penalties on certain commercial relationships “adversely affects US competitiveness and perceived reliability in the global marketplace.”³² Not only do sanctions create immediate and direct burdens on international trading ties throughout the supply chain, but sanctions also create a general environment of uncertainty and legal confusion. Such commercial ambiguity is a central liability to both American and foreign businesses operating in cross-border commerce, particularly when transactions can take several months, or even years, of planning and execution. Such costs directly impact American businesses who are increasingly entangled in complex business transactions across the world. A broader argument can then be applied to the implications for the U.S. economy, which may experience a drop in GDP growth as a result of impaired commerce, effectively impacting revenues for both upstream and downstream American businesses.

Additional critiques question the efficacy of sanctions policy. Based on the principle of public choice theory, which contends that political leaders make decisions based upon self-interest,³³ one may argue that economic sanctions are an effective tool to take action that is at once noncommittal and satisfies an electorate eager for political action. As such, it is also fair to contend that certain sanctions reflect policy that benefits a certain constituency, rather than a diffuse group of actors. Interest groups may advocate for values-based sanctions against certain groups while disregarding other States that conduct the same offences. Therefore, sanctions are not always implemented with full impartiality and subsequently may not always reflect the objectives most favorable to national interests.

Further, a study of 170 sanctions regimes observed that only one quarter of sanctions were successful in achieving their objectives.³⁴ Although sanctions are implemented in accordance with stated objectives, these objectives can be overlooked in the continuation or expansion of sanctions. Given these surprising findings, it may also be possible that sanctions are not reviewed at the requisite frequency to adequately comply with changing international and domestic political realities. When policy no

³¹ O’Sullivan, Meghan L. “Iran and the Great Sanctions Debate.” *The Washington Quarterly*, vol. 33, no. 4, October 2010, pp. 7-21. *Center for Strategic and International Studies*, Columbia International Affairs Online (CIAO), <https://www-ciaonet-org.acces-distant.sciences-po.fr/record/20813>, 10-11.

³² Rarick, “Economic Sanctions: Failed Foreign Policy Tool and a Cost to American Business,” 65.

³³ *Ibid.*

³⁴ *Ibid.*, 68.

longer reflects the objectives first set out in its conception, the policy becomes ineffective or outdated. Given the volume of sanctions implemented by the U.S. Government, there simply may not be the resources to continually maintain a record of efficacy.

The humanitarian condition in the targeted nation is also a critical source of opposition to sanctions. There is often an immense human toll on local populations, particularly in the lack of access to basic needs and the repression of economic development that adversely affects the most disenfranchised communities. Lack of supplies and basic needs as a result of sanctions against Iraq resulted in a “doubling of the death rate for children less than five years of age and a skyrocketing of infant mortality,”³⁵ despite the policy’s intent to target political leaders. In addition to limiting humanitarian necessities, sanctions can also trigger retaliation by local leaders against their own people, as in the case of sanctions against Burma, which resulted in greater crackdowns against political dissenters and a strengthening of ties with authoritarian regimes in China, North Korea, and Iran.³⁶ Whether due to business impairment, inefficiency, or humanitarian abuses, sanctions face numerous critiques and may not always be the appropriate policy choice to satisfy foreign policy objectives.

Sanctions in U.S. Foreign Policy: Opportunities

Despite these critical observations, there are nevertheless certain conditions which facilitate the efficiency of sanctions policy. Such conditions are vital in considering a strategic approach to implementing an effective and meaningful sanctions regime. The most effective sanctions regimes are implemented pursuant to the following conditions: (1) modest policy change is sought; (2) both trade and financial sanctions are imposed; (3) the receiving country does not get support from a third party; (4) the sender country’s economy is much larger than that of the receiving country; (5) international co-operation exists in imposing sanctions; and (6) the receiving country is economically and politically weak.³⁷ These criteria stress the importance of comprehensive action, multilateral cooperation, and power structures that favor the sanctions-imposing State. The intersection of these factors are essential to ensuring an effective strategy that reflects national interests and achieves foreign policy objectives.

In the context of foreign policy, the U.S. has two vital strategic advantages when compared to its international counterparts. Foremost, the American economy is extensive in both breadth and scope. Its diversified and powerful economic reach ensures that policy makers have a “wide margin for error” in the implementation of

³⁵ Ibid., 69.

³⁶ Ibid.

³⁷ Miljkovic, D. “Economic Sanctions as the Prepositional Satisfiability Problem,” *Policy Sciences*, vol. 35, no. 1, 2002, pp. 1–15.

sanctions and have comparatively less to lose if sanctions are not properly targeted.³⁸ The global dominance of the U.S. dollar also ensures a degree of influence over financial and commercial relationships, which provides an additional impetus for the U.S. to utilize sanctions in its foreign policy strategy. The U.S. government also retains a certain flexibility in its legal frameworks that facilitate the administration and regulation of its sanctions regimes.³⁹ The U.S. Department of the Treasury, for instance, issues licenses and comprehensive sanctions lists to facilitate sanctions compliance and assist policymakers and stakeholders in executing any necessary course corrections in their strategies.

Despite critics, historical context frames instances where sanctions strategy has been effective in initiating change and meeting security objectives. Sanctions against South Africa in the 1990s, for example, were designed to pressure the regime financially through targeted action, while promoting economic engagement of disenfranchised communities affected by the apartheid government.⁴⁰ Significantly, the success of the sanctions can be attributed to a comprehensive strategy that coupled economic penalties with additional diplomatic tactics, such as private sector engagement and the inaugural use of U.S. development aid to encourage regime opposition through civil society mobilization. It is vital to consider such multifaceted and innovative approaches that are consistent with the changing dynamics of the international order to ensure the most effective means to meet objectives and safeguard national interests.

Iran Sanctions

Context

As a primary example of coercive sanctions,⁴¹ U.S. sanctions strategy towards Iran is rooted a protracted history of contentious relations and international condemnation of Iran's internal policies. A central moment in Iranian-U.S. relations is marked by the 1996 Iran and Libya Sanctions Act, which aimed to repudiate Iran's nuclear program and its support of U.S.-designated terrorist organizations, with penalties directed towards Iran's oil and gas industry.⁴² As American administrations transitioned, so did the international context surrounding U.S. sanctions policy towards Iran. President

³⁸ Fishman, Edward. "Even smarter sanctions: How to fight in the era of economic warfare." *Foreign Affairs*, vol. 96 no. 6, Nov/Dec 2017, pp. 102-110, *ProQuest*, <https://access-distant.sciences-po.fr/http/search.proquest.com/polcoll/index/docview/1957085695?accountid=13739>

³⁹ Ibid.

⁴⁰ O'Sullivan, "Iran and the Great Sanctions Debate."

⁴¹ Similar to sanctions founded in primary objectives; coercive sanctions "apply economic pressure to force a foreign government to do something it doesn't want to do (or to refrain from doing something it does want to do)." Fishman, "Even smarter sanctions: How to fight in the era of economic warfare," 1.

⁴² Kozhanov, Nikolay A. "U.S. ECONOMIC SANCTIONS AGAINST IRAN: UNDERMINED BY EXTERNAL FACTORS." *Middle East Policy*, vol. 18, no. 3, 2011, pp. 144-160, *ProQuest*, <https://access-distant.sciences-po.fr/http/search.proquest.com/polcoll/index/docview/900126888?accountid=13739>.

George W. Bush, after deeming Iran, Iraq, and North Korea the “axis of evil,”⁴³ pursued gradual diplomatic measures in collaboration with the United Nations to compel Iran to abandon its nuclear pursuits. Such efforts included United Nations Security Council Resolutions 1737 and 1747, which imposed sanctions on suppliers of weapons of mass destruction (WMD) to Iran and widened the scope of previous sanctions, respectively.⁴⁴ Despite these targeted, multilateral economic penalties, U.S. Under Secretary of State William Burns was the first U.S. official to partake in international nuclear negotiations with Iran in 2008.⁴⁵



After taking office in 2009, President Barack Obama attempted to continue this approach in “extending his hand” to the Iranians.⁴⁶ However, Iran had been constructing a secret uranium-enrichment site at Fordow, which led to stalled nuclear negotiations between the regime and major powers between 2009 and 2012.⁴⁷ This prompted President Obama to implement new sanctions in 2012,

which drastically altered the economic relationship between the regime and its international commercial partners. These sanctions targeted any foreign banks, including those of allies, that failed to reduce imports of oil from Iran. Consequently, Iran’s currency, the rial, fell to records lows against the U.S. dollar in October 2012, after already having lost 80 percent of its value since 2011.⁴⁸ Economists attribute this drastic downturn in the Iranian economy to international sanctions and the subsequent reduction in Iranian oil sales.

This dramatic economic decline is believed to have contributed to Iran’s decision to partake in secret nuclear negotiations, which began in 2012 and continued to intensify through 2013. The severe effects of international sanctions culminated in an electoral reaction that brought President Hassan Rouhani to power with his promise of working multilaterally to lift sanctions against the regime. Upon his election in 2013, President Rouhani conducted a phone call with President Obama, an international signal of

⁴³ Reuters. “TIMELINE-U.S.-Iran Relations from 1953 Coup to 2016 Sanctions Relief.” *Reuters*, Thomson Reuters, 16 Jan. 2016, www.reuters.com/article/iran-nuclear-usa-timeline/timeline-u-s-iran-relations-from-1953-coup-to-2016-sanctions-relief-idUSL2N1500R1.

⁴⁴ Berman, Ilan. “Toward an Economic Strategy against Iran.” *Comparative Strategy*, vol. 27, no. 1, 2008, pp. 20-26. *Taylor & Francis Group*, <https://doi.org/10.1080/01495930701839621>

⁴⁵ Reuters, “TIMELINE-U.S.-Iran Relations from 1953 Coup to 2016 Sanctions Relief.”

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

⁴⁸ Al Jazeera. “Timeline: Sanctions on Iran.” *News / Al Jazeera / Business & Economy*, Al Jazeera, 17 Oct. 2012, www.aljazeera.com/news/middleeast/2012/10/20121016132757857588.html.

warming relations, arguably triggered by the intensification of sanctions in 2012. The secret nuclear negotiations ultimately led to the Joint Comprehensive Plan of Action (JCPOA), or Iran Nuclear Agreement, between Iran, the five permanent UN Security Council members and Germany (P5+1), and the European Union, which ensures Iran's use of nuclear power for exclusively peaceful purposes, prevents the manufacture of nuclear weapons, and agrees to lift sanctions in return for Iran's compliance.⁴⁹ Given the change in U.S. administrations and the election of President Donald Trump, the future of the Iran-U.S. relationship and the fate of the JCPOA is left uncertain.

U.S. Interests

In evaluating National Security Strategies (NSS) of the United States from the past several administrations, one can discern specific interests with regard to the U.S. relationship with Iran.⁵⁰ Foremost, U.S. interests lie in maintaining strong national defense infrastructures. Although Iran is labeled as a national security threat throughout administrations, the 2006 NSS marks a distinctive shift in language, proclaiming "we may face no greater challenge from a single country than from Iran,"⁵¹ and underlines an enhanced defense interest in countering Iran's pursuit of a nuclear weapons program and its continued support of terrorist organizations. Distinctive to the 2006 NSS is also its stated national interest in "ending tyranny," a rhetorical nod to the ongoing War on Terror. A continuing legacy of the War on Terror is the national interest in preventing the spread of terrorist organizations and their global reach against the U.S. and its allies.

U.S. defense interests are intrinsically linked to nonproliferation, a central interest outlined in all NSS reports. This is of particular concern within the Iran relationship, since development of a nuclear program has been at the core of Iranian domestic priorities for several decades. With both security and economic implications, the safeguarding of U.S. oil sources, most notably Gulf Cooperation Council partners, is also a central interest guiding U.S. foreign policy strategy towards Iran. Religious tensions between the Iranian regime and key U.S. allies, such as Saudi Arabia, create

⁴⁹ Reuters, "TIMELINE-U.S.-Iran Relations from 1953 Coup to 2016 Sanctions Relief."

⁵⁰ Clinton Administration: (1) United States, The White House. *A National Security Strategy of Engagement and Enlargement*. U.S. Government Printing Office, July 1994. (2) United States, The White House. *A National Security Strategy for a New Century*. U.S. Government Printing Office, May 1997.

Bush Administration: (1) United States, The White House. *The National Security Strategy of the United States of*

America. U.S. Government Printing Office, September 2002. (2) United States, The White House. *The National Security Strategy of the United States of America*. U.S. Government Printing Office, March 2006.

Obama Administration: (1) United States, The White House. *National Security Strategy*. U.S. Government Printing Office, May 2010. (2) United States, The White House. *National Security Strategy*.

U.S. Government Printing Office, February 2015.

Trump Administration: United States, The White House. *National Security Strategy of the United States of America*. U.S. Government Printing Office, December 2017.

⁵¹ United States, *The National Security Strategy of the United States of America* (2006), 20.

potential threats to U.S. oil and security advantages. As such, these interests serve as key drivers for strategy and policy development.

U.S. Objectives

After identifying interests towards Iran, the U.S. government has set clear objectives in an effort to advance its stated priorities in the region. A set of constant objectives are clear throughout the NSS reports. These most critical goals aim to suspend the Iranian regime's pursuit of weapons of mass destruction, end its support for terrorism, and prevent the violation of human rights.⁵² In its 2010 and 2015 NSS reports, the Obama administration marked a notable shift in U.S. objectives towards Iran, insofar that it adopted an approach of engagement, acknowledging that "many years of refusing to engage Iran failed to reverse these trends."⁵³ While the original objectives remained central to U.S. relations towards Iran, the same principles could be contextualized in a broader sense to include greater action and coordination with the regime, as evident in the conclusion of the JCPOA in 2015. With the successful close of negotiations in the form of multilateral agreement, U.S. objectives then coalesced around securing the successful implementation and verification of the Iran Deal. Since the rise of the Trump administration, however, these objectives have shifted back to traditional ideas grounded in isolationism. Therefore, current priorities represent a return to Bush-era foreign policy objectives despite the dramatically transformed international context.

U.S. Strategy

As previously discussed, sanctions strategy towards Iran is marked by two distinct approaches: regional seclusion and multilateral engagement. As defined in the 2006 NSS, the U.S. strategy was designed "to block the threats posed by the regime while expanding our engagement and outreach to the people the regime is oppressing,"⁵⁴ in effect damaging Iran's economy to the extent that it would weaken the regime's leaders, but have no undue burden upon the local population. This strategy was essentially isolationist in its initial imposition of unilateral sanctions, but eventually engaged additional global partners through the multilateral sanctions applied through United Nations Security Council Resolutions 1737 and 1747.

The U.S. also had a vital interest in applying sanctions that served to impose economic penalties on the regime's support of terrorism and nuclear weapons production, while maintaining a sustainable global financial system to guard Americans against global economic backlash. As such, the U.S. crafted a targeted sanctions strategy which

⁵² O'Sullivan, "Iran and the Great Sanctions Debate," 11.

⁵³ United States, *National Security Strategy* (2010), 26.

⁵⁴ United States, *The National Security Strategy of the United States of America* (2006), 20-21.

included blocking Iran's largest banks from participation in global financial mechanisms and preventing its maritime shipping apparatus from accessing insurance and repair operations. This effectively decimated the regime's oil revenues, as sales dropped from 2.5 million to 1.1 barrels per day between 2012 and 2013.⁵⁵ Although this shrank the Iranian GDP by approximately nine percent, the U.S. strategy also created broad exceptions to sanctions implementation in order to maintain access of food, medicine, and cell phones for local Iranian populations.

The Obama administration drastically altered strategy, in implementing tougher, more comprehensive sanctions that prohibited foreign banks from establishing commercial ties with Iranian industries. However, this strategy is most divergent from its predecessors in that it paired an intensification in economic severity with an equally assertive diplomatic strategy of engagement. Within the same year as the implementation of the new sanctions, the Iran regime also began to secretly negotiate with Western powers in an effort to comply with global norms required to rejoin the international order. The spike in economic hardship is also linked with the election of President Rouhani, which ushered in an era of Western engagement predicated on the campaign promise of sanctions relief. U.S. sanctions strategy towards Iran may therefore claim certain victories in securing a Nuclear Deal that ensured American interests in nonproliferation and global security. With a new era of domestic political uncertainty under the Trump administration, however, it is difficult to determine to what extent the U.S. can maintain these victories as it tests its international credibility in rejecting the comprehensive and ambitious resolutions established in the JCPOA.

North Korea Sanctions

Context

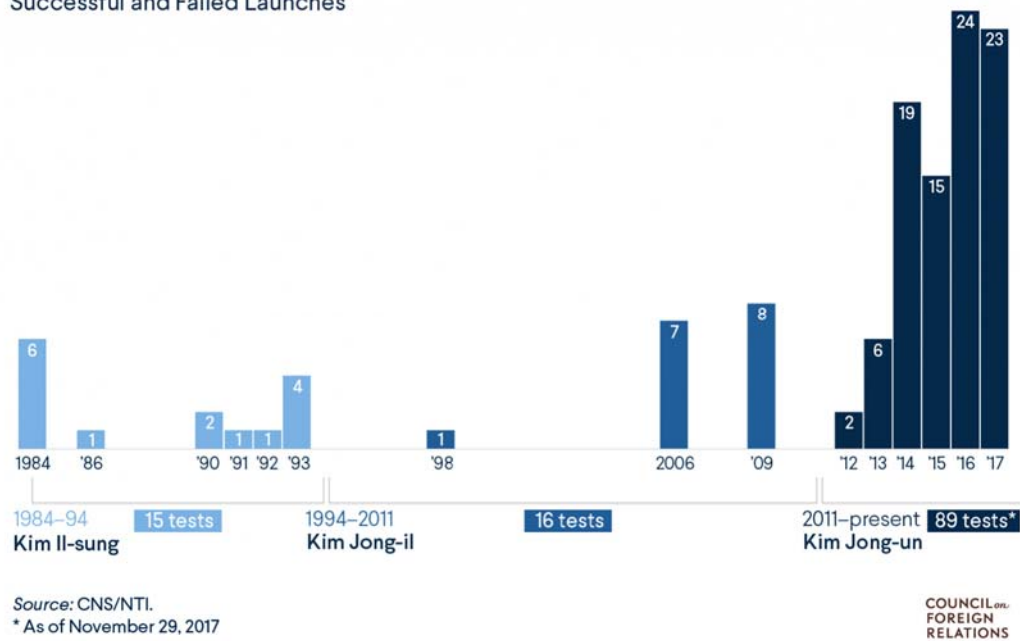
After signing the Nuclear Non-Proliferation Treaty (NPT) in 1985, North Korea has maintained a troubled history with its international counterparts in the realm of nuclear nonproliferation. As early as 1993, North Korea was defiant in complying with International Atomic Energy Agency (IAEA) inspection requirements, leading to the 1994 Agreed Framework, in which North Korea agreed to full compliance with its nonproliferation obligations.⁵⁶ Nevertheless, in 2002 President Bush designated North Korea among the "axis of evil"⁵⁷ in his State of the Union address, continuing the tense nature of the bilateral relations. Later that year, North Korea disclosed their secret nuclear weapons program, a violation of the 1994 Agreed Framework, which eventually led to North Korea's withdrawal of the NPT in 2003.

⁵⁵ Fishman, "Even smarter sanctions: How to fight in the era of economic warfare."

⁵⁶ CNN Library. "North Korea Nuclear Timeline Fast Facts." *CNN*, Cable News Network, 21 Mar. 2018, edition.cnn.com/2013/10/29/world/asia/north-korea-nuclear-timeline---fast-facts/index.html.

⁵⁷ Reuters, "TIMELINE-U.S.-Iran Relations from 1953 Coup to 2016 Sanctions Relief."

Successful and Failed Launches



At the Six-Party Talks of 2005, North Korea agreed to abandon its entire nuclear program, including the development of nuclear weapons, in exchange for energy assistance and economic cooperation from the United States, China, Japan, Russia and South Korea.⁵⁸ This multilateral progress proved futile, however, when North Korea announced the successful test of its first nuclear weapon in October 2006. In response, the United Nations imposed a broad array of sanctions encompassing travel and trade restrictions targeted at North Korean leader Kim Jong Il's documented record as a consumer of luxury goods.⁵⁹ In a 2007 meeting of the Six-Party Talks, North Korea agreed to disable its nuclear weapon facilities, only for the Talks to break down in 2008 after the regime refused to provide international inspectors with unfettered access to suspected nuclear sites. Shortly after the breakdown of talks, North Korea announced its second successful nuclear weapons test, triggering additional United Nations sanctions.⁶⁰

In 2010 and 2011, the U.S. implemented sanctions pursuant to Executive Orders,⁶¹ prompting a meeting in October 2011 between the U.S. and North Korea intended to revisit the Six-Party Talks abandoned in 2008. However, tensions escalated when North Korea tested its third nuclear weapon in 2013 and began shelling South Korea across its sea border in 2014.⁶² Additional U.S. and UN sanctions were implemented in repudiation to North Korea's provocation of the international community. Throughout 2016, North Korea continued to announce technological advancements to its nuclear

⁵⁸ CNN Library, "North Korea Nuclear Timeline Fast Facts."

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ U.S. Department of the Treasury. "North Korea Sanctions." *U.S. Department of the Treasury Resource Center*, 12 Mar. 2018, www.treasury.gov/resource-center/sanctions/Programs/Pages/nkorea.aspx.

⁶² CNN Library, "North Korea Nuclear Timeline Fast Facts."

weapon program, claiming it had successfully conducted a hydrogen bomb test, created miniature nuclear warheads to fit on ballistic missiles, and detonated a nuclear warhead, which prompted additional unilateral sanctions from the U.S. Department of the Treasury.⁶³

With the accession of the Trump administration, U.S.-North Korea relations have become particularly tense. On July 4, 2017, North Korea claimed to have conducted its first successful intercontinental ballistic missile (ICBM) test, which could allegedly “reach anywhere in the world.”⁶⁴ In September of the same year, North Korea conducted its sixth nuclear weapon test, causing a 6.3 magnitude seismic event and prompting a tweet from the President criticizing both North and South Korea. Despite rising tensions, in March 2018, South Korea’s Director of the National Security Office announced North Korea’s willingness to discontinue both nuclear and missile testing as they engaged in a new round of peace talks. North Korea also allegedly agreed to speak with the U.S. concerning the potential for abandoning its nuclear program. In response, President Trump accepted an invitation to meet Supreme Leader Kim Jong-un. Although such warming relations may trigger cautious optimism, it is vital to consider the similar pattern of North Korean relations and the political reality that such talks often lead to a relapse of diplomatic tensions and crises.

U.S. Interests

As an unstable and erratic State, North Korea poses unique national security challenges to U.S. strategists. Given the rapid development of nuclear technology, the top U.S. interest in the region is maintaining strong defense capabilities and pursuing nonproliferation of nuclear weapons.⁶⁵ North Korea’s 2017 announcement of ICBM technology presents an immediate need to defend the U.S. against a potential nuclear attack. This is exceptionally vital to American military bases in South Korea, perhaps the most likely target of a potential attack. While many strategies hinge on the U.S. interest to reduce the volume of nuclear weapons internationally, the immediacy of North Korea’s threat demands particular attention.

U.S. interests in North Korea are particularly dependent on the proximity of a vital regional ally, South Korea. As such, principal U.S. interests also include a peacefully reunified, non-nuclear Korean Peninsula.⁶⁶ The region already contains a number of powerful actors, such as China and Russia, for which a peaceful solution is optimal for national security. Further assurance of lasting regional peace is the nonproliferation of nuclear weapons in the Peninsula. With nuclear weapons come additional

⁶³ U.S. Department of the Treasury. “North Korea Sanctions.”

⁶⁴ CNN Library, “North Korea Nuclear Timeline Fast Facts.”

⁶⁵ United States, *A National Security Strategy of Engagement and Enlargement* (1994); United States, *A National Security Strategy for a New Century* (1997); United States, *The National Security Strategy of the United States of America* (2002); United States, *The National Security Strategy of the United States of America* (2006); United States, *National Security Strategy* (2010); United States, *National Security Strategy* (2015); United States, *National Security Strategy of the United States of America* (2017).

⁶⁶ *Ibid.*

diplomatic and military complications which would threaten any potential resolution between North and South Korea. To ensure the safety of America's allies and the region at large, a united non-nuclear Korean Peninsula is essential.

U.S. Objectives

In consideration of the above interests, U.S. objectives center around regional engagement through a North-South dialogue. Improved diplomatic relations are essential factors in establishing mutual interests and ensuring multilateral stakes in peaceful solutions.⁶⁷ U.S. objectives therefore also entail peace-seeking measures, such as the termination of chemical, biological, and ballistic missile proliferation programs. These efforts not only comply with international law and weapons agreements, but also eliminate potential future instigation of violence or intimidation. In order to galvanize international support and cooperation in the resolution of the regional nuclear crisis, the U.S. is also willing to improve upon bilateral political and economic relations.⁶⁸ In leveraging diplomatic support from American allies and regional powers, such as South Korea and China, the U.S. can work towards establishing common international interests by instituting measures that "integrate, not isolate the region's powers and to find solutions, short of conflict, to the area's continuing security challenges."⁶⁹ These objectives will require not only U.S. support, but cooperation from the greater international community. Although U.S. objectives aim to approach North Korea through cooperation and engagement, defiance of international norms and endangerment of regional States will not be accepted and the U.S. will not hesitate to employ retaliatory economic and political penalties to safeguard against nuclear conflict.

U.S. Strategy

In using its means as an economic superpower, the U.S. wields great influence in swaying international partners to adjust their domestic and foreign policy to more closely align with U.S. interests. In the case of North Korea, however, no economic penalties, unilateral or multilateral, seem to have impacted the internal conduct of the regime. Unlike the sanctions outcome seen in Iran, where dire economic conditions catalyzed the local electorate to support a moderate presidential candidate, Kim Jong-un is steadfast in pursuing his weapons program to the condemnation of the international community. This persistence is supported by both internal and external factors that allow Kim's policy to endure.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ United States, *A National Security Strategy of Engagement and Enlargement* (1994), 23.

Namely, China's economic support of the regime prevents the conditions that may coerce the regime to join its international counterparts at the negotiation table. Although both U.S. and UN sanctions target industries and actors related to North Korea's weapons program, China remains North Korea's largest trading partner.⁷⁰ Until recently, China supplied North Korea with essential energy resources which supported not only daily energy needs, but arguably contributed to nuclear weapon research and development. Kim's brutal regime also prioritizes its weapons program above the wellbeing of its local population, directing any unallocated funds towards technological advancements rather than social aid. Such sentiment is also reflected in the brutal system of political repression which prohibits any criticism of North Korea's supreme leader.⁷¹ The political change instigated by sanctions in Iran is therefore impossible under the North Korean political system.

Given these contextual challenges, U.S. strategy therefore focuses on regional dialogue through a diverse set of diplomatic tools. Such engagement focuses on a full range of common security challenges and depends on active collaboration with all regional partners. As such, diversifying security relationships in Asia and fortifying the U.S. defense presence has become a central tenant of U.S. strategy with regard to North Korea.⁷² Although the U.S. Department of the Treasury has been diligent in implementing and maintaining sanctions against the regime, such economic strategies can only be effective with full support from diplomatic partners. As this strategy was announced in President Obama's second NSS (2015), efforts have been made to modernize alliances with Japan, South Korea, Australia, the Philippines to enhance interactions among them and ensure they are fully equipped to respond to regional and global challenges.⁷³

Since the Trump administration took power, U.S. strategy has become less reliant on fostering alliances with regional partners, as evident by the President's decision to withdraw from the regional economic pact, the Trans-Pacific Partnership (TPP). The President's rhetorical abrasiveness towards both North Korea and American regional allies also complicates efforts for peaceful dialogues. As laid out in President Trump's first NSS (2017), U.S. strategy appears to be shifting to a more adversarial and militaristic approach.⁷⁴

⁷⁰ Albert, Eleanor. "Understanding the China-North Korea Relationship." *Council on Foreign Relations*, Council on Foreign Relations, 28 March 2018, www.cfr.org/background/china-north-korea-relationship.

⁷¹ Chanlett-Avery, Emma. "North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation." *Current Politics and Economics of Northern and Western Asia*, vol. 21, no. 2, April 2012, pp. 151-179. *ProQuest*, <https://access-distant.sciences-po.fr/http/search.proquest.com/polcoll/index/docview/1707985829?accountid=13739s>

⁷² United States, *National Security Strategy* (2015)

⁷³ *Ibid.*

⁷⁴ "The United States is deploying a layered missile defense system focused on North Korea and Iran to defend our homeland against missile attacks." United States, *National Security Strategy of the United States of America* (2017), 4.

Russia Sanctions

Context

U.S. strategy towards Russia experienced a drastic reevaluation after the 2014 invasion of Ukraine's Crimean Peninsula. The first Obama administration was marked by warming relations with Russia, as evident in the ratification of the New Strategic Arms Reduction Treaty (START Treaty) and an emphasis on "mutual interests and mutual respect" to "build our cooperation with Russia" as given in the President's first NSS (2010).⁷⁵ Nevertheless, after Russia's illegal breach of Ukraine's sovereignty and its subsequent occupation of the Crimean Peninsula, both the U.S. and European Union implemented sanctions, targeted at visa restrictions, financial services, arms, energy, and defense industries.⁷⁶ In the years since the invasion and considering Russia's continued presence in the region, diplomatic tensions between Russia, the U.S. and Europe have created a global atmosphere of distrust and aggression.

This relationship was further agitated by alleged Russian interference in diplomatic electoral processes across the U.S. and Europe. In December 2016, shortly before leaving office, President Obama implemented additional sanctions against Russia for its role in meddling during the 2016 presidential election cycle. Congress continued to pursue sanctions action against Russia in July 2017, when it overwhelmingly passed a new bill in retaliation for "election hacking," at which point President Vladimir Putin ordered the evacuation of 755 U.S. diplomatic staff members from Russian posts.⁷⁷ President Trump has been critical of any action against Russia for its role in the U.S. 2016 elections, and although signing the additional sanctions into law in August 2017, deemed the bill "deeply flawed" and delayed its implementation.⁷⁸ Most recently, Russia has been accused of the "unlawful use of force... against the United Kingdom" and violations of international agreements on the use of chemical weapons as a result of its alleged poisoning of Sergei Skripal, a former Russian spy, within the sovereign territory of the United Kingdom.⁷⁹ In response, a global coalition expelled Russian diplomats around the world in condemnation of Russian actions.

Since the election of President Trump, the President has expressed desires for warming relations, despite Russia's continued international antagonism and disregard for the governmental sovereignty of the U.S. and its European allies. Since taking office the President has denounced Obama-era nuclear arms (New START) treaty and praised the authoritarian governance of President Putin. Further domestic complications for U.S. strategists include Special Counsel Robert Mueller's

⁷⁵ United States, *National Security Strategy* (2010), 11, 23.

⁷⁶ Price, Greg. "How U.S. and Russian Relations Got So Bad: A Timeline from 2014 to Present." *Newsweek*, NEWSWEEK LLC, 31 Aug. 2017, www.newsweek.com/russia-us-relations-timeline-658097.

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

⁷⁹ The Economist Intelligence Unit. "The attempted murder of Sergei Skripal: Britain's poisoned relationship with Russia" *The Economist*, *The Economist Newspaper Limited*, 15 Mar. 2018, <https://www.economist.com/news/leaders/21738882-and-why-prime-minister-has-go-after-russias-dirty-money-britains-poisoned-relationship>

investigation of President Trump's 2016 presidential campaign and alleged Russian interference in the election, most notably focusing on potential links or coordination between the Russian government and the Trump campaign. Such domestic and international tensions create a difficult environment in which to conduct strategy and implement an effective and tactical sanctions regime.

U.S. Interests

U.S. interests towards Russia historically centered on building mutual cooperation through nuclear nonproliferation. As another key actor with nuclear capabilities, building such cooperation serves not only U.S. security interests, but also safeguards against a wider spread of nuclear weapons. In his first NSS, President Obama identified Russia as a “21st century [center] of influence” and vowed to build greater cooperation to address challenges that require greater multilateral support.⁸⁰ However, after Russia’s invasion of Ukraine, President Obama’s second NSS reflected the shift in global context from an environment of cooperation to one of hostility. U.S. interests now reflect current global tensions and stress the need to build capacity to prevent conflict and advance energy security.⁸¹ Capacity building entails both domestic investment and international knowledge transfer to reinforce the economic and military strength of U.S. allies. Energy security is essential in countering the illegal actions taken by Russia in Ukraine, as European dependence on Russian natural gas and the willingness of Russia to use energy for political end is central to European and American risks in the region.

U.S. Objectives

U.S. interests are reflected in national objectives, as outlined in the Obama administration’s National Security Strategies. Central objectives for 2010 U.S. Russian strategy included working together to advance nonproliferation through shared reduction of nuclear arsenals and enforcement of international nuclear agreements; partnering to counter violent extremism, especially in Afghanistan; and pursuing new trade and investment agreements to boost prosperity in both nations.⁸² As discussed, strategic interests drastically shifted with the invasion Ukraine in 2014, as reflected in President Obama’s second National Security Strategy (2015). Clear objectives were delineated in an effort to address the Crimean Crisis, including the need to counter Russian aggression, maintain Ukrainian sovereignty, and prevent any additional violations of international law and communal norms.⁸³

⁸⁰ United States, *National Security Strategy* (2010), 11.

⁸¹ United States, *National Security Strategy* (2015); United States, *National Security Strategy of the United States of America* (2017).

⁸² United States, *National Security Strategy* (2010).

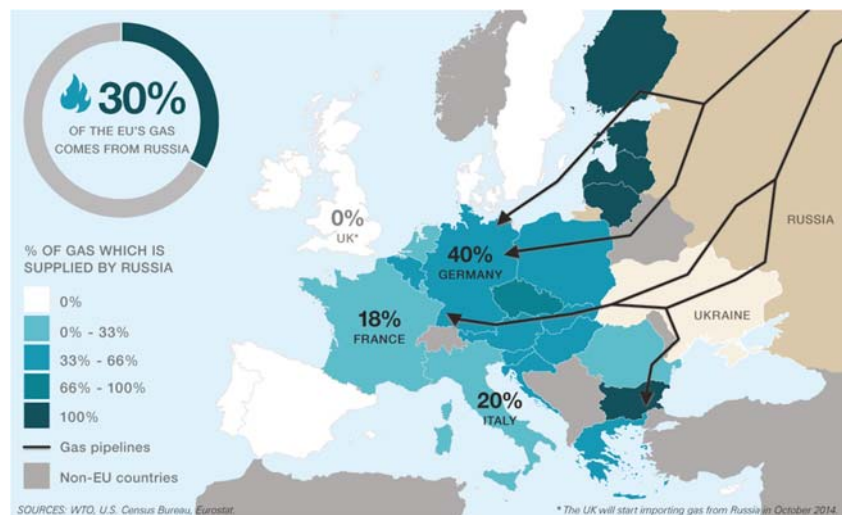
⁸³ United States, *National Security Strategy* (2015).

U.S. Strategy

U.S. strategy towards Russia is two-fold, encompassing both economic and military objectives. The U.S. is investing militarily in building capacity and increasing responsiveness of European allies through training and exercises, while establishing a dynamic presence in Central and Eastern Europe to deter further Russian aggression.⁸⁴ Establishing greater defenses and reinforcements in vulnerable areas creates an international “buffer” against any potential expansion efforts by Russia. Through shared military knowledge and the improvement of local capabilities, Central and Eastern European partners will create a greater sense of preemptive resistance, discouraging any additional Russian incursions.

It is also essential that U.S. strategy engages European allies in imposing economic sanctions to internationally condemn Russia’s action and prevent further expansion in Ukraine and the surrounding area.⁸⁵ Given the entangled links between the Russian and European economies, the EU’s corresponding sanctions harmonized the U.S. strategy, creating a comprehensive and truly effective sanctions program. Sanctions fail to have a substantial impact if the target country can rely on alternate trading sources as a replacement of the sanctioning market. It was EU’s sanctions, therefore, that ensured the desired effect of the sanctions in imposing real costs on President Putin and the Russian oligarchy.

Perhaps most vital to the U.S. sanctions strategy is establishing the balance between enforcing economic penalties on Russia that impact the country’s leadership while limiting risk to international markets.⁸⁶ Unlike Iran and North Korea, Russia is the largest economic power to have received U.S. sanctions, posing a



significant risk to global markets. To address this complication, the U.S. has refined its strategy to specifically target Russia's state-owned enterprises, limiting opportunities to raise capital in Western financial markets. As a major energy provider to Europe, Russian oil and gas is a particularly powerful source of State revenue, which has led American policy strategists to target Arctic, deep-water, and shale oil

⁸⁴ Ibid.

⁸⁵ Fishman, “Even smarter sanctions: How to fight in the era of economic warfare.”

⁸⁶ Ibid.

projects.⁸⁷ Such efforts have led to an estimated reduction of Russian GDP by 1-1.5 percent and is projected to cost up to 9% of GDP within five years.⁸⁸ Naturally, the 2014 worldwide plunge in oil prices affected Russian GDP, but the sanctions are largely considered a central factor in the economy's stagnant recovery.

These targets will most severely affect the government's most lucrative industries while attempting to safeguard the boarder international community from market disruptions. Under the Trump administration, sanctions have continued with the additional allegations of Russian interference in Western electoral processes. Although the U.S. "will keep the door open to greater collaboration with Russia in areas of common interest,"⁸⁹ the current sanctions will remain in place until Russia demonstrates concerted efforts to adjust its behavior on the international stage.

Conclusion

Evaluation and Policy Recommendations: Iran

The strategic approach to sanctions against Iran has had an initial positive result, insofar that President Obama's 2012 policy adjustment contributed to a local public opinion shift which provoked regime change in the election of moderate President Rouhani. With this regime change came Western rapprochement with the conclusion of the Iran Nuclear Deal, or JCPOA. As Iran takes the required steps laid out in the agreement to dismantle its nuclear capabilities, Western allies will gradually ease sanctions and begin to reopen the Iranian economy to global financial integration, in hopes that market integration will lead to greater diplomatic cooperation and eventual democratization.

However, the current U.S. political climate has recently placed the fate of the Iran deal into question. Many in the Trump administration, including National Security Advisor John Bolton, Secretary of State Michael Pompeo, and the president himself, have publicly rebuked the deal and expressed the desire to pull the U.S. out of the agreement. Not only does this threaten U.S. national security interests by hindering non-proliferation efforts, but it places the U.S. in weaker negotiating positions for future nuclear negotiations. Withdrawal from the Iran deal would undermine and delegitimize U.S. diplomacy, jeopardizing the trust of the international community in the U.S. ability to meet future obligations. Within Iran such a withdrawal would be even more impactful and may trigger internal political reaction, with a potential regression away from its progressive path of Western engagement.

Therefore, this strategic shift under President Trump not only backtracks on previous commitments, but is also in direct opposition to U.S. strategic interests. To maintain

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ United States, *National Security Strategy* (2015).

strategic dominance, the U.S. must continue to fulfil its obligations under the Iran deal and continue to monitor Iran non-proliferation efforts, making sanctions relief contingent upon compliance. Additional strategic recommendations for the administration would entail working directly with Iran and allies to bolster the deal with additional bilateral side agreements in an effort to appease American politicians who currently stand in opposition to the deal. It is vital to national interests that the U.S. restore its international legitimacy and maintain its obligations to the JCPOA.

Evaluation and Policy Recommendations: North Korea

The escalation on both sides of the Pacific have hindered diplomatic efforts to avoid a global nuclear threat. With the proposal for peace talks between North Korea, South Korea, and the U.S., many are optimistic that a summit may lead to eased relations. However, as outlined in the history of North Korean-U.S. relations, any future talks will be held in the context of many failed agreements and broken promises, and would likely only provide a starting point to a decades-long process. Fundamental differences exist between U.S. and North Korean interests and objectives with regard to nuclear weapons, which may obstruct any resolution to the conflict.

Recommendations for future North Korean strategy can be characterized by cautious optimism. No sanctions should be lifted, whether U.S. or multilateral, until independent international inspectors can verify active steps to eliminate a nuclear weapons program. If any multilateral summits are planned with the intension of discussing peace and non-proliferation, it is essential that the U.S. send a Special Envoy who is specialized in North Korean affairs, rather than a Head of State. Sending a Head of State to negotiations would only serve to appease the North Korean regime, lending it a sense of international legitimacy, and would prevent any meaningful progress on complicated and tense talks.

Given China is the main supplier of North Korea's food and energy products and accounts for more than 90 percent of North Korea's total trade volume,⁹⁰ it is also vital that U.S. strategy expand its scope and exert greater political pressure and diplomatic cooperation with China to wield influence over North Korea. Engaging China in multilateral sanctions would have a greater effect on the U.S. sanctions strategy, as North Korea would then lose its ability to substitute commerce lost through sanctions with Chinese trade. To implement this change, the U.S. must work to establish strong diplomatic relations with China and North Korea, which are both at stake through the President's instigation of trade wars and provocation of Kim Jong-un via "Twitter Diplomacy." Limiting these vulnerabilities will ensure stronger international partners in confronting North Korea.

⁹⁰ Albert, Eleanor. "Understanding the China-North Korea Relationship."

Evaluation and Policy Recommendations: Russia

Sanctions have not been effective in deterring Russian aggression, as Russian occupation in the Crimean Peninsula continues and Russia continues to meddle in political affairs of sovereign states across Europe and the U.S. Since its economic standoff with Western Europe in the wake of the Crimean Crisis, Russia firmly established its identity “in opposition to the West,” from which it can now craft a foreign policy narrative of Western intolerance that facilitates Russia’s continued outward aggression and secures its domestic support.⁹¹ In framing its identity as a liberator of Russian minorities against the brutal repression of the West, President Putin can ensure domestic support for his assertive foreign policy, despite the economic hardships experienced across the country. Therefore, not only have sanctions failed to reverse Russian behavior, but they have also provided President Putin with the support he needs to continue his aggressive conduct.

Nevertheless, Russia has ceased from taking further action, such as capturing more territory in eastern Ukraine, leveraging its military to establish a land bridge to Crimea, or overthrowing Kiev’s democratically elected government.⁹² This may therefore be a sign that sanctions were effective in barring additional aggression in the region. Further evidence of this theory is manifested in Russia’s de-escalation of its large-scale military offensives in response to the U.S. and EU’s threat of harsher sanctions in September 2014 and February 2015.⁹³

Strategic recommendations to strengthen U.S. sanctions against Russia involve multilateral engagement of international partners. It is essential to develop energy independence in Europe in order to maintain the EU’s efficacy in its Russian sanctions program. As a vital market for Russian fossil fuels,⁹⁴ the EU may eventually return to its dependence on Russia’s oil and gas industries, threatening the strength of its current sanctions. The U.S. must also develop strong diplomatic and trade relations with remaining BRIC countries to avoid expansion of Russian bloc of influence.

Sanctions Mechanisms: Suggestions for Improvement

In reviewing existing sanctions regimes implemented by the United States, it stands to note that the most effective sanctions serve to deter, rather than retaliate against, behavior found to be inconsistent with the norms set by the international community. In taking an approach of sanctions as a means of “economic warfare,” the U.S. may prepare a more robust sanctions infrastructure by establishing a permanent sanctions

⁹¹ Joao, Alexandre. “Russia’s Sanctions Narrative in the Ukrainian Crisis: Implications for the West.” [“La narrativa rusa sobre las sanciones en la crisis de Ucrania: Implicaciones para Occidente”]. *UNISCI Discussion Papers*, no. 43, Jan. 2017, pp. 89-104. EBSCOhost, doi:10.5209/RUNI.54782.

⁹² Fishman, “Even smarter sanctions: How to fight in the era of economic warfare.”

⁹³ Ibid.

⁹⁴ Joao, “Russia’s Sanctions Narrative in the Ukrainian Crisis: Implications for the West.”

contingency-planning system and strengthening defenses against sanctions set by other States.⁹⁵ Similar to military contingency-planning, a permanent sanctions framework would create a more comprehensive and flexible approach to economic confrontations.

To be more effective in achieving national interests, U.S. sanctions also must modernize its current implementation strategy. At present, sanctions are not designed or executed until after a crisis is already in progress, limiting opportunities for thoughtful reaction and planning. Consequently, sanctions are typically conceived in haste and are either inadequate in scope or too slow to deter violations from opposing States. Such hastiness also prevents consultation with allies and therefore inhibits the opportunity to provide an effective multilateral response. These sanctions are not only ineffective, but could actually prove to harm the U.S. and its allies with unintended future consequences. A permanent and modernized system for tracking potential crisis and implementing preventative sanctions is therefore a policy recommendation to adequately address the current archaic sanctions policy.

Current sanctions policy is often impulsive and employed too frequently. The U.S. is by far the most avid imposer of sanctions,⁹⁶ an approach which risks isolation and reciprocation from rival economies. Over-usage of sanctions can allow adversaries to learn U.S. tactics and adapt their policies in order to better counter economic penalties. An overreliance on sanctions may also result in allied fatigue and a reluctance to cooperate in multilateral repudiation, posing a threat to global collaboration and collective security.⁹⁷ Sanctions also expose the U.S. economy to market uncertainties and vulnerabilities, which could be devastating to U.S. consumer and the global financial system. In sum, sanctions regimes could be improved through moderate usage, modernization, and the creation of a permanent infrastructure to support economic relations with global partners as deterrence mechanisms rather than as retaliatory reactions.

⁹⁵ Fishman, “Even smarter sanctions: How to fight in the era of economic warfare.”

⁹⁶ Rarick, “Economic Sanctions: Failed Foreign Policy Tool and a Cost to American Business.”

⁹⁷ Fishman, “Even smarter sanctions: How to fight in the era of economic warfare.”

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Rising to the Challenge: Russia's Strategic Response to the EU & NATO's Balkan Expansion

Bettina Richman

Introduction

The EU and NATO have long promised Balkan nations a path toward Euro-Atlantic integration. Increasingly threatened by the West's actions in Kosovo and subsequent inclusion of the Baltic countries into the ranks of the EU and NATO, Russia is attempting to obstruct the Balkans potential inclusion in either body. Russia seeks to sustain energy dependence, maintain strong allies, and block democratic transitions in the Balkans in order to prevent countries from obtaining membership. This paper argues that Russia's tactics have changed following its invasions of Georgia and Ukraine in the past decade, and that the Balkans represent a natural next target for Russia to establish zones of instability, knowing the West will not integrate weak states into its institutions. Following several years of enlargement fatigue, however, there is evidence that the EU and NATO will put forth a renewed front against Russian incursions in the Balkans in the form of expansion and defense.

Existing Strategic Priorities in the Balkans

Western Integration & Investment

The EU and NATO have a number of strategies available to them when it comes to engagement with Balkan nations. The region's location bordering the southern and eastern flank of both international bodies means some degree of intervention is viewed as necessary to prevent any potential conflict from impacting EU or NATO member states. Disengagement may no longer be an option given many countries in the region are in a fragile, post-conflict state. Investment in the democratic transitions of the Balkans is at the crux of liberalism and security. If the EU and NATO were to deny countries' integration aspirations on the European continent, it would amount to discrimination and an abandonment of inclusive, rules-based global governance that has dominated U.S. and western European foreign policy since after World War II.

Though the US instigated NATO's military response in Kosovo, the Balkans today are of primary strategic importance to EU members and NATO's European contingent. Both NATO and the EU consistently claim to be supportive of Balkan nations joining their ranks. This is due to the West's desire to spread democracy, rule of law, and security across the European continent in an effort to promote stability in its neighborhood. In providing aspirant countries with the "carrot" of membership to a powerful military alliance or productive economic union, the EU and NATO offer a compelling combination of security and prosperity. In turn, robust relationships with Balkan nations also means an extra layer of defense for NATO against increasingly

antagonistic activities on its borders. The EU promotes stable neighboring economies, energy opportunities, and an expansion of European values such as with regard to human rights or climate change.

The most significant EU activity in the region is its effort to bring Balkan countries to a level of development and stability that would allow them to successfully join the EU. In service of promoting Balkan integration, the EU contributes hefty aid and development packages via its Instrument for Pre-Accession Assistance (IPA) and Eastern Neighborhood Policy (ENP). The IPA benefits primarily the Balkans and totals almost 12 billion Euro in finance, infrastructure, and public sector reform for the 2014 to 2020 period.⁹⁸ Further funding is also funnelled through the smaller-budgeted ENP, which focuses more on market accession and economic regulation and serves several nations in the EU neighborhood, not just the Balkans.

The relative budgets of both instruments demonstrate the mighty effort the EU has put into fostering the development of would-be members through the IPA versus the economic stability of would-be trade partners. However, not a single Balkan country has thus far been able to implement the IPA's lengthy list of regulatory reforms for prospective members. The EU has experienced a degree of enlargement fatigue after struggling to fully integrate some new members in Central and Eastern Europe, which spelled increased wariness in recent years to extend membership into the Balkans. Pre-accession negotiations are currently open with Serbia and Albania since 2014, and Macedonia since 2005.

Recently, NATO and its "open-door policy" has been more receptive to inviting new members than the EU. Its 2010 Strategic Concept reinforced the desire to expand: "...a Europe whole and free...would be best served by the eventual integration of all European countries that so desire into Euro-Atlantic structures."⁹⁹ Thus far in the Balkans, Albania, Croatia, and Montenegro have joined NATO. It likely helps that convincing citizens in most western European nations to accept a new member into a military alliance is an easier prospect than gaining their support to bear the perceived burden of inviting new members into the EU, which could have significant social and economic repercussions.

Renewal of Russian Geostrategy

Russia's relationship with the EU and NATO was not always antagonistic. The recent degeneration of relations between the actors and the resulting power struggle in the Balkans may have been difficult to predict, even after the Kosovo war (discussed later in this paper). The NATO-Russia Founding Act of 1997, the ongoing NATO-Russia Council, and Russian involvement in NATO's Partnership for Peace demonstrate the

⁹⁸ "EU Instrument for Pre-accession Assistance," European Commission, <https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en>

⁹⁹ NATO Strategic Concept (2010): 25.

possibility, just two decades ago, that Russia may choose to integrate into, rather than oppose, security and defense activities on the continent. Yet Russian President Vladimir Putin's re-imagination of Russian foreign policy, combined with his deeply held resentment of NATO for expanding eastward despite a decades-old (and potentially mythical)¹⁰⁰ promise not to has led Russia to disengage from its observer and partner status in NATO.

Russian strategic interests in the Balkans are more likely a prickly response to the expansion of Western political and military hegemony eastward than in service of clear-cut economic goals or dreams of resuscitating the Eastern Bloc. Geographically, the region is one of the last stretches of non-EU and NATO land on the European continent and is in Russia's perceived backyard. Russia aims to play an outsized role on the world stage than can be predicted by its military or economic might. Part of increasing its own influence has, in recent years, translated into pushing back against those it views as adversaries, which is primarily the U.S.-led NATO. This obsession with countering NATO is made clear in Russia's 2015 National Security Strategy, which bemoaned the alliance's contravention of international law and positioning of military infrastructure ever-closer to the Russian border.¹⁰¹ When NATO looked towards the Balkans for future members, so too did Russia direct its economic and political influence toward the region as a form of deterrence.

Russia also has historical and cultural ties with the Balkans worth mentioning insofar as they may help Putin rationalize meddling in the region. This is primarily related to the Balkans' communist past, regardless of the antagonistic relationship that existed between the former Soviet Union and ex-Yugoslav leader Josip Tito. Putin cannot realistically interfere in Balkan affairs in support of Russian linguistic minorities, as he often claims as pretext in the Baltics and Caucasus. However, there is some evidence to suggest that he does believe the region has a religious connection to Russia through its Orthodoxy in some locations, and that he is committed to the ideal of "Pan-Slavism."¹⁰² According to a 2017 report by Carnegie Europe, "...the historic popularity (Moscow) enjoys in the Western Balkans...is a convenient low-cost way to sustain Russia's image of a veritable world power..."¹⁰³ Therefore, one foot in the Balkans is, for Russia, another step up the ladder of its own global powerplay.

The Tipping Points

Expansion of the NATO Mandate in Kosovo

¹⁰⁰"NATO Enlargement and Russia: myths and realities." NATO Review (2015), <<https://www.nato.int/docu/review/2014/russia-ukraine-nato-crisis/nato-enlargement-russia/en/index.htm>>

¹⁰¹ Russia's National Security Strategy (2015): 4.

¹⁰²Yanov, Alexander. "The Birth of Pan-Slavism." Institute of Modern Russia, 19 Aug. 2013, <<https://imrussia.org/en/society/533-the-birth-of-pan-slavism>>

¹⁰³ Samorukov, Maxim. "Russia's Tactics in the Western Balkans." Carnegie Europe, 3 Nov. 2017, <<http://carnegieeurope.eu/strategieurope/74612>>

NATO's involvement into the Balkans is significant to Russian foreign policy not only in terms of its increasing members, but also an expansion of its military operations. The collective West was horrified by the war crimes being perpetrated in Serbia and chose to act via NATO to resolve the conflict, rather than work within existing multilateral structures that include Russia such as the Organization for Security and Cooperation in Europe (OSCE) or the United Nations (UN) Security Council. In an article directly afterwards for *Foreign Affairs*, former NATO Secretary General Javier Solana lauded NATO's decisive action to end the conflict in Kosovo and bring humanitarian assistance and stability to an area dangerously close to NATO. According to Solana, the intervention "...did not come out of the blue. It came about only after all diplomatic means had been exhausted" and every other mechanism from the OSCE to the UN to moderated negotiations had failed.¹⁰⁴

The war in Kosovo was a crucial turning point for Russia's Balkan strategy because Russia believed strongly that NATO acted outside its mandate. Serbia had not attacked a NATO member, therefore defense could not be claimed. Further, the chief reason for the alliance's military response was claimed to be humanitarian. NATO's actions in Kosovo led Russia to believe that the alliance stands ready to act directly in its neighborhood, therefore posing a larger threat to Russian interests than originally thought. The original NATO founding document from 1949 is relatively vague regarding countering threats outside the territorial boundaries of its member states. However, the 2010 Strategic Concept clarifies that NATO can and will act externally in these situations via its principle of "cooperative security."¹⁰⁵

NATO's actions in Kosovo also resulted in a crystallization of one of Russia's key foreign policy tenets: the belief that the UN is the chief final arbiter of international law and any sovereign activity outside its mandate and those of the Security Council, where it holds veto power, are illegitimate.¹⁰⁶ NATO's decision to enter Kosovo under the pretext of humanitarian intervention and its member states' subsequent recognition of Kosovo, calling the conflict "unique," showed a stunning lack of foresight.¹⁰⁷ These actions on the part of the West laid the groundwork for Russia's future defense of its extralegal activities in Georgia, Ukraine, and ultimately the Balkans.

Euro-Atlantic Integration of the Baltics

¹⁰⁴ Solana, Javier. "NATO's Success in Kosovo." *Foreign Affairs*, 1 Nov. 1999, <<https://www.foreignaffairs.com/articles/europe/1999-11-01/natos-success-kosovo>>

¹⁰⁵ NATO Strategic Concept (2010).

¹⁰⁶ "Getting to 'No' Why Russia Loves the Veto," PBS NewsHour, 26 Sep 2012. <<https://www.pbs.org/newshour/science/un-security-council-getting-to-no-why-russia-loves-the-veto>>

¹⁰⁷ Carpenter, Ted Galen. "How Kosovo Poisoned America's Relationship with Russia." *National Interest*, 19 May 2017, <<http://nationalinterest.org/feature/how-kosovo-poisoned-americas-relationship-russia-20755>>

In the decade following the Kosovo war, the EU and NATO each welcomed a number of Central and Eastern European countries into their fold that pushed their borders right up against Russia's western flank. The Baltic expansion led Russia to further prioritize the Balkans because it proved to Russia that NATO and the EU would continue to expand eastward. If Russia were to maintain any vestige of influence in its European neighborhood, it would have to take direct action instead of relying on the EU and NATO to abandon its expansionist policies.

During the first integration of former Warsaw Pact and Eastern Bloc countries in 1999 and then again through the first decade of the 2000s, both the EU and NATO claimed the expansion was in the service of promoting European security and economic unity and casting away cleavages that existed on the continent since the Yalta Conference carved it up following World War II. Russia, on the other hand, saw the moves, especially on the part of NATO, as inherently antagonistic: "To Russia... the meaning is clear: the alliance still view(ed) it as a potential enemy rather than a partner."¹⁰⁸

Over the past decade, NATO deployed fighter jets, ground troops, anti-ballistic missile infrastructure, and other military resources in the territories of newly joined members, many of which share air or sea borders with Russia. Threatened by the prospect of former allies, especially in the Baltics, leaping westward and NATO establishing a permanent military presence in its direct neighborhood, Russia's wariness of the alliance's expansion grew significantly during this period, as evidenced by a sharp uptick in Russian military spending after recovering from the 2008 global financial crisis (Figure 1).¹⁰⁹

Figure 1: Russia's Military Spending as % of GDP, 2000-2016

¹⁰⁸Myers, Steven Lee. "NATO Finally Arrives on Its Border, Russia Grumbles." The New York Times, 3 April 2004, <<https://www.nytimes.com/2004/04/03/world/as-nato-finally-arrives-on-its-border-russia-grumbles.html>>

¹⁰⁹ World Bank (2016).



World Bank (2016)

Following Russia's military interventions in Georgia in 2008 and Ukraine in 2014, NATO chose to increase its military posturing on the eastern flank, rather than de-escalate.¹¹⁰

When the EU and NATO fixed their gaze toward Southeastern Europe as a natural next source for new member countries, Russia balked at the prospect of a further consolidation of the western alliances that it views as inherently combative and threatening in its neighborhood.

Russia's Strategic Response

Cement Energy Dependence

Russia does not have the military or economic power of NATO or the EU. However, it has certain strengths that it uses to its advantage in order to prevent Balkan nations from following in the footsteps of the Baltics and joining ranks with either alliance. The possible absorption of the Balkans into the EU in particular also means they will ascribe to new economic norms that will favor westward integration over partnerships with Russia. Russia's economic involvement in the region is generally overstated and has gone down in the past two decades, especially as the price of its chief resource,

¹¹⁰ "Securing the Nordic-Baltic Region," NATO Review (2016): <https://www.nato.int/docu/review/2016/also-in-2016/security-baltic-defense-nato/EN/index.htm>

oil, has decreased.¹¹¹ Nonetheless, its strategy in the Balkans is to capitalize as much as possible on this energy advantage.

The essential example of this was the issue of Russia's proposed South Stream pipeline in 2014, which would have constituted a new pathway for Russian gas to get to Europe via the Balkans rather than Ukraine. The goal for Russia was twofold: maintain EU's energy reliance on Russia and help circumvent (and therefore destabilize) Ukraine as a transit country. The EU at the time supported the alternative Nabucco pipeline project, which would have decreased its dependency on Russian oil. The European Commission claimed South Stream would have violated EU competition law, as Russian gas giant Gazprom is state-owned and was aiming to control all Balkan pipelines.¹¹²

These days, Russia is attempting to revive South Stream, relying on alliances in Serbia and Hungary. As before, the EU remains opposed to over-reliance on Russian oil, and has threatened prospective members that their accession to the body may be hindered by engagement in economic partnerships such as these that oppose EU standards. The EU's opposition to Russian economic endeavors in the Balkans such as South Stream has exacerbated Russia's frustrations with the western alliances. However, its energy ambitions go beyond multi-country pipelines. Russia invests heavily bilaterally in Balkan energy sectors, such as NIS in Serbia and several oil refineries in Bosnia.¹¹³ This means Russia could effectively disrupt either country's energy supply should it choose to integrate in the EU or NATO; a strategy also pursued at the outset of the conflict with Ukraine.

Maintain Alliances

One of Russia's best defenses against NATO and EU enlargement is its continued alliances with those who have demonstrated distaste or neutrality in the face of prospective Euro-Atlantic integration. Serbia is by far Russia's closest friend in the region, a vestige of history. Its support for the Balkan nation stretches back to the 1800s, when Serbia declared itself independent from the Ottoman empire. Russia's support of Serbia during the war with Kosovo is an essential element of Serbia's sympathetic stance toward Russia today, despite the reality that the EU funnels significantly more trade, aid, and FDI into the country (Figure 2).¹¹⁴

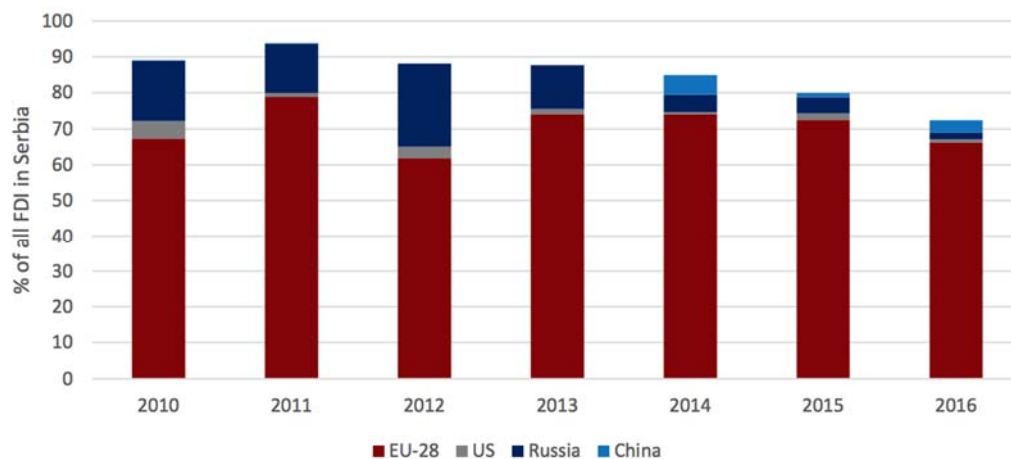
¹¹¹ Samorukov (2017).

¹¹² "Demise of South Stream big setback for Putin." Financial Times, 2 Dec. 2014, <<https://www.ft.com/content/a373c75e-7a17-11e4-8958-00144feabdc0>>

¹¹³ Samorukov (2017).

¹¹⁴ "Serbia's cooperation with China, the European Union, Russia and the United States of America." European

Figure 2: FDI in Serbia



European Parliament (2017)

Serbia vacillates between pro-European, pro-Russian, and neutral stances, but overall can be argued to have found a better political friend in Putin than in the West, which has dangled EU accession over its head for more than a decade. President Aleksander Vucic claims to be both pro-EU and pro-Moscow. However, in 2017, only 47% of surveyed Serbs were in favor of EU accession.¹¹⁵ Serbia does not take part in the EU's sanctions program against Russia; is an observer in Russia's Eurasian response to NATO, the Collective Security Treaty Organization (CSTO); it also purchases arms from and participates in military exercises with Russia.

NATO and the EU's inability to integrate Serbia westward, combined with an ambivalent population regarding east versus west dynamics, means Russia found fertile ground for asserting its influence. Russia supports its far-right Serbian Radical Party, which won 22 seats in Parliament in 2016. In 2014, Gazprom suddenly slashed natural gas imports into Serbia, destabilizing the country and proving its power over the energy sector. Strong ties between Serbian and Russian elites maintain a system of powerful and connected oligarchs.¹¹⁶ It remains to be seen whether Serbia will maintain its neutral stance. The EU and NATO will also have to consider whether inviting a pro-Russian state into the their folds is something they can contend with.

Encourage Instability

When a country integrates into NATO, it is offered the ultimate defense: Article 5 of the alliance's treaty, which claims an attack on one is an attack on all. Russia has thus far avoided direct military intervention in EU or NATO member states, as it rationally does not seek an all-out confrontation with the collective West. In countries that are

Parliament (2017): 31.

¹¹⁵"47% of Citizens support Serbian Membership to the EU." European Western Balkans, 2 June 2017, <<https://europeanwesternbalkans.com/2017/02/06/47-of-citizens-support-serbian-membership-to-the-eu/>>

¹¹⁶Conley, Heather K. et al. "The Kremlin Playbook." Center for Strategic & International Studies, 13 Oct. 2016, <<https://www.csis.org/analysis/kremlin-playbook?block1>>: 59-61

candidates for Euro-Atlantic integration, Russia has three strategic options for asserting its influence and reversing the country's westward aspirations. In the aforementioned case of Serbia, Russia does not have to shy away from asserting its influence as there already exists a population and political system that is sympathetic to Russian involvement. Alternatively, Russia can put forth an expensive and risky military invasion and gamble on a shaky Western response, as in the case of Ukraine and Georgia. Finally, it can foment instability via small, targeted interventions in a country's political, social, or economic spheres. The last option is the recent strategy of choice for Russia in the Balkans, as most target countries have expressed unwavering preference for Euro-Atlantic integration over an alliance with Russia.

As described in the Center for Strategic and International Studies' 2016 report on the "Kremlin Playbook," this inexpensive, covert, yet wide-reaching method for undermining a country's democratic transition, called the "unvirtuous cycle," breaks down institutions until Russian influence is more easily absorbed (Figure 3). The study included only one Balkan nation, Serbia, but the authors hypothesize that in general, state capture is possible if more than 12% GDP is connected to Russia.¹¹⁷ Russia knows neither NATO nor the EU will accept a state with rampant corruption and political instability. Russian meddling achieves its goal either when there is change of opinion among the populace and/or political system regarding the country's direction, or if the EU or NATO decide not to extend membership to an unstable Balkan nation.

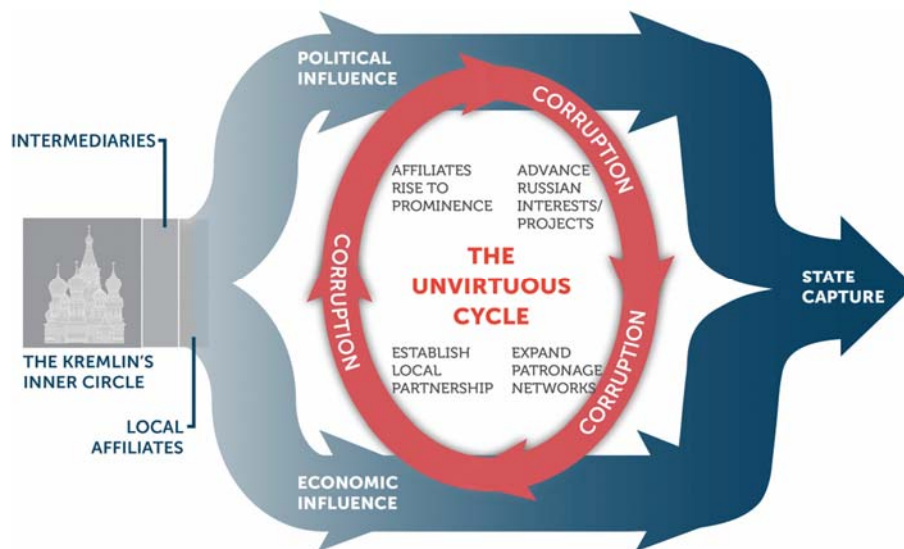
One recent example was Russia's furious response to Montenegro's NATO accession, which began in 2015 and culminated in 2017. Russia knew it had no chance of quickly influencing the population or mainstream politicians in Montenegro to reverse course. However, in 2016, over 30% of foreign direct investment in Montenegro was Russian, and it therefore had enough of an economic influence among elites to have a chance at success.¹¹⁸ Montenegro also recently witnessed a rise in pro-Russian propaganda in media in the leadup to its NATO accession.¹¹⁹ In a last-ditch attempt to encourage discord, Russia conceived of an attempt to murder the prime minister and insert a pro-Russian opposition party into power, which may have amounted to a degree of political instability unacceptable to NATO. The plan was ultimately foiled.

Figure 3: "The Unvirtuous Cycle: Channels of Russian Influence"

¹¹⁷ Conley, Heather K. et al.: 18

¹¹⁸ Andelkovic, Katarina. "Assessing Russia's Economic Footprint in the Western Balkans." European Western Balkans, 3 August 2018, <<https://europeanwesternbalkans.com/2018/03/08/assessing-russias-economic-footprint-western-balkans/>>

¹¹⁹ Tomovic, Dusica. "Pro-Russian Montenegrins Publish New Anti-Western Media." Balkan Insight, 18 October 2017, <<http://www.balkaninsight.com/en/article/pro-russian-montenegrins-publish-new-anti-western-media-10-17-2017>>



CSIS: The Kremlin Playbook (2016)

Amid recent reports that NATO is seriously considering extending membership to Macedonia, Russia is currently proving itself willing to capitalize on political discord in there in the hopes of a more successful obstruction to the alliance's enlargement. As in Serbia and Montenegro, there is evidence of Russia supporting pro-Russian fringe political grouping.¹²⁰ Russia's already hefty propaganda presence in the Balkans, often fueled by Russian media, is well-documented in Macedonia.¹²¹ Combined with long-standing intelligence and economic involvement in the small Balkan nation, Russia is setting itself up for another non-military obstruction to NATO.

Battle for the Balkans

Post-Ukraine European Order

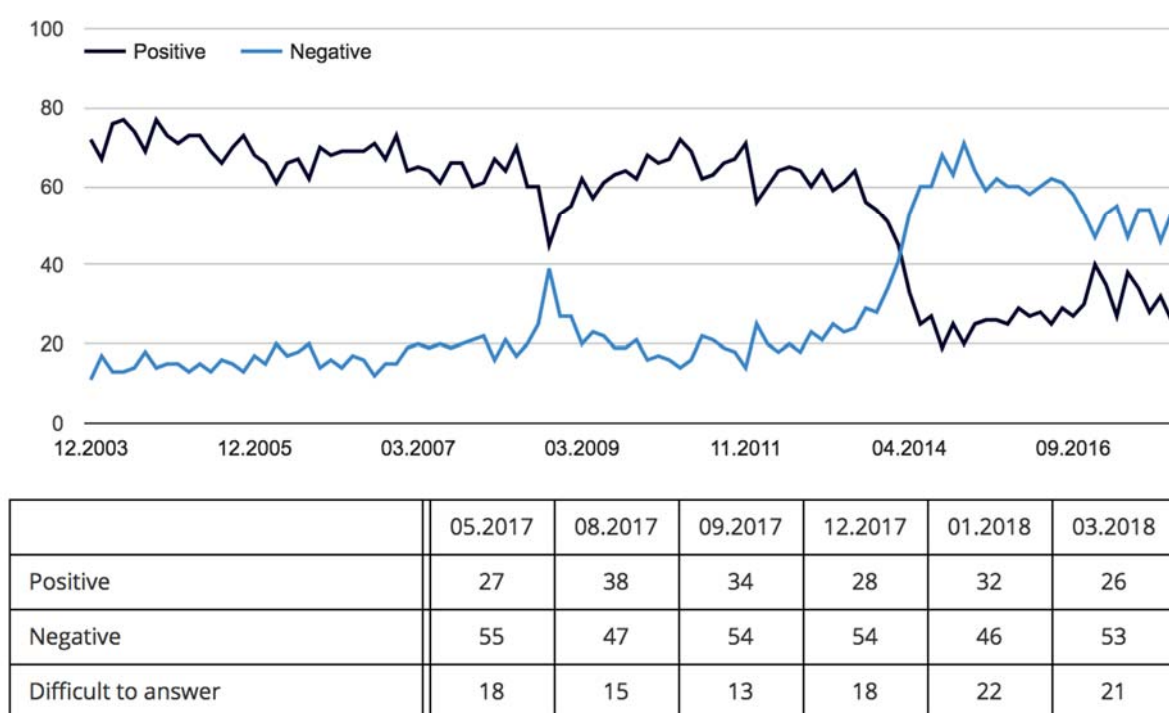
Thus far Russia' strategic response to EU and NATO expansion into the Balkans has been to sow domestic discord by swaying public opinion, establishing economic dependencies, and disrupting democratic developments. A shuffling of political and economic disagreements and alliances and even subversive attempts to confound EU and NATO enlargement are not new methods for Russia in its attempts to expand its influence into the Balkans. However, the Western alliance must now contend with Putin's brash disregard for territorial sovereignty in service of propping up pro-Russian groups and obstructing Euro-Atlantic integration.

¹²⁰Rettman, Andrew. "NATO prepares to take in Macedonia." EU Observer, 18 January 2018. <<https://euobserver.com/enlargement/140616>>

¹²¹Harding, Luke et al. "Russia actively stoking discord in Macedonia since 2008, intel files say." The Guardian, 4 June 2017, <<https://www.theguardian.com/world/2017/jun/04/russia-actively-stoking-discord-in-macedonia-since-2008-intel-files-say-leak-kremlin-balkan-nato-west-influence>>

Of the four recognized NATO aspirant countries-- Bosnia-Herzegovina (Bosnia), Georgia, Macedonia, and Ukraine-- Russia has staged wars and now sustains frozen or almost-frozen conflicts in two. The Kremlin's decisions to invade Georgia in 2008 and Ukraine in 2014 were timed directly after NATO's Bucharest Summit laying out a future for Georgian membership and Ukraine signing an association agreement with the EU. NATO and the EU's weak response to Russian aggression in sovereign territories of future members has only heightened the prospects of similar activities in the Balkans. Russia is aware of NATO and the EU's weak stance on self-determination and foreign intervention following the Kosovo precedent. Thanks to an impressive propaganda campaign spinning the Ukrainian war against the West, Moscow is likely to enjoy healthy public support for a continuation of its actions countering EU or NATO encroachment in its backyard. For example, anti-EU sentiment increased significantly following Russia's invasion of Ukraine in 2014 (Figure 4).¹²²

Figure 4: Attitude towards the EU in Russia



Levada (2016)

¹²² Levada Center Public Opinion Surveys (2017). <<https://www.levada.ru/en/ratings/>>

Trouble in Bosnia

If a situation similar to Ukraine or Georgia is to play out in the Balkans, where a majority of countries are in favor of Euro-Atlantic integration, it is likely to occur in Bosnia. Russia is currently increasing its support for Milorad Dodik, the outspoken secessionist leader of Bosnia's predominately ethnically Serb region, Republika Srpska (RS). Last year, Dodik passed a resolution proclaiming RS's military neutrality, effectively obstructing Bosnia's efforts to join NATO. RS's status as a pro-independence, pro-Russian leaning region in an only loosely coherent Bosnia means it could be ripe ground for Russian involvement.

Russia invests in RS oil refineries to help maintain energy dominance in the region. However, its support for Dodik is more likely to be political and social in nature, as Russia is unlikely to funnel significant resources into a relatively unimportant economic location.¹²³ For example, it recently erected a new "Russian-Serbian Religious and Cultural Centre" in the RS capital of Banja Luka. Putin also supports Dodik's controversial and revisionists perspectives on ethnic cleansing during Bosnia's war.¹²⁴ The prospects for Bosnia's territorial, political, and military integrity are grim when this is considered alongside recent news that Russia is supporting Dodik's new paramilitary force, the "Serbian Honour."¹²⁵

It is in Russia's strategic interest to support the creation of illegitimate statelets that prevent their wider nations from accessing into NATO or the EU, which place a high importance on countries demonstrating political stability and control over their own borders. If it is to get involved in another expensive separatist conflict as in Ukraine or Georgia, the likelihood of immediate obstruction of Euro-Atlantic integration is higher than simply building up energy pipelines or propping up anti-establishment political parties, as in Montenegro or Macedonia.

In the case of Bosnia, Russia must consider a delicate balance of risks and rewards. Bosnia may be home to the most easily-supported separatist movement in the Balkans, but it is also not necessarily next on either EU nor NATO's list for immediate accession. It could also constitute the "last straw" for the West, which is fully aware of its weak response to the previous two sovereign invasions. Finally, Russian involvement can also backfire into an accelerated Euro-Atlantic integration roadmap. For example, NATO has recently renewed its efforts to offer a membership plan for Ukraine. In April 2017, 47% of Ukrainians were in favor of NATO integration, up from 34% directly prior to Russia's intervention in 2014.¹²⁶

¹²³ Samorukov (2017).

¹²⁴ Kovacevic, Danijel. "Putin-Dodik Comradeship Causes Uncertainty for Bosnia, Balkan Insight, 8 June 2017, <<http://www.balkaninsight.com/en/article/putin-dodik-comradeship-causes-uncertainty-for-bosnia-06-07-2017>>

¹²⁵ Borger, Julia. "Russian-trained mercenaries back Bosnia's Serb separatists." The Guardian, 12 Jan. 2018, <<https://www.theguardian.com/world/2018/jan/12/russian-trained-mercenaries-back-bosnias-serb-separatists>>

¹²⁶ Pifer, Steven. "How Ukraine Views Russia and the West." Brookings, 18 October 2017, <<https://www.brookings.edu/blog/order-from-chaos/2017/10/18/how-ukraine-views-russia-and-the-west/>>

Evolution of EU & NATO Strategy

After a decade of enlargement fatigue, there is some evidence to suggest that Russia will face renewed efforts on the part of the EU to absorb the Balkans. This year, the EU released a new strategy for the Western Balkans, claiming Serbia and Montenegro will likely be members by 2025, and reinforcing its support for Bosnia, Kosovo, and Macedonia's future membership. While this statement of support is more than the Balkans have received in recent years, the document does not claim its standards for accession will lower at any point.¹²⁷

The EU's increasingly security-centric tone is likely partially in response to Russia's recent combativeness, whether in Eastern Europe, cyberspace, or elsewhere. The 2016 EU Global Strategy suggests NATO and the EU have more in common than originally conceived. A joint European Council - NATO declaration in 2016 raised concerns about the "unprecedented challenges emanating from the South and East" and announced a new "mutually reinforcing" strategy to affirm these neighbors' "sovereignty, territorial integrity...independence.. (and) reform efforts."¹²⁸ A 2017 Eurobarometer survey revealed citizens are generally in support of this increased atmosphere of securitization, with 55% of EU citizens to be in favor of creating a common EU army.¹²⁹ At the same time, citizens in NATO member states are hesitant to support NATO's fundamental purpose, that of collective defense, in the case of an attack by Russia (Figure 5).¹³⁰

Figure 5: Support for NATO Article V

¹²⁷"EU-Western Balkans Strategy: a credible enlargement." European Commission, 6 Feb. 2018, <https://ec.europa.eu/commission/publications/eu-western-balkans-strategy-credible-enlargement-perspective_en>: 3

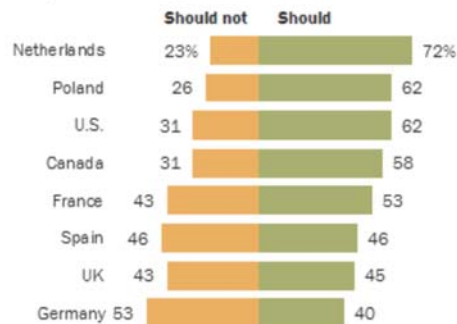
¹²⁸ EU-NATO Joint Declaration, Warsaw, 8 July 2016: 1

¹²⁹ Special Eurobarometer 461: Designing Europe's Future: Security and Defense. European Commission Report (2017): 17.

¹³⁰Stokes, Bruce. "NATO's Image Improves on Both Sides of Atlantic." Pew Research Center, 23 May 2017, <<http://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/>>

Divisions within NATO on defending an alliance ally

If Russia got into a serious military conflict with one of its neighboring countries that is our NATO ally, do you think our country should or should not use military force to defend that country?



Source: Spring 2017 Global Attitudes Survey, Q18.

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A logical assumption may therefore be that support for including those countries most at-risk for a Russian incursion is limited. In light of this inclination, NATO and the EU will have to clarify whether their support is given via extending Balkan states membership or rather acting extraterritorially in its neighborhood, as was the case during the Kosovo war.

Conclusion

The EU and NATO have funneled funding and promises into the Balkans while Russia, threatened by the West's actions in Kosovo and Eastern Europe, utilizes more targeted interventions in Balkan nations to discourage or obstruct their Euro-Atlantic integration.

Neither the EU nor NATO seem to be decreasing their rule of law, democratic, or other standards to quickly absorb countries at risk of Russian retaliation, though both are aware of the increasing security relevance of the Balkans and claim their doors remain open. For its part, Russia will maintain its alliance with Serbia and its meddling in Macedonia as well as other states in the region to counter their westward integration. To effectively stave off a potential re-enactment of Ukraine or Georgia in the Balkans, the EU and NATO must clarify their stances on self-determination and territorial sovereignty in their neighborhood, and determine how further Russian incursions into the Balkans will be countered.

In recognition of Russia's attempts at state capture in the Balkans via entrenched economic dependencies, the EU and NATO might focus more on expanding financial intelligence systems in the Balkans and anti-corruption efforts.¹³¹ This will have the added benefit of making the countries more stable and self-sufficient future member

¹³¹ Conley, Heather K. et al.: 32

states. The EU and NATO must also consider how increased Chinese involvement in the Balkans (for example the new “One Belt One Road” initiative) may alter their policy toward enlargement. In turn, Russia’s strategic priorities in the Balkans may shift in light of economic competition from China and Balkan commitment to financial transparency.

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NATO's Eastern Strategy: Conceptual strengths, capability shortfalls, and political uncertainty

Jackson Webster

Introduction

The beginning of hostilities in Eastern Ukraine and Crimea in the Spring of 2014 represented a turning point for the North Atlantic Treaty Organization (NATO). The Alliance was forced to reconsider the possibility of a powerful, conventional state actor as a threat to territorial integrity. The annexation of the Crimean Peninsula posed a direct challenge to the norm of state sovereignty, and furthermore the state in question, Ukraine, was already deeply involved in dialogues on partnership with the European Union (EU) as well as future accession to NATO.

The techniques used by Russia to annex Crimea —exacerbation and exploitation of russophone minorities, rhetoric of the “responsibility to protect”, disinformation campaigns, clandestine forces, and cyber warfare— were perceived as a threat to any of Russia’s neighbors with demographics similar to those in Ukraine. NATO’s Baltic member-states are all former Soviet Republics, and all have significant russophone minorities. The possibility of Moscow taking advantage of a geopolitical crisis to make land grabs along its Western frontier became a real possibility. NATO began to realize it no longer possessed the capability or force structure to contain such a threat.

From 2014-2016, the Alliance developed the Enhanced Forward Presence (EFP) concept, led by US Secretary of Defense Robert Gates and the Obama Administration. The concept, adopted officially at the Warsaw Summit in July 2016, envisions a small force of NATO troops deployed to the the Baltic States and Poland as a ‘trip wire’ for Russian aggression. The presence of these troops would deter Moscow from violating Baltic States’ sovereignty, as the Kremlin would be aware that American, British, Canadian, German, French, and other alliance forces would likely be caught in the action. Aside from the battlefield consequences of these forces’ presence, they would additionally serve to reassure NATO’s eastern member-states by giving other allies “skin in the game” in the Baltics, compelling Washington, Berlin, London, and Paris to action in the event of a crisis.

Despite consensus on this limited deployment due to the exceptional circumstances following the Ukrainian crisis, some commentators have called into question the efficacy and viability of the EFP. The deployment is viewed by some as too aggressive towards Moscow, and by others as a misplaced priority given the instability on the Alliance’s southern flank. A third critique revolves around the real ability of the Alliance—in particular its European pillar— to follow-up on an invocation of Article V with significant, well-supplied, lethal forces.

My discussion will follow three axes. The first will lay out the concepts of the “trip wire”, the Enhanced Forward Presence, and Follow-On Forces. The second will discuss the

capability shortfalls the Alliance faces in executing these concepts. The final section will discuss the political divisions within NATO which could hinder the Alliance's response in the event of a crisis.

NATO's Eastern Strategy

Before the Ukrainian Crisis, NATO did not have a discernible 'eastern strategy'. The 2010 NATO Strategic Concept, drafted on the heels of the signing of the Lisbon Treaty on the European Union, envisioned an innovative NATO which could justify its continued existence in two ways: being the collective conventional defense pillar of the European Union, and combating emerging threats such as regional instability, nuclear missile proliferation, and cyber attacks.¹³² At the time, the most important operation for NATO at the time was the International Security Assistance Force (ISAF), the NATO-led continuation of Operation Enduring Freedom in Afghanistan. This kind of out-of-theater peacekeeping and capacity building operation was exactly the kind of mission NATO envisioned itself focusing on for the foreseeable future. By this point, the Kremlin's rhetoric on NATO had already soured following Vladimir Putin's 2007 Munich Security Conference speech and the 2008 NATO summit's discussion of Ukrainian and Georgian accession. However, official NATO documents were still positive, with the allies committing "to reinforce cooperation with Russia." Immediately after this, however, the official 2010 communiqué reiterates that NATO is keeping "the door firmly open to membership in NATO to European democracies."¹³³

2014 represented a significant turning point for the Alliance, and for Europe's geopolitical situation more broadly. Even after the Russo-Georgian conflict of 2008, the Alliance generally did not consider Russia to pose a credible threat to European territorial sovereignty. The annexation of Crimea in March 2014, however, showed that Russia was willing and able to use a combination of force and political manoeuvres to seize her neighbors' territory in times of crisis.

Two concrete threats to member-state sovereignty have been identified and addressed by NATO posturing, notably following the 2016 Warsaw Summit. The first is the threat of so-called "hybrid warfare", what RAND analysts have also referred to as the "middle range of military operations".¹³⁴ Hybrid techniques can be categorized into three distinct actions: "nonviolent subversion, covert violent actions, and conventional warfare supported by subversion".¹³⁵ Hybrid warfare involves one or more of these techniques used to throw an adversary off balance, and can be carried out by special forces, cyber forces, local proxies, or conventional units. Allies fear Russia will leverage Baltic States' russophone populations, particularly in Estonia

¹³² https://www.nato.int/cps/en/natohq/news_68172.htm

¹³³ Ibid.

¹³⁴ See: Johnson, David, "Military Capabilities for Hybrid War: Insights from the Israel Defense Forces in Lebanon and Gaza", *RAND*, 2010, pg 5-6.

¹³⁵ Radin, "Hybrid Warfare in the Baltics", pg. vii.

around the city of Narva, using “responsibility to protect” discourse as a pretext for covert or overt intervention, as was done in Crimea in 2014.

Russia exercises its Western Military District every four years, and the most recent Zapad (Запад, meaning “West”) in 2017 provoked much discussion in the Baltics and in Western defense communities in general. Zapad saw massive amounts of equipment mobilized, well above OSCE observation requirements, across the breadth Russian territory, beginning in Belarus with special forces and counter-insurgency (COIN) activities and continuing all the way to simulated “de-escalatory” tactical nuclear strikes.¹³⁶ One of the more interesting additions from Zapad 2013 was the COIN operation in Belarus against imagined opposing forces (OPFOR). The forces’ name resembles Baltic linguistic characteristics (“Viejšnoryja”), and was written in the Latin alphabet. “Viejšnoryjan” forces were positioned in Belarus’s typically opposition-leaning districts historically belonging to Lithuania.¹³⁷ These aspects inevitably spooked some Baltic military planners and citizens. In a broader sense, fear of Russian aggression following large exercises is well-founded. The same *Spetsnaz* and *VDV* units which participated in the annexation of Crimea exercised similar manoeuvres together in Zapad 2013.¹³⁸

To combat this threat, NATO has created two new mechanisms and repurposed an existing one. The first mechanism is the Enhanced Forward Presence (EFP). This consists of 4,500 troops stationed in brigade-sized elements (around 1,000 strong per posting) in Estonia, Latvia, Lithuania and Poland. The deployments are each led by a different member-state —United States in Poland, United Kingdom in Estonia, Canada in Latvia, and Germany in Lithuania— and are formed of troops from as many NATO member-states as possible. The deployments are rotational, and each rotation will create a different mix of contributing nations. The formations in the three Baltic States are infantry-heavy, and are designed to augment local capabilities with heavy weaponry such as anti-tank guided missiles (ATGMs), anti-air weapons (AA), and artillery. The US deployment in Poland has, on recent rotations, included sizable compliments of M1A2 Abrams main battle tanks (MBT).¹³⁹ The Abrams are meant to assuage Polish fears of an attack across the flat lands around the “Suwałki Gap”, a 30km-long stretch of land between Belarus and the Russian enclave of Kaliningrad which, if taken, could encircle NATO forces in the Baltic States.¹⁴⁰

The second mechanism is the Very-High-Readiness Joint Task Force (VJTF), established at the Wales Summit in 2014. In the immediate wake of instability in Ukraine and the annexation by Russia of the Crimean Peninsula, a consensus

¹³⁶ See: Sutaygin, “RDS Special: Formations and Units involved in ‘Zapad-2017’ Russian-Belarusian strategic exercises”, *RUSI Defence Systems*, 6 October 2017; Kofman, “What Really Happened during Zapad 2017”, 2017.

¹³⁷ See: Melyantsou, Dzianis, “Zapad-2017 : the case of ‘Vejšnoria’”, *Observatoire International du Religieux, Sciences Po*, September 2017.

¹³⁸ Jankowski, “The Danger of Russian Military Exercises”, 2017.

¹³⁹ Dempsey, “NATO’s Eastern Flank and its Future Relationship With Russia”, 2017.

¹⁴⁰ McLeary, “Meet the New Fulda Gap”, 2015.

emerged at Wales that existing NATO response forces were kept at less-than-adequate levels of readiness, and that a force capable of response within 10 days. The force is 5,000 strong, with Danish, British, and Polish infantry as its main manoeuvre units, backed by Spanish light infantry and US air-mobile and ISR assets.¹⁴¹

The repurposed concept is the NATO Response Force (NRF), created in 2002 as a part of NATO's post-Cold War shift towards out-of-theater stabilization operations. The force is headquartered in both Brunssum, Netherlands, and Naples, Italy, and has two components. The Initial Follow on Forces (FoF), which deploy within 5-10 days, followed by the much larger Response Forces Pool (RFP) and a division-level mobile headquarters deployable within 30 days, and includes multinational formations such as the Eurocorps.¹⁴² The NRF is augmented by contributions from non-member partner nations, including Sweden, Finland, Ukraine, and Georgia.¹⁴³

The VJTF has, as of 2017, been fully integrated into the NRF command and control (C2) structure. This allows a single NATO 3-star C2 staff to oversee all aspects of a NATO response, from the initial crisis response and logistical concerns, all the way up the escalatory ladder to a conventional division-sized action.¹⁴⁴

Conceptual Strength

NATO's deterrence posture on the eastern flank is conceptually sound. The EFP reassures Baltic allies and provides an opportunity to increase interoperability. Its lead nation structure ensures that Western European and North American allies would be drawn into any conflict in the region, often called the 'trip wire', a crucial aspect of a credible deterrent. The trip wire compliments Article V, sending a strong signal to Russia that the costs of miscalculation in the Baltics would be unacceptably high. Additionally, the rotational nature of its forces ensure that NATO is not in violation of the NATO-Russia Founding Act, which dictates that forces cannot be permanently stationed on former Warsaw Pact territory. The force's size send a clear message that it is indeed purely defensive. 4,500 troops, mainly composed of mechanized infantry, would be unable to undertake offensive operations in a theater where the opposing force regularly exercises with upwards of 40,000 troops.¹⁴⁵

The trip wire concept has been integrated with Baltic States' defense postures, which rely on large National Guard units to be levied via public broadcasting systems in the

¹⁴¹ McGuire (Captain GB), "NATO VJTF (L) 2017: an analysis", 2017.

¹⁴² <https://shape.nato.int/nato-response-force--very-high-readiness-joint-task-force>

¹⁴³ https://www.nato.int/cps/en/natolive/news_104086.htm ; <http://mfa.gov.ua/en/about-ukraine/euroatlantic-cooperation/ukraine-nato>

¹⁴⁴ McGuire (Captain GB), "VJTF Land 2017: an analysis", 2017.

¹⁴⁵ Oliphant, "Russia 'simulated a nuclear strike' against Sweden, Nato admits", *Telegraph*, February 2016; 'snap' exercises in the Baltic involved more than 100,000 troops including Tu-22M supersonic strategic bombers.

event of invasion. Baltic units train in forrest warfare along with NATO EFP infantry, and would attempt to harass an invading force to delay it until NRF and FoF arrive in-theater.

Russia is acutely aware of this strategy. During Zapad 2017, a Russian signals intelligence vessel was briefly spotted off the coast of Lithuania, and during the same two hours, the Lithuanian public broadcasting system used to activate the National Guard was inoperable. Since the Obama Administration launched the European Reassurance Initiative (ERI), Russia has begun to bolster its forces in the Kaliningrad exclave. In particular, Moscow has focused on Anti-Access/Area Denial (A2/AD) capabilities. These types of equipment, notably advanced radar and surface-to-air missiles (SAMs) such as the S-400, are meant to “deny” an opposing force access to the battle space. Given current knowledge of the S-400’s capabilities, multiple Polish Air Force bases would be in range of Kaliningrad’s A2/AD bubble, effectively grounding half of Poland’s strike aircraft in the event of a conflict. To counter the Russian Naval presence in the region and ensure access for NATO forces to the Baltic theater, Washington has recently reactivated the Second Fleet, the force based out of Norfolk Virginia which was responsible for Soviet submarine hunting during the Cold War.¹⁴⁶

Insufficient Conventional Capabilities

While the trip wire EFP is conceptually sound, in reality its execution would be complicated by logistical, geographic, and readiness concerns. The crucial involvement of North American forces is an important political step, especially given the reticence of some nations to participate in the EFP at all. Establishing these forces was no small feat given previous disunity between allies on the vulnerability of the eastern flank, even following the annexation of Crimean Peninsula.¹⁴⁷ However, the bulk of North American forces are not located on the European Continent, particularly since the American land-based drawdown in Europe following the dissolution of the Soviet Union. The Obama administration’s European Reassurance Initiative brought US forces back to Central Europe, and this has continued under the current administration, but the first responders in any crisis in the Balkans would need to include, in some shape or form, significant European conventional ground forces. Getting these forces to the Baltics however is easier said than done. Many of the agreements allowing for the swift movement of forces across Europe we allowed to expire following the Cold War.¹⁴⁸ The EU’s Permanent and Structured Cooperation (PESCO) initiative has made achieving a “military Schengen Zone” as a goal, however some analysts have argued that PESCO’s ‘inclusive’ composition have revealed serious strategic divergences between France and Germany, not to mention Southern

¹⁴⁶ “US Navy resurrects Second Fleet in Atlantic to counter Russia”, *BBC News*, 5 May 2018.

¹⁴⁷ Dempsey, “NATO’s Eastern Flank and its Future Relationship with Russia”, 2017, pg. 5-6.

¹⁴⁸ Ibid.

European allies who simply do not view Russia as a threat, complicating the implementation of the ambitious concept.¹⁴⁹

NATO's C2 structure has never been tested to its operational limits. NATO High Readiness Forces (HRF) are commanded from nine land, three maritime, and five air headquarters littered around Europe, each of which can theoretically command 15,000-60,000 troops. NATO designed the structure to be able to carry out two major and six minor operations simultaneously, however it has never been tested at more than one major and three minor operations at once.¹⁵⁰

European allies' capability gaps lie primarily in readiness. NATO militaries are all relatively effective, competent fighting forces once they're spun-up and in-theatre. The key shortcoming, however, is response time. Each American division has one combat-ready brigade-sized force on high readiness, meaning it can be deployed to almost anywhere in the world ready for a protracted, conventional fight in under a month. More importantly, these rapidly deployable units are, to use military parlance, "loaded for bear", meaning they're logistically ready to take on a heavily armed, competent adversary.

European militaries generally do not possess this level of readiness. This is due to budget shortfalls, as maintaining units on high-readiness requires more intensive training and significant logistical support. Sparsely available equipment is spread thinly between active units. A particularly stark example is the German military, where some units assigned to NATO rapid-response forces were deployed without sufficient equipment to even participate in exercises, substituting assault rifles with broomsticks.¹⁵¹ Such events have led some to criticize European militaries as 'paper tigers', possessing significant forces on paper which do not translate into lethality in reality.

NATO Force Generation doubts the real response times of designated forces.¹⁵² The more 'lethal'¹⁵³ units of many European militaries are kept on extremely low readiness due to budgetary constraints. While lead nations deploy their best units to the EFP, loaded-for-bear and ready to fight, units stationed at home will often keep large portions of their vehicles and weaponry below operational standards due to repair costs, a lack of trained officers, and burdensome bureaucratic processes.¹⁵⁴ ¹⁵⁵ Some NATO officials have proposed altering the 2% budgetary goal to a simple goal of each member-state maintaining at least a brigade-sized force on high readiness (response

¹⁴⁹ Gotkowska, "The Trouble With PESCO: mirages of European defence", 2018.

¹⁵⁰ Referring to ISAF, combined with smaller stabilization operations ongoing simultaneously in the Balkans, Baltic, and Mediterranean.

¹⁵¹ "German army used broomsticks instead of guns during training", *Telegraph*, 18 February 2015.

¹⁵² Based on off-the-record conversations between the author and senior NATO international staff, current as of December 2017.

¹⁵³ Referring to units with heavy weaponry, armored assets, and artillery support.

¹⁵⁴ "Germany's lack of military readiness 'dramatic,' says Bundeswehr commissioner", *Deutsche Welle*, 20 February 2018.

¹⁵⁵ "German armed forces in 'dramatically bad' shape, report finds", *Financial Times*, 20 February 2018.

time under a week) at all times, meaning that NATO would at the very least have a reliable pool of conventional forces to draw from in the event of a crisis. Some European militaries, namely the French, are able to maintain multiple brigade-size forces (*7e Brigade blindée* in Besançon and *9e BIMA* in Poitiers) at a relatively high level of readiness, however this force structure is not consistent across major allies. At the moment, much of the *Bundeswehr* is believed to have a realistic spin-up period of 90-180 days. This is far too long to reliably fulfil the tasks of the FoF in the Baltics, given recent RAND studies showing the Russians could take all three Baltic capitals in around 60 hours.¹⁵⁶

This report however made two problematic assumptions. Firstly, it assumes that the VJTF, NRF, and FoF are not a sufficient deterrent for Russian action, which is disputed by officers operating in these units, considering their main purpose is as a deterrent, and not as a war-fighting unit akin to NATO's Fulda Gap deployments in the Cold War.¹⁵⁷ The second assumption is that Russian aggression in the Baltics would take the form of the a massed conventional invasion force. This argument is not supported by the deployments for Zapad 2017, which, as previously discussed, were rehearsing COIN and medium-intensity operations.¹⁵⁸ Furthermore, this author would argue that Western analysts still do not have a complete understanding of Russian land capabilities, given that the *Armata* MBTs and IFVs deployed to the Western Military District's manoeuvre units are not yet combat-proven.¹⁵⁹

John J Mearsheimer has argued that true conventional deterrence is not achievable, neither logically nor politically, and that therefore the allies should hedge their bets on nuclear deterrence. The nuclear umbrellas of the United Kingdom and the US¹⁶⁰ cover NATO's eastern flank, and thus Russia would never dare to attack a NATO member-state in the same way it violated Georgian or Ukrainian sovereignty.¹⁶¹

NATO Deputy Assistant Secretary General for Operations John Manza has argued the exact opposite. He alleges that NATO member-states' political leaders would not risk nuclear exchange with Russia over a regionally-confined war in the Baltics, and that Moscow knows this. Therefore, leaders require intermediate crisis response tools between the insufficient trip-wire forces of the EFP and going nuclear.¹⁶² The Alliance therefore needs significant conventional forces that are well-armed and on high readiness in order to increase leaders' room for manoeuvre in the event of a crisis, whether hybrid or conventional. This argument is particularly strong in the face of

¹⁵⁶ Johnson and Shlapak, "Reinforcing Deterrence on NATO's Eastern Flank: Wargaming the Defense of the Baltics", 2016.

¹⁵⁷ McGuire (Captain, GB), "NATO VJTF (L) 2017: an analysis", 2017.

¹⁵⁸ Kofman, "Michael Kofman: What actually happened during Zapad 2017", 2017.

¹⁵⁹ Sutaygin and Bronk, "Russia's New Ground Forces", 2017.

¹⁶⁰ France's nuclear posture does not discuss the case of an Article V invocation, only a direct threat to the survival of the French State.

¹⁶¹ Mearsheimer, "Prospects for conventional deterrence in Europe", 2015.

¹⁶² Manza, "John Manza Gives NATO an 'F' in Projecting Stability", interview with Lélia Rousselet, *The German Marshall Fund of the United States*, 2017.

Russian political and economic realities. Putin is going into his final constitutionally-permitted term as President, meaning that in under six years he will either need to reform the Russian Constitution, stirring domestic opposition, or will trigger a succession battle to replace him. The last succession battle in Russia, the replacement of Yeltsin's "Family" of advisors with the "*Siloviki*" loyal to Putin, took place during a time of warm relations between Russia and the West.¹⁶³ This succession would occur under such favorable circumstances. Given the slowing of the Russian economy and the future decline in oil revenues from Europe, Russian military thinkers may end up adopting a "use it or lose it" vision of their modernized military capabilities.¹⁶⁴ NATO therefore needs to maximize the costs of miscalculation for Moscow to guarantee that potential future internal instability in Russia doesn't translate into external aggression into NATO territory.

An Uncertain Political Consensus

Perhaps the most troublesome part of NATO's eastern strategy is the lack of political consensus over the severity of the threat posed by Russia. This disagreement exists across multiple fault lines, namely the East-versus-South divide, and deterrence versus engagement.

The East-versus-South divide between member-states is the most frequently discussed of NATO's internal divisions, likely because it is the most visible and is not unique to NATO. Within the European Union, similar divisions exist between member-states who, by virtue of their geographic location, are more concerned with either the Southern or Eastern neighborhood. While all member-states agree that NATO must devote attention to both the East and South, resources and staff are limited, and thus choices must be made and treats must be prioritized. States which prioritize both regions by virtue of their geographic removal, such as the United States, Canada, and United Kingdom, have been able to persuade reluctant European powers, namely Germany, France, and Italy, to accept a more significant NATO effort along the eastern flank.¹⁶⁵ The hesitance of these states has caused animosity between southern members and members bordering Russia and her allies, namely Poland and the Baltic States. These members, particularly Poland, pushed for permanent basing of NATO troops on the eastern flank at the Warsaw Summit. However, many members believed this would be in such clear violation of the NATO-Russia Founding Act that it would unnecessarily provoke Moscow. For southern and western members, the threat of Russia is simply not as proximate as the threats posed by mass migration from North Africa and civil wars in the Middle East. France, for its part, sees its greater long-

¹⁶³ See: Mikhail Zygar, *All the Kremlin's Men*, 2016.

¹⁶⁴ I discuss this possibility in "Decrypting the effects of the Russian Presidential Election", *STRIFE (King's College London)*, 27 April 2018: <http://www.strifeblog.org/2018/04/27/decrypting-the-effects-of-the-russian-presidential-election/>

¹⁶⁵ Dempsey, "NATO's Eastern Flank and its Future Relationship with Russia", 2017, pg. 6.

term threat coming from a fragile Algeria, whose dissolution could trigger a migration crisis as large as Syria's leaving France particularly vulnerable.

Judy Dempsey argues in a report for *Carnegie Europe* that European allies will need to agree to a balance between East and South, and that, in the long term, a new Russia strategy will have to emerge out of consensus. The difficulty in achieving this outcome however is that member-states' divisions are not based on policy so much as they are based on reality. For example, Italy, Spain, and Greece's focus on migration and Mediterranean security comes not from government policy, but from the fact that these countries' navies have shouldered much of the weight of EU FRONTEX and other customs enforcement operations, and Italy and Greece in particular have been the initial destination for millions of migrants and refugees at great cost to local authorities. The current set up, with the EFP reinforced by the NRF, seems the most likely strategy for the near future, as it is the most active deterrence measure for which consensus can be achieved amongst member-states.

There is a complex debate between NATO members as to the difference between deterrence and aggressiveness. This debate touches not only on the EFP and other conventional deployments, but also on non-conventional security instruments such as NATO's ballistic missile defense (BMD) initiatives. The establishment of Aegis Ashore facilities in Romania and the Czech Republic has provoked a strong reaction from the Kremlin, and the system's functionality and purpose is uncertain. The network is not likely to be operational for a number of years, is immensely expensive, and is a political hot button between Brussels and Moscow. The Alliance claims the defenses are aimed at threats from the Middle East, and therefore need to be completed in the eventuality that Iran acquires BM capabilities in violation of the Joint Comprehensive Plan of Action (JCPOA). Russia questions this logic, and has proposed a BMD sharing agreement whereby Russia is responsible for protecting itself, as well as the Baltics, Scandinavia, and parts of Poland and the Balkans. However, the NATO member-states within this sphere are deeply distrustful of Russia, and view Moscow as a "permanent threat."¹⁶⁶

Kimberly Marten of the Council on Foreign Relations echoed the sentiments of many defense policy observers in noting that NATO must "simultaneously deter a potentially aggressive Russia while reassuring a potentially frightened Russia", and that these two tasks are not mutually exclusive.¹⁶⁷ The argument that deterrence and dialogue are mutually exclusive is in fact itself a misunderstanding of what deterrence is. At its core, deterrence *is* a form of communication. It involves a clear system of credible punishment in return for prescribed actions. Deterrence states clearly that "if you cross this line, these terrible things will happen to you". Two peer actors which actively deter each other can still engage in dialogue, and if deterrence posture is communicated well, this dialogue can be more productive than if the deterrence posture is non-

¹⁶⁶ Dempsey, "NATO's Eastern Flank and its Future Relationship with Russia", 2017, pg. 9.

¹⁶⁷ Marten, "Reducing Tensions Between Russia and NATO", 2017, pg. 2.

existent.¹⁶⁸ German leaders in particular have shied away from the rhetoric of deterrence, which German political culture perceives as unduly escalatory. This has, however, begun to change, and analysts have noted that Germany's approach to Russia and to NATO's eastern flank has moved as far as "reassurance", even if deterrence is still lacking.¹⁶⁹ This shift is embodied in Germany's leading role in implementing and generating forces for the EFP.

Dempsey argues that the Founding Act could be scrapped. The language of the Act specifically cites the "current security environment", and Dempsey argues that, since the European security environment has undeniably changed since the 1990s, a new framework with Russia could be sought which is more productive than the Founding Act and the NATO-Russia Council (NRC).¹⁷⁰ The issue with this argument is that a new Founding Act with Russia would not be limited to Baltic security, and other issues would likely enter negotiations. There exist, of course, divisions between Russia and the West on many issues, but more importantly there are divisions *within* NATO over questions such as Ukraine, EU/US sanctions on Russia, Syria, the Arctic, Nord Stream 2, and so on. not only is it unlikely that a "grand bargain" could be struck with Moscow, it's unlikely that Western states would be able to agree on a single negotiating position. Recently, other sensitive issues have emerged to NATO's south, including Turkey's acquisition of the S-400 air defense system from Russia, the Turkish Stream pipeline, and the Trump administration's hostility to the JCPOA. Alliance members are far from united in their positions on these topics, and finding a consensus would be made even more difficult should Moscow attempt to exploit a tense negotiation process to exacerbate existing intra-alliance discord.

Conclusion

NATO's eastern strategy comes from a sound logical basis, and has been implemented through impressive diplomatic cooperation between member-states. However, the strategy has several Achilles's heels, notably due to a lack of European follow-on forces and a fractious political consensus among allies over NATO's prioritization of threats and allocation of scarce military resources.

European states will have to overcome both policy divergence and hard budgetary constraints to ensure their conventional ground forces are sufficiently prepared to offer a credible deterrent to the Kremlin's aggression in Russia's near-abroad. Many European member-states have entirely inadequate levels of military readiness, lacking both rapidity and lethality. This corners leaders into a set of bad and worse options for responding to crises, a recipe for disaster in the face of an adversary which regularly exercises a full spectrum of responses, from low-level operations all the way up the

¹⁶⁸ Major, "NATO Needs Deterrence and Dialogue", 2016.

¹⁶⁹ Gotkowska, "High on reassurance, low on deterrence – Germany's stance on strengthening NATO's eastern flank", *OSW Warsaw*, July 2016.

¹⁷⁰ Dempsey, "NATO's Eastern Flank and its Future Relationship with Russia", 2017, pg. 10.

escalatory ladder to tactical nuclear strikes. Deterrence is not conceptually incompatible with engagement, and allies would do well to remember that some of the most important treaties of the Cold War were brokered whilst both sides understood each others' deterrence postures and communicated their rationale clearly.¹⁷¹

NATO will need to continue to improve its capabilities which have atrophied since the fall of the Soviet Union, and will also need to explore new forms of cooperation with the European Union, namely in the domains of cyber resilience, countering propaganda, infrastructural development, and a "military Schengen".

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¹⁷¹ Naftali, "The Problem With Trump's Madman Theory: it didn't work for Nixon. It's even less likely to work now", *The Atlantic*, 4 October 2017.

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Transatlantic Responses to China's new Assertiveness: between Cooperation and Divergences

Clémence Le Liepvre

China's Rise: unexpected speed, unexpected adjustments

Forty years ago, Deng Xiaoping's policy of "reform and opening up" re-integrated China in the international system following years of isolation and planned economy that had plunged the country in poverty and left it underdeveloped. Market reforms and integration in the global value chain have enabled China to record the fastest sustained economic expansion of any major economy in history, with an average yearly growth of 10%¹⁷². In symbiosis, the changing international context of the post-Cold War and the expansion of Chinese interests beyond its border have led Beijing to significantly modernise its army over a short period of time. As China's economic and military clout developed, Beijing has demonstrated increased participation and assertiveness on the global stage. From Deng's Xiaoping strategy of "hiding the light and cultivating one's strength" (韬光养晦), the China of Xi Jinping is now "striving for achievement" (奋发有位)¹⁷³. After having taken advantage of the international liberal order, to develop itself, notably of its economic institutions, the CCP now seeks to become a "norm-maker" as demonstrated by Beijing's developing institutional statecraft. Chinese leaders' behaviour, as demonstrated by Xi's discourse in Davos, indicates China's willingness to take part in the shaping of the international system so as to create a world order that would best serve its interests. Through a wide array of flexible economic, diplomatic and military tools, China is arguably seeking to create a modern version of its ancient tributary system with new characteristics. From covert and discrete ambitions, Xi made Chinese aspirations clear during his speech at the 19th National Congress in December 2017, proclaiming that China had entered a "new era" and could now "take the centre stage in the world"¹⁷⁴.

Yet, as pointed out by many observers, Chinese ambitions are not taking place in a power vacuum¹⁷⁵. Despite Trump's "America First", his preference for unilateralism combined with a tendency for isolationism, the United-States still remain the dominating power of the international system not only in military terms, but also through international institutions and, for now, economically. Besides the US, the EU as well as India or Japan could also consider their interests being challenged by China's global aspirations. This paper will only focus on the US and the EU as they

¹⁷² World Bank, China Overview, <http://www.worldbank.org/en/country/china/overview>

¹⁷³ Li, H.F (2017) "China Facing the Trump Presidency" *China Perspectives* [Online], 2017/2 | 2017, Online since 01 June 2017, connection on 26 April 2018. URL : <http://journals.openedition.org/chinaperspectives/7357> pp.69

¹⁷⁴ BBC News (2017) "Xi Jinping: 'Time for China to take centre stage'", 18 October 2017, <http://www.bbc.com/news/world-asia-china-41647872>

¹⁷⁵ Khindaria, B. (2018) "China's formidable rise amid uncertainty", Asia Program, Asia Focus#62, IRIS, p2

are both at the origin of the liberal world order that was created after the Second World War.

Whether China's rise is a threat or not, Beijing's global aspirations have consequences for both the EU and the US in their pursuit of their own interests. As such, both have sought, and will have to respond to China's rise. A common assumption is that we should witness cooperation between Americans and Europeans because they share the common interest of preserving the post-war liberal order created under American leadership; yet, in practice the reality shows differently. In fact, the stakes Europeans and Americans face regarding China's rise and the promotion of their respective interests differ quite substantially as a result of geography, of their respective identity, and of the means at their disposal. While on both sides of the Atlantic, the unanticipated rapidity of China's multidimensional ascension has led to the intensification of the debate regarding the threats or/and opportunities, the dominant perceptions are not exactly the same. In the US, the 'China threat' scenario stressing the risks of a Great Power conflict, with reference to the famous Thucydides Trap has regained momentum especially over the past year. The European position on the other hand appears to be less clear: hopes in the power of engagement and of China's "socialization" in the existing international system seem to remain, albeit facing growing scepticism. The result is thus multilayered relations with time-to-time cooperation and divergence in American and European positions towards China.

Beijing's ambition

Following China's "re-opining" in 1978, Deng Xiaoping sought to reassure the World regarding Chinese ambitions. The 1989 Tiananmen events had effectively challenged the optimistic perception that prevailed in the West that, as the Chinese economy was being integrated in the global trade, China would be able to both develop and be socialised in western norms and values, and eventually become a democracy. Concerns about China's rise were furthered as China's economy became the third largest economy in terms of purchasing power parity in the 1993 IMF ranking. Beijing began to be criticised by some observers for pursuing a "Leninist, capitalist, mercantilist, expansionist" path rather than the liberal economic policies it had been expected to follow. In addition, China's military build up also started to create a debate about the future of East Asian and South East Asian Security¹⁷⁶. This eventually resulted in the development of the "China threat" argument, which Deng sought to counter with reassuring guidelines for China's foreign relations. The latter promoted the adoption of a "low profile" with Deng's 24-Character Strategy" that can be translated as *"Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim*

¹⁷⁶ Wu, C. "Barking Up the Wrong Tree?" ^{SEP}The Master Narrative of "China Threat Theory Examined" Chapter 6 Sujian Guo and Baogang Guo, eds, Challenges Facing Chinese Political Development (Lanham: Lexington Books, 2007), pp.113-115

leadership.” The rhetoric of “peaceful development” was simultaneously put forward by Zheng Bijian, stressing China’s intention to modernise following a “win-win” strategy, a concept that is today still consistently used by the CCP, for the prosperity of all through its integration in the international system¹⁷⁷. Yet, in parallel to these reassuring statements, China already expressed its dissatisfaction with certain aspects of the existing world order. In 1990 actually, while Deng stressed that China shall follow the Five Principles Peaceful of Coexistence¹⁷⁸ and “never seek hegemony over them (Third World countries)” he also stated that “we (China) cannot simply do nothing in international affairs” and that “we should help promote the establishment of a new international political and economic order”¹⁷⁹.

While China’s world vision remains unclear even today, it appears that Beijing favours a multipolar world order, where it would be the dominating power in Asia. The CCP has also repeatedly stressed the importance for China to remain independent, hence not favouring so much multilateralism and insisting on the respect of the principle of sovereignty and non-interference. Nonetheless, as its interests are being increasingly globalized Beijing had to slightly alter its behaviour and to develop a more active and sophisticated foreign policy strategy¹⁸⁰.

While already demonstrating the ambition to achieve “Comprehensive National Strength” back in the 1990s, China’s modern conception of security has become even more multidimensional, encompassing both traditional military considerations, but also political and economic ones¹⁸¹. From “hiding one’s talent” Chinese foreign policy under Xi Jinping has become more assertive. His 2014 speech at the Central Conference on Work Relating To Foreign Affairs stressed the need for China to develop a “distinctive diplomatic approach befitting its role of a major country” and to conduct diplomacy “with a salient Chinese feature and a Chinese vision”. As noted by Smith, Xi also placed emphasis on the twin objectives of pursuing China’s social and economic development and safeguarding China’s security interests which encompass the protection of China’s sovereignty, territorial integrity, maritime rights and the reshaping of Asia’s security environment¹⁸². China’s national interests have, since Mao, revolved around the primary goal of maintaining the CCP in power and insuring the country’s sovereignty and territorial integrity. Just behind, but also encompassing these two objectives, is the “rejuvenation of the nation” and giving back to China its Great Power status. With the country’s opening up and following the Tiananmen incident, the CCP’s legitimacy became more exposed to new challenges. The rejuvenation of the nation

¹⁷⁷ Liru, C (2012) Peaceful Rise: China’s Modernisation Trajectory, *The International Spectator* 47:2, pp.15

¹⁷⁸ The Five Principle of Peaceful Coexistence are “mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence”.

¹⁷⁹ Cheng, J. Y and F. W. Zhang “Chinese Foreign Relation Strategies Under Mao and Deng: A Systematic and Comparative Analysis” pp.100

¹⁸⁰ Smith S (2017) *World Order with Chinese Characteristics*, Carleton University, prepared for the 2017 CPSA Conference pp.13

¹⁸¹ KIM, S. (1996) “China’s quest for Security in the post-Cold War”

¹⁸² Ibid, pp.13

became the overarching objective in the CCP's discourse to its domestic audience, and can be divided into two fronts: internal and external. Internally, China's modernisation with social and economic development became a necessity for Beijing in order to maintain domestic stability. Externally, the major objectives are enhancing China's power and status on the international stage, the reunification of the country and the defence of its territorial claims. Effectively, although Chinese leaders repeatedly stress that China will "long remain in the primary stage of socialism" and that it's "international status as the world's largest developing country has not changed"¹⁸³, the party's objective for the mid-century is to establish China as a modern and developed country that is "a global leader in terms of composite national strength and international influence"¹⁸⁴. China will also arguably seek to achieve reunification before the mid-century and more precisely before 2049 and the celebration of the century of Communist China. Actually, some even claim that China could take over Taiwan by 2020.

The question is then how do Chinese leaders plan to achieve these objectives? What is for the CCP the best way to secure its leadership at home, safeguard its border and defend its territorial claim and become a "Great Power"?

All these objectives are intertwined in many ways: becoming a great power requires economic and military power, economic might in turn enables military modernisation and the legitimisation of the CCP's rule, military capacities also permit the defence of one's sovereignty and protect territorial claims while also enhancing prestige (both domestically and internationally). Considering the international dimension in China's growth, military capabilities are also enabling economic growth (for instance to secure trade routes). Increasing its power from a military and economic perspective also enables Beijing to improve its status and influence on the world stage. This in turn will enable Beijing to advocate international norms and institutions that will favour the pursuit of its national interests such as favouring its exports, a regional security order that is favourable to its ambitions etc..

As such, Beijing has adopted policies aiming at the promotion of economic growth, the modernisation of its army and has also demonstrated increasing activity on the world stage, both within existing institutions but also creating new ones.

From the economic standpoint, as mentioned in the introduction, China has achieved impressive economic growth, which has enabled the country to modernise and to lift hundreds of millions out of poverty. While according to the World-Bank China remains a developing country, it is the world's second largest economy and ranks 1st in world exports and 2nd in world imports. Beijing enjoys trade surpluses with many countries, and notably a controversial one with the United States, which has been subject to

¹⁸³ Xi Jinping (2017) "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era", Speech delivered at the 19th Congress of the Communist Party of China.

¹⁸⁴ Ibid

particular tensions over the past months. China is also the largest holder of foreign exchange reserves and the 2nd largest recipient of FDIs, behind the US. China's outward foreign investments have also significantly increased, notably as part of China's "Go Global" strategy launched at the beginning of the millennium, both promoting Chinese economic growth but also its influence abroad. While China's economic growth has reached a "new normal" and is slowing down, Beijing is seeking to re-orient its growth model from a quantitative base to a qualitative base, from "made in china" to "created" or "invented" in China. As China is moving up in the Global Value Chain, it is also becoming a major innovation centre with the CCP supporting innovation through research and development, especially with regard to new digital technologies such as Artificial Intelligence, Big Data, Cloud technologies etc...

China's economic export driven economic growth has created new stakes in Beijing to maintain an open trade regime. Interestingly, while China's market economy status in the World Trade Organisation (WTO) is subject to debate, and although Beijing has repeatedly been criticised over issues such as the protection of Intellectual Property Rights in the context of global trade and cross-border investments, China is positioning itself as the new champion of free trade. Xi's discourse during the last World Economic Forum Annual Meeting in 2017 clearly stated that "China will vigorously foster an external environment of opening-up for common development" as he puts forward China's ambition to build a Free Trade Area in Asia Pacific and the Belt and Road Initiative¹⁸⁵. This also exemplifies how Beijing is being increasingly active on the world stage. It is worth noting that this new attitude in Beijing partially resulted from the global financial and economic crisis of 2008 that erupted in western economies, challenging the Western domination of the world economy. While the Chinese Yuen is still far from displacing the American dollar as the global reference currency, the RMB was included by the IMF as one of the currencies determining the value of Special Drawing Rights. Additionally, the Asian Infrastructure Investment Bank (AIIB) could be used as a vector for the internationalisation of the currency. As such, overtime, the RMB could eventually share the stage with the dollar as well as other currencies such as the euro¹⁸⁶.

As already mentioned economic growth and military modernisation are intertwined. On the one hand, economic growth enables the financing of China's military modernisation and the development of new technologies. On the other hand, a military with power projection capabilities enables to secure key trade routes and sea-lanes of communications (SLOCs), which are vital for China's exports and imports, notably of raw materials, as well as to defend its territorial claims. In the 1990s, a combination of

¹⁸⁵ Xi Jinping (2017) "Jointly Shoulder Responsibility of Our Times, Promote Global Growth" Keynote Speech at the Opening Session of the World Economic Forum Annual Meeting, 2017.

¹⁸⁶ Smart, C (2018) "Could the Renminbi Challenge the Dollar?" Project Syndicate, Carnegie Endowment for International Peace,
<http://carnegieendowment.org/2018/02/02/could-renminbi-challenge-dollar-pub-75442>

international events such as the war in Iraq but more importantly the Taiwan Strait crisis created a sense of urgency in Beijing to modernise its army. An overall modernisation of China's military hence begun, with notably new importance given to the People's Liberation Army Navy (PLAN). This new importance of the PLAN resulted both from new security priorities, as mentioned securing SLOCs but also perceived US threat coming from the sea after the Taiwan crisis, and the fact that China had secured all its land borders through bilateral agreements with its neighbours, with the exception of India. Today, China's major disputes regard its claims in the South and East China Sea and Taiwan. As such, if China was to enter a military confrontation in the future, it would most likely be at sea, and could eventually oppose China to the US whose navy is the most developed in the world. China's ambitions for its navy is to make of the PLAN a "blue water navy" following the strategy set forward by Lui Huaqing in the 1980s. The latter is characterised by 3 key phases: (1) controlling the 1st island chain by the 2000; (2) exert control up to the second island chain by 2020; (3) become a true global navy by 2050. In addition to modernising its military, China is also seeking to expand its permanent military presence abroad as demonstrated by the new Chinese military base in Djibouti, actually only miles away from a critical American military base¹⁸⁷.

More generally, 2050 is actually the set date for the Chinese army to transform in a world-class army. Yet Xi has announced its ambition to speed up plans of reforms and modernisation, and stated that the People Liberation Army's modernization should be essentially be completed by 2035. Beijing is effectively counting on its investments science and new technologies, such as AI, to incorporate them in its weapon systems.

One can see how these power projection ambitions might lead to confronting interests with the United States who is present both in the Asia Pacific and in the South China Sea.

Both China's economic development and military modernisation are also tools promoting China's "Great Power" status, providing Beijing with leverage on the global stage. Beijing is actually using these new assets to advance the creation of what can be regarded as a modern version of its old tributary system, adapted to the new reality of a Westphalian state system combined with a global interconnected economy. The tributary system was a hierarchical order, centred on China, aiming at insuring stability so as to insure the Empire's survival. It kept both internal and external threats under check, enhancing the Emperor's legitimacy through the concept of "Tian Xia" (天下), meaning all united under heaven (the Emperor being the "son of heaven"), it strengthened the military credibility of the emperor. The system also enabled the use of economic statecraft in negotiation through the development of a complex and multi-layered trade and political relations¹⁸⁸. Confucian concepts and values were at the

¹⁸⁷ Stewart, I. (2018) " 'significant' consequences if China takes key port in Djibouti: US general", Reuters, <https://www.reuters.com/article/us-usa-china-djibouti/significant-consequences-if-china-takes-key-port-in-djibouti-u-s-general-idUSKCN1GI2V0>

¹⁸⁸ Andornino, G. "The Nature and Linkages of China's Tributary System under the Ming and Qing Dynasties",

core of the system, with the principles of ruling by morality and virtue, and the idea that China's moral and material superiority meant that it should provide public goods such as security and stability. The system relied essentially on the use of ideological and economic instruments by China, still *realpolitik* was part of the picture, reinforcing the Emperor's legitimacy. Hard power was used to protect tributaries against external threats, but also to force compliance with the Emperor's rule when required¹⁸⁹.

Today, while hierarchy technically doesn't fit with the Westphalian state system, China's vision of the world remains hierarchical as demonstrated by its statement that "small- and medium-sized countries need not and should not take sides among big countries". From Beijing's initiatives in Asia such as *thewhere* it has a *defacto* veto, it seems that China sees itself as the leading regional force, Beijing actually lauding itself for being a "responsible great power". Effectively, to rebuke criticism of a self-interested economic diplomacy, China has described its economic relations with other countries, especially in Asia, Africa and Latin America as following a "Great power style" with "win-win" relationships –to be indirectly contrasted with the US behaviour perceived as imposing its liberal values to the rest of the world. Through initiatives such as the AIIB but also OBOR, China is not only expanding its influence by creating economic ties, but it also positions itself as a provider of public goods with for instance the creation of new infrastructures and insuring the security of trade routes. OBOR in fact goes beyond the establishment of economic links and also promotes cross-cultural exchanges, expanding in a way China's culture and values and, hence, its soft power. China's rhetoric is one of a great power seeking to create a "harmonious society", with Xi's emphasis on a "community of common destiny". This willingness to portray China as a "benevolent power" can be linked to the idea of "Tian Xia" of the tributary times. Furthermore, Beijing is also taking part in multiple regional organisations and forums such as the Lancang-Mekong Cooperation mechanism, which can also be perceived as a way for China to expand its regional political influence and to maintain some control over regional activities. While favouring the use of economic statecraft, just like in the tributary system China seems to be keen to use, for now, limited covert force when a regional actor defies its interests. This is particularly visible in the South China Sea for instance, where China has resorted to unclearly defined militias, officially simple fishermen, but who are defending Chinese claims in the region¹⁹⁰. In this context, it is obvious that the US presence in Asia must be perceived by Beijing as hindering its regional ambitions

Beyond Asia, China is also seeking to translate its rising economic and military might in Global Governance and has been developing its institutional statecraft, as pictured by Ikenberry and Lim¹⁹¹. It is unlikely that China will try to overthrow the international

Working Papers on the Global Economic History Network, No.21/06, pp.6

¹⁸⁹ Ibid, pp.15-19

¹⁹⁰ Tisdall, S (2016) "Little blue men: the maritime militia pushing China's claims" *The Guardian*
<https://www.theguardian.com/world/2016/may/16/little-blue-men-the-maritime-militias-pushing-chinas-claims-in-south-china-sea>

¹⁹¹ Ikenberry, G. J and Lim, D. J (2017) "China's emerging institutional statecraft", Project on International

regime; rather it will support existing institutions that match its interests and create new ones when necessary, as with the AIIB. China taking part in existing institutions such as the WTO might reduce American or European influence within them, especially if Beijing actively push for more power in these institutions as it is currently doing in the IMF, but at the same time Beijing's participation increases the legitimacy and the power of these institutions and by extension the organising principles they promote. Beijing can also make use of its participation in institutions so as to alter or constraint the promotion of norms and values that it does not agree with. Beyond participation in existing institutions, China has also created a new one, the AIIB.

The creation of new institutions can be regarded as a way for Beijing to propose an alternative, offering an "exit solution" from the western created ones, while also being a way for China to increase its influence thanks to the privileged position it could get within new institutions such as with the AIIB¹⁹². In a more extreme scenario, if new institutions prove to be more efficient than the existing ones, they could ultimately replace them. While this scenario could only happen over a certain period of time, a more direct consequence could be undermining the policy objectives of existing institutions. For instance, Beijing frequently highlights the fact that the loans and aid it provides to other countries have "no strings attached" and are not requesting from the receiving countries particular reforms. Concerns have hence arose that the AIIB might do more or less the same and have less multilateral control mechanisms over loan attributions than the World Bank for instance. This could hinder efforts of existing institutions to attach labour, social or environmental standards to its loan attribution¹⁹³. In addition to that, and without even needing an "active policy", the success story of China's economic development itself poses a challenge to norms and values promoted by western institutions, and especially to the so called "Washington Consensus". China has effectively succeeded to liberalise economically, develop itself, while not surrendering to liberal politics¹⁹⁴.

At first sight, it would appear logical to have a united US-EU front to defend the liberal order as it is, yet the reality is quite different – little cooperation and more "coexistence" with even sometimes disagreements over China. As described by Stumbaum, "Europe does not and will probably never share the United States' hard power perspective on Asia-Pacific. The US' rebalancing to Asia-Pacific was spurred by strategic military consideration and is seen in an economic view only secondarily". The respective strategies, or attempt at strategies, adopted by the US and the EU towards China effectively demonstrates these disparities, although some areas of cooperation undeniably exist.

Order and Strategy, Brookings.

¹⁹² Ibid

¹⁹³ Ibid, pp. 12-13

¹⁹⁴ Bechná, Z. and Thayer, B.A. "NATO's New Role, The Alliance's Response to a Rising China", pp.73

American's strategy towards China: from Obama's pivot to Trump's aggressiveness

The United States emerged out of the Cold War as the uncontested global hegemon. The international liberal world order and its institutions, which had been created with European support, could finally become truly global, especially as China opened its doors in 1979. Yet, as mentioned earlier, the question of China and its integration in the international system rapidly became a subject of debate in Washington. On the one hand, a set of politicians and observers held the view that engaging China was the best option as it would socialize it in existing norms and values. On the other hand, others immediately perceived China as a potential threat to American domination over the international system.

From the Chinese ambitions outlined above, it appears that China effectively poses a multidimensional challenge to US interests. America's objective is at least to maintain the status-quo, if not to further increase its power in terms of international influence, military superiority and dominant economy. Beyond American military and economic power and soft-power, part of Washington's international influence rests on the existing international liberal world order and its position within the institutions characterizing this order. As such, China's "new institutionalism" and the fact that Chinese and American world vision differ, notably in terms of norms and values, poses a challenge to America's international influence. America's position in the world order, and image as the unchallenged hegemon that emerged after the Cold War, was further shaken by the global financial and economic crisis of 2008, which also resulted in Beijing taking a more active and "responsible" role on the global stage. Although China's economy has not yet surpassed the American one, China's economic development has been posing several challenges to the US with notably the US recording a huge trade deficit with China. While the majority of job losses in the US over the past years are resulting from technological innovation rather than delocalization, a significant number of unskilled American workers have effectively lost their job due to offshoring in China¹⁹⁵. Furthermore, China has been repeatedly accused by the US of unfair trade practices and of stealing US technologies. China's alleged stealing of American technology has actually recently been qualified by congressmen and FBI director Christopher Wray as posing a national security threat to the US¹⁹⁶.

While China's military power is still far less advanced than the American one, as noted by Christensen, it has become powerful enough to challenge US allies in East Asia and pose and challenge to American forces operating there¹⁹⁷. In fact, the PLA's

¹⁹⁵ Economic Policy Institute (2017) "The growing trade deficit with China cost 3.4 million US jobs between 2001 and 2015", Press Release, <https://www.epi.org/press/the-growing-trade-deficit-with-china-cost-3-4-million-u-s-jobs-between-2001-and-2015/>

¹⁹⁶ Ambrose, M. (2018) "US Confronting Threat of Chinese Exploitation of Intellectual Property", FYI Science Policy News From AIP, Bulletin n.30, <https://www.aip.org/fyi/2018/us-confronting-threat-chinese-exploitation-intellectual-property>

¹⁹⁷ Christensen, T (2015) "Obama and Asia, Confronting the China Challenge", Foreign Affairs,

modernization has for purpose to support China to achieve its main national strategic interests, among which are the defense of territorial claims and re-unification. Yet the pursuit of these interests, because of American regional alliances and agreements, could trigger a US intervention. As such, one of the PLA's ambitions is to deter an American intervention in the event of a conflict¹⁹⁸. According to Ross, China is in fact the first great power since pre-war Japan to challenge US maritime supremacy, which is founding element of America's global power and hegemony¹⁹⁹.

Obama's "rebalancing" or "pivot" to Asia signaled Washington's reassessment of a new geopolitical reality: a growing Chinese influence and power in Asia, America's need to safeguard its interests and reassure its regional allies. Yet, the US Quadrennial Defense Review of 2001 shows that Washington's concerns about China's growing military power are not new. It effectively mentioned the fact that a stable balance in Asia would become harder to maintain due to the possible emergence of a military competitor with "formidable resource base" in the region²⁰⁰. From engagement under Clinton, to the ambition of turning China into a "responsible stakeholder", elements of hedging were progressively integrated by the Bush administration under the 2006 National Security Strategy²⁰¹. In fact, as noted by Christensen, Obama's administration's term "rebalancing" was arguably misleading since the US had never left the region since World War 2. All elements of US's activities in East Asia linked to this "pivot" were effectively already underway under the previous administrations, such as the negotiation of the Trans-Pacific Partnership. After a short period of time, when emphasis was replaced on engagement and "strategic reassurance", China's new assertiveness under Xi Jinping's lead, and especially mounting tensions in the East and South China Sea, eventually forced Washington to adopt a harder stance while pursuing engagement. The 2015 NSS effectively states that while the scope of cooperation with China is unprecedented, competition will be unavoidable and the US will monitor China's military modernization, expanding presence in Asia and will act upon China's cyber-theft²⁰². As such, Obama's administration followed Medeiros's three-pronged strategy characterized first by engagement through bilateral talks with result-oriented discussions, with for instance the Strategic and Economic Dialogue. Second came rebalancing to strengthen American commitment to regional security through, for example, the strengthening of cooperation agreement with regional countries— this task was particularly difficult since increasing American military presence in areas of tensions such as the South China Sea had the risk of further militarizing the conflict. Finally,

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¹⁹⁸ Oertel, K (2008) "Challenges to the security order" in *The Liberal Order in the Indo-Pacific*, The German Marshall Fund of the United States, Asia Program, No.13 pp.23

¹⁹⁹ Roos, R. S (2018) "What does the rise of China mean for the United States", Chapter 10, *The China Questions Critical Insights into a Rising Power*, Rudolph J. and M. Szonyi editions, Harvard University Press, 2018.pp.108

²⁰⁰ Takahashi, S. (2018) "US policy Towards China", *The China-US Relationship at a Crossroads*, NIDS China Security Report 2018, pp.26

²⁰¹ *Ibid*, pp.27

²⁰² The White House (2015) National Security Strategy, pp.24

dependent on the two previous approaches, was the ambition to further integrate China into the norm and ruled based international system through the two previous approaches. On the economic side, Obama's administration also decided not to grant China the Market Economy Status at the WTO, so as to maintain anti-dumping measures against Beijing to protect American companies and try to limit the trade deficit.

Inheriting from a rather tense situation in East Asia from its predecessor, especially in the South China Sea due to Beijing's aggressive behavior, Trump's position towards China is characterized by a combination of blunt realism and aggressiveness. The new National Security Strategy and The National Defense Strategy of 2017 and 2018 qualify China as being a "revisionist power" and accuse Beijing of being "a strategic competitor using predatory economics to intimidate its neighbors while militarizing features in the South China Sea" and of trying to "displace the US from the Indo-Pacific Region". By doing so, the NSS is placing back great power competition at the forefront of America's strategic concerns. In practice, as highlighted by Oertel, the US has been working more with regional allies, with no reduction in American military engagement in Asia-Pacific compared to previous years while the US have also been conducting more frequent freedom of navigation operations in the South China Sea, demonstrating America's commitment to the security organization of the region. The US also initiated along with Japan the revival of the Quadrilateral Security Dialogue – the Quad. This Dialogue's purpose is to promote a "free and open Indo-Pacific" and can be perceived as a tool to balance China's Belt and Road Initiative as well as Beijing's aggressiveness in the East and South China Sea²⁰³.

Trump's administration has also adopted a much more aggressive stance regarding regional issues where China is directly or indirectly implicated, such as the North Korea issue. From an economic standpoint, Trump's administration is also displaying aggressiveness with an ongoing risk of having a trade war after Washington threatened to impose tariffs on \$50 billion worth of Chinese imported goods and justifying them with national security safeguard.

Washington's military commitment to its regional allies could effectively support the US ambition to maintain its presence in the region and uphold the current security order. Yet, Trump's "trade wars", his criticism of alliances and liberalism and what seems to be a limited ambition to promote human rights and international law might actually undermine the pursuit of US national interests. Effectively, although Trump's discourse are implying that the US might not want to take the role of "global leader" anymore, America's wellbeing depends on the current liberal world order. Yet, the behavior just mentioned is undermining founding elements of the international liberal order: values of human rights and democracy and trade liberalization. Furthermore, by turning its back on multilateralism and international forums, Trump is letting China

²⁰³ Gale, J. B., A. Shearer (2018) "The Quadrilateral Security Dialogue and Maritime Silk Road Initiative", CSIS Brief.

take the lead. During the last meeting in Davos for instance, Xi could take the central stage in the absence of America's traditional leadership and dynamism. In fact, Trump's attitude with respect to trade has become a factor of uncertainty for some of America's allies in Asia. Beyond Asian allies, this attitude has also sparked tension with one of America's major ally: Europe. By doing so, Trump is arguably playing into Beijing's game of dividing the west. The same patterns are visible regarding Climate Change. The US getting out of the Paris Agreements, which were the result of active European diplomacy, have enabled China to take a leading position along the EU's side and to improve its international image.

European approach

Trade activities being effectively a key constitutive element of the EU's identity as an international actor, Trump's position on trade liberalization goes against EU's interests, and could foster closer EU-China cooperation at the international level. China and Europeans have already demonstrated their common commitment to the preservation and the promotion of international liberal trade against American protectionist tendencies.

The backbone of Sino-European relationship is effectively trade and the EU sees China primarily as a trade partner, presenting both threats but more generally opportunities as a source of foreign investment and as a growing market to sell European goods. EU member states are welcoming China's One Belt One Road Initiative which will connect the two continents and facilitate trade. Many Europeans tend to view OBOR as an opportunity for joint upgrading of key infrastructures, especially since China is ready to contribute to the European Fund for Strategic Investments²⁰⁴. OBOR is also perceived as a new opportunity in terms of trans-regional trade and as a vector of investments. New freight trains inaugurated between Asia and Europe within the OBOR framework should effectively increase cross border trade and create new incentives for Chinese entrepreneurs to invest in Europe.

Still, some skepticism effectively exists in Europe with regard to Chinese investments in sensitive industries, and Europeans like the US have also filed complaints in the WTO against China's unfair trade practices and lack of reciprocity, notably in terms of market access. Concerns regarding Chinese investments in strategic industries as well as debates regarding China's acquisition of dual use technology are also a point of tensions between European capitals and Beijing. Germany, France and Italy have for instance pushed for the creation of an EU framework for FDI screening as a result of growing concerns over Chinese investments in strategic sectors²⁰⁵. Furthermore,

²⁰⁴ Valero, J. (2016) "Brussels clear way for China to pour billions into the Juncker Plan", Euractiv.com, <https://www.euractiv.com/section/innovation-industry/news/brussels-clears-way-for-china-to-pour-billions-into-juncker-plan/>

²⁰⁵ Jucca, L. (2017) "Breakingviews- EU foreign investment review raises bar for China", Reuters, <https://www.reuters.com/article/us-europe-m-a-breakingviews/breakingviews-eu-foreign-investment-review->

the EU's 2016 Global Strategy highlights that while the EU will deepen trade and investments with China, it will also seek "appropriate property rights protection"²⁰⁶. Yet, in practice, these shared concerns have failed to result in a coherent EU approach towards China from member states. The latter rather seem to be playing individual games, seeking to maximize their own interests to the detriment of a United Europe. While western European countries already tend to play one against the others to attract Chinese attention, the divide is even bigger when considering Central and Eastern European countries. Eastern European countries are particularly favorable to Chinese investments and a special forum has been created with the 16+1 platform, which gathers EU member states and candidates. The Czech Republic and Hungary, which are part of the initiative, have for instance expressed their ambition to become China's "front door" to Europe as the platform has been placed under the OBOR umbrella. The initiative has created fear among certain Europeans that it would become a "Trojan horse" for a China lobby within EU institutions, pointing out to a "divide and rule" strategy in Beijing.

Beyond seeking a level playing field in the development of EU trade and investment relation with China, the EU Global Strategy also mentions the question of climate and human rights. While the EU has achieved some success in climate action with the previously mentioned Paris Agreements, human rights are a different story. Beijing has and will continue to use economic diplomacy to hinder European attempt at a coordinated promotion of human rights and criticism of China. Last June for instance, Greece blocked an EU statement criticizing China's human rights at the United-Nations after receiving significant Chinese investments with notably China's COSCO Shipping company taking over 51% of Piraeus port, Greece's largest port.

While conflicting security interests between China and the EU are minimal, the issue of human rights and the promotion of liberal norms of democracy are points of tension in Sino-European relations. Beyond being a trading bloc, the European identity is founded on the principle of democracy and human rights and the EU's global actorness has effectively been built around the promotion of European norms and values of human rights and democracy through economic statecraft. For instance, especially in its neighborhood and in Africa, the EU has been distributing aid with conditions related to human rights or fair political elections. In fact, some findings show that China effectively challenge democracy promotion efforts in Central Asia where the EU and the US have sought to promote democratic principles through the provision of conditioned development assistance²⁰⁷.

As such, although the EU does not have a hegemon position to maintain, and could actually regard China's rise as an opportunity to create a multipolar system in which the EU would gain some importance, Beijing and Brussels's views would clash

[raises-bar-for-china-idUSKCN1BO23Q](#)

²⁰⁶ European Union Global Strategy, 2016

²⁰⁷ Sharshenova, A., Crawford, G. (2017) "Undermining Western democracy promotion in Central Asia: China's countervailing power and impact", *Central Asia Survey*, 36:4, 453-472

regarding the norms and values that should underpin this multipolar world order. The case of the South China Sea provides here a good example. China's un-lawful land-grabbing activities in the South China Sea as well as Beijing's rejection The Hague tribunal's verdict in favor of the Philippines regarding conflicting territorial claims go against EU's world-view of a world order governed by the rule of law rather than power politics. Furthermore, the predominant European view on China's aggressiveness in the South and East China Sea is that it is a destabilizing factor, going against the secure and stable world envisioned by the EU.

Militarily, China and the EU have much less conflicting interests than China and the US. This is partly due to geography (France being the only European country with strategic interests in the Pacific), but also because the EU itself is not a military power. Some EU member states are important military powers, such as France and the UK, but they do not have the same commitments and alliances to the Asia Pacific region than the US. European concerns revolve essentially around maintaining a stable and secure environment, permitting growth and free trade. Besides, expanding its presence in the region per se is not part of EU's ambitions. As such, Europe's action to balance China's growing assertiveness in the East and South China Sea have been primarily focused on supporting the capacity building of regional actors such as Japan and South Korea. Notwithstanding, as it will be discussed later some member-states have engaged independently in freedom of navigation operations.

Overall the EU's approach to China has been uncoordinated and Beijing knows that it can play a two level game engaging both EU institutions and nation states. Still, it can be observed that while incorporating increasing realist elements to their approach to China, European states are still favoring a strategy of engagement towards China. This is particularly evident in the EU-China 2020 Strategic Agenda for Cooperation. This vision seems to be shared by most member-states as demonstrated by the fact that 15 EU member states have joined the AIIB while four have received prospective member status. By doing so they are both supporting Beijing taking a more responsible and active role as an international actor, while also constraining China in its ambition through multilateralism. Combined, EU states effectively have a voting power close to 21%, enabling them to influence the direction this new institutions in taking. Effectively although EU countries are seeking to avoid a confrontational approach to China, in large parts because of national economic interests, they are still seeking to influence and "manage" China's rise through the means at their disposal. Interestingly, while EU member state seem to struggle to speak with one unified voice when it comes to having to choose between trade deals and the promotions of human rights, in the AIIB they are adopting a more coherent approach²⁰⁸.

²⁰⁸Kiss, Balázs (2018) "Taming the Dragon? Europe and the AIIB", The Policy Corner, <https://www.policycorner.org/fr/2018/02/28/taming-the-dragon-europe-and-the-aiib/>

Transatlantic relations and China: difficult cooperation

The AIIB actually provides a good example of absence of transatlantic cooperation with regard to Chinese initiatives. While the US has decided to boycott the institution and called on its allies to do the same, many European countries saw in the AIIB an opportunity. Yet EU countries within themselves initially failed to adopt a common strategy and their response was more, in Juncker's words, a "race to see who is first to become a member".

Still, many EU's member states decision to join the initiative appears to be a wiser strategy than the American boycott. By refusing to join the project, the US are defacto excluded from the internal debates that will shape the orientation taken by the institution. Although the AIIB entails a redistribution of power and is an instrument for Beijing to increase its soft power, its functioning and purpose are not really innovative compared to existing institutions. It effectively resembles that of the World Bank or other existing development institutions but with greater focus on Asia and a different distribution of voting shares²⁰⁹. By joining the AIIB, Europeans, especially if they manage to keep a united voice in the long run, could influence the projects, norms and values that will shape the institution in the coming years. More importantly they could push the AIIB to adopt similar standards to the one adopted by the World Bank regarding the conditions and monitoring mechanisms tied to the allocation of loans²¹⁰. Cooperation between the AIIB with the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) could also push in that direction²¹¹. The US joining the AIIB now would not have the same impact as if they had joined it at the outset, yet with the Europeans and other countries that share similar norms and value they could certainly better promote from within standards they value.

Another more recent example of divergence between the EU and the US is the previously mentioned division regarding Trump's threat of protectionist economic measures. Actually, trade could have been a major area for cooperation between the EU and the US when dealing with China, especially on questions such as the protection of intellectual property rights and China's unfair trade practices such as dumping or government subsidies. Trump's protectionism could result in further drifting apart the EU and US approach to China's rise and actually foster a China-EU cooperation that would be detrimental to US interests. This in turn could hinder EU-US cooperation on other areas where they share common ambitions – such as

²⁰⁹ Flôres, Jr. R. (2017) "Emerging Powers and Global Governance", FGV, International Intelligence Unit, Bucerius Summer School on Global Governance, pp.6

²¹⁰ France Diplomatie, "Asian Infrastructure Investment Bank (AIIB) - France, Italy and Germany announce their intention to become founding members of the AIIB", <https://www.diplomatie.gouv.fr/en/french-foreign-policy/economic-diplomacy-foreign-trade/events/article/asian-infrastructure-investment>

²¹¹ Reilly, J. (2017) "Leveraging Diversity: Europe's China Policy", EURI Working papers, Robert Schman Centre for Advanced Studies Global Governance Programme-270, pp.8

safeguarding of a system characterized by democracy, the rule of law and human rights.

Actually, the EU and the US could cooperate more on the promotion of Human rights, democracy and the rule of law and perhaps use NATO to do so. Bechna and Thayer reconsider NATO's identity as a political alliance and propose the creation of a "Norms and Principles Committee" within NATO in a goal to re-enhance the organization's identity as a normative alliance. They argue that the respect of political liberty and human rights should be both a condition for membership to the organization, but more importantly a "guide-spot" for NATO's partners and potential partners. EU-US cooperation on the safeguarding of the respect of human rights and the rule of law has effectively been lacking so far. This is essentially due to the fact that many EU member states at the individual level are favoring trade or investments with China over human rights concerns, and by doing so undermining a sound EU approach towards China. As a matter of fact, the promotion of Human Rights in its relations with China is a key element of the EU's strategy, but so far little progress has been made due to internal divergences. This was particularly evident in 2005 when a debate at the EU arose regarding the lifting of the arms embargo that had been imposed on China following the Tiananmen events. Eventually, the embargo was not lifted, yet some European member states are still providing China with dual-use technologies hence making the embargo relatively irrelevant. Similarly, the EU's response to the Hague verdict on the South China Sea and China's dismissal of the verdict was weak compared to the American one, not clearly condemning China for its action. The US on the contrary has been more vocal about China's abuse of human rights and non-respect of international law in the South China Sea. Yet, again, the promotion of western norms and values does not appear to be a priority for Trump's administration, making such evolution of NATO's role unlikely in the near future²¹².

Although the EU's position on the South China Sea has been weak due to internal division, France and the UK have shown their willingness to be more active in the region to promote the defense of international law. They have effectively carried out freedom of navigation operations in the contested waters of the East and South China Sea and have been stepping up cooperation with regional countries such as Japan²¹³. A military confrontation between France or the UK and China in Asia is certainly not on the agenda of London or Paris, and the cost of waging even a limited war in the region would probably outweigh French and British interests. They could eventually join the Quadrilateral Security Dialogue, which is formed of the US, India, Japan and Australia and intent to balance China's growing military clout in Asia. Overtime, as European Security and Defense is slowly progressing, this could be an area for deeper cooperation between Europeans and Americans towards' China's rise. Actually, François Rivasseau, director of security policy at the European External Action

²¹² Bechná, Z. and Thayer, B.A. "NATO's New Role, The Alliance's Response to a Rising China"

²¹³ Scimia, E (2018) "Japan recruits France to counter China's naval expansion", Asia Time, January 21, <http://www.atimes.com/japan-recruits-france-counter-chinas-naval-expansion/>

Service, declared in April 2018 to an Australian newspaper that the possibility of European navies conducting freedom of navigation operations in the disputed seas was a possibility²¹⁴.

Such cooperation could have the positive effect of signaling to Beijing in a concrete manner that Americans and Europeans stand united in upholding an law-based international system.

Conclusion

China's rise poses a challenge to both the US and Europe albeit with different intensities. American and European responses have hence differed with notably a lack of clear strategy on the European side, enabling Beijing to play its "divide and rule" game with relative ease on sensitive issues. Overall Europeans have been prioritizing economic opportunities provided by China and by doing so, have for some time neglected the challenge China can pose to the norms and values of the international system which are underpinning the EU's identity. Yet, the participation of European actors in the AIIB as well as EU's recent proposition to create an investment screening mechanism seem to show growing awareness. Still, due to its geography, its unique identity and a different position in the international system, the challenges posed by China to the EU are relatively limited compared to the US. Washington's interests and alliance in the region as well as its leadership position are effectively being challenged by China's rise and aspirations. The American response to China has consequently entailed more elements of realism with both engagement but also increasingly containment. The EU on the other hand clearly prioritizes engagement. American and European should find an incentive to cooperate towards China in their shared interests to preserve an international system where prevail the respect of human rights, democracy and the rule of law. Yet, recent events seem to show that the room for cooperation is narrowing down while Beijing is taking advantage of Trump's policies on climate change or trade to promote an image of China-EU cooperation on the global stage against a protectionist American posture.

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²¹⁴ Tillet, A (2018) "Top EU diplomat weighs in on South China Sea dispute", Australian Financial Review online, <http://www.afr.com/news/top-eu-diplomat-weighs-in-on-south-china-sea-dispute-20180326-h0xzrz>

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The rise of populism in Europe and the US based on anti-elite, anti-immigration and anti-free-trade sentiments

Eva Katzer

Introduction

How did the West become so prosperous? Global trade has certainly played a role. How did the US come to exist and thrive? Immigration has certainly played a role. What would European and US foreign policy be without considerable expertise? Well-educated elites have certainly played a role. Yet, current populist movements in the US and Europe are successful not least because of their anti-free-trade, anti-immigration and anti-elite agenda. What has founded the strong support for populist movements? Why should we care? And perhaps most importantly, what are the strategies to provide an alternative that can overcome the political apathy of citizens?

This paper aims to identify root causes of why populists have been able to secure widespread support. First, it is essential to examine broader trends in populist critiques over the last three decades. These set the context for the subsequent analysis of three case studies on anti-free-trade, anti-immigration and anti-elite sentiments, embedded in a theoretical framework of populism and the liberal world order. To ensure wide applicability, one U.S. example (Election of Donald Trump), one European example (Brexit and the Leave Campaign) and one transatlantic example (Transatlantic Trade and Investment Partnership, TTIP) will be examined. The paper then sets out to argue why opposition against populist movements is warranted. Finally, recommendations will be developed for appropriate responses to populism, moving from broader towards more specific considerations regarding anti-free-trade, anti-immigration and anti-elite sentiments.

An overview of populist critiques over the last three decades

Populism is not a novel phenomenon but has gained renewed traction in Europe and the US since the 1980s. The recent populist successes are current symptoms of longer-term trends and structural causes (Eiermann, Mounk & Gultchin, 2017). Scholars and policy makers are divided whether economic or cultural factors have most explanatory power.

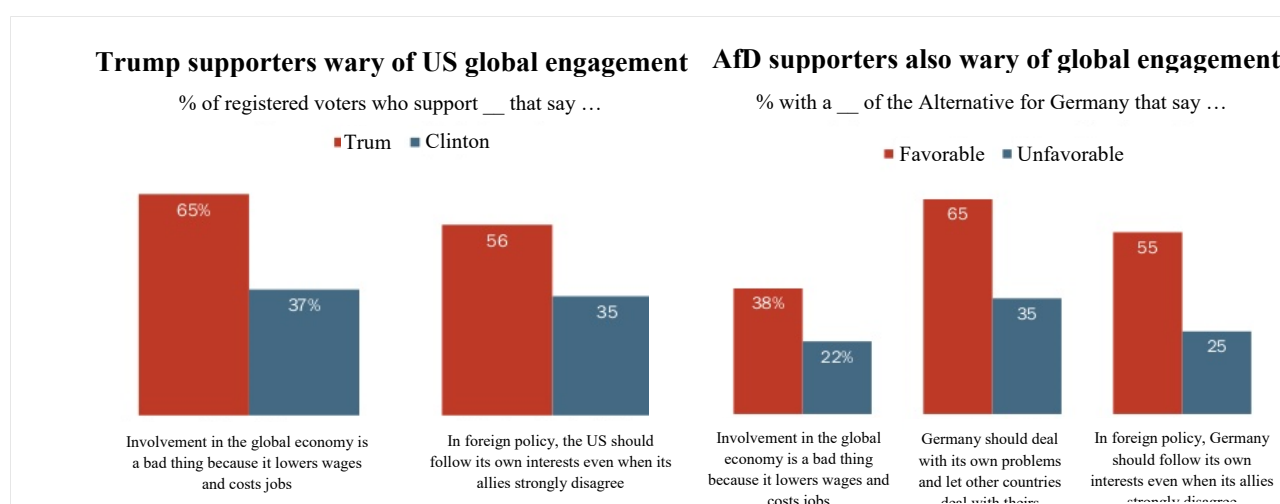
Among economic drivers of populist support are, “Lower income, financial distress and higher economic insecurity from exposure to globalization and competition of immigrants” (Guiso, Herrera, Morelli, & Sonno, 2017). Rodrik argues that the economics of globalization within a populist framework develop different dynamics (2017). As migration is a highly salient manifestation of globalization shocks, populists can rhetorically exploit ethnic, national or cultural lines of reasoning (cf. Western Europe). Conversely, if globalization shocks are related to foreign investment, trade and finance, income and social class cleavages can best be leveraged (cf. Southern

Europe). This also serves to illustrate a distinction between right-wing populism (targeting minorities and foreigners) and left-wing populism (targeting wealthy population groups and large corporations). In the US, support for quite contrasting candidates of Sanders and Trump indicates salience of both dynamics.

Interestingly, rather than objective evaluation, subjective perceptions of a country's economic situation influence populist support (Rico & Anduiza, 2016). This is frequently exploited by populist movements in painting a darker picture than actual circumstances warrant. A relative evaluation may also be driven by rising inequalities. 40% of US wealth is concentrated in the richest 1% of households (Wolff, 2017). This trend, albeit to less extreme extent, is reflected in other OECD member countries displaying increasing income inequality before redistribution between 1980 to 2009 (Inglehart, 2016).

Supporters of populist parties view global engagement critically not only in economic, but also in political terms, demanding more attention to national agendas. As survey data illustrates, this is the case both in current US and in current European politics (see Figure 1).

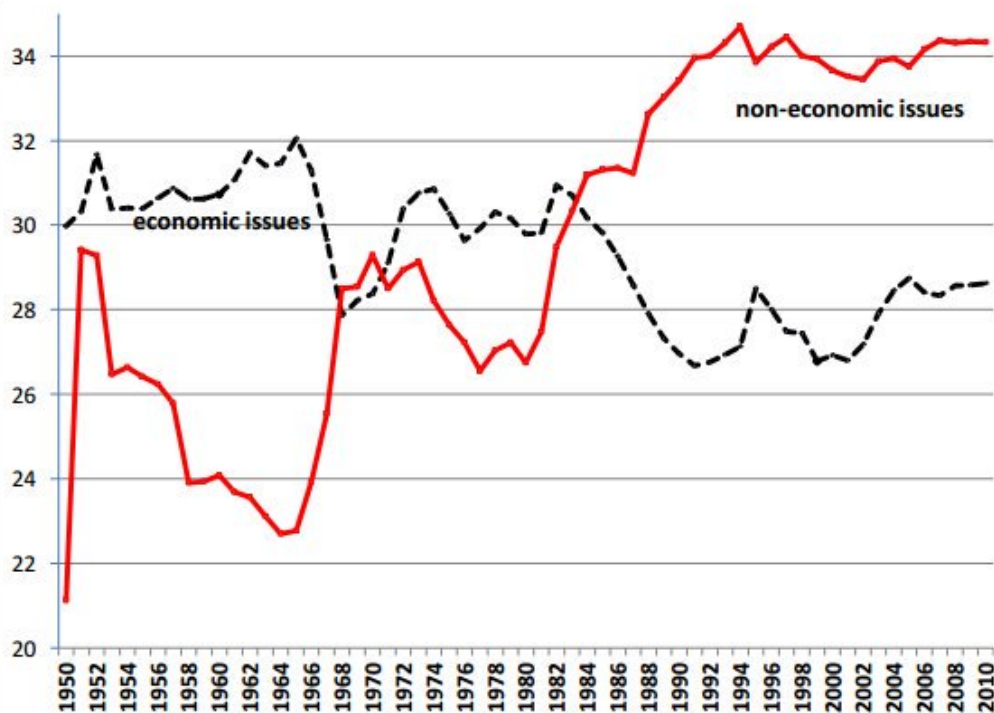
Figure 1. Unfavourable attitudes towards global engagement among populist party / candidate supporters based on 2016 survey data collected by the Pew Research Institute (Simmons & Stokes, 2016). Note: Here Germany is taken as a European example, but the data shows similar trends for France and the UK.



Inglehart and Norris (2016) find that economic issues have declined in importance while non-economic issues became more salient in voting preferences in Western democracies (cf. Figure 2). Cultural factors including anti-immigration sentiment and authoritarian values predicted support for populist groups. In a theory of “cultural backlash” scholars have referred to a resistance to a change towards more liberal values that promote gender equality, acceptance of homosexuality and multiculturalism (Inglehart & Norris, 2017). Abandoning “political correctness”, populist

movements' mode of expression is considered a backlash against majority- turned minority-values.

Figure 2. Rising salience of non-economic issues in the party manifestos of thirteen Western democracies, 1950 – 2010 (Inglehart & Norris, 2016, p. 39).



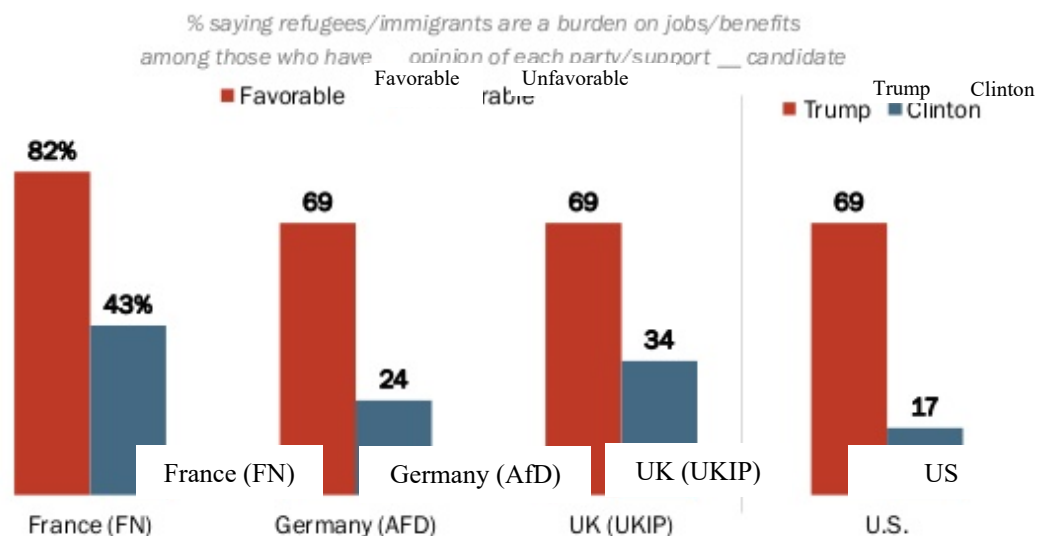
Notes: Scores on the vertical axis are calculated by counting the number of economic issues, and non-economic issues mentioned in each party's electoral manifesto for the most recent election, weighted by each party's share of the vote in that election, giving equal weight to each country. **Source:** Party Manifestos data from Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland and United States, in Zakharov (2013).

Evidence for a more balanced view exists as well, showing trends of interrelated economic and cultural anxieties (Eiermann, 2018). This is supported by mixed findings on Trump supporter characteristics (Rothwell & Diego-Rossell, 2016): Although likely to have blue collar employment, median household incomes are relatively high. Predictors for turnout in favor of Trump are residence in racially homogenous communities with a lower degree of social mobility and higher social security income reliance. A recent study examining European electorate preferences from 1980 to 2017, finds a variety of underlying cultural, political and economic factors determine populist support (Heinö, Caccavello, & Sandell, 2018): Disenfranchisement with a corrupt elite, impatience with the system of rule of law, demands for a stronger state (right-wing: strengthening military and police; left-wing: nationalizing banks and major private corporations) as well as criticism of the European Union (EU), immigration, free trade and globalization more generally. Unfavorable attitudes towards immigration appear to be a driver for (right-wing) populist support in both Europe and in the US (see Figure 3). It also exemplifies interrelations between cultural, security-

related and economic factors with anxieties varying between loss of national identity, increased likelihood of terrorism and “stolen” employment and social benefits (Simmons & Stokes, 2016).

Figure 3. Critical stance against immigration amongst populist party supporters based on economic considerations according to 2016 survey data collected by the Pew Research Institute (Simmons & Stokes, 2016).

Populists Particularly Worried About Refugees and Immigrants



Populists particularly worried about refugees and immigrants

% saying refugees / immigrants are a burden on jobs / benefits among those who have ___ opinion of each party / support ___ candidate

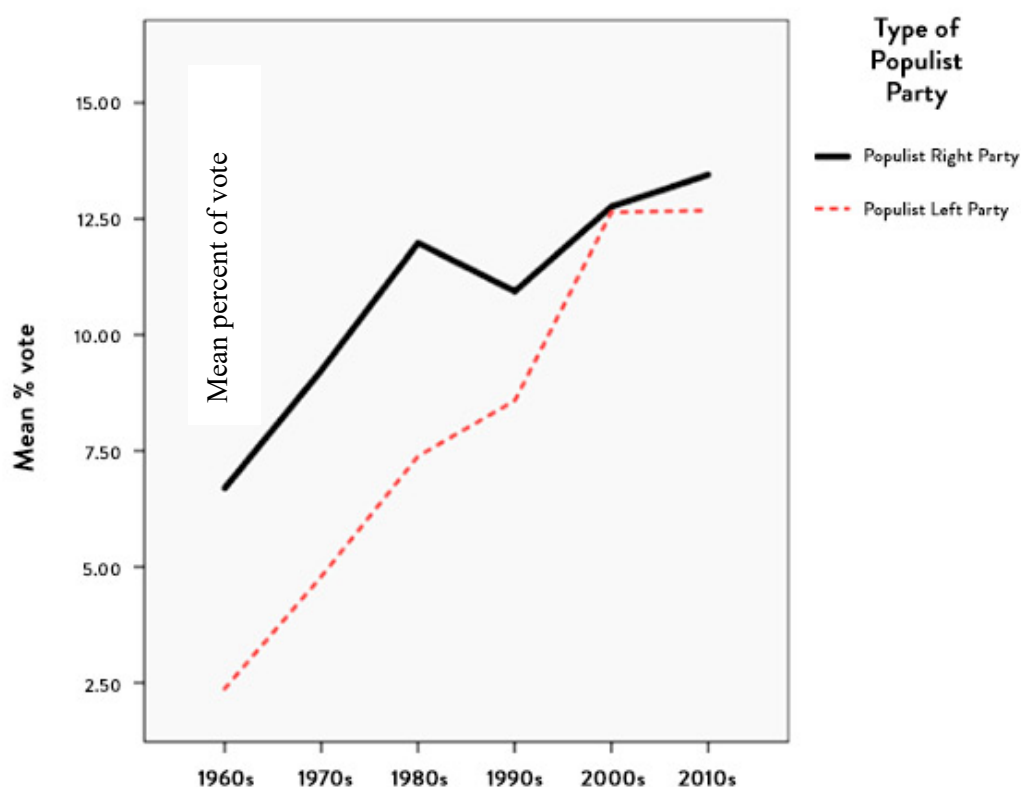
Despite diversity in populist critiques, common is that support is derived from the feeling that governments and the dominant elites are incapable of responding adequately. Trust in government has decreased across OECD member countries (OECD, 2017). Distrust is extended to the wider establishment, including not only politicians and government, but also ‘big business’ and media (Liasson, 2016). As Laclau succinctly puts it: “a situation in which a plurality of unsatisfied demands and an increasing inability of the institutional system to absorb them differentially co-exist, creates the conditions leading to a populist rupture” (2005, pp. 37–38).

Anti-free-trade, anti-immigration, anti-elite sentiments in the framework of populism

“Any concept that reaches a certain level of popularity is at risk of becoming worn-out, used in so many different, mutually inconsistent, ways, that it no longer serves a meaningful, analytical tool. The concept of populism is of this kind” (Heinö, 2018).

As the previous chapter illustrates, populist critiques and movements are of such diversity that scholars have had difficulties agreeing on a clear definition of ‘populism’. There are right-wing populist groups, there are left-wing populist groups. As Figure 4 shows, both have been on the rise in Europe. There are populist groups that oppose immigration; there are populist groups that demand voting rights for foreign residents; there are populist groups that oppose the capitalist neo-liberal order. Laclau hence defines populism not on the level of political or ideological content, but as a “mode of articulation of whatever social, political or ideological contents” (in Panizza, 2005, p. 34). As the term itself signifies, ‘the people’ are essential as political actors. According to Müller, Professor of Politics at Princeton University, populist movements claim that they alone represent ‘the people’ rendering all other actors and their aspirations illegitimate (2017). Populism thereby rejects pluralism.

Figure 4. Mean vote share for populist parties in European societies from 1960s to 2010s (Mounk, 2017).



Central to any stream of populism is creating a dichotomy between “us” (the people) and “them” (Zabala, 2017). Populist discourse relies on the construction of an enemy or opponent to simplify complex political debates (Panizza, 2005). This can be on the level of individuals or groups of people, such as foreigners (including immigrants and refugees) leading to *anti-immigration sentiments* or ‘the Establishment’ including particularly wealthy and/or educated and/or powerful people creating *anti-elite*

sentiments. It can also be based on sectors or concepts such as capitalism and globalization including neo-liberal corporations, leading to *anti-free-trade agendas*. The political efficacy and power of populism lies in its reliance on symbols that paradoxically are relatively content-void, but at the same time serve as melting-pots for a variety of unsatisfied demands (Laclau, 2005). Creating homogeneity out of heterogeneous demands is often achieved by a charismatic leader.

This theoretical delineation will be used as a basis for examining whether populism and the liberal world order constitute the dichotomy they are perceived to represent. Simultaneously, it will serve as a point of departure for the case studies analysed in Chapter 5.

How do these sentiments go against the provisions of the Liberal World Order?

The liberal world (or international) order comprises economic as well as political dimensions. As the dominating framework in Western post-World War II history, it is “organised around open markets, multilateral institutions, cooperative security, alliance partnership, democratic solidarity and United States hegemonic leadership” (Ikenberry, 2010, p. 513). Legitimacy and maintenance of the order is (or was?) based on shared values and convictions, “an overwhelming consensus in favor of political democracy, market economics, ethnic toleration, and personal freedom” (Deudney & Ikenberry, 1999, p. 192). Underpinning the international order are major international institutions including the United Nations (UN), the Bretton Woods institutions, the EU, the World Trade Organization (WTO) and NATO (Colgan & Keohane, 2017). These expanded as the liberal international order geographically expanded. When established, the US, western Europe and Japan were the key supporters. After the Cold War, new agents joined in a wave of democratization and world market integration, extending the order to eastern Europe as well as to parts of east Asia and Latin America (Ikenberry, 2018).

However, what appeared as a continuous progression towards an ever-greater circle of adherents to this order championed by the west starts showing cracks. Previously concerned with external threats, the liberal world order has now been challenged from within. Populist movements question the liberal order in several extents. First, it has further weakened the hegemonic role of the US, casting doubt on whether a leader perceived as fickle, relying on Twitter as the main communications medium, is conceivable. Secondly, an inward-orientation and return to domestic rather than international spheres can be considered a direct attack on the institutions underpinning the liberal world order. The US President has criticized not only NATO and the Iran nuclear deal, but also withdrew from the Paris climate accord (Haass, 2018). In economic terms, he chose not to enter the Trans-Pacific Partnership and widely applied (?) tariffs are to further restrict free trade. As outlined in the first chapter, populist movements across the Atlantic have questioned European integration and a

perception of over-extended EU responsibilities, demanding a return of power to national governments. Third, increasingly fragmented societies characterized by rising inequalities challenge the foundation of common values. One example is the previously illustrated growing skepticism if not hostility towards migrants and refugees, not exactly reflective of the “toleration of diversity in non-civic areas of ethnicity and religion” (Deudney & Ikenberry, 1999, p. 193).

US hegemony has been a distinctive feature of the liberal world order since WWII. While this role was important at the beginning to coordinate the effort, when more and more stakeholders became involved, it ceased being a constitutive or vital feature. More important than who is at the forefront of championing the values, is the essence of the values. And one of those values is multilateralism, which may indeed be strengthened by countries having to rely on multiple partners as a result of a more inward-looking US. This would be a great opportunity for Europe – if it was not for the consortium’s own internal disagreements, instabilities and division. They must find a common denominator that strengthens once again their cohesion. Security cooperation could be one, a common fight against US tariffs may be another.

Lastly, liberal internationalism as Ikenberry outlines, is not a rigid static system, but a dynamic one that can be reformed (2018). It can be shaped and formed according to changing circumstances as it has proven over the last centuries and decades. Populism and the associated critiques offer some insights into aspects that must be addressed if we want to retain at least a minimal common denominator of a rules-based global order. Concrete challenges and appropriate responses will be addressed in the following sections, analyzing three case studies evolving around anti-elite, anti-immigration and anti-free-trade sentiments.

Exploring arguments and root causes based on illustrating examples

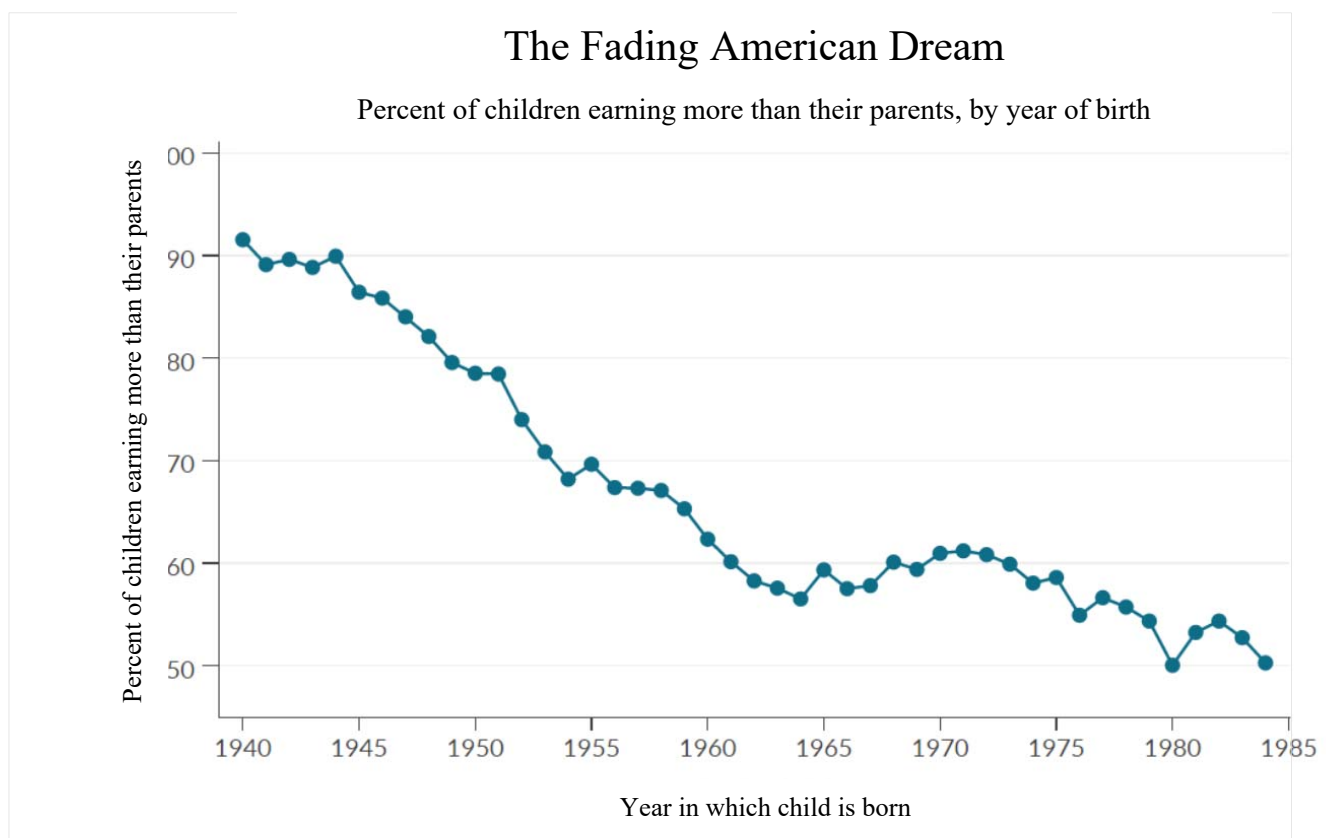
Anti-elite: How Donald Trump managed to frame himself as “one of us” during his Presidential campaign

The election of a billionaire based on activating anti-elite sentiments appears paradoxical. This seeming paradox can, however, be decoded by considering Trump’s strategy and rhetoric against the background of the American socio-cultural and political system.

Trump’s campaign was directed against cultural and political establishments while excluding business elites from criticism. This was successful because the electorate makes the same distinction. As Chua (2018) argues, criticism is often directed against professionals such as “lawyers, doctors, professors, established politicians, even journalists”, but not against the super-rich. This is rooted in a higher perceived distance to eloquent professional elites than to someone who uses simple, but powerful slogans as ‘Make America Great Again’. While the gap to Trump in language-

use never existed, the deeply rooted American Dream suggests that with enough effort, the gap in income or wealth could be closed, too. Never mind that, in reality, social mobility has drastically decreased (Chetty et al., 2017; cf. Figure 5). What counts is perception: “people overestimate the amount of upward mobility [...] [and] poorer individuals believe there is more mobility than richer individuals” (Davidai & Gilovich, 2015, p. 60).

Figure 5. Decreased likelihood of children earning more than their parents by year of birth (Chetty et al., 2017, p. 400).



Trump’s election can also be framed as “voting for change” or a “protest vote”. Both in the primaries and in the Presidential election, his role as an ‘outsider’ in politics without ever previously holding a public office benefited his campaign. This is of particular importance considering the decreasing trust in government as outlined above. The success of Bernie Sanders, although ideologically at the very opposite end of the political spectrum, further confirms an urge for radically different policies. In this

context, Trump's rhetoric in form and content excelled at creating several "us" versus "them" divides. Trump managed to create a "tribal alliance [between] [...] a celebrity billionaire and blue-collar voters" (Chua, 2018). To achieve identification, one mechanism was employing arguments along racial lines. One very prominent example is the following quote:

"When Mexico sends its people, they're not sending their best. They're not sending *you* [own emphasis]. They're sending people that have lots of problems, and they're bringing those problems with us. They're bringing drugs. They're bringing crime. They're rapists. And some, I assume, are good people" (Trump in Justice & Stanley, 2016).

First, the wording is simple, distancing himself from technocrat eloquent previously mentioned "professional" elite. Secondly, it reinforces the us versus them divide, in this case not with the elite, but with immigrants. Implying that "you" are the best is a way of showing deep respect for his audience – a respect that other politicians may sometimes lack? Thirdly, the message is 'politically incorrect' and factually questionable. Politically incorrect statements are considered as 'refreshing' in opposition to the standard of conduct imposed by elites and most discourse by the establishment. The bending of the truth, creating 'alternative facts' are not necessarily held against Trump. On the one hand, it is hard to prove them as objectively untrue against the background that media is portrayed as corrupt and collaborating with (if not part of) the elite. On the other, it may be considered as a more direct way of communication that not always includes thorough research, but resonating thoughts of some. These (among other) 'mistakes' may actually increase instead of reduce popularity.

All these aspects have made Trump a populist champion "not just politically, but culturally, aesthetically and tribally" (Chua, 2018). However, this success would not have been possible without his use of (social) media. His strong reliance on Twitter, Facebook and "low-cost, low-production videos on Instagram, Vine, Youtube and Periscope" (Justice & Stanley, 2016, pp. 36-37) have magnified the proximity created by the use of language for communication. The real-time media use reinforced the bluntness, and the unscripted, immediate communication style. It also signifies a recapture of media and science from corrupt elites. News media fragmentation has created what Berry and Sobieraj (2013) refer to as 'outrage industry'. Trump's tendency for superlatives, showmanship and controversies perfectly fit this system. In combination with a reliance on emotions, Trump could thereby leverage "increasing fear of real and imagined threats, and terrorist incidents abroad and at home" (MacWilliams, 2016, p. 716). Overall, form was more important than content. Since in office, Trump has made 3,001 false or misleading claims according to Washington Post's Fact Checker (Kessler, Rizzo, & Kelly, 2018). At the same time, the high volatility as claims are made, denied and re-made exacerbate the overreliance on rhetoric at the expense of substance and content.

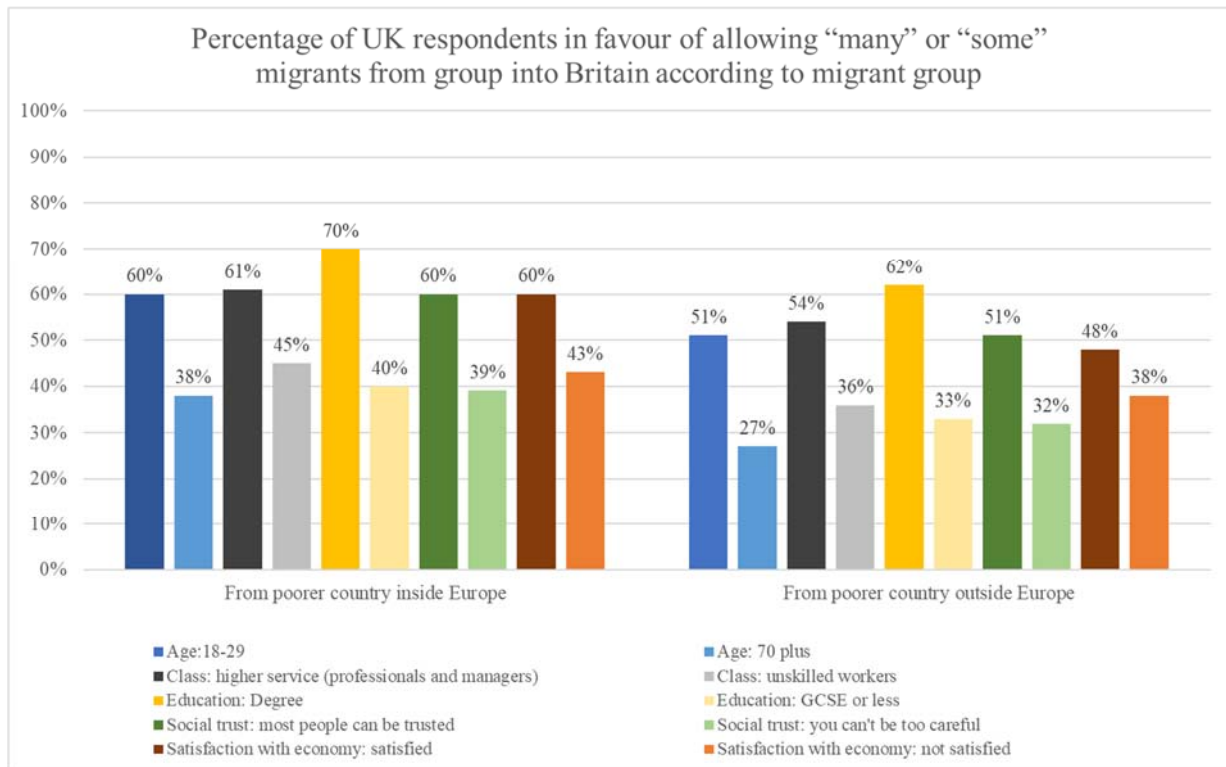
The afore mentioned tribalism is a broader phenomenon in the US: Information processing that forms political positioning is driven to a large extent by group affinity (Kahan, 2013). It is connected to growing partisanship in the US. Trump's election success not only hinges on populist support, but also on traditional GOP support who voted for Trump, only to vote against the Democrats (Pierson, 2017). This is another divide Trump exploited adhering to similar principles as just illustrated in the case of presenting immigrants as "them": "The Democrats don't care about our military. They don't. They don't care about our borders or crime" (Washington Post, 2018). The two-party political system offers the perfect grounds for creating that binary opposition. To a certain extent, Republican voters' strategy bears fruit: If not the largest (as he himself claims), Trump has introduced a substantial tax-cut largely benefiting affluent population groups (Washington Post, 2018), reflecting the interests of the "wealthiest Cabinet in modern history" (Chew, 2018).

Anti-immigration: What allowed immigration to become a decisive factor in the 'Leave' Campaign leading up to Brexit

Over the past decade, immigration has featured high among the issues voters considered of primary importance for the UK (Duffy & Frere-Smith, 2014). During the final campaigning phase for the Brexit referendum, immigration became the factor dominating public discourse. This benefited the 'Leave' campaign at the expense of the 'Remain' faction arguing for uncalculated economic risks in case of Brexit (Loughborough University, 2016).

To understand the Brexit vote is to understand the deeper social divide within British society. Ford and Goodwin point to structural changes linked to post-industrialization that have created an increasingly marginalized group referred to as "the 'left behind': older, working-class, white voters with few educational qualifications" (2014, p. 277). Interestingly, these are also the groups that have disproportionately turned out in favor of Brexit. Even more interestingly, this pattern closely maps attitudes towards immigration: Individuals display more favorable attitudes towards migration if they are younger, have high-skilled jobs, high education levels, more social trust and are satisfied with the economy (Clery, Curtice, & Harding, 2017; see Figure 6). This pattern is similar for immigrants from European and non-European poorer countries although slightly lower for the latter.

Figure 6. Views on levels of immigration from different migrant groups, by socio-demographic and attitudinal group based on data from the British Social Attitudes Report (Clery, Curtice, & Harding, 2017).



Note: GSCE stands for General Certificate of Secondary Education.

73% of voters who expressed concerns about immigration turned out in favor of ‘leave’ (Clery et al., 2017). Skepticism is driven by both economic and social factors: “by the economic transformation of the country over recent decades but also by the values that have come to dominate a more socially liberal media and political class” (Goodwin & Heath, 2016, p. 331). Vote choice is influenced by “sense of national identity and cultural outlook” (Clery et al., 2017, p. 158). Those expressing ‘authoritarian’ values (highlight the need for social and cultural values of host country to be accepted, in favor of homogeneity) voted 72% for leave, while those holding ‘libertarian’ values (individual choice of social and cultural values, in favor of multi-cultural diversity) only 21% voted for leave. What should be noted is that rather than along racial lines, the want for homogeneity is argued from the perspective whether immigrants are committed to a “British way of life” (Clery et al., 2017, p. 149). Data generation, however, relied on self-indication, which presents limitations on the extent to which ‘politically incorrect’ biases have consciously or unconsciously been suppressed.

The ‘Leave’ campaign was able to take advantage of and exacerbate existing social divides in British society. Immigration was a welcome lever to channel divides across socio-cultural and economic dimensions into campaign content that could be molded into emotional claims addressing the ‘left-behind’. The success can be quantified in changed attitudes from 2015 to 2016 (Clery et al., 2017). First, overall skepticism of public opinion increased, likely a result of the negative framing of both sides of the campaign, relying on inciting anxieties either of excess immigration or of economic downturn. Secondly, the campaign intensified socio-cultural and ideological divisions

in evaluating the costs and benefits of being part of the EU. The campaign highlighted regaining authority over border control and restrictions to immigration (Chu, 2017).

The societal divides fuel anti-elite sentiments: Those that do not identify with or support socio-liberal society outlines, feel their interests are neglected by political elites. Although general disenchantment with government and parliament has lower explanatory power for Brexit support than sentiments about immigration, it has played a role: Of those with high trust in government, 45% voted to remain while 65% of those indicating low levels of trust voted to leave (Clery et al., 2017). There may be some interrelation with the perceived distance of voters to the political elite. Low education levels were found to correlate with a vote for 'Leave' – the discrepancy to well-educated technocrats may have been particularly pronounced, leading to disenfranchisement with alien and distant technocrats.

After years of campaigning, Nigel Farage has reached his goal: to leave the EU. Studies have found that “support for Leave closely mapped past support for UKIP [the UK Independence Party]” (Goodwin & Heath, 2016). Despite attempts by the official 'Leave' campaign to distance themselves from UKIP, they have undeniably profited from the populist party's support. Of the UKIP supporters that turned out to vote in the referendum, 100% voted to leave (Clery et al., 2017). To magnify their questionable emotionally charged messages, Farage and UKIP did not restrict themselves to the truth. A primary example is the “Breaking Point” campaign poster (see Figure 7). Making reference to Great Britain's borders, it in fact showed refugees at the border of Slovenia and Croatia (Grice, 2017).

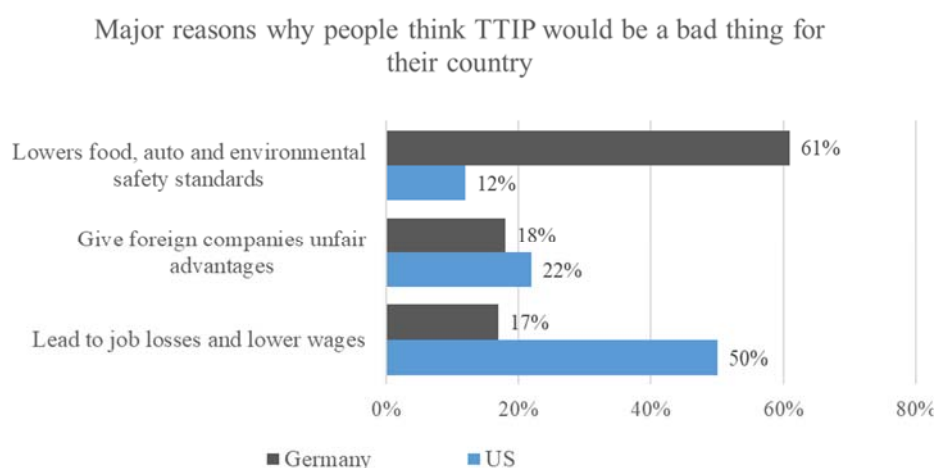
The Brexit vote has brought to the surface the deep divisions of British society exacerbated by the respective campaigns. The polarization has reached a point where family relations and friendships have deteriorated over how one would cast the vote. It will be difficult to mend these divisions, especially since the margin by which the 'Leave' campaign triumphed was so narrow. As the British Social Attitudes Report concludes: “In short, the EU referendum was a litmus test of the merits of the EU project, and perhaps indeed of globalisation more generally – a test that, on this occasion, the EU was deemed by a majority to have failed” (Clery et al., 2017, p. 176).

Anti-free-trade: How the Transatlantic Trade and Investment Partnership (TTIP) failed to garner public support

Discontent with the (perceived) adversary effects of globalization has, as shown above, been a factor in the vote for Brexit. However, while immigration and the movement of people took center-stage in the former case, this passage looks at skepticism geared towards the free movement of goods. Advocates of the Transatlantic Trade and Investment Partnership (TTIP) are convinced that it will bring prosperity to both treaty partners: The US and the EU. Yet, a survey conducted by

YouGov showed that among Germans²¹⁵ only 17% and among US citizens only 15% were in favor of the deal in 2016, a significant decrease in support compared to 55% and 53% respectively in 2014 (Reuters, 2016). Among other factors, this lack of public support has put an end to negotiations in late 2016 (Eliasson & Huet, 2018). However, the underlying reasons for skepticism and opposition against TTIP differ between Germany and the US as can be seen in Figure 8.

Figure 7. Americans and Germans differ in their reasoning for rejecting TTIP (Pew Research Center, 2015, p. 14).



In Germany, concern was widespread despite the high trade surplus powering the country's economy. The agreement was feared to lower EU standards in terms of product quality as well as consumer, worker and environmental protection (Bluth, 2016). In addition, the arbitration courts provisioned to solve litigations involving private companies have been criticized for giving excess power to multinational corporations. A Greenpeace campaigner said: "This trade deal is not about trade. It's about the transfer of power from people to big business" (Eskow, 2016). This criticism creates a distinction between "us" the people and "them", large multinational corporations. Although this may from the outset be based on emotions and a general disenfranchisement with business-elites, the skepticism is backed by empirical evidence. Van Harten and Malysheuski find that "the beneficiaries of ISDS [Investor-state dispute settlement], in the aggregate, have overwhelmingly been companies with more than USD1 billion in annual revenue – especially extra-large companies with more than USD10 billion – and individuals with more than USD100 million in net wealth" (2016, p. 1).

²¹⁵ Germany has been chosen as an exemplary case of Europe. It is particularly interesting given particularly strong protests despite the high trade surplus powering the country's economy.

However, not all criticism has been based on specific arguments, looking at the Breitbart comments section, one finds derogatory criticism of the elites and “their” commitment to “us”, the common people (Lane, 2016):

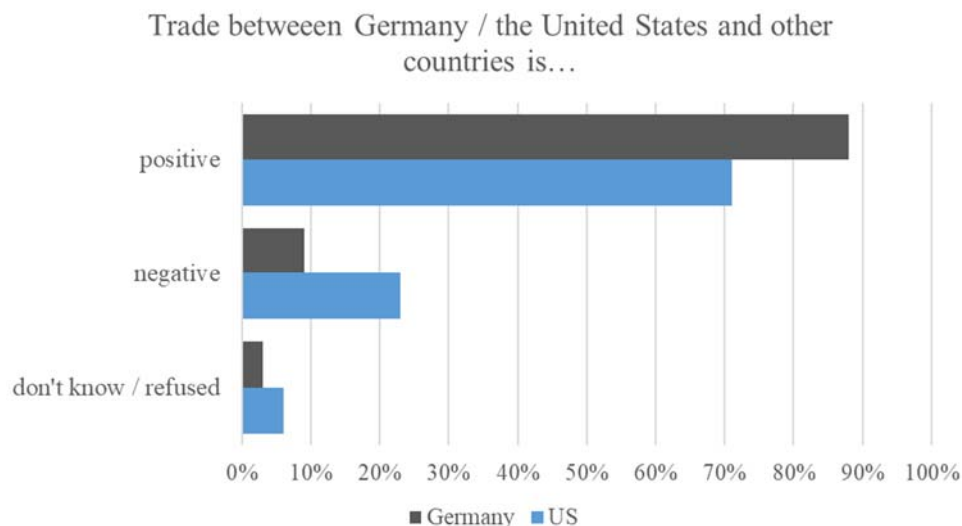
“The elite haven't spent 10 years on this for our good...you can be sure of that! [...] It was most certainly drafted by large unnamed corporations and their lawyers, in bed with politicians, as a guaranteed method of extracting large sums of taxpayer money [...]. Either way the corporations win. - You lose”.

What is peculiar about the opposition against TTIP is that it is derived from multiple directions including left-wing party Die Linke, right-wing party Alternative für Deutschland (AfD), as well as 500 European organizations such as Greenpeace that have launched the campaign “Stop TTIP” (2016). One major criticism has been the lack of transparency and consultation with citizens. This is a point in common with the US: While in Germany 30% indicated they had not heard enough to judge whether TTIP is good or bad, even 46% in the US indicated a lack of information (Bluth, 2016).

Criticism in the US displayed similarities but was partly voiced along different lines of argumentation. A first aspect is a general aversion against globalization, motivated by a fear that trade liberalization will lead to lower wages and a loss of jobs (Pew Research Center, 2015). Protectionism promoted by Trump has been seen as a counteractive measure. Economic advisors under the new administration have also shown a preference for bilateral over multilateral agreements (Wharton University, 2017). This would likely give the US more bargaining power considering they rank first in a global comparison of gross domestic product (GDP) among individual countries. While the US featured a GDP of \$18.6 trillion in 2016, Germany's GDP was only \$3.5 trillion while the EU's aggregate GDP was \$16.5 trillion (World Bank, 2017). Trump fueled public skepticism with (false) statements such as “It's very hard for us to sell stuff into the European Union. It was put there to take advantage of the United States” (Washington Post, 2018).

Protest against TTIP cannot be wholly discarded as populist claims exploiting irrational fears of globalization, but have in large parts contributed justified public concerns. As data shows, both Germans and Americans view trade between their respective countries and other countries widely positive (see Figure 9). These findings in conjunction may point to criticism of what “free” comes to denote. “Free” Trade Agreements must be sufficiently “unfree” to introduce regulations that protect interests of “the people” against interests of “big business”. This may also explain the seeming paradox that in a country so reliant on export as Germany, the public has still turned against TTIP.

Figure 7. Positive attitudes towards trade in Germany and the US (adapted from Bluth, 2016, p. 13).



Why counter populism and anti-free-trade, -immigration and -elite sentiments?

Why counter populist movements? The answer lies in three dangerous elements that illustrate the detrimental effects on society and politics:

- *Saving objectivity while promoting pluralism based on mutual respect.* No matter if simple or complex messages, they should be rooted in the truth. While sometimes difficult to identify THE truth, objectivity can best be reached by integrating different perspectives and promoting pluralism. “Alternative facts” and disinformation cannot be our goal. Neither can be villainizing the media as Trump has repeatedly practiced. Both restrict the room for informed debate. Disagreement is a healthy aspect of society but should be based on mutual respect.
- *Choosing freedom (and hope) over fear.* Freedom of the press is essential for dialogue. It is only one aspect of freedom. The evocation of fears especially evoked by right-wing populist movements, not only conveys a negative vision of reality, but also restricts freedom. Some populist movements are amplifying the spread of fear that terrorists aim to spread through their attacks. They promote anti-Islam sentiments which then ex-post confirm the messages of Islamic extremists. Germany’s newly inaugurated Minister of the Interior Horst Seehofer stated “No. Islam does not belong to Germany” (Staudenmeier, 2018). Such statements show the societally damaging messages from populists adopted by mainstream parties that lead them to themselves evoke (ungrounded) fears and counter basic freedoms such as the freedom of religion.
- *Preserving social norms and democracy.* The last aspect alludes to the socio-cultural dangers of populism. As previously illegitimate behaviors and expressions become acceptable, the moral compass shifts. This may become

a self-amplifying process of deteriorating societal norms. Berman argues that there is a danger of populism shifting to authoritarianism pointing to developments in Turkey, Hungary and Venezuela (2017). This should give rise to concern considering that populist movements are often centered around one charismatic leader. In that case, the 'old' corrupt elite, is simply replaced by a 'new' corrupt elite, defeating the purpose of why the populist movement started in the first place.

Liberal democracy in its ideal form achieves incorporating 'the people' – through elections and the protection of basic freedoms. Academic and policy-maker discourse must not exacerbate an "us" versus "them" divide. Instead of condescending to populist movements and their supporters, populism should rather be embraced as an opportunity. It can be part of the solution by simplifying messages (without ignoring facts) and addressing demands and discontentment in society that populist movements have helped to reveal. More specific recommendations on how to counter populism and evade separating society into "them" and "us" will be outlined in the following section.

Conclusion: How to counter populist movements that alienate the West from the Liberal World Order?

"The migrants are a huge concern, but they are just a tool to be used to break the Nation State. AfD are right to go after TTIP which of course is a blatant attack on sovereignty, ceding power to global corporations. Breaking up the EU trumps both of these and going after [...] Bilderberg group trumps everything... but does anybody have the balls to do that or even talk about it?" (Comment on Breitbart News: Lane, 2016).

Populist movements have been on renewed rise since the 1980s. Populists claim sole legitimacy for representing the will of the people, creating and reinforcing an "us" versus "them" divide. Support is derived from a melting-pot of unsatisfied demands based on mutually reinforcing socio-cultural and economic factors. The quote above distills anti-elite, anti-immigrant and anti-free-trade sentiments. It also illustrates overarching patterns of populism, demanding a break with political correctness and promoting nationalism. Its violent undertone emphasizes the previously raised concerns that populism discourages pluralism based on mutual respect. Populist movements should be countered to preserve factual discourse, social norms and democracy. It is essential that politicians refrain from uncritically copying populist strategies and instead develop their own moving away from incitement of fear.

Given the heterogeneity in populist critiques, specific content-related policy recommendations prove difficult. However, populism of the most varying ideological orientations displays commonalities rooted in anti-establishment sentiments and decreasing trust in governments. Proposing to start with building trust, appears to be

putting the cart before the horse. Shouldn't we (re)build trust by achieving policy outcomes that demonstrate government effectiveness? Ultimately, yes. But populist movements have been able to gather support and win elections without prior proof of being able to implement effective measures. They have succeeded in establishing a connection with 'common' people, using rhetoric and symbolic gestures despite their elite affiliation. Politicians should not sacrifice substance, but they must work on their (rhetorical) proximity to the populace. More dialogue platforms between politicians, business and communities must be enabled to go beyond top-down identification of problems towards bottom-up considerations. Only if participation and respect are ensured, one can move from the procedural foundation to content-related policy development.

As the example of Trump's election shows, anti-elite sentiments against professional elites can be decoupled from those directed against business elites. The seeming paradox of Trump's election must be seen against the background of the US socio-cultural and political system based on the American Dream and increasing partisanship. The use of media and rhetoric have helped present Trump as 'one of us'. Leveraging 'alternative facts' has more benefitted than harmed his campaign by framing 'establishment' media as corrupt. For the latter, it is a delicate act between objective reporting and subjective denouncement of populist critiques. Fact-checking websites should refrain from solely targeting populists and instead put all politicians under scrutiny. Otherwise, liberal media outlets are rightly criticized for bias towards the political establishment. Opposing opinions and controversial discussion must still retain their place, but opinion pieces should be marked as such. To avoid hypocrisy, which would only exacerbate anti-elite sentiments, liberal biases must be suppressed in non-opinion contributions in an attempt to reach the objectivity that populist movements are criticized to neglect.

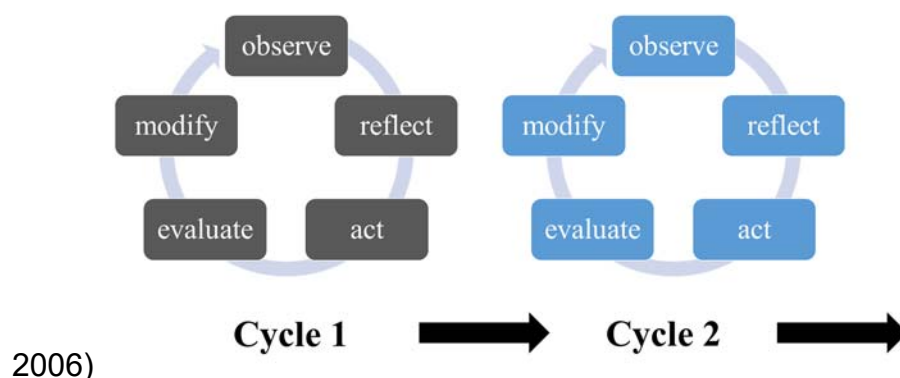
The Brexit vote was able to leverage anti-immigration sentiments because of deeper societal divides in the UK. While overcoming these will take years, the case study offers an interesting lesson: The referendum saw an increased turnout of those disinterested in politics, 43% compared to 30% in the last general elections in 2015 (Clery et al., 2017). As those disproportionately turned out in favor for 'Leave', it indicates that they felt their concerns were better addressed. The 'Leave' vote was driven by fears of migration rather than migration itself: areas with the highest net migration featured strongest support for 'Remain' (Travis, 2016). This also points to a failure of the 'Remain' campaign to mobilize support among those groups. Led by their own bias, they focused on concerns regarding economic downturns by losing access to the European Single Market. On an abstract level, concerns must be heard and taken seriously by both politicians and journalists. On a practical level, the emphasis on a commitment to British values in critical stances towards migration can be leveraged. If indeed not driven by racial underpinnings, tandem programs or integration classes offered by older citizens most skeptical of immigration could help

overcome prejudice. Of course, this is contingent on their readiness to participate and on political will to support and promote civil society engagement.

The TTIP case study illustrated interrelations between populist claims and justified criticism of economic liberalization. In their skepticism towards global political and economic engagement, populist movements oppose key provisions of the liberal world order. Increasingly fragmented societies characterized by rising inequalities challenge common values. These developments do not necessarily lead to a collapse of the liberal world order but should serve as a trigger for critical reflection on reform and behavioral change of actors loyal to it. It should be ensured that the liberal world order does not become a libertarian world order. As Ikenberry states, the goal is “a ‘managed’ open world economy” (2018, p. 16). Justified claims such as the opposition to arbitration courts that decouple businesses from ‘ordinary citizens’ in judiciary proceedings must not be discarded as uninformed populist propaganda. Social security should not be traded for economic growth through complete deregulation. The case study also highlights the importance of transparency and information access for ensuring informed citizen engagement.

Participatory action research provides an interesting starting point for increasing citizens’ involvement revising some of the dysfunctions in the political system. Based on observing and reflecting on local contexts, policy-makers and community members would jointly develop and implement programs or reforms, subsequently evaluate outcomes and modify policies accordingly (Baum, MacDougall, & Smith, 2006; cf. Figure 10). The approach highlights renewed reviews and revisions. Originally developed in a research context, it could be trialed for policy development and implementation at municipality level, for instance tackling problems around refugee integration. This could improve communication, mutual understanding and accountability. Ideally, increased trust in local politicians translates into overall reduction of disenchantment with political elites. The approach emphasizes multi-stakeholder involvement. Alienation between civil society, the public sector and private business has played a crucial role in the rise of populism. Any approach that fails to promote inter-level cooperation also fails to adequately counter dangerous populist tendencies instead of promoting pluralism and mutual understanding.

Figure 8. The cycles guiding the progression of Participatory Action research (Baum



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The populist moment in Europe and the future of the European Union

Joachim Imad

“Europe represents a synthesis of the energy and freedom that come from liberalism with the stability and welfare that come from social democracy. As the world becomes richer and moves beyond satisfying basic needs, the European way of life will become irresistible.”²¹⁶ Despite this optimistic statement of Mark Leonard in 2005, national loyalties are back and the European liberal order is facing major contestations whose intensity have never been that strong over the last decades.

As Tony Blair claimed in a report for the Institute for Global Change: “*An unprecedented populist belt now covers a big and strategically important stretch of Central and Eastern Europe, from the Baltic Sea all the way to the Aegean.*” The populist wave is real in Europe and Eurosceptic movements have been continuously gaining ground to the extent that sixty-one years after the Treaty of Rome, the European Union turns out to be facing a state of emergency. Despite Emmanuel Macron’s victory at the presidential election in France against Marine Le Pen and “Geert Wilders’ losses in the Netherlands, populism remains the key driver of Europe’s debates. The public anger over the elites is very obvious and the results of the recent elections in Italy are a relevant illustration of that trend. The rise of populism shows us that the European Union has so far failed to solve its most important challenge: unite the divergent ideals, identities and traditions of each nation in a way that enables these nations to defend their particularities while limiting national sovereignty enough to allow effective and peaceful international cooperation.

The word “populism” was probably coined at the beginning of the 1890s when an American agrarian reform movement, the Farmers’ Alliance became known as the Populists. Populism can take root in both sides of the political spectrum and aims at going beyond the left-right divide in order to support the power of the people against what is described as a privileged establishment. The word “populism” is widely used, generally with a negative connotation within the media and the institutions. Calling someone populist is often a way to criticize the political alternative proposed as a form of demagoguery. Many commentators even draw parallels to the rise of fascism during the XXth century and today’s populist movements. However, some intellectuals or politicians that are accused of populism claim that the Eurosceptic movements should be proud to call themselves populist and that positive changes can emerge from the populist moment.

To what extent is Europe facing a populist moment today? What interests and objectives are populists seeking and through what strategies? What are the

²¹⁶ Mark Leonard, *Why Europe Will Run the 21st Century*, London, Fourth Estate, 2005, p.11.

appropriate responses to the challenges stemming from populism and what are the potential future scenarios for the European Union and the liberal order?

The drivers for the success populist and Eurosceptic parties in Europe

To think about the strategy needed to answer populism, it is necessary at first to have a clear idea of the drivers for populism and Euroscepticism in Europe.

The social causes for the rise of populism: the collapse of the European middle class and the critics of financialized capitalism

Although economic frustrations are far from being the only explanation for the rise of populism, they undoubtedly have a major importance.

If we pay attention to the results of elections over the last years in Europe, it appears that the working classes exposed to economic grievances have massively voted for political movements that neither believe in the positive effects of globalization nor in social-democracy. For instance, 50% of the working-class voters supported the National Front during the French regional elections that took place in December 2015. In May 2016 at the Austrian presidential elections, 90% of blue collar-workers decided to vote for Norbert Hofert the far-right candidate. As far as the Brexit referendum is concerned, the north of England, which is traditionally represented by the Labor Party, defiantly voted for “leave”.²¹⁷

More generally, the European Union is put in a precarious position by the fact that it is seen as an organization promoting savage neoliberalism, while being unable to protect people from the negative consequences of globalization. Capitalism has emancipated from the institutions and regulations that were imposed on it after the Second World War. Therefore, most of the European states that were praised as “tax state” have become “debt state” and no longer redistribute the tax revenues to reduce inequalities. They use it instead to maintain their financial health and pay off their debts to the financial markets.

In parallel with this weakening of the foundations of the post-WW2 welfare states, Europe has been the stage of a tremendous economic decline of the working and middle class over the last decades. As shown by Branko Milanovic in its book *Global Inequality*, the exceptional march out of poverty of many countries at the global stage and the increase in the incomes of the top 1% worldwide, had a cost. Globalization is not a win-win process, and most of the citizens in the West feel like they have not gained any benefits from it and claim that the gains have been concentrated within a

²¹⁷ - Ivan Krastev, *After Europe*, Philadelphia, University of Pennsylvania Press, 2017.

well-educated and adaptable elite. Branko Milanovic's research demonstrate that inequalities skyrocketed after the Reagan-Thatcher revolution in the West and that the middle class has seen its income stagnating while having to deal with increasing social ills and a slowdown in social-mobility. The European Union is therefore being rejected due to the promotion of neoliberalism in its philosophy, its treaties such as the Acte Unique and the free-trade agreements that are currently negotiated such as the CETA.

Moreover, the destruction of the industry in the South of Europe or in countries like England or France is seen as a consequence of the construction of the European Union and Germany's predominance within it thanks to the single currency that boosts its exportations and allow it to raise exceptional budget surplus. Joseph Stiglitz's book *"The Euro: How a Common Currency Threatens the Future of Europe"*²¹⁸ has pointed out many flaws of the Euro that might be responsible for a future disintegration of the European Union.

Finally, the technologic changes and the digital revolution have created a lot of anxiety in Europe. According to Ivan Krastev in its book *After Europe*, 43% of the EU workers will face an automation of their activities within the next thirty years. Most of these workers do not believe in Joseph Schumpeter's concept of creative destruction and accuse their politicians and the European Union of being powerless to protect them.

This context of economic grievances and decline for most of the European countries working classes has undoubtedly paved the way for the rise of populists.

Identity politics and populism: the denunciation of immigration and the critics of the EU's policies towards the refugee crisis

The second driver of populism has to do with immigration and cultural insecurity. Over the last years, and especially since the refugee crisis, the middle classes that were the group defining national identity have felt resentment against elites for giving foreigners and immigrants what they consider as unfair advantages over them. Concerns over cultural change, in addition to economic motivation, have motivated a huge amount of people to vote for populist parties and leaders whose speech is built around identity issues and claim that it is time to "take back [our] country".

The foreigner is often portrayed as a symbol of the threatening nature of globalization. For instance, one of the priorities of the Greek government today is to make sure that refugees will remain far away from touristic destinations. It is interesting to notice that, although the European Union is deeply rooted in Fukuyama's idea of "the end of history", globalization and the rise of migrations flows resulted in the return of the desire of borders for states and people in Europe. There is a revolt today in Europe against what is seen as the liberal elites' unwillingness to discuss the legitimacy of

²¹⁸ Joseph Stiglitz, *The Euro: How a Common Currency Threatens the Future of Europe*, London, Norton, 2017.

immigration and their propensity to describe it as a positive phenomenon for everyone, no matter the circumstances. The European people that feel threatened by immigration describe it as invasion of outsiders that challenge their national identity while their elites have surrendered, and exit is not possible.

The refugee crisis also showed that for the left-populists, there is a tension between ethical universalism and the defense of national identities and ways of life, whereas “right-populists” argue that the resistance to mass immigration is vital for the survival of the civilization and that the rule of law might be an obstacle to that end. It also explains the rising support of many people in Europe for authoritarian leaders such as Vladimir Putin who consider that democracy can encourage destabilization and that nation-states should be protected from unwelcomed immigrants.

Moreover, the rise of immigration has created a moral panic in Europe which combines fear of Islamic terrorism and fear of a barbarian invasion and pushes Europeans to review their approach of the notion of solidarity. As explained by Ivan Krastev, the increase in cultural anxieties and anti-immigration speech in Europe is not the proof of a lack of solidarity but stems from a clash of solidarities. National, religious and ethnic solidarities are opposed to obligations resulting from Human rights.

Central and Eastern Europe are today the most enlightening places to look at to understand populist nationalism in Europe. Many leaders of these countries have opposed Brussels’ decision aiming at redistributing refugees among European Union member states, and they benefited from a massive popular support. For instance, in October 2016, Hungary’s prime minister Viktor *Orbán* organized a referendum on the EU’s migrant relocation plans. Even though the result was considered invalid, 98% of the voters expressed opposition to EU’s decision that implied to admit refugees in Hungary. It is interesting to notice that Czech Republic or Poland, although they are pretty economically advantaged, are no more welcoming towards immigrants than poorer countries like Bulgaria. It shows us that nationalist populism stems less from economic problems than from the will to preserve the cultural unity of the nation and save it from what is seen as the dark sides of multiculturalism. In Eastern Europe, mass emigration, which is a very serious issue in Bulgaria for instance, and the feeling that the people living will one day be replaced by immigrants strengthen populism a lot. Even in Western Europe, the idea that immigration is harmful for the host society and that the EU is responsible for it is quite prevailing. For instance, if we pay attention to the Brexit referendum, it appears that the fear of immigration was by far the main driver for people who voted “Leave”.²¹⁹

To conclude on that point, the anger of many Europeans towards immigration is a consequence of a perception of themselves as forgotten losers. Given the economic insecurity they are facing and the feeling that their identity and way of life are threatened, they disagree with the elites’ claim that they should express spontaneous

²¹⁹ <https://www.independent.co.uk/news/uk/home-news/brexit-latest-news-leave-eu-immigration-main-reason-european-union-survey-a7811651.html>

humanitarian solidarity. The refugee crisis reinforces national solidarity in Europe and shows that the demand for exclusion to defend one's political community is stronger than the duty of inclusion. It is a very important challenge for the survival of the European Union and one of the key drivers of nationalist populists.

The frustration towards "post-democracy" and the popular aspiration to sovereignty

Finally, the last source of populism in Europe is political. Today's populists claim they want to improve democracy not to bury it, and they consider that democracy is not possible without national sovereignty. This aspiration echoes the perception of many people in Europe that the European Union suffer from a lack of democratic legitimacy. Over the last years, the trauma inflicted on the democratic psyche by some events in the European Union construction have not been taken into consideration. For instance, in France, the Constitutional for Europe was refused by the people on 29 May 2005 at the referendum on the Treaty establishing a Constitution for Europe. However, the Parliament adopted the Treaty of Lisbon in 2007 whose content was almost the same as the one of the treaty rejected in 2005, as stated by Valéry Giscard d'Estaing, a former French president who was the president of the Commission that wrote the Treaty establishing a Constitution for Europe.²²⁰ The French people is not the only one who has felt betrayed in the construction of the EU. For instance, in Ireland (for the Nice Treaty and the Lisbon Treaty) or in Denmark (for the Maastricht Treaty), the people had to re-vote until they gave what was seen by the EU as "the right answer". These events, in addition to the huge abstention rate for European Parliament elections, are the proof of a resistance of many people according to whom the European Union is driven without their involvement and is a project developed by and for the elites. This situation is even more problematic that the EU is massively supported by the establishment (90% of the editorial writers in France in 2005 supported the "Yes" at the referendum) who often describes further integration as a moral duty and argues that reluctances to the way the EU is built are a proof of "national egoism", lack of understanding or even Lepénism (in France).

It is possible to comprehend this feeling among people of not being listened to in the light of the tension between globalization and national democracy, as explained by the political economist Dani Rodrick in *The Globalization Paradox*. Ivan Krastev summed up his theory to enlighten us on the dilemma that the European elites are facing today:

Instead of choosing between a sovereign democracy, a globalized democracy, or a globalization-friendly authoritarianism, political elites try to redefine democracy and sovereignty in order to make possible the impossible. The outcome is unworkable: you

²²⁰ https://www.chevenement.fr/Pour-le-pere-de-la-constitution-europeenne-le-traite-de-Lisbonne-et-le-traite-constitutionnel-c-est-la-meme-chose-_a461.html

end up with democracy without choices, sovereignty without meaning, and globalization without legitimacy.²²¹

In this context, people believe that “there is no alternative politics” possible within the European Union and that even if they change governments, their leaders will be powerless to change economic policies and propose an alternative to austerity. In Greece for instance, “economic reason” won in 2015 over the expression of the voters in favor of Tsipras’s proposal for rebellion against austerity and the European Union, conveying the message that despite popular discontent there is no alternative possible to the economic policies and positioning of the EU.

Finally, the last political driver of populism has to do with the anger over the elites of Brussels who are often perceived by the people as totally out of touch and disconnected from the societies they are assumed to serve and represent. The European elite is seen as a mercenary elite embodying David Goodhart’s notion of “people from Anywhere”. Due the elite’s convertible competencies and mobility in today’s globalized world, people fear that the elites are not trained to sacrifice and will always prefer to leave in times of troubles, instead of accepting the cost of staying, by opposition to the traditional aristocratic elites who had duties and were reared to fulfill its responsibilities. Whether this feeling is justified or not, the struggle over the obligations and the nature of elites, in addition to the feeling that the European Union is built against popular and national sovereignty, and therefore democracy, are definitely a major political source for populism.

The strategy and the measures offered by populists to take advantage of the anger and anxiety within the European people

After this explanation of the drivers for the success of populism, it is necessary to understand the strategy and measures populists propose, and the currents trends regarding populism in Europe.

The commonalities within populism

Although the term populism is often used very loosely to describe phenomena that do not necessarily go together, it is possible to identify commonalities between populists and put boundaries around the concept.

At first, populism refers to a more confrontational approach of politics. Chantal Mouffe, the philosopher whose work inspired by Carl Schmitt has been used by Jean-Luc Mélenchon to build the strategy of its movement *La France insoumise*, explains that populism implies antagonism:

²²¹ Ivan Krastev, *After Europe*, p.70.

Public life will never be able to dispense with antagonism for it concerns public action and the formation of collective identities. It attempts to constitute a 'we' in a context of diversity and conflict. Yet, in order to constitute a 'we', one must distinguish it from a 'they'.²²²

Moreover, populism is based on a personalized style of leadership and a charismatic authority which is independent of political parties. Populists encourage a mistrust towards liberal institutions like courts, legislatures or independent media, which are blamed for being the origins of political powerlessness.

Populism should also be analyzed taking into consideration its hostility to pluralism. Populist leaders claim that they are the only ones representing the people, more precisely the true and unified people, as opposed to minorities. Even though it is not always the case, the people can be defined by populists through an ethnic lens, like in Hungary where Viktor Orbán defines Hungarian national identity referring to Hungarian ethnicity, therefore following the historical German definition of the concept of nation. Populists' strategy relies on a direct relationship with the people they pretend to represent, through referendums for instance, coupled with an aggressive denunciation of the existing elite. At the heart of the populist strategy, there is a promise to reestablish constraints over the elites and to nationalize them to recreate an intimacy with the common people that was destroyed by globalization.

Finally, in the populist speech elections are not perceived as an opportunity for people to choose between different policy options but as a revolt against the system and the people that take advantage of it to the detriment of the common good.

These common characteristics and strategy of populists explain that populism can take root everywhere on the political spectrum, and that "left" and "right" populists share similarities.

The regional trends of populism in Europe

If we distinguish Europe between four geographic zones, different regional trends regarding the strength and the ideological nature of populism appear.

In Eastern Europe, populists are strong and have already come to power in several countries, such as Bosnia, Bulgaria, Hungary, Serbia, Poland, Slovakia and the Czech Republic. Despite the existence of left-wing populist parties in that area, such as Vetëvendosje in Kosovo, the strongest populist forces are on the right. Parties like Fidesz in Hungary, or Law and Justice in Poland, promote a nationalism that is based on blood, soil and culture, with a strong opposition to immigration, to liberal values that are seen as a source of anomy, and to democratic institutions like independent judiciary and media. The slide to illiberalism is described as a choice that does not

²²² <http://pavilionmagazine.org/chantal-mouffe-agonistic-democracy-and-radical-politics/>

challenge the idea of democracy. For instance, Viktor Orbán stated in 2014 that: “A democracy is not necessarily liberal. Just because something is not liberal, it can still be a democracy.”²²³

As far as Western Europe is concerned, populist parties are less numerous and dominant. Populists have governmental responsibility in two countries: Austria (with the presence of the Freedom Party of Austria as a junior partner in the coalition that governs the country) and Switzerland (with the Swiss People’s Party). However, populists have still obtained significant gains over the last years: Nigel Farage achieved a decisive win when UK citizens voted in favor of Brexit in June 2016, Marine Le Pen made it through the second-round run-off of the 2017 Presidential elections with a record number of votes, and Germany was the stage of a historical result of 12,6% for the right-wing party Alternative for Germany in the last parliamentary elections. Even though populists still have difficulties in taking power, they have a major impact on politics in Western Europe, pushing for instance centre-right parties to radicalize their positions on issues such as immigration (such as the party Les Républicains in France) and complicating the formation of stable and coherent coalitions in countries with a proportional representation (as we have seen in Germany after past fall elections).

In Northern Europe, populism stays a minority phenomenon, even if the populist parties have gained votes in recent parliamentary elections. It is possible to think for instance to the Danish People’s Party that is the second largest party in the country. Populists have influence as well on traditional parties, especially on their speech towards immigration, even if it not as big as it is Western Europe. The Baltic countries are also a place in which populist parties have known a significant rise since the early 2000s.

Finally, in Southern Europe populist parties have enjoyed considerable success. For instance, there was a populist wave during the last Italian parliamentary elections in which two populist parties, namely Five-Star Movement and Lega Nord, obtained tremendous results. Syriza and Podemos are also very strong in Greece and Spain. Populist parties in this area of Europe are far more left-leaning ideologically with a strong emphasis on economic issues and a denunciation of the political caste, especially after the Eurozone crisis and the implementation of austerity policies. They defend self-determination and economic sovereignty as well but promote a more progressive approach of societal issues. In the case of Five-Star Movement and Lega Nord, the anti-immigration speech is predominant, but these parties are not representative of Southern Europe populism.

The existence of different types of populism and strategies

²²³ <https://budapestbeacon.com/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/>

Ideology is another key component to understand the populist moment in Europe. Many populists do not refer to the left-right division and some populist movements like the Italian Five Star Movement in Italy have an ambiguous positioning on the political spectrum. It is more and more common to see that populists combine hard-right positions on minorities rights and immigration, with left economic programs. The Front National who has tried to de-diabolize itself under the presidency of Marine Le Pen, is a great example of that, to the extent that François Hollande compared it to the French Communist party in the 1970s.²²⁴ Class-based identities and the structurally Left-right division are supposedly no longer relevant to represent societal divisions in Europe, unlike the division between globalists and nativists, Anywheres and Somewheres, pro-open societies and pro-closed societies.

Although the traditional divisions are blurrier than before, it appears in many cases that the distinction between left populists and right populists is still clear-cut. For instance, Law and Justice does not have a lot in common with Podemos, and Die Linke is very different from the AfD. According to a survey made by The Tony Blair Institute for Global Change,²²⁵ 74 out of 102 European populist parties are today on the right of the political spectrum. There are several ideological oppositions between left-populists and right-populists. Whereas right-populists show nativist elements and develop a conservative speech, left-populists essentially focus on economic issues and defend a more inclusive and emancipatory agenda towards minorities and migrants. According to Chantal Mouffe, right-wing populism aims at restricting democracy whereas a left-wing one works to extend and radicalize it. Finally, one can argue that there are differences in the way populists approach the concept of people. Summarily, whereas right-populists define the people by its *ethos* through inheritance, loyalty to national identity and sometimes ethnicity, left-populists provide a political definition of the people based on collective will and therefore perceive it as a *demos*. The two followings maps illustrate the ratio of power between right and left populism in Europe.²²⁶

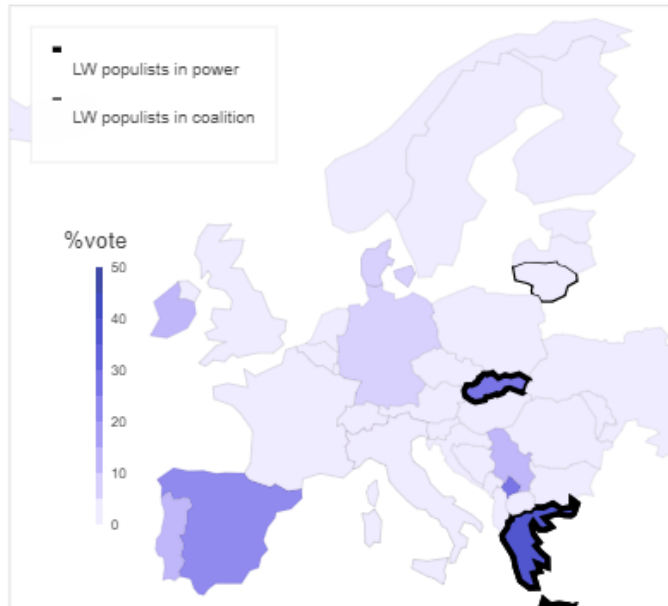
²²⁴ http://www.lemonde.fr/politique/article/2015/04/20/hollande-compare-marine-le-pen-a-un-tract-communiste-et-s-attire-les-foudres-du-pcf_4618876_823448.html

²²⁵ <https://institute.global/insight/renewing-centre/european-populism-trends-threats-and-future-prospects>

²²⁶ <https://institute.global/insight/renewing-centre/european-populism-trends-threats-and-future-prospects>

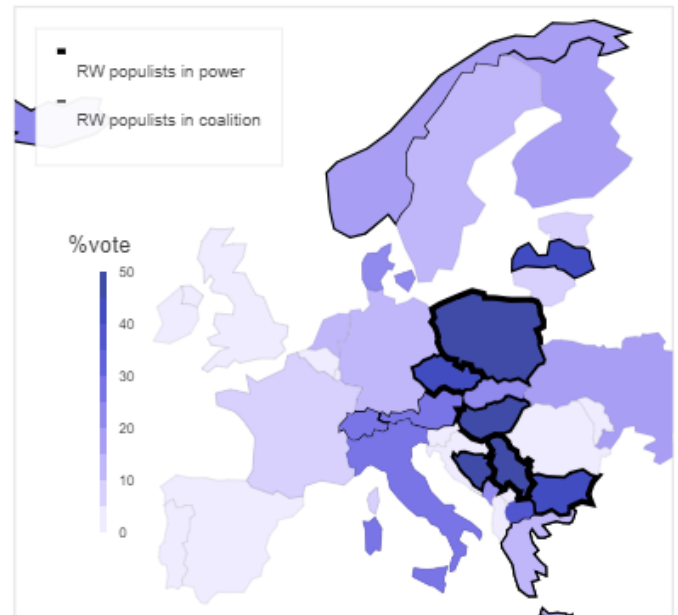
Year: 2017

Left-wing populists in Europe, 2017



Year: 2017

Right-wing populists in Europe, 2017



How should the European Union answer the populist moment to survive?

Since populist parties are rising and the European project appears to be one of the main causes for that, as it is seen the agent of globalization instead of a protection to its negative aftermath, it is necessary to develop a new EU strategy and to articulate action at the EU and at the national levels to reduce the popular anger in Europe. This is a long-term project and there is obviously no quick fix. Although a period of rising incomes and growth would help, it is far from being enough. Indeed, people are not *homo economicus* that behave selfishly so that they can maximize their welfare and, as we have seen, the sources of populism are not only economic. Considering the extent of working class and middle-class discontent, a broader response is needed. Here are a few guiding principles to answer the populist moment realistically and in the interest of everyone.

The need to stop the denial and to develop a less arrogant communication

At first, the unpopularity of the EU has to do with the perception of its leaders' creed as authoritarian and paternalistic. The European elites keep explaining that we need "more Europe", that it is necessary to overcome national egoism and to make the federal leap. Even worse, the people who are attached to the idea of national sovereignty and have doubts about the way the European Union is being built are too

often blamed for being nationalists and unable to understand the way the EU functions. Moreover, the idea that there is no alternative possible, as conveyed by Jean-Claude Juncker when he said: “There can be no democratic choice against the European treaties”²²⁷, is very dangerous and is likely to widen the rift between the people and the elite Européists. This rift is one of the most serious challenge facing the European Union today and it is high time the European leaders developed a less arrogant and contemptuous communication towards the skeptics and the people who suffer from globalization. The European Union can no longer turn a blind eye to the fact that most people, even without being anti-European, are Euro-skeptics and have grown disillusioned about what the EU has become.

The worrying gap socio-economic gap between the people and the elites

This leads us to the second idea which concerns the need to reduce the socio-economic gap between the elite and the common people. European integration is too often regarded as a project aimed at benefiting the richest and the establishment, and as long as this situation will last it will carry the seeds for its own destruction. The polarization of European societies must be addressed by promoting new ideas to combine the positive effects of open markets and extensive integration with people's demand for social protection. Most people in Europe feel like the EU is subjecting them to the effects of financialized capitalism and expect the EU to combine market economy elements with welfare state attributes as it was the case before the 1980s neoliberal revolution. Although the European Commission has already taken anti-lobbying measures, it is necessary to go further. In Western Europe, populism is fueled by the idea that there is an unfair competition within the common market between Western countries with higher standards of living, wages and social regulations and Eastern European countries. This situation increases unemployment for the natives of Western European countries and pushes many businesses to relocate. This is worsened by the fact that many people consider that the EU, with some of its laws like the Bolkestein directive, organizes social dumping. Therefore, if we want to save the common market and prevent populism from rising, a European social system with social harmonization is needed. Moreover, trade liberalization should be reconsidered throughout a moratorium on free trade agreements that are often disapproved by people. Pursuing negotiations for additional agreements such as the EU-Mercosur trade deal does not convey a positive message to the people tempted by the populist parties. The EU leaders have been too naïve in thinking like Montesquieu that: “The natural effect of commerce is to bring peace.” This is not true as shown by the fact that the unprecedented increase in international economic interdependence in the decades before WWI, through trade and capital flows, did not prevent war from breaking out.²²⁸ Finally, wide tax-harmonization efforts are desirable, but some countries such

²²⁷ <http://www.bbc.com/news/world-europe-31082656>

²²⁸ https://www.washingtonpost.com/news/monkey-cage/wp/2014/04/01/what-world-war-i-can-tell-us-about-international-commerce-and-war-today/?noredirect=on&utm_term=.fcdafad3d2f0

as Ireland or Hungary (which shows that some populists promote fiscal dumping in the interest of their country) oppose it arguing that it would damage competition within the single market.²²⁹

Reestablishing a direct bond between the elites and the people whose voice must be heard

Furthermore, due to the political drivers for populism that we have described, the European elites must accept a historic and realistic compromise with the people who look at them with profound rejection. It is necessary to outline the contours of a new form of subsidiarity to redefine the EU project since many European citizens are currently stepping away from it as they believe it interferes too much in their private lives and in domains in which the member states are in a better position to pass legislation and take action. To do so, we must decree a pause and put the idea of an “ever closer union” aside, not to defend the status quo or demonstrate a form of impotence, but to listen to the people through national consultations while organizing a refoundation conference to appraise European construction (its decision-making process and way of functioning, its bureaucracy, its relationship with the people, etc.), clarify the missions of the Commission and define the domains in which the EU can offer a clear added value for the people. This bottom-up approach, which is supported by decision-makers such as the former Minister of Foreign Affairs of France Hubert Védrine²³⁰, could reengage Eurosceptic in the European Union construction process, isolate the staunchest anti-Europeans and therefore weaken populism.

Providing European citizens with a well-defined and clear EU value-added

To extend this idea, the EU value-added must help to cope with the most crucial challenges for the ones attracted to populists. It involves reinforcing security at the external borders of Europe through enhanced neighborhood policies and implies to address the societal and security challenges posed by terrorism, in the wake of the creation in October 2016 of a European Border and Coast Guard Agency. Migrations are a key issue on which citizens estimate that the EU have no control and expect it to play a collective decisive role. The same is true for the European cooperation to fight climate change and organize the transition to a low-carbon economy since go-alone policies would be bound to fail in this area as well. The decisive role played by the EU to make the Paris Agreement possible was an interesting first step. Finally, the Banking Union should be completed, the Single Market achievements extended, and the Economic and Monetary Union made sustainable to show that the EU is devoted

²²⁹ <https://www.reuters.com/article/us-hungary-ireland-taxation/hungary-ireland-oppose-eu-wide-tax-harmonization-efforts-idUSKBN1ET1ZY>

²³⁰ Hubert Védrine, *Save Europe*, Kindle Editions, Published by Liana Levi, 2017.

to the economic security of its citizens who feel like their interests are not defended in the global economy.

Increase transparency and accountability over decision-making

Moreover, unlike the widespread idea that the EU needs an information policy campaign to fight populism, we can argue that it should work towards more transparency. Indeed, the perception of its decisions being driven by backroom deals and lobbying activities is strong. To make decision-making process more comprehensible, the EU could for instance develop a fair, simpler and democratically accountable system of resources as far as the financing of the European project is concerned, as proposed in a 2016 chaired by Mario Monti.²³¹ To conclude on that point, there is a problematic lack of transparency on the negotiations of free trade agreements (such as TAFTA a few years ago). The civil society must not be kept away from these secretive talks, otherwise it will reinforce the anti-establishment feeling in Europe and feed populism.

As shown above, populism is rising almost everywhere in Europe and benefits from cultural insecurity, pauperization and a political frustration of the people which feel that their voice is not being taken into consideration and want to rebel against the elites. Although Macron's election may have given the impression that the war against populism had been won, it is not the case and populists will keep gaining influence until the issues which lie at the root of people anger are tackled. The answers to give at the national level, that have not been evoked in this paper since it would have required to study deeply each national context, and the ones at the European level are obviously different, but a complementarity between them is absolutely needed to rebuild public support and preserve the liberal order.

The probability of each scenario to become reality will highly depend on the answers given to the thorny problem of populism. However, the European Union's disintegration has become a possibility and as Jan Zielonka rightly observed: "We have many theories of European integration, but practically none of European disintegration."²³² Avoiding imagining this disintegration is not going to prevent it from taking place and that is why realistic answers and voluntarist diplomacy are needed. Otherwise, the combination between the political turmoil in Europe and the chain of the events can result in a collapse of the European order, just like the Soviet Union collapsed in 1991 to everyone's surprise. Two other scenarios are possible. At first, the federal leap is a possibility, but it is certainly the less likely to happen given the popular anger, the power of the populists and the necessity to reach a unanimous agreement to revise the EU treaties. Finally, the maintenance of the status quo appears more plausible since many European leaders fear that any change or reform

²³¹ http://ec.europa.eu/budget/mff/hlgor/index_en.cfm

²³² <http://www.europeanfutures.ed.ac.uk/article-4544>

could stir up popular discontent and turn against them. Angela Merkel's recent hostility to Emmanuel Macron's reform proposal can enlighten us on the reasons why this scenario is likely, although not desirable considering that the EU as it is today does not appeal to many people.

As Niels Bohr said, "Predictions are difficult, especially about the future." Ancient Greeks used the word *Kairos* to specify the passing instant when one should take advantage of an opening to make the opportune action. While predicting the future of the European Union is difficult, there is no doubts that the leaders and policy makers of tomorrow will have to show spirit of compromise and exploit the Kairos when it will be given to them. Otherwise the European empire will collapse, and so will the liberal order.

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