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# Between China and the USA, Europe seeks its future

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*In view of the profound changes ongoing in the world there is nothing original in stating that we have entered a new period[1]. With the end of the Cold War, a new, more complicated, and more unstable multipolar world has gradually formed in the international arena. Although the confrontation with Russia has not gone away, as seen in the Ukrainian crisis, it is however the clash between the USA and China that has become the central point of tension in international relations, with a different intensity from that of the Cold War, given its nature, which is both economic and military. Washington never saw a serious economic threat in Moscow; with China however, the situation is different because long-term the USA can be legitimately concerned about losing their technological and economic lead. It is clear that this challenge is now an obsession for both countries to the point other threats are being underestimated. This is where that the rivalry between the economic, commercial, military and even cultural interests between Washington and Beijing finds its strongest expression. It is here that one senses that new, world geopolitical balances are slowly falling into place.*

In this situation Europe seems ignored, absent, overwhelmed. Too often Europeans fluctuate between inaction and emphatic discourse, and seem to be settling for the role of spectator in their own decline. Should we be content with this state of affairs and resign ourselves to the changes now ongoing? And yet, there is another way for the Europeans to act. But to do this Europe has to demonstrate the necessary political will to engage in action for it to be able to gauge the challenges it faces, to define realistic priorities and mobilise its assets, which are indeed considerable.

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Since the election of Donald Trump in the USA, leaders in the West have settled into a kind of intellectually comfortable position – the Europeans being amongst the first to do so – by blaming an unpredictable and irrational American administration for all their current problems. The theory is a well-known: the executive in Washington is said to have invented a new diplomatic paradigm from which any multilateral approach has been banished and in which a mix of unilateralism and isolationism now reigns. In the rationale of these excesses, a purely transactional approach is said to be placing European allies on an equal footing with America's

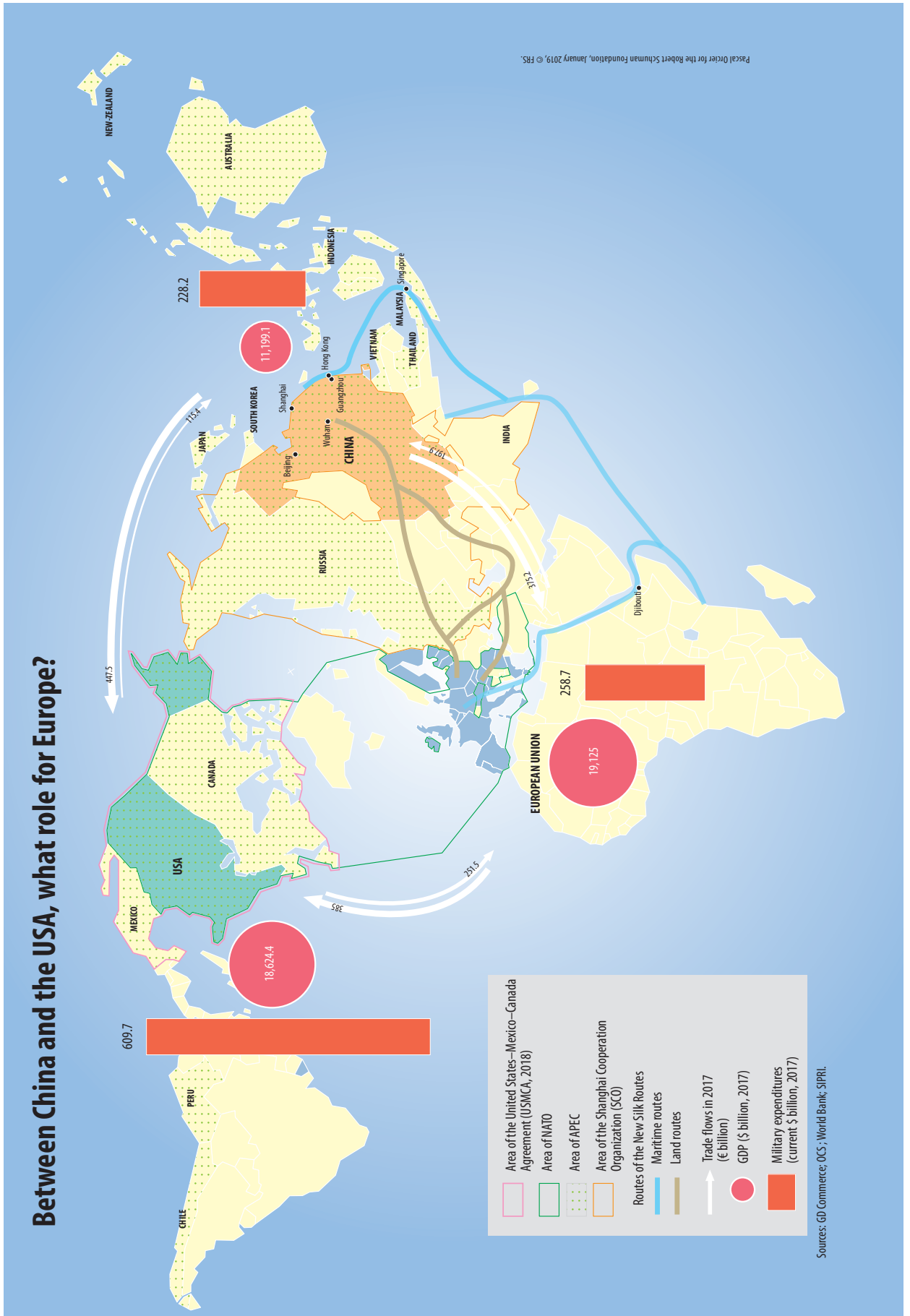
traditional enemies and no strong points of the transatlantic relationship are being spared (NATO, trade, democracy): supposedly the transatlantic partnership has had its day and Europe is now being abandoned to ensure its own future.

## AMERICA FLYING SOLO

The scenario is not unfounded, and the tweets dispatched by the American President regularly feed this concern. But the charge made against D. Trump is a little narrow. It ignores the long-term nature of this development in particular and how this nationalist wave may last well beyond Donald Trump's mandate.

In fact, the USA are undergoing a deep behavioural transformation and this change of direction is highly likely to be lasting. America no longer wants to assume the leadership of the Western world as it did in the past. For a long time, the exceptionalism to which it felt entitled justified it shouldering most of the burden in terms of defending the West's interests. Now, America is promoting the idea of defending its own American interests above all others and that it intends to ignore the responsibilities imposed by its status of champion of the Western camp. It no longer defends either principle, or value as

1. his article was published in the "Schuman Report on Europe, State of the Union 2019" Editions Marie B, collection lignes de repères, Paris, March 2019



witnessed in the sad Khashoggi affair; it no longer has any ally, or friend, as the Europeans see on a daily basis; it is rejecting all forms of multilateral diplomacy and the decisions to withdraw from the COP21, the Iranian nuclear agreement and the trade agreements signed by Trump's predecessors hardly leave us with any doubt in this regard. Not everything is totally new in this change of attitude however. We have already seen an isolationist America (it may even be what truly drives it) and its unilateralist tendencies have often led to serious confrontation with Europeans in the past. But the original factor in America's current diplomacy is that it no longer perceives itself as the vehicle of an ideal or of a cause. In the present fragmented world America is flying solo, armed with its economic and military power. Hence, when Europeans put forward a joint strategy against Chinese expansionism the authorities in Washington are not interested, because they intend to act alone.

However, this does not mean that the USA will leave a vacuum in the international arena. The stances adopted by its leaders, its diplomatic activism and its engagement in the ongoing crises really do not indicate an American withdrawal from world affairs. But its international action is being undertaken alone and leaves the Europeans with the choice of either following the US line or suffering Washington's anger and threats of sanction. America's choice to go it alone can but destabilise Europe, which over the years had managed to forge a comfortable, mutual *modus vivendi* with this often difficult, but ultimately irreplaceable partner.

A disoriented Europe is also having to face global turmoil, caused in the main by American withdrawal, on three levels. Firstly, from a diplomatic point of view where change in geopolitical balances is increasing the numbers of regional and global actors now intervening in on-going conflicts. At a time when Europe hoped, via the new measures included in the Lisbon Treaty, to have a real foreign and security policy, its influence its being sorely tested. Then, in the economic domain where, due to the impact of invasive financialisation and

deep changes to the chain values in international trade, new competitors are emerging to upset Western economies and causing revenue losses and a feeling of declining social status amongst the middle classes. Finally, the very same turmoil is contributing to the rise of nationalist movements across the world, particularly in Europe. There is no European Union Member State which is now free of the revolt expressed by left behind by globalisation, and this wave of anger is being turned in particular towards the policies undertaken by the EU, accused of not providing sufficient protection to the fallout of globalisation. This mobilisation is now affecting all areas of the European Union's work, from immigration to budgetary austerity policies, trade agreements, the fight to counter climate change and even the principles and rules of the rule of Law. It stands as a radical protest against the European model, threatening it to its very core.

As often said, Donald Trump is not the cause of this generalised trend to revolt. He is a symptom of it, particularly striking by its suddenness and by America's ability to crystallise the questions raised in the modern world and to stand as the legitimate vehicle of solutions for the future world order. Strengthened by American civil society and despite the deep divisions that it is causing across the entire country, President Trump, with the support of the US military and economic power is leading the game. From time to time Europe can kick back, as with the Iranian question or in the trade price war; it is not in command. Moreover, and as is often the case, it is becoming divided in the face of this new, destabilising America. Between the Member States which are prepared to align with Washington, those who prefer to wait and hope for a change in American President in the next elections in 2020 and those who are calling for resistance and emancipation by advocating European sovereignty, the divergence is considerable and is leading to inertia.

#### **CHINA'S UNBRIDLED EXPANSIONISM.**

Beyond Trump's America, China is an additional, more insidious, but just as destabilising challenge

for Europe. Chinese expansionism pretends to be pacific; it is adopting the economic path via commercial dumping, business acquisitions, financial investments and loans for the construction of infrastructures via the famous "One Belt, One Road" initiative. China's strategy is both commercial (winning increasing market shares), financial (investing in profitable projects), technological (by the systematic transfer of Western know-how) and political, via the network of influence that China is establishing. The Chinese authorities are in no doubt about their ability to export their economic and social model, and even less their political system. But their goal lies elsewhere, because their expansionism is occurring for the time being on their terms and according to methods that will favour their businesses to the detriment of the principles of transparency and fair competition defended by Europe. Hence, China is progressively establishing new rules in the world liberal order and is gaining a capacity for technological innovation so that it can enjoy a decisive competitive advantage in the years to come.

For a great many European countries, subject to the EU's budgetary discipline and which want to open up more encouraging economic perspectives for their citizens, Chinese investments represent a welcome manna. Hence, with the Chinese offer in hand, the "everyman for himself" policy is becoming the norm amongst the Union's Member States, whether they are in Central, Western or Southern Europe. Whilst declaring that it is not damaging European unity, China is feeding off the divisions within the EU as shown by the "16+1" meetings, where it regularly convenes those obligated to it.. The European Commission can very well put forward a new, so-called "connectivity" plan to strengthen its partnership with the nations of Asia and try to prevent China's rise, its means are limited however in the face of the country's financial clout: according to the most recent estimates the "One Belt, One Road" initiative is due to mobilise between 4 and 8 trillion \$ once it has been extended to the countries of Latin America and beyond, whilst the Union for its part is offering for its new multi-annual financial

framework (2021-2027) an external aid total of 128 billion \$. And Europe's contribution since 1993 to the development of transport networks towards Asia barely represents 180 million \$.

The authorities in Brussels are undoubtedly trying to organise their riposte. But divergence between the Union's Member States is still deep, as shown for example by the introduction of a common system to monitor Chinese investments, which is mainly limited to a simple exchange of information. Chinese investors are now offering something that is too attractive to neglect on the part of Europe's leaders, who are subject to the rigours of the liberal economic policy and are concerned with finding an effective answer to the wave of social discontent that threatens them.

#### **A MORE LUCID, REALISTIC EUROPE.**

Between an America, which has lost sight of its universal vocation and China, which is concerned with promoting the rules of a new world order in line with its interests, Europe can see that it is in danger of being the grand loser in this game. In the race that has already started to shape new globalisation the European Union has got off to a bad start. But it is a test of durability in which the Europeans can still win if they manage to find their place in the arena in which two major world powers face each other.

To do this Europe, as a priority, needs to position itself in the globalised world as a credible player, which is determined to assume responsibilities and the duties that Europeans have not always accepted in the past. This assertion of power does not find consensus amongst all of the Member States. The latter, given the rivalry of the US and China, are not necessarily ready to agree on what the place and role of Europe in the concert of nations should be. This debate is an old one; it was the very origin of the European project, when the Founding Fathers designed Europe as an organisation of universal vocation, a vehicle for values and principles, often presented in opposition to the interests – deemed

egotist – of the Member States. Hence, the slow progress made by Europe has always avoided adopting an excessively powerful profile, i.e. hard power, and has preferred soft power, more interested in humanitarian assistance and aid than in the development of military operations or major geopolitical ambitions. This is the original matrix of the European Union and this genetic stamp cannot be shaken off easily.

To remedy this shortfall the nature of the challenges that Europe is facing have to be defined to gain greater awareness of all the dangers that weigh over the Union's future. The issues at stake are indeed of size for Europe, which must imperatively remain in the race for technological innovation, whether this involves digital, robotics or artificial intelligence, if it intends to remain competitive in tomorrow's economy. Beyond this the same challenges apply in terms of giving Europe a currency and a system of defence for it to be truly self-sufficient and to protect the foundations of the legal system which forms the base of its democratic model. It is the risk of irreversible decline that the Europeans now face if they cannot take control of their future. And it is this that the leaders of Europe and public opinion have to realise.

Another imperative for Europe is to find a balance in its ambitions. It must not do too much or fall into total inertia. Consequently, it must realistically define what is possible in its international action and stick to this, even if this means leaving the management of high intensity crises like in Syria and Ukraine to the Member States, for which it is not best armed. The example of success in this area lies in the action undertaken by Europeans to turn the general European regulation to protect personal data into a balanced model which is gradually taking hold across the world. It is action of this type that must prevail in areas in which Europe can hope to make its voice heard.

- innovation, where European budget appropriations have to be mobilised immediately so as not to lose sight of future priority areas of research;

- international trade in which Europe has enough authority to take vital reform forward for the adoption of free-trade agreements that include more social justice and sustainable growth;

- climate change with the quest for a careful sharing of the work to be done between carbon tax and innovative action for urbanism that is more concerned with ecological balance;

- immigration, still a stumbling block for the Union, but the solutions that it will necessarily find, could forge a path to conciliation, whose difficulties clearly appeared during the adoption of the Global Migration Compact but which the international community urgently needs. In the end it is a new economic and social model, one that is more balanced and fairer that the Europeans must bring to the international stage in contribution to the definition of the new world order.

Europe is probably one of the best placed actors to do this thanks to its political and historical tradition.

To this end Europeans have many assets. They have natural allies, from Canada to Japan, not forgetting Australia, Indonesia; Singapore and South Korea. They have the leverage, such as the influence of the single European Market or the experience acquired in the implementation of its common trade policy. Finally, they have the capacity to define a line of conciliation between the opposing forces in the global economy. Europe has always been – via its ACP negotiations or even in its agreements with the countries of Asia and Latin America, a constructive partner which has succeeded in building bridges. And it is this state of mind that is respectful of others and careful in terms of social justice, economic balance that the globalised world needs most and which for Europe must be a priority if it is to reconcile with its public opinion.

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Between the two world powers, the USA and China, which each in their own way, and according to their own interests, want to shape the new world order, Europe seems a priori, badly placed to join

this “Concert of Big Players”. It remains divided and doubts in the face of a fractured world, which is not its natural area of action. And yet Europe has a political message of balance and tolerance, which undoubtedly remains the best possible answer to the multitude of challenges that are threatening the community of nations. Its problem lies in convincing itself that it must shoulder this responsibility, and to do this it has to be in working order to overcome the divisions and rebellions which are now attacking

it. Evidently the challenge is considerable, but the continuation of the European project comes at this price.

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