

Sebastian Franzkowiak*, 13 October, 2017

A stronger Europe in an illiberal world?

In his seminal book ‘A Rage for Order’, R.F. Worth paints a dark picture of the Arab world six years after the popular uprisings.ⁱ If any regional order is identifiable, it is one characterised by instability, regional power struggles and protracted proxy wars. Arguably, then, the Middle East is a miniature format of what to expect from a world order based on spheres of influence.ⁱⁱ But are we witnessing a global phenomenon? Policy-makers on both sides of the Atlantic argue that the world faces an ‘illiberal moment’.ⁱⁱⁱ Notably, this year’s Munich Security Conference report was entitled “Post-Truth, Post-West, Post-Order?”^{iv} This policy brief sets out to ascertain whether the concept of a liberal order still captures the dynamics of contemporary global politics. It will illustrate how, despite their own internal problems, European countries might assume a role as a counterbalancing force to illiberal tendencies.

The Liberal Order: A Western Construct

While illiberal trends are reported in most Western media, there is much less conceptual clarity about which liberal order is actually being threatened. If anything is clear, there are widely differing definitions: from a Western perspective, the liberal order is commonly referred to as the post-World War Two system based on liberal democracy, free trading economies and the rule of law.^v However, such a Euro- or Atlanticcentric perspective is only part of the whole truth. Bodies such as the Bretton Woods System have not been initiated as a globally agreed project, predominantly reflecting Western economic interests.^{vi} Non-Western forces tend to prioritise ‘order’ over ‘liberalism’, following the premise that “trade, order and development should always take priority over democracy and liberalism.”^{vii}

Debates about the Western liberal order are nourished by both internal and external challenges. Internally, populism and disaffection with globalisation test the core of Western democracies, while externally ‘anti-system nations’^{viii} question the very nature of the global order. Transnational concerns such as financial instability, climate change or global terrorism have led to new discussion forums, notably the G20. Western powers cherished the illusion that G20 participants would all commit to

the principles of the liberal order, particularly free trade or environmental protection. Ironically, G20 encapsulates the lack of order and highlights global divisions, or as one pundit put it ‘a vestige of a world that no longer exists’.^{ix} As the Hamburg summit this summer showed, divergence often outstrips convergence, and some suggest dividing the world into three distinct camps.^x

Restorationists, populists, revisionists

First, the *restorationists* are those clinging to the Western liberal order, embracing multilateralism and free trade while hoping for continuous American leadership.^{xi} Shinzo Abe’s Japan, Emmanuel Macron’s France or Angela Merkel’s Germany could be mentioned as proponents of this group. The second camp, *populists*, calls for a retreat from the liberal order to focus on national interests. Erdoğan’s Turkey comes to mind, and most prominently Donald Trump’s United States. With ‘America First’, Trump rejects multilateral arrangements, has retreated from the Paris Agreement on climate change and makes American security guarantees less certain.^{xii} As a third group, *revisionists* have their own conception of world order which they intend to substitute for the old Western version. Russia features as a crucial actor in this camp as it would like to see the world structured around spheres of influence. Simply put, the Kremlin’s perspective is to embrace multipolarity instead of multilateralism.^{xiii} China is part of the revisionist camp as well, defying the liberal order as a Western construct. Furthermore, Beijing shares Russian views on the inviolability of state sovereignty. Apart from this, however, China is a completely different and somewhat paradoxical case. Analysts presenting China’s rise as a menace to the liberal order neglect to mention that Beijing is a key beneficiary of that order. Chinese officials relentlessly stress China’s commitment to multilateral institutions or free trade, China is a profound supporter of the UN system and is a UNSC member. Nonetheless, Xi Jinping’s enthusiastic statements do not translate into Chinese readiness to protect or lead the liberal order. In a nutshell, China’s attitude is two-sided: liberal in one sense (embracing a rules-based order/open economy), illiberal in another (objecting to Western values or

democracy).^{xiv} It picks those bits from the liberal order it considers beneficial, yet it would never adhere to any rules interfering with key national interests.^{xv}

Europe as the saviour of the liberal order?

A divided world does not mean we should speak of a Hobbesian environment where only the fittest survives. After all, “whether this illiberal moment turns into an illiberal era will depend on how liberal democrats respond to it”.^{xvi} Many observers believe that Europe has a particular responsibility and indeed has an interest in stepping in as the protector of the liberal order. The European Union is the multilateral entity par excellence. It supports the UN, cherishes human rights, democracy and peacekeeping. In terms of economic openness, measured as ‘exports relative to a country’s GDP’, the EU (43.8%) exceeds, by a large margin, both China (22.1%) and the US (12.6%).^{xvii} Yet greater engagement for the liberal order is not only a question of willingness, it is also a question of capabilities. Critics argue that the EU faces two ‘major credibility problems’:^{xviii} first, the dilemma of expectations versus capabilities, implying a lack of resources to rescue the liberal order. Secondly, the gap between rhetoric and practice, suggesting that liberal promises have not been matched with concrete steps (for instance in its relations with autocratic regimes). One could go further by mentioning the difficulty in finding consensus among 27 member states, as recently illustrated when the Wallonian Parliament nearly blocked CETA.^{xix} All credibility problems are enhanced by the feeling of a general democratic deficit in the EU, the rise of populist forces as well as practical realities such as the on-going Brexit negotiations – the latter possibly leading to a reduction of the Union’s trading power and diplomatic force(s) to an unforeseeable extent.

Nonetheless, the EU has learned from past mistakes and proven that it can stand its ground on several occasions. Take Russia’s interference in Ukraine or the Iran nuclear issue, two cases where the EU showed closed ranks and a strong, unitary stance. Facing common illiberal threats in both the Southern and Eastern neighbourhood, EU member states might do well to realise that their own differences are trivial compared with the broader worldview differences with powers like China or Russia.^{xx} The EU discourse and documents reflect a growing global awareness in European capitals. In the 2016 Global Strategy, the EU reiterates its commitment to “a global order based on international law,

including the principles of the UN Charter. This commitment translates into an aspiration to transform rather than simply preserve the existing system”.^{xxi} Unlike the 2003 European Security Strategy, the new European approach attaches less importance to the ‘old’ liberal institutions (IMF, WTO), instead advocating more flexible ways to foster the multilateral, rules-based order.^{xxii} This includes openness to new ways of ad-hoc coalitions, as could be witnessed in the Normandy-format discussions on Ukraine.^{xxiii} Certainly, disillusionments such as the ‘failed’ Arab uprisings have led to a re-thinking of the hitherto too idealistic foreign policy objectives. Instead of imposing its own values, the EU has learned to water down its ambitions, focusing on pragmatic goals and differentiated assistance to some ‘strategic partners’.^{xxiv}

Caring for China and the US

Pragmatism will also be of utmost importance when it comes to Europe’s future relations with the world’s leading powers. For instance, even if the European leverage over China in human rights terms remains limited, deeper economic ties with China should be a primary objective. Xi Jinping surprised leaders at this year’s World Economic Forum in Davos with calls for multilateralism and free trade. It is not the first time he has staged himself “as an apostle of peace and friendship, a voice of reason in a confused and troubled world”.^{xxv} However, considering the constant accumulation of power in Xi Jinping’s hands, Chinese politics should still be regarded with caution. Keep your eyes on the Communist Party Congress, commencing on October 18th in Beijing. Accordingly, for Europeans the best way forward is arguably to follow the Chinese wisdom of ‘cautious engagement’: openness to discussions on an EU-China Bilateral Investment Treaty (BIT), caution regarding more opaque plans such as the Belt and Road Initiative. The bottom line is that any arrangement with the Chinese which would lower European standards should be avoided.^{xxvi}

Likewise, the EU should not give up on the US. America remains Europe’s closest trading partner and ally, foremost in the domain of security. Despite initial threats, the US will most likely remain committed to NATO, and Washington will not allow China or Russia to freely extend their ‘spheres of influence’.^{xxvii} Luckily enough, quarrels with North Korea (or now Iran, for that matter), did not translate into anything more than rhetorical threats. This is, however, no guarantee that menaces will remain

confined to the realm of Twitter. Putting European unease with Trump aside, in the fast-moving, short-lived international arena, letting any country off the hook is a strategic error – be that Russia, China or the US. Standing up firmly – for European values and for multilateralism – should be a European priority.

Clearly, Europe cannot lead the way forward alone. As the Commission's White Paper on the Future of Europe elucidates, "Europe's prosperity and (its) ability to uphold our values on the world stage will continue to depend on its openness and strong links with its partners".^{xxviii} Diversifying and extending its partner network is already on the European agenda, as the recent *EU-Japan Economic Partnership Agreement* demonstrates. The accord also sends the message to the US that protectionist attitudes will not spoil other blocs' taste for free trade.^{xxix}

The German Problem and Macron's vision

Finally, much depends on Europe's ability to reform its own trade governance and address internal imbalances. External credibility cannot function without internal credibility, thus more transparency and less inequality are essential. Germany's large current account surplus is an unsustainable threat, one which a recent *Economist* cover identified as the 'German Problem'.^{xxx} Boosting domestic demand in Germany is as important as are continuous structural reforms in some of the continuously ailing member states. A revival of the Franco-German axis could provide a cure for both, and has been one of Emmanuel Macron's major desires during the first months of his Presidency. Currently, however, Germany is self-absorbed after its recent federal elections. Amidst discussions about potential government coalitions and the populist right surge of the AfD, there is little appetite in Berlin for large-scale European plans.^{xxxi} To further complicate matters, a strengthened Franco-German axis might not necessarily alleviate the concerns of Central and Eastern European countries. Yet even countries with illiberal tendencies (such as Poland or Hungary) understand the need to cooperate on common European challenges such as the fight against violent extremism and terrorism.^{xxxii}

Therefore, speaking up for Europe is anything but futile; it just has to happen under the right terms. The balancing act will be to extend European global engagement while preserving European standards and the EU countries' ability to provide a decent level of social protection. This might be a first, vital

step to take the wind out of the sails of populist demagogues and opponents of globalisation. Macron's European Initiative is one potential way forward, as it focuses on 'rebuilding a sovereign, united, democratic Europe'.^{xxxiii} Only time will tell if Europe succeeds in preserving the liberal order. Proponents of an illiberal order, however, do not have an actual alternative to provide. Against all odds, as one analyst put it: "a redefined, reinvigorated EU must become the new shining city on a hill. Europe must offer a political compass in a chaotic world that needs new, more balanced rules, to be written with others".^{xxxiv}

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References:

- ⁱ Worth, R.F. (2016). *A Rage for Order. The Middle East in Turmoil, from Tahrir Square to ISIS*. London: Picador Pan Macmillan.
- ⁱⁱ Twining, D. (2017). *Abandoning the Liberal International Order for a Spheres-of-Influence World is a Trap for America and its Allies*. The German Marshall Fund. Available at <http://www.gmfus.org/blog/2017/06/02/abandoning-liberal-international-order-spheres-influence-world-trap-america-and-its>; the author holds that 'spheres of influence leave weaker states to become the victims of stronger or more aggressive ones, and it seeds insecurity by removing the reassuring variable of American military guarantees and presence'. In the Middle Eastern context, the regional competition – most notably between Saudi Arabia and Iran – serves as one potential indicator of such 'spheres of influence'. For a concise analysis of the situation in the Middle East, consult Lynch, M. (2016). *The New Arab Wars: Uprisings and Anarchy in the Middle East*. Washington: Public Affairs Books.
- ⁱⁱⁱ Ibid.
- ^{iv} MSC Foundation report 2017 (2017). *Post-Truth, Post-West, Post-Order?* Available at <https://www.securityconference.de/en/discussion/munich-security-report/munich-security-report-2017/>
- ^v For a more detailed conceptualisation, cf. for instance: G. John Ikenberry (2011). *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*. Princeton: Princeton University Press.
- ^{vi} Kundnani, H. (2017). *The Liberal International Order*. GMF Liberal Order Project, No. 17 2017, 1-10. Available at <http://www.gmfus.org/publications/what-liberal-international-order> Equally, accords such as the 1941 Atlantic Charter were only signed by Western forces. The only more 'globally acceptable' document, the UN Charter, is rather based on Westphalian conceptions of state sovereignty. In the post-Cold-War era, Western initiatives such as R2P have been opposed by China or Russia as 'revisionist' attempts to impact upon state sovereignty.
- ^{vii} Boyle, M. (2008). *The coming illiberal order*. In: *The Guardian*, July 16 2008. Available at <https://www.theguardian.com/commentisfree/2008/jul/16/unitednations.zimbabwe>
- ^{viii} Godement, F. (2017). *Expanded ambitions, shrinking achievements: How China sees the global order*. ECFR Policy Brief March 2017. Available at <http://www.ecfr.eu/publications/sum->

mary/expanded_ambitions_shrinking_achievements_how_china_sees_the_global_order Major representatives of such nations are China, Russia or Turkey.

^{ix} Wright, T. (2017). The G20 Is Obsolete Trump's rejection of internationalism shouldn't distract from that reality. In: *The Atlantic*, July 2017. Available at <https://www.theatlantic.com/international/archive/2017/07/g20-obsolete-trump-putin-russia-germany-france/533238/>

^x This structural distinction was proposed by Wright (2017), cf. ^{ix}. However, a detailed analysis of each camp would be beyond the scope of this dossier. The following classifications and examples should be considered as a first, non-exhaustive analytical endeavour to shed light on the divisions of the international community.

^{xi} Ibid.

^{xii} Demertzis et al. (2017). Europe in a new world order. Bruegel Policy Brief 2 (2017), 1-8. Available at: <http://bruegel.org/2017/02/europe-in-a-new-world-order/> Whether European allies should feel at unease by the idea of vanishing American influence is a topic of debate. We will return to this idea at a later point when discussing the European position in the changing global environment.

^{xiii} Janning, J. (2017). The Hamburg G20: A clash of competing visions of world affairs. ECFR Commentary Series. Available at http://www.ecfr.eu/article/commentary_the_hamburg_g20_a_clash_of_competing_visions_of_world_7209

^{xiv} Godement, F. (2017). Expanded ambitions, shrinking achievements: How China sees the global order. ECFR Policy Brief March 2017. Available at http://www.ecfr.eu/publications/summary/expanded_ambitions_shrinking_achievements_how_china_sees_the_global_order In its trade/investment policies, China also continuously refuses to accept clauses regarding reciprocal commitments, and frequently engages in mercantilist-style economic policies favouring its own industry.

^{xv} Ibid. For instance, the island-building and ensuing territorial disputes in the South China Sea illustrate that international law does not prevent Beijing from exerting its regional ambitions.

^{xvi} Bunde, Tobias (2017). As quoted in Dempsey, J. (2017). *Judy Asks: Is the Crisis of the Liberal Order Exaggerated?* Carnegie's Strategic Europe. Available at <http://carnegieeurope.eu/strategieurope/68041> In this series of short interviews on the sidelines of this year's Munich Security Conference, Carnegie's Judy Dempsey asked experts the question 'Is the crisis of the liberal order exaggerated?'. The respondent in this case, Tobias Bunde, is Head of Policy and Analysis at the Munich Security Conference and Research Associate at the Centre for International Security Policy (CISP) at the Hertie School of Governance.

^{xvii} Demertzis et al. (2017). Europe in a new world order. Bruegel Policy Brief 2 (2017), 1-8. Available at: <http://bruegel.org/2017/02/europe-in-a-new-world-order/>

^{xviii} Smith, Karen E. (2017) *The European Union in an illiberal world*. *Current History*, 116 (788). pp. 83-87. Here p. 84. Available at <http://eprints.lse.ac.uk/74345/>

^{xix} Ibid.

^{xx} Ibid., p. 86

^{xxi} EEAS (2016). *A Global Strategy for the European Union's Foreign and Security Policy*, June 2016. Available at <https://eeas.europa.eu/headquarters/headquarters-homepage/en/17304/A%20Global%20Strategy%20for%20the%20European%20Union%27s%20Foreign%20and%20Security%20Policy,%20June%202016>

^{xxii} Lazarou, E. (2017). The future of multilateralism. Crisis or opportunity? European Parliamentary Research Service, 2017 Paper. Available at <https://ephthinktank.eu/2017/05/11/the-future-of-multilateralism-crisis-or-opportunity/>

^{xxiii} Since 2014, representatives of France, Germany, Russia and the Ukraine engaged in dialogue regarding the Ukrainian conflict.

^{xxiv} For instance, Tunisia or Morocco are considered strategic partners benefiting from preferential treatment and access to some EU policy fields. A more detailed discussion of this topic is however beyond the scope of this dossier and not entirely related to the larger research focus.

^{xxv} The Economist (2017). The world's most powerful man: Xi Jinping has more clout than Donald Trump. The world should be wary. Available at <https://www.economist.com/news/leaders/21730144-do-not-expect-mr-xi-change-china-or-world-better-xi-jinping-has-more-clout>

^{xxvi} Stenzel, A. (2017). China's Belt and Road – new name, same doubts? ECFR Commentaries. Available at http://www.ecfr.eu/article/commentary_chinas_belt_and_road_new_name_same_doubts

^{xxvii} Kagan, R. (2017). The twilight of the liberal world order. Brookings Report – January 2017. Available at <https://www.brookings.edu/research/the-twilight-of-the-liberal-world-order/> Arguably, European initiatives such as the creation of a European defence fund constitute incremental steps towards greater autonomy of European defence planning. An elaborate discussion of Europe's future defence planning and relations to NATO/US structures is beyond the range of this dossier.

^{xxviii} EU Commission (2017). *White Paper on the Future of Europe: Reflections and scenarios for the EU27 by 2025*. Available at https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf

^{xxix} Godement, F. (2017). Europe's Trump-China dilemma. ECFR Commentaries. Available at http://www.ecfr.eu/article/commentary_europes_trump_china_dilemma_7226

^{xxx} The Economist (2017). Why Germany's current-account surplus is bad for the world economy. Available at <https://www.economist.com/news/leaders/21724810-country-saves-too-much-and-spends-too-little-why-germanys-current-account-surplus-bad>

^{xxxi} Minkmar, Niels (2017). Ein Windstoß im lauwarmen Herbst. *Der Spiegel*, 30.09.2017. Available at <http://www.spiegel.de/politik/ausland/emmanuel-macron-setzt-auf-risiko-deutschland-merkelt-vor-sich-hin-a-1170616.html>

^{xxxii} Dempsey, J. (2017). *Judy Asks: Is the Crisis of the Liberal Order Exaggerated?* Carnegie's Strategic Europe. Available at <http://carnegieeurope.eu/strategieurope/68041>

^{xxxiii} Macron, Emmanuel (2017). *Europe - President Macron's Initiative for Europe: A sovereign, united, democratic Europe*. Available at <http://www.diplomatie.gouv.fr/en/french-foreign-policy/european-union/events/article/president-macron-s-initiative-for-europe-a-sovereign-united-democratic-europe>

^{xxxiv} Kauffmann, Sylvie (2017). As quoted in Dempsey, J. (2017). *Judy Asks: Is the Crisis of the Liberal Order Exaggerated?* Carnegie's Strategic Europe. Available at <http://carnegieeurope.eu/strategieurope/68041> In this series of short interviews at the margins of this year's Munich Security Conference, Carnegie's Judy Dempsey asked experts the question 'Is the crisis of the liberal order exaggerated?' In this case, the respondent works as the Editorial Director for *Le Monde*.