

“We over rationalise the past, we overdramatise the present, and we underestimate the future”

Take-aways of the seventh #FlorenceLive conversation about a post-corona world

#FlorenceLive 7 on Geopolitics, 29 June

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The STG webcast series continued with a discussion on the global geopolitical effects of the Covid-19 crisis. The hour-long livestreamed panel-debate featured Michael McFaul (Director of Freeman Spogli Institute for International Studies, Stanford University) and Stefano Sannino (Deputy Secretary General for Economic and Global Issues at the European External Action Service of the European Union), was moderated by Alexander Stubb (Director of the School of Transnational Governance at the EUI), and addressed the following themes:

- What is the general geopolitical situation of the EU as it navigates the Covid-19 crisis?
- What stances can it adopt vis-à-vis the US?
- What strategy can be developed towards China and Russia?

8 key take-aways:

Analysis

1. **Geopolitics, more than ever, is about more than security and defense capacities;** it is about soft power, structural weight and control in production and finance and its informational infrastructure. The Covid-19 crisis has caused deep reorganisations in these networks, exposing bottlenecks and vulnerabilities to shock. Being a geopolitical actor means strategising a 360° battle, patching the wounds of the crisis while keeping ahead of its developments internationally. International relations are a function of power, but a naïve realism ignores the effects of regimes, institutions, and individuals: the election of President Trump is exemplary in this last regard, for example.
2. **The EU is attempting to put together a determined and solidary response internally and externally to the Covid-19 crisis, which has accelerated preexisting trends in growing economic nationalism and inequalities, and rippled onto the organisation of global value chains.** It is in the process of negotiating its budget (the Multiannual Financial Framework), passing an unprecedented recovery package in size and scope (Next Generation Europe), and is coordinating the selective reopening of the Schengen area. It has taken a central role in raising €36B for a global recovery initiative, and hosted diplomatic conferences for conflicts in Venezuela, Sudan, and Syria. But a paralysed multilateralism and increasingly rivalrous

multipolarisation are hostile to its nature and mission, and its foreign policy effectiveness is hampered by its institutional setup.

3. **The US is being severely tested domestically not only by the Covid-19 crisis, but also longstanding political polarisation due to loss of common epistemological ground, and now protests following the death of George Floyd at the hands of its police.** Its federalism and state action have been a last dam to ineffective and unwilling federal action, at the expense of delay, fragmentation in implementation, and exasperation of the electorate. It has done worse on almost every health metric in the crisis than the EU and other countries worldwide, accelerating the decline in its international prestige. The Trump administration's preference for a "return to jungle" approach to international relations flies in the face of the benefits the US still derives from the "liberal world order" it built. Its discourse on decoupling, or even a new cold war with China, is alarming and informed by a shallow understanding of underlying global interdependences.
4. **China is an effective systemic rival however:** it is working within the ecosystem of international organisations to be in a position to bend them to its advantage. It has shown its power over the World Health Organisation, in particular vis-à-vis Taiwan; Chinese nationals head four important UN standard-setting bodies (International Telecommunication Union, International Electrotechnical Commission, International Civil Aviation Organisation, Food and Agricultural Organisation). It is simultaneously promoting parallel institutions of global governance, notably along its Belt and Road initiative. China wants international and European technology, market access, and investment, and is now deeply interconnected to the world; it cannot afford decoupling, and nor can the world.
5. **Russia's actions**, such as its aggression in Georgia, the egregious annexation of Crimea and ongoing aggression towards Ukraine, US election interference, extraterritorial assassinations in the UK, and now fixing bounties on US forces in Afghanistan, **show that its government has definitely turned against what it feels to be US-led "liberal international order" it has little stake in and deliberately seeks to destroy.** Its new Constitution, published before even being voted upon, ensures President Putin has all the means at his disposal to do so for years to come. However, its own economic and political fragilities, as well as a brittle structure of interdependence with the world economy, mean that despite its greater revisionist ambitions, it has less means than China to carry out its geopolitical vision.

Recommendations

6. **The EU is starting to redefine its strategy for future, balancing its own interests against counterproductive protectionism.** Its trade and investment system should be recalibrated to avoid hostile takeovers, protect critical infrastructure, reduce dependence from outside shocks, and diversify supply chains. Its financial system should be made more resilient. As it moves to defining and implementing its agenda internally, it has to deal with its external situation. The EU is developing ideas of strategic industries and a broader "open strategic autonomy", as always rooted in a rules-based multilateralism which should be safeguarded as much as possible. The US remains its natural ally, based on a shared history of values and principles, but in the light of the direction it has accelerated brutally in with the Trump administration, it should pursue nurturing the multilateral connective tissue between governance levels across global issues, negotiating legitimate principles of global governance.

It should also continue to engage recalcitrant actors, outside of binary logics, while leveraging its structural power against them if necessary. It cannot behave in a naïvely symmetrical way if it is to become a truly geopolitical actor.

7. **The US is experiencing three “8s” at once: 1918 (a pandemic), 2008 (an economic crisis), and 1968 (a social revolution); history is moving fast.** The Trump administration has pushed the US in an illiberal, nationalist direction; if he is reelected, it would be a radical moment in US and world history. He will be completely loosed from what is left of Republican party constraints, taking it as a mandate to pursue further isolationism and call into question alliances with NATO, Japan and South Korea. If Vice-President Biden is elected, the world will heave a sigh of relief, and the US would return to a more conventional framework to dialogue and manage disagreements; but there will be a serious need to revitalise and renew its domestic democracy, repair transatlantic relations, and rebuild multilateral institutions. The US should work more with the EU *qua* EU, not with its member states.
8. **Both the US and the EU cannot vie with autocratic China and Russia without the cooperation of liberal democracies.** Comparisons with Thucydides, the 19th century and the Cold War are of limited usefulness: continued overtures for genuine engagement must be balanced with economic diversification to achieve better resilience, but in different proportions for each according to the situation. An “unholy alliance” is unlikely, due to a low compatibility of interests, for now. NATO has been successful in deterring Russia (though some blame it for tensions), but deterrence of China has yet to coalesce fully.

Online reactions: On Facebook a global audience followed the livestream with viewers tuning in from all over the world. Over 20 comments were posted before, during or after the event including half a dozen questions addressed to the panel. In total, the video has been viewed over 1000 times as of 5 July.

(Re)watch the conversation at stg.eui.eu/events/FlorenceLive