

The Rise and Fall of Europe: Unity and Challenge

Written by Stephen Chan

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STEPHEN CHAN, NOV 4 2017

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The idea of Europe was grand, but also gradual. The project of rebuilding after World War II was shared, and the US Marshall Plan was of huge importance, but the sense was also of Europe needing to do something organisationally for itself, and to do it in a unified form. From this, the idea of unity as an overarching goal began to develop. But the first steps were very specific ones. They began with the formation of the European Coal and Steel Community in 1951. Unity and cooperation in this sector were clearly necessary for the industrial redevelopment of Europe – but theorists began to read such steps of 'functional cooperation' as preconditions for wider cooperation, and formal regimes of cooperation.

From the start there was a triptych of organisational methods – beginning with harmonisation, then cooperation, and finally a regime of coordination. It is this last stage that Europe has now reached, and it is this that has caused grave disquiets among many member states who see the coordinating bureaucracy and regulatory frameworks of Brussels as having intruded upon national sovereignty in the old Westphalian sense of sovereign states having sovereign public administrations serving sovereign constitutions and laws. This was very much the essence of debate in the UK, as it underwent its 2016 referendum on continued membership – the extent to which sovereignty had been eroded by a coordinating machinery in Brussels, which was not answerable to a UK electorate, or even any electorate.

The triptych of harmonisation, cooperation and coordination was not designed as a progressive one. It was simply a means to analyse types of inter-governmental organisation. Harmonisation is to do with common principles, including in the case of the OECD, common principles of economic planning and behaviour. Cooperation is to do with states agreeing a joint venture, or a float of ventures, but it is still the states who call the shots, even if they have a secretariat in common for those ventures. Coordination, however, is very much the realm of a supra-state body that keeps the participating states in line with treaty agreements which have the status and power of law.

The tension in the growth of the European Union, between steps of increasingly functional cooperation, spreading from the coal and steel sector to others, but always centred on technical functionality – and the grand vision of statesmen like Jean Monnet, who in fact had been in charge precisely of coal and steel, but had also in an astounding precocity been Deputy Secretary-General of the League of Nations at age 31, that envisaged a new European economic order and, finally, a European political union – haunted the growth of the Union as it passed through its treaty phases, the provisions of each treaty being adopted into national laws.

The Treaty of Rome in 1957 created what was then called the European Economic Community, and it might be said that the founding intent was not yet fully political. By the time of the 1993 Maastricht Treaty, the European Union had a firm economic mission and political intent. Europe absorbed a range of sovereign powers from its members in order to achieve a functional and public administrative commonality of standards and procedures for all members. A

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member state like the UK negotiated an 'opt out' of some of these commonalities, but for the majority of the states in the EU, the commonality of European standards and procedures is either an aspirational or achieved reality.

There are, however, two particular aspects of the European project which bear note – one is a note of pronounced concern for certain members, such as Greece, and that is to do with economic and fiscal policy; and the other strikes a note of very great concern for neighbouring Russia, and that is a European common security policy which has no choice but to achieve its operationalisation through NATO.

The bank

Membership of the EU does not oblige a state to join either the European Bank or the Eurozone. However 19 of the 28 member states did join the Eurozone, which was created in 1999, with the European Bank having been created in 1998, both to manage the Euro and to act as a provider of liquidity under negotiated conditionalities and fiscal regimes. The problem was that there was a common currency without a common fiscal policy – except insofar as the receipt of liquidity created a fiscal zone dictated by Europe; either by the Bank itself or by European leaders acting through the Bank and, often, in concert with other lending agencies such as the International Monetary Fund (IMF).

Even states that were not part of the Eurozone, but whose debts and trading relationships were demarcated in Euros, found their national economic conditions and outlooks heavily influenced if not determined by the value of the Euro and policy decisions of the Bank. The sheer weight of Euro reserves and capacity also made the currency and the Bank impossible to avoid. The Euro is the world's second largest reserve currency, and there are more Euros in international circulation than US dollars.

Thus, almost all European states, in one way or another, were caught up in the Greek financial crisis that peaked in 2015. Total European Bank and IMF bailout funds for Greece were Euro 110 billion, a huge sum to be outstanding even against the combined liquidities and reserves of European states – themselves for the most part still recovering from the banking crisis of 2008.

What the Greeks found was that they no longer had any fiscal sovereignty of their own. The conditionalities of the bailout meant an austerity almost no sovereign government, answerable to an electorate and public opinion, would by itself impose. The Greek situation was unique, in that few other European states could contrive to mismanage their economies to such an extent, and require the assistance of so many billions. However, the situation was illustrative of a fundamental European reality. Even if political union is still resisted and contested, the economy of Europe is increasingly being seen as a single unit. It is not yet a fully coherent unit, and independent parts of it, e.g. the British and German economies, still have huge command on their own – but they have still greater command and international economic leverage together.

Security

Europe has external security threats, but also those closer to home – or within the precinct of home. Two current member states, against one hoping to become a member, were at war as recently as 1991-8. These were the Yugoslav wars, in which Slovenia and Croatia were at war with Serbia. The question of Kosovo, a country that achieved a highly contested independence from Serbia in 2008, is being 'managed', but is not resolved; and nor is the future of a bitterly divided Bosnia, with its Serbian enclave administrations, and which was the site of the terrible siege of Sarajevo – at its worst a throwback to the medieval assaults against cities by strangulation and slaughter.

The European Union does have a Common Foreign and Security Policy. It has a Foreign Affairs Council and a High Representative, a ministerial-type figure who acts as spokesperson on joint European foreign policy. Part of the overall apparatus, since 1999, is the Common Security and Defence Policy. It has very limited military capability and, basically, the specifically European and EU-related security mechanisms extend as far as forms of peacekeeping. For actual military projection, the EU depends upon an intimate association with NATO. The relationship between the two organisations has been described as "separable but not separate",^[1] and the ratification of the Lisbon treaty in 2007 virtually merged the European security system with NATO. It was NATO forces that were involved in the end-

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games of the Yugoslav wars over Kosovo. Aspiring members of the EU, all now from the old East European buffer and Warsaw Pact states, under the Eastern partnership programme, if they are to sign an Association Agreement with the EU, must make a deliberate and articulated choice between maintaining close ties with Russia and integration with the EU. A state cannot have both. What this means is not only integration with the EU, but an accommodation if not association with NATO. From a Russian perspective, this can only seem threatening; the mobilisation of an oppositional bloc.

Europe also has an anti-terrorism policy. It has a list of designated terrorist organisations. It is far from an exact list. One of the listed organisations, the Kurdish PKK, is in fact a military ally of NATO in the war against ISIS. Its presence on the list is largely a sop to Turkey, who certainly regards the PKK's quest for Kurdish independence – or even autonomy – as a terrorist threat. Turkey has long sought some kind of closer link to the EU, if not eventual membership.

The list is one thing. Doing something about it is another. And the very existence of a list presupposes, somewhat naively, that terrorism proceeds via formal organisation – whereas a group that functions via secret and separate cells is something very different. Keeping track of such cells, or even knowing about them, certainly defeated Belgium's fractured security agencies before the attacks on Brussels in 2016; and earlier did not provide warning to France that the same cells would attack Paris in 2015. Al Qaeda was not even on the list for some time. It, ISIS, and other terrorist outfits almost certainly smile at the European bureaucratic endeavour to counter terrorism.

However, an area where European unity has been very important is humanitarian assistance. The European Community Humanitarian Aid Office, devotes about Euro 1 billion in annual emergency aid. Together with the contributions of individual member states, the combined humanitarian emergency capacity is greater than anything else on earth.

Russia

After the 9/11 attacks Russia moved swiftly to support the US in its War on Terror. It was both a genuine solidarity against terrorism and an olive branch that sought a special relationship with the leading power within NATO. The US sought almost pointedly to repudiate the Russian gesture. It withdrew from the 1972 Anti-Ballistic Missile Treaty in 2001, and chose to proceed with the expansion of NATO right up to Russia's frontiers in 2002. Since 2003, when Russia declined to support the invasion of Iraq, relations between the US/NATO and Russia have cooled.

President Putin made his position very clear in a landmark speech, made in Munich, in February 2007.^[2] He strongly weighed against the US's seeming desire to be monopolistic in its dominance of world affairs and its "almost uncontained hyper use of force in international relations". It had the opposite of its intended result, in that "no one feels safe!" No one felt they could be guaranteed protection by international law. As a result, the US posture could only stimulate a new arms race. Putin called for an inclusive "fair and democratic world order that would ensure security and prosperity not only for a select few, but for all." The speech was, in short, a protest against not being included in the kind of world order envisaged by the US, but it was also against the expansionism of NATO which certainly did not make Russia feel safe. The pointed warning about a new arms race was a declaration of a new pro-activity of Russia in world politics.

This determination was reinforced by NATO action in Kosovo and in the EU's involvement in the independence of Kosovo in 2008 – greatly antagonising Serbia, which had long seen Russia as an ally. But Putin's language over Kosovo was carefully crafted to serve as a defence of Westphalian statehood, i.e. against secession from recognised states, in this case from Serbia. It was, Putin said, both immoral and illegal, but was a "terrible precedent" that would begin to destroy the system of international relations developed over centuries.^[3] It was almost as if, taking the Western cue, Putin was forecasting his own annexation of Crimea some years in the future.

The noted Russia observer, Richard Sakwa, argues that the EU's approach to Ukraine as part of its version of a 'Wider Europe', effectively excluded Russia from all Western European regional cooperation structures.^[4] Putin wanted a 'Greater Europe', in which all had equal rights and opportunities, including Russia. The Russian view was

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that the end of the Cold War was in fact a shared victory. It was a victory for a peaceful future. The West, in insisting it had won the Cold War, in its triumphalism, treated Russia instead as a defeated enemy and set about trying to marginalise it in plans for a greater EU/NATO zone.

The floral and colour revolutions – the Rose Revolution in Georgia (2003), the Orange Revolution in Ukraine (2004), and the Tulip Revolution in Kyrgyzstan (2005) – led Russia to a realm of great caution, if not paranoia as to how these political changes would be exploited by the West. Early indications that Georgia and Ukraine would seek membership of NATO (abandoned by Ukraine in 2010) stoked this paranoia. But, in this context, war in Georgia and effective annexation of two Georgian provinces by Russia in 2008; and the formal annexation of Crimea in 2014, up till then part of Ukraine, meant a Russia intent of rolling back what it perceived to be the encroaching borders both of the EU and NATO.

An extended meditation

After the fall of Communism and the end of the Soviet Union, the US entered a public phase of triumphalism. It delighted in being a sole superpower and a solo hegemon. However, under the surface, none of its foreign policy and defence procedures changed. They were all calibrated on the existence of a powerful enemy. Enemies of the most enigmatic sort duly appeared, and the 'War on Terror' that resulted had as its early hallmark the felt need to invade two states, Afghanistan and Iraq. It was states that could be attacked. The designation of an 'axis of evil' was accomplished by naming a number of states. It was as if US state interests, and the projection of US state power could only be calculated and executed against other states. But this did not defeat terrorism at all. And, while the US struggled to find a conceptualisation of terror and its organisation, its policy machine was thankful that Russia began its resurgence and could, once again assume its place as an antagonist power.

In short, the resurgence of Russia rehabilitated a range of repertoire responses – as they were produced and refined by a number of government departments and their organisational procedures and processes. In a real way of course, it was easier than when the Soviet Union was a genuine superpower. The Russia of the new millennium was a weakened version of what went before. However, it had sufficient characteristics in common with the 'old model' that old model responses could be wheeled out by the US foreign policy machine.

It also allowed the maintenance and development of military spending levels, and technological investments. Unlike terrorist organisations, Russia still had modern warplanes, warships, and nuclear missiles. These had to be matched and superseded. In this way, an entire industrial support base – and its economic importance to the US – what used to be called the 'military-industrial complex', could be retained and expanded.

Defence industries and a Department of Defence that was strong also meant the maintenance of internal 'balances of power' between government departments in Washington DC – notably between Defence and the Department of State. The *status quo* of Washington's political dispositions towards the outside world was as before.

In a way, foreign policy formulation is necessarily dyadic. It begins with an 'us' and an 'out there', towards which policy is directed. It allows the use of methodologies like game theory to calibrate competitive interests, power, values, and rational responses. Only with an enemy in one's own image can game theory and 'scientific' and predictive foreign policy work. In a very real sense, in the US it was 'welcome back, Russia! We missed you.'

For Europe, however, the picture should have been different. A union of states that sought, even if it never achieved, some sort of political commonality, nevertheless was anchored on a genuine sense of multilateralism. There was a huge functional base to the European project which by the new millennium went way beyond coal and steel. The foundational sense of functional cooperation might perhaps have dictated a need to establish a cooperative regime with Russia in the area of natural gas – both Germany as well as Ukraine depending on Russian natural gas every single winter. From functional cooperation, as the early theorists of Europe hoped, political cooperation could grow. Russia, with its sense of the end of the Cold War being a shared victory, and not a cause of triumphalism for one side only, might have welcomed steps towards political cooperation – even if it could not be intimate cooperation. But what happened was an indication of the limits of multilateralism, in that –finally – ideological and political history do get in

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the way of functionalism and the reach of multilateralism. The continued existence of NATO, now once again able to have exactly the same enemy as before, and to use all of its own repertoire responses in the face of this enemy – despite an array of signals from the enemy that it preferred not to be an enemy any more – meant a Europe, dependent on NATO as its security arm, unable to respond to Russian overtures for a new start.

Of course, should President Putin be successful in growing the Russian economy, then the EU would have an economic rival and perhaps, in a regime of cooperation, it could never have in any case entered any form of even proto-integration with something so problematic but prospectively so large. Union allows the economic domination of a small shambolic economy like Greece; it does not allow within itself two competitive monoliths. Even so, Europe may have missed an opportunity for some form of greater cooperation, and perhaps some form of greater peace on its frontiers.

Notes

[1] Formulation from the December 1999 EU summit in Helsinki. See Nora Bensahel, ‘ “Separable but not separate” – NATO’s development of the combined joint task force’, *European Security*, 8:2, 2007.

[2] <https://www.youtube.com/watch?v=ZiY5aZfOgPA>

[3] See report in the *Sydney Morning Herald*, 23 February 2008.

[4] Richard Sakwa, *Frontline Ukraine: Crisis in the Borderlands*, London: I.B. Tauris, 2014.

About the author:

Stephen Chan OBE was Foundation Dean of Law and Social Sciences at SOAS University of London, where he remains as Professor of World Politics. He has occupied many named chairs around the world, most recently the Konrad Adenauer Stiftung Chair of Academic Excellence at Bir Zeit University in 2015, and the George Soros Chair of Public Policy at the Central European University in 2016. He was the 2010 International Studies Association Eminent Scholar in Global Development. As an international civil servant he helped pioneer modern electoral observation in Zimbabwe in 1980, worked in many post-conflict zones – where ‘post’ was a largely fictional if politic appellation – and continues to be seconded to many diplomatic initiatives around the world today. He is the author of *Meditations on Diplomacy: Comparative Cases in Diplomatic Practice and Foreign Policy* (2017).