TEN IDEAS FOR THE NEW TEAM

How the EU can navigate a power political world

Edited by
Steven Everts and Bojana Zorić

With contributions from
Jan Joel Andersson, Ondrej Ditrych,
Alice Ekman, Steven Everts, Dalia Ghanem,
Amaia Sánchez-Cacicedo, Giuseppe Spatafora,
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EXECUTIVE SUMMARY

In a contested world, the EU needs new ways of thinking, working and acting.

The EU's foreign and security policy is in urgent need of a reboot. The Union's current approach to foreign policy was designed for a world at peace, where multilateralism was strong and global rules and norms were upheld. That world is gone. We now live in an age of contestation [1], where territorial conflicts proliferate, Russia and China promote an anti-Western narrative, and basic international institutions are in crisis. What is more, the role of the United States in the world and its relationship with Europe may also be upended after the presidential elections in November.

In a world of change, the EU's foreign policy must evolve and adapt in order to remain effective.

In the EU, a new Commission and High Representative will take the helm this autumn. How should the new leadership reshape the EU's global role and stance? How can they ensure the security of its citizens, and protect their interests while navigating an increasingly fraught and contentious international landscape?

To help EU leaders and policymakers with this pressing task, the EU Institute for Security Studies has come up with ten ideas to propel EU foreign policy forward. They represent ambitious yet actionable proposals. We believe it is essential for the new leadership to implement them.

The ten ideas are grouped into three broad categories: new ways of thinking, working, and acting.

First, we argue that the EU should *rethink* its relationship with other actors, both close and further afield. This begins with ditching outdated policy frameworks. We make the case that the EU must move beyond the European Neighbourhood Policy and its one-size-fits-all approach. In the South, the EU must forge new partnerships tailored to partners' specific needs. This is explored in the first chapter in this volume, 'Moving beyond the European Neighbourhood Policy', by Dalia Ghanem.

In the East, the EU must counter Russian influence by increasing its power of attraction and supporting civil society when governments look to Moscow rather than Brussels, as proposed in chapter 2, 'Designing a new Eastern policy', by Ondrej Ditrych.

In similar fashion, the EU must be clear-eyed about the China-Russia relationship: Beijing is not willing to restrain Moscow in its pursuit of actions considered to pose the biggest threat to European security in decades. The EU should therefore reassess its relationship with China and establish a united front that sends a clear message. This is the thesis of chapter 3, 'Recalibrating EU-China relations: No illusions on Russia', by Alice Ekman.

Second, we propose new ways of *working*: methods and strategies to make EU foreign and security policy function better. This starts at the very top: the EU needs a 'Council for the defence of Europe', composed of EU leaders, to take the necessary strategic decisions and enable the EU to respond effectively to a world

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of integrated threats. This idea is expounded in chapter 4, 'Making EU leaders responsible for protecting Europeans', by Steven Everts.

In chapter 5, 'Building strength through gradual integration: A blueprint for EU enlargement', Bojana Zorić argues that the EU should also allow aspiring member states to contribute to security, opening participation in the Common Foreign and Security Policy (CFSP) to likeminded and capable countries, as a first step towards EU accession.

Another area ripe for reform is how the EU deals with rising powers. In chapter 6, 'Teaming up with rising powers and minilateralism', Amaia Sánchez-Cacicedo argues that it should establish targeted and issue-oriented partnerships with select groupings of countries, rather than investing in broad but vague multilateral frameworks.

Third, the EU needs to forge new ways of *acting*. That is, it needs to take more proactive measures to assert the EU's influence, especially in contexts of conflict and crises. The Union should be more selective about setting up new Common Security and Defence Policy (CSDP) missions: in chapter 7, 'Rethinking CSDP missions and operations', Jan Joel Andersson contends that in a world where its core interests are threatened, the EU should focus on protecting maritime routes and solving crises in the immediate neighbourhood.

No foreign policy issue is more consequential for European security than the outcome of Russia's war again Ukraine: to create the conditions for a just end to the war, the EU must go beyond providing weapons and train soldiers inside Ukraine, enabling them to take back territory. This is the focus of chapter 8, 'Training soldiers in Ukraine', by Giuseppe Spatafora.

The EU should also assume a stronger role in deterring possible future aggression. While NATO shoulders the primary responsibility for deterring threats along Europe's eastern flank, the EU can support it by strengthening energy resilience in the Baltic, as argued by Lukas Trakimavičius in chapter 9, 'Securing Europe's northeast'.

Finally, although a war in East Asia would be far away from Europe, its impact on the EU's economy would be devastating. The EU should therefore mobilise its economic resources to dissuade China from starting a war, complementing US-led military deterrence. This is explored in chapter 10, 'Preventing war in East Asia', by Joris Teer.

These ten ideas are meant to stimulate new thinking. They stem from a sense of urgency. Naturally, each proposal will encounter political obstacles. But the costs of doing nothing, or taking less ambitious courses of action, will be significant. The EU could become a largely irrelevant bystander in world affairs, unable to address the growing number of crises, and even become the target of military attacks.

In a world of resurgent power politics and fierce contestation, the EU's existing toolkit and policy approaches are no longer sufficient. This demands bold action from the EU's new leadership, and the time for such action is now.

NEW WAYS OF THINKING

Image: Bud Helisson/Unsplash

CHAPTER 1

MOVING BEYOND THE EUROPEAN NEIGHBOURHOOD POLICY

Time to reset

by
DALIA GHANEM

The European Neighbourhood Policy (ENP) is ill-suited to address the evolving challenges in the Southern Mediterranean region. The new European Commission should establish a dynamic network of strategic partnerships tailored to the specific needs and aspirations of each Southern country.

THE PROBLEM

An outdated approach to a changing region

The ENP is failing the Southern Mediterranean[1]. Originally designed for a different era, its tools and assumptions are out of sync with the region's current realities, from the rise of new powers to the limitations of a one-size-fits-all approach. These constraints and drawbacks may be summarised as follows.

1. **Outdated framework.** The ENP was launched with the laudable goal of fostering stability, prosperity and good governance in the Southern Mediterranean. However, it is evident today that its instruments, objectives and principles are

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(1) To inform this analysis, the author consulted a wide range of stakeholders. Interviews were conducted between January and March 2024 with EU diplomats and representatives in Brussels, those based in Southern EU delegations, and Arab policymakers. Additionally, a dedicated survey on 'The Future of the European Neighbourhood Policy', conducted by the European Institute of the Mediterranean (IEMed) within the EuroMeSCo project, provided valuable insights from a broader pool of respondents across the EU and Southern Mediterranean countries, including policymakers, experts and civil society representatives.

no longer aligned with the region's current realities. While the initial intentions behind the ENP deserve recognition, it is important to acknowledge its limitations. Revisions in 2011 and 2015 demonstrated the EU's willingness to adapt, yet the ENP continues to be hobbled by tools and assumptions ill-suited to today's realities.

2. **Homogeneous approach.** The idea of a single 'neighbourhood' for both Eastern and Southern Europe overlooks their distinct challenges. Maintaining a single framework for both the Eastern and Southern

neighbourhoods no longer reflects the unique realities of each region. Besides, the concept of a homogeneous 'neighbourhood' with the EU at its centre is outdated.

3. **Diminished leverage.** The EU's role as the sole dominant player has diminished, particularly in North Africa. Russia, China and Türkiye have become significant players in the region, while Gulf states (especially the Kingdom of Saudi Arabia, Qatar and the United Arab Emirates) have risen as regional forces. Even economically, China has overtaken the EU as the top trading

Time for a reset
Beyond the ENP

Southern Mediterranean needs & aspirations

Trade and economic development
Youth employment
Political stability and security
Democratic reforms
Address environmental and climate change challenges
Migration management
Enhanced mobility

Reality-check
What the ENP tools mean in practice

South-to-North visa difficulties
Lack of coordination
Loss of credibility
Short-term focus
Delayed or inconsistent implementation

ENP tools and their promises

Deep and Comprehensive Free Trade Areas (DCFTAs)
Civil society support
Association Agreements (AAs)
Rule of law support
Mobility Partnerships (MPs)
Erasmus+ scheme
Readmission-visa facilitation policy instrument

partner for many Southern Mediterranean countries. The era of exclusive EU dominance is over.

4. **Conditionality fatigue.** The ENP relies on an incentive-based approach, dangling the promise of aid and trade benefits in exchange for political and economic reforms. While conditionality has its place, it requires careful calibration. A relentless focus on benchmarks can create a sense of coercion and undermine genuine ownership of reform efforts within Southern countries. The EU should conduct a thorough review of the current incentive structure, ensuring it aligns with broader EU objectives, including the promotion of human rights and democratic values. A more nuanced approach, focused on partnership and capacity building, is likely to yield more sustainable results.

THE SOLUTION

A network of strategic partnerships

The Arab world presents a rich tapestry, with countries in North Africa, the Levant and the Gulf exhibiting distinct development trajectories and priorities. Their needs and expectations vary considerably. North African states may prioritise infrastructure development, while those in the Levant focus on post-conflict reconstruction, and Gulf states seek to diversify their economies beyond oil dependence. The EU needs to move away from the 'one-size-fits-all' approach that has characterised its engagement with Southern Mediterranean countries. A new approach requires dismantling the current framework and redistributing its resources.

1. **Craft tailored partnerships.** The EU needs to develop unique bilateral relations with each Southern country, addressing their specific needs and aspirations. These tailored partnerships would foster a deeper

level of cooperation across a broad spectrum of issues. For example, a bilateral focus on **boosting tourism development** could be a top priority for Tunisia, while Morocco might prioritise joint efforts to combat **climate change and desertification** alongside collaboration on **economic development.** Security cooperation, however, would likely be a central preoccupation for countries like Libya and Jordan.

2. **Focus on partnership.** The EU should move away from conditionality and build partnerships based on mutual respect and capacity building. This shift requires extensive consultations with each Southern government, ensuring the partnership reflects their specific needs and priorities. It also entails conducting a thorough review of the current incentive-based approach to cooperation and assessing how it aligns with other EU objectives, particularly the promotion of human rights and democratic values.

3. **Embrace regional cooperation.** While prioritising bilateral relations, the EU should also continue to foster regional cooperation through existing frameworks like the Union for the Mediterranean (UfM). The latter offers a valuable platform for promoting dialogue and joint action on issues of common concern.

4. **Flexible groupings.** To tackle shared challenges like water scarcity or migration, the EU should encourage the formation of ad-hoc, issue-specific multilateral groupings. These flexible groupings can complement bilateral and regional efforts by focusing on specific needs and fostering collaboration across countries facing similar issues.

5. **Institutional reshuffle.** To manage this network of partnerships effectively, it may be necessary to overhaul the current institutional framework. Currently, the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) oversees relations with Southern neighbours. However, DG NEAR also handles

a wide range of other responsibilities, potentially diluting its focus on the Southern region. One option is to create a new Directorate-General under the European External Action Service (EEAS) specifically for Southern relations. This would allow for a dedicated team of experts to manage the strategic partnerships, fostering deeper engagement with each Southern country. Alternatively, responsibility for Southern relations could be transferred from DG Near (B1 and B3) to the Directorate-General for International Partnerships and Cooperation (DG INTPA). This would also allow for a dedicated expert team, but within the existing structure.

THE COST OF INACTION

Consequences and the way forward

Recent trends suggest that the EU is losing ground in the Mediterranean. The ENP has served its purpose, but the time has come for a fresh approach. The Southern Mediterranean region demands a dynamic partnership tailored to individual needs, not a uniform one-size-fits-all approach. Maintaining the *status quo* with the ENP may no longer be the most effective strategy. Dissolving the current framework would allow the EU to pursue a more flexible and customised approach to cooperation with Southern countries. A comprehensive rebranding and communication strategy is crucial to enhance the EU's image and outreach in the Southern Mediterranean, particularly considering its response to the recent events in Gaza which have damaged its reputation. The current 'ENP' label fails to capture the region's dynamism and diversity, potentially alienating Southern partners. Developing a new brand that reflects the unique character of the relationship between the EU and the countries in the region is essential.

Furthermore, significant investment in strategic communication efforts is needed at both the institutional and Member State levels. This could involve establishing a dedicated team within the EU with the expertise to address public perception concerns and counter negative narratives.

To forge a more effective approach, the EU must acknowledge the evolving power dynamics in the region and its own diminishing leverage. Understanding how Southern partners currently perceive the EU is critical. By recognising its own limitations, the EU can shift towards a more collaborative and adaptable partnership model with the Southern Mediterranean countries.

Ultimately, a successful rebranding of the EU's approach in the region needs to be accompanied by a comprehensive communication campaign and strategy. This collaboration should involve not only EU institutions but also Member States. A valuable first step would be to expand the EU's Arabic media presence in the Middle East and North Africa by creating a dedicated team to support its sole Arabic-speaking regional officer based in Beirut. It is also recommended to follow a 'do-no-harm' principle in communication. This means proactively assessing any EU foreign policy initiative for its potential impact on public perception, thereby ensuring that proposed actions and their branding do not inadvertently damage the EU's image.

CHAPTER 2

DESIGNING A NEW EASTERN POLICY

Bringing the East into the fold

by
ONDREJ DITRYCH

A truly geopolitical Europe is one that is 'whole and free' **(1)**. It draws its power from the resourcefulness of European societies, and from the free movement of people, goods and ideas. To achieve this geopolitical vision, the EU needs a new Eastern policy that will upgrade the current Eastern Partnership framework to enhance the bloc's power of attraction and increase partners' resilience.

THE PROBLEM

A strategic region, an outdated policy

Faced with global contestation of the rules-based international order and the resurgence of Russian imperialism, the EU is at a critical juncture. At the same time, the Eastern Partnership policy, a key framework for organising relations with the EU's Eastern neighbours, finds itself at a crossroads, struggling to keep pace with current realities. It has brought more prosperity and connectivity to the region, and succeeded in bringing Ukraine, Georgia and Moldova closer to the EU as candidate states. Yet it fails to address increasing internal divergences among the partners. Furthermore, as a 'fair weather' policy designed for a more optimistic era, it lacks the tools to safeguard against democratic backsliding and state capture – such as is currently being witnessed in Georgia – through the implementation of sustainable structural reforms. It also fails to offer a strong counterweight to the consolidation of authoritarian rule in Belarus and Azerbaijan, or to countries' increasing exposure to Russia's malign influence. Similarly, it appears unable to mobilise sufficient resources to effectively assist Armenia to emerge from Moscow's shadow and chart its own independent course.

(1)   'Let Europe be whole and free' were President George H. W. Bush's words in a speech delivered in Mainz, 31 May 1989.

The Eastern Partnership has turned into a palimpsest of technocratic initiatives, each with its own set of objectives, targets, priorities, benchmarks, 'flagships', and programmes. It thus lacks a clear sense of direction and a compelling strategic narrative.

The very notion of the Eastern neighbourhood, which has framed the EU's approach to the region since the European Neighbourhood Policy (ENP) was conceived in the early 2000s, has created a dynamic of 'perpetual transition' whereby these countries are forever catching up with the EU [2]. The perspective of European membership offers an opportunity for the leading trio of accession candidates to break free from this straitjacket. However, the current format of accession talks risks perpetuating this narrow and hubristic teacher/student paradigm; and their conclusion remains elusive.

THE SOLUTION

Integration to the fore

The Eastern Partnership has demonstrably been successful in bringing three partner countries to the EU's doorstep. However, to ensure its continued relevance, it must now be thoroughly revised. The blueprint for the revision should be agreed upon before the Eastern summit in 2025, culminating in a new political declaration, followed by a new joint communication. Three key steps should guide this redesign process.

First, the notion of 'Eastern neighbourhood' should be discarded and replaced by a more inclusive vision of a progressively closer continental union that would complete the European project. This signifies a clear commitment: any European country with a democratic government and a market economy can not only apply for membership but, following successful negotiations, will be welcomed into the Union.

Second, the EU should upgrade the Eastern Partnership to promote closer integration of the Eastern partners – rather than just 'cooperation' with them. Financial instruments like the Multiannual Indicative Programmes and related Annual Action Plans, the Economic Investment Plan, and support programmes like Pre-accession Assistance or the Resilience and Growth Plan for Armenia should be adjusted to reflect this paradigm shift [3]. Tiers of partnership should also be clearly differentiated to provide a comprehensive framework for managing the complex processes through which integration takes place at different paces and levels. In practical terms, this means distinguishing three key dimensions of integration: *political*, *economic* and, as a separate and autonomous category, *societal* integration [4].

Ukraine and Moldova demonstrate successful integration across all these dimensions. The key now is to support their swift progress in accession talks. This can be achieved by assisting them in closing gaps identified during the screening process while implementing a 'staged accession' strategy (see also the chapter on enlargement by Bojana Zorić in this volume). This would allow for their gradual inclusion in EU policies and institutions with the status of 'acceding states'. In Georgia,

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(2)   See e.g. Joenniemi, P., 'Turning into a sovereign actor? Probing the EU through the lens of neighbourhood,' *Geopolitics*, Vol. 17, No. 1, 2012, pp. 25–46; Rumelili, B., 'Constructing identity and relating to difference: Understanding the EU's mode of differentiation,' *Review of International Studies*, Vol. 30, No. 1, 2004, pp. 27–47.

(3)   The five basic priorities for cooperation adopted at the last Eastern Partnership summit remain relevant in terms of substance. See Council of the European Union, 'Joint Declaration of the Eastern Partnership Summit', 15 December 2021 (https://www.consilium.europa.eu/media/53527/20211215-eap-joint-declaration-en.pdf). What is proposed here is a shift in the basic guiding principle from cooperation to integration which could shape the future direction of NDICI-GE programming.

(4)   Moving beyond favourable visa regimes for select population groups, elevating societal integration as a distinct dimension reflects the 'people-centred' understanding of enlargement. See: Anghel, V. and Jones, E., 'We need to talk about EU enlargement,' *Encompass*, April 2024 (https://encompass-europe.com/comment/we-need-to-talk-about-eu-enlargement).

Back to the future
Europe, whole and free

Freedom of movement
- Schengen
- Air and maritime borders only (Bulgaria and Romania)
- EU non-Schengen (with freedom of movement)
- Non-EU Schengen
- Visa-free (Monaco, San Marino, and Vatican City are *de facto* in the Schengen area)
- Visa required
- Fences

Focal areas of EU peace-related commitments
- Civilian CSDP
- European Peace Facility
- Military CSDP
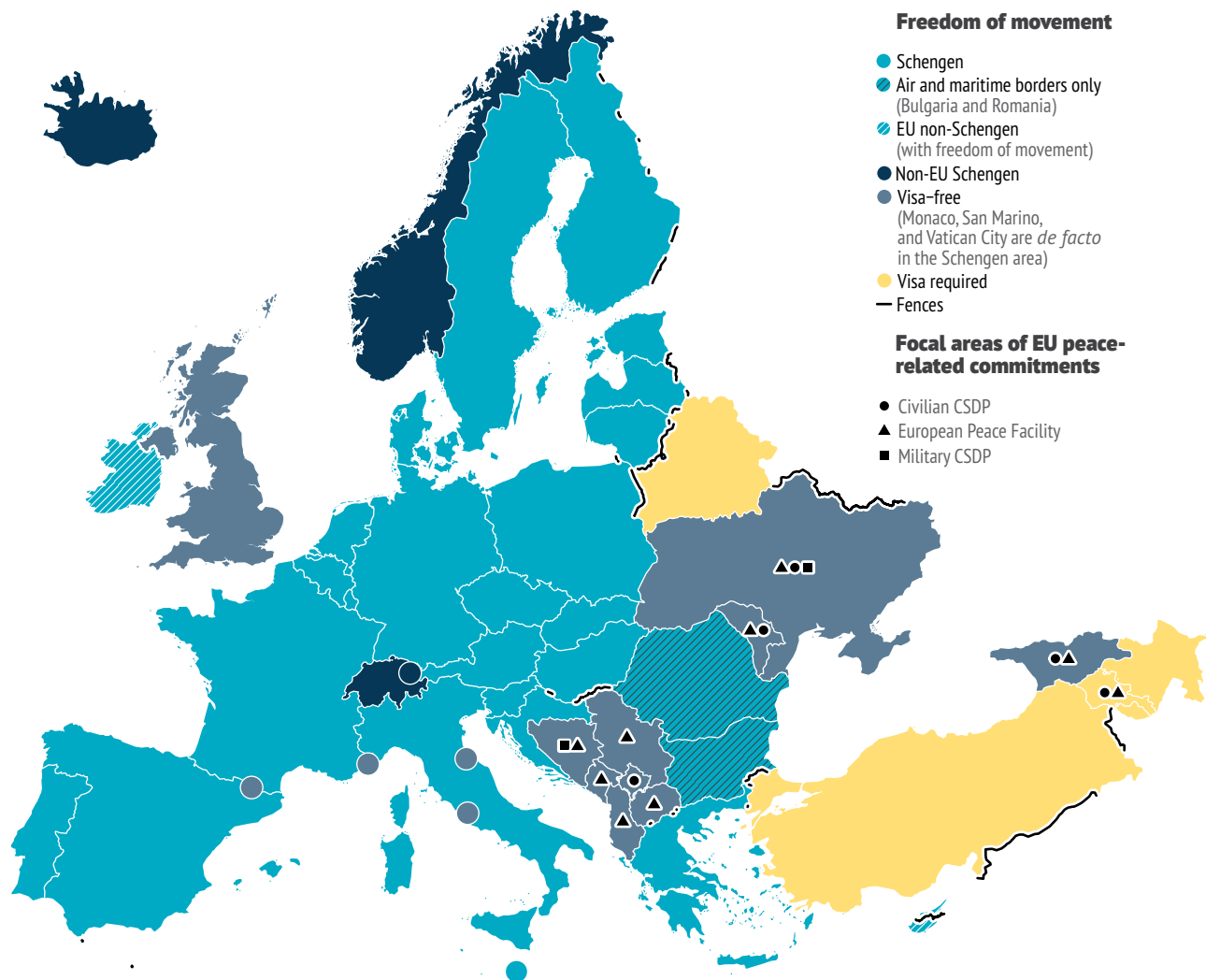
despite the current deadlock, the EU should prioritise fostering societal ties through initiatives that allow Georgian citizens to benefit more (rather than less) from a closer relationship with Europe [5].

In the case of Armenia, the country's recent shift towards the EU opens doors for exploring avenues of political and societal integration. This could pave the way for a potential revival of 'associate membership' as a prelude to a formal accession process (and formal candidacy status). In parallel the EU can offer support to Armenia in reducing its (weaponisable) economic dependence on Russia.

Where the government clearly does not represent the people, as in Belarus, the EU can support societal integration efforts while considering recognition of the government in

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(5)   Ordinary Georgian citizens' access to easy travel to the EU, academic exchange and career training opportunities should thus be expanded rather than restricted in response to the democratic backsliding currently being witnessed.

exile, thereby preserving the long-term vision of a democratic Belarus. Where the EU has an interest in maintaining strategic relations with a government, even in a situation where political convergence is lacking, as in Azerbaijan, the EU can leverage economic incentives and seek to promote a shared regulatory environment until circumstances evolve.

Tied by trade
Top trading partners

$ billion　50　200

	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
Rank 1	EU	EU	Russia	EU	EU	EU
2	Russia	Türkiye	EU	Türkiye	Ukraine	China
3	China	Russia	China	USA	Russia	Türkiye
4	Georgia	Georgia	Ukraine	China	Türkiye	Russia
5	UAE	China	Türkiye	Azerbaijan	China	USA

The new Eastern policy should be driven more by *realpolitik* than technocratic approaches. That does not mean reneging on values but rather streamlining conditionality by focusing on a few key progress benchmarks rather than a plethora of metrics used in a desperate effort to prevent potential future backsliding [6]. Instead, the model should acknowledge the possibility of reversals and setbacks as an inevitable part of the process, and policies should be designed to address them accordingly and in a flexible manner.

The key to completing the European project through a successful Eastern policy is both a robust policy framework and a compelling strategic narrative. The narrative should frame the vision of an ever-closer Union as a path to shared freedom in the future, commitment to the rule of law that safeguards against arbitrary authoritarian rule [7], and a prosperous and competitive Europe in a more fractious and contested world. This narrative must confront head-on the falsehoods peddled by 'Normative Power Russia' [8] through which the Kremlin seeks to promote an alternative model for Eastern Europe.

Third, the EU should rethink resilience as the cornerstone of its engagement with Eastern partners. A stronger focus on strategic foresight is needed to anticipate upcoming challenges, allowing partner countries to absorb shocks, maintain continuity and emerge stronger and more 'antifragile' [9]. Resilience should further be considered as a collaborative endeavour, not as a one-way transfer of knowledge. Finally, resilience has been mainstreamed into the EU's Eastern playbook, but at the cost of becoming too broad a concept to orient strategic action. It needs more focus on the empowerment of: (i) independent and efficient administrations that deliver on public needs and earn public trust; (ii) open and vibrant civil societies (since democracy is not just about institutions but also pluralism); and (iii) local communities in the partner countries and their capacities to adapt to change. To that end, better understanding of the diverse needs and perspectives of these local communities is required as a prerequisite for forging more

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(6)　The emphasis on quantifiable criteria present e.g. in the 'renewed agenda' document offers valuable feedback and promotes consistency in relations with the partners. See European Commission, High Representative of the Union for Foreign Affairs and Security Policy, *Recovery, resilience and reform: Post-2020 Eastern Partnership priorities*, Joint Staff Working Document, 2 July 2021 (https://www.eeas.europa.eu/sites/default/files/swd_2021_186_f1_joint_staff_working_paper_en_v2_p1_1356457_0.pdf). Too much emphasis on numbers and indexes however can exacerbate the technocratic approach and obscure the complexity of the environments and challenges at hand.

(7)　Krygier, M., 'Well-tempered power: "A cultural achievement of universal significance"', *Hague Journal of International Law*, June 2024 (https://link.springer.com/article/10.1007/s40803-024-00226-3#citeas).

(8)　See: Ditrych, O., 'Russia's conservative utopia: A means to global influence,' in Ekman, A. and Everts, S. (eds), 'Contestation: The new dynamic driving global politics', *Chaillot Paper* No. 183, EUISS, May 2024 (https://www.iss.europa.eu/content/contestation-new-dynamic-driving-global-politics).

(9)　Taleb, N., *Antifragile: Things that gain from disorder*, Random House, New York, 2014.

effective partnerships and programming of financial support [10].

THE COST OF INACTION

Good fences do not make good neighbours

Clinging to outdated policies will not safeguard against democratic backsliding, loss of competitiveness in the transitioning global economy, and growing exposure to Russia's interference and influence operations. The new Eastern policy, however, should be seen not just as a pathway to a more secure and prosperous Eastern Europe. It is also essential for a stronger Europe *as a whole* if it is to be able to successfully navigate the uncharted waters of an increasingly contested global order.

The core task of the new Eastern policy should be to reignite the EU's transformative power. Europe needs to become more than just a 'common home' [11] for governments and peoples inhabiting different political realities. It must become a true commonwealth or else risk becoming an object rather than subject in international relations – vulnerable to external forces rather than a strategic power in its own right.

Staying the course with an unreformed Eastern Partnership risks condemning Eastern Europe to long-term stagnation. Geographically expanding the policy to encompass Central Asia, while strategically important for

Europe's economic security and influence, will hardly endow the framework with strategic coherence and a sense of direction – although relations with that region should indeed be further developed as a critical part of the EU's wider circle to promote the bloc's own economic security and marginalise Russia. The European Political Community (EPC) can be a useful complement to the EU's Eastern policy – but its record to date makes it abundantly clear that it will never be able to replace it. In the end, only a revamped and modernised Eastern policy can make the vision of a Europe that is 'whole and free' a reality. There is no viable alternative.

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(10) The key role of local authorities is emphasised for example in European Commission, 'The European consensus on development', 26 June 2017 (https://international-partnerships.ec.europa.eu/policies/european-development-policy/european-consensus-development_en). The approach outlined above can moreover draw inspiration from the concept of 'locally led development' that values local knowledge, integrates diverse local perspectives, and aims to create direct funding channels, an idea to which some Member States have already subscribed. See USAID, 'Donor statement on supporting locally led development', 13 December 2022 (https://www.usaid.gov/localization/donor-statement-on-supporting-locally-led-development).

(11) This was Mikhail Gorbachev's vision as the Cold War drew to an end, contrasting with George H.W. Bush's call for a Europe 'whole and free'. See: Address given by Mikhail Gorbachev to the Council of Europe, 6 July 1989 (https://www.cvce.eu/content/publication/2002/9/20/4c021687-98f9-4727-9e8b-836e0bc1f6fb/publishable_en.pdf).

RECALIBRATING EU-CHINA RELATIONS

No illusions on Russia

by
ALICE EKMAN

Over the last two years, various European leaders have expressed hope that China will 'help bring Russia back to reason' (President Emmanuel Macron, March 2023), or will help deliver a 'just peace' in the region (Olaf Scholz, April 2024). These expectations have turned out to be in vain, as the Sino-Russia rapprochement has only intensified since Russia's invasion of Ukraine. Beijing sees the bilateral relationship with Moscow as a core pillar of its coalition-building strategy against the United States and its allies and clearly has no intention of distancing itself from Moscow.

THE PROBLEM

Unrealistic expectations

Brussels' inflated expectations regarding Beijing's willingness to pressure Moscow stem from two misconceptions.

The first misconception derives from an inaccurate diagnosis of the motivations behind the Sino–Russia *rapprochement*. This is clearly much more than a marriage of convenience. The long-term 'strategic partnership of coordination' between the two countries is today underpinned by strong geopolitical and ideological alignment. This alignment is clearly reflected in the joint statement issued on 4 February 2022 [1], but also in the outcome of more recent meetings between Vladimir Putin and Xi Jinping, who have met more than 45 times over the last decade. Neither country perceives the other as a threat. Their last border dispute was resolved in 2008 and they

[1]   Ministry of Foreign Affairs of the People's Republic of China, 'Joint Statement of the People's Republic of China and the Russian Federation on Deepening the Comprehensive Strategic Partnership of Coordination for the New Era in the Context of the 75th Anniversary of China–Russia Diplomatic Relations', Beijing, 4 February 2022.

have no ongoing bilateral conflicts, or major geostrategic divergences – be it on Ukraine, the Korean Peninsula or the Middle East.

Competition certainly exists in regions like Central Asia and the Arctic, but it is kept to a manageable level to avoid escalation. China undoubtedly has the capacity to 'vassalise' Russia, given the significant power gap between the world's second and eleventh largest economies, but it does not seek to do so as it is not in its interest. Instead, Beijing attaches particular importance to this strategic partnership, treating Russian representatives with deference and respect both in Beijing and in multilateral settings. China also helps Moscow counter diplomatic isolation and the impact of economic sanctions, in part through local currency settlements.

Brussels' second error of judgement regarding Beijing's stance on Ukraine was – and to some extent still is – to overestimate the role of economic calculations in shaping China's foreign policy. In the months that followed Russia's invasion, Brussels assumed that it would be in Beijing's interest to start distancing itself from Moscow. It also miscalculated by assuming that Beijing would in the end prioritise strong relations with the EU, given that for China the European market remains far more important than the Russian market.

But this rational assumption proved to be wrong: such distancing never took place. On the contrary, Sino-Russian relations consolidated rapidly, as reflected by the increased frequency of high-level visits and meetings, and a sharp rise in bilateral trade: over 30 % growth in 2022, and over 26 % in 2023, reaching $240 billion, according to Chinese customs data [2]. From mid-2002 to mid-2023, representatives from the EU and various Member States repeatedly urged China to convey

messages to Vladimir Putin to prevent escalation and to avoid actions supporting Moscow. But these exhortations largely fell on deaf ears. At the same time, China's indirect support for Russia's war effort became increasingly evident, as the EU identified specific exports of dual-use components (drone parts, gunpowder, etc) from China.

THE SOLUTION

Full recalibration of EU-China relations

2024 is a wake-up call for the EU's approach to China. Repeated pleas for China to restrain Russia have proved ineffective. It is therefore time to start recalibrating EU-China relations in stronger terms. The EU's 2019 China strategy, which framed China as a 'cooperation and negotiating partner, economic competitor, systemic rival' [3], needs revision with stronger emphasis on the latter aspect. This recalibration, initiated already in 2022, needs to fully consider the geopolitical dimension of the systemic rivalry: not only do China and the EU have diametrically opposed positions on domestic political issues (human rights, Xinjiang, Hong Kong), but also on ongoing international conflicts, most notably Ukraine.

Already in early 2023, the EU recognised the futility of its appeals to China, and its approach shifted. The focus is now less on 'convincing' China and more on pressuring China by flagging that the future of EU-China relations will be conditioned by current Sino-Russian relations. For instance, in March 2023, European Commission President Ursula von der Leyen stated: 'How China continues to interact

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(2)   General Administration of Customs of the People's Republic of China [中华人民共和国海关总署], 11 January 2024 (http://stats. customs.gov.cn/).

(3)   European Commission and HR/VP contribution to the European Council, 'EU-China – A strategic outlook', 12 March 2019 (https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf).

Unheeded calls

European efforts to get China to rein in Russia have failed

Legend
- 🔴 China–Russia relations
- 🔵 Europe to China
- 🔵 Member State to China
- ⚪ Other Institution

EU Commission President von der Leyen
Trilateral meeting with French and Chinese Presidents

66 We count on China to use all its influence on Russia to end Russia's war of aggression against Ukraine.
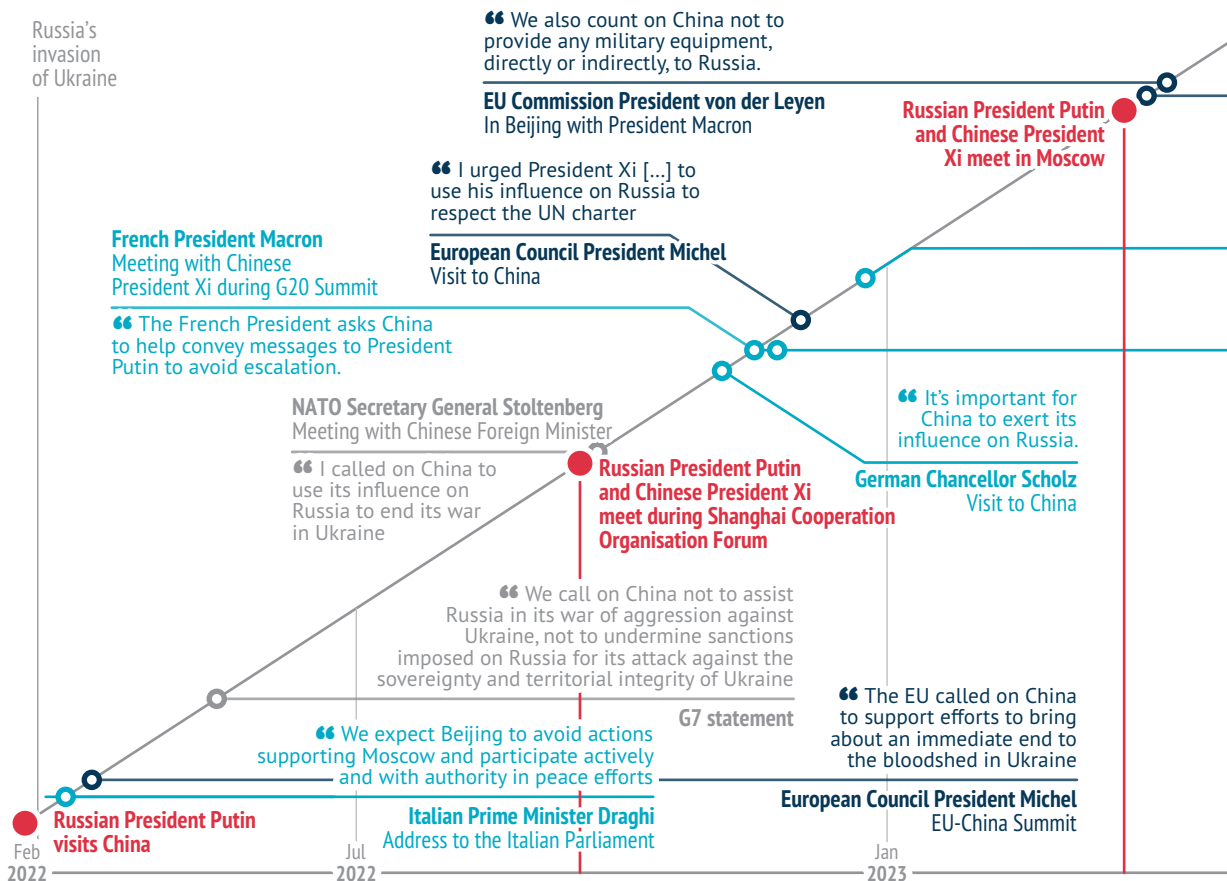
66 China [should] play a constructive role in ensuring lasting peace and mitigating the economic consequences of the war.
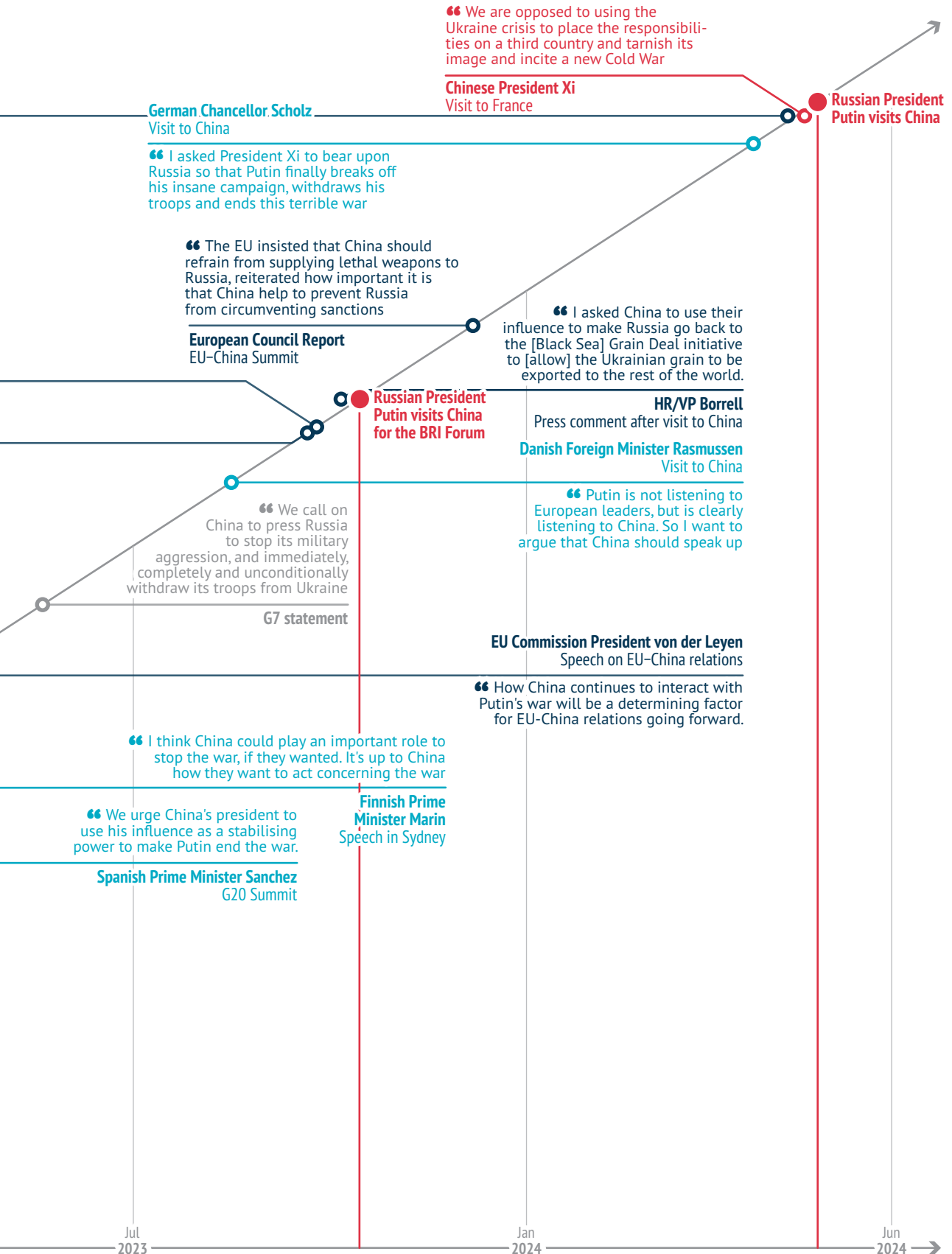
EU Council President Michel
UNSC debate on Ukraine

EU Commissioner for Trade Dombrovskis
EU–China High Level Economic and Trade Dialogue

66 Let's join forces to convince Russia to respect the principles of the UN Charter.

Russia's invasion of Ukraine

66 We also count on China not to provide any military equipment, directly or indirectly, to Russia.

EU Commission President von der Leyen
In Beijing with President Macron

66 I urged President Xi [...] to use his influence on Russia to respect the UN charter

Russian President Putin and Chinese President Xi meet in Moscow

European Council President Michel
Visit to China

French President Macron
Meeting with Chinese President Xi during G20 Summit

66 The French President asks China to help convey messages to President Putin to avoid escalation.

NATO Secretary General Stoltenberg
Meeting with Chinese Foreign Minister

66 I called on China to use its influence on Russia to end its war in Ukraine

Russian President Putin and Chinese President Xi meet during Shanghai Cooperation Organisation Forum

66 It's important for China to exert its influence on Russia.

German Chancellor Scholz
Visit to China

66 We call on China not to assist Russia in its war of aggression against Ukraine, not to undermine sanctions imposed on Russia for its attack against the sovereignty and territorial integrity of Ukraine

G7 statement

66 The EU called on China to support efforts to bring about an immediate end to the bloodshed in Ukraine

66 We expect Beijing to avoid actions supporting Moscow and participate actively and with authority in peace efforts

Italian Prime Minister Draghi
Address to the Italian Parliament

European Council President Michel
EU-China Summit

Russian President Putin visits China

Feb 2022

Jul 2022

Jan 2023

German Chancellor Scholz
Visit to China

❝ We are opposed to using the Ukraine crisis to place the responsibilities on a third country and tarnish its image and incite a new Cold War

Chinese President Xi
Visit to France

Russian President Putin visits China

❝ I asked President Xi to bear upon Russia so that Putin finally breaks off his insane campaign, withdraws his troops and ends this terrible war

❝ The EU insisted that China should refrain from supplying lethal weapons to Russia, reiterated how important it is that China help to prevent Russia from circumventing sanctions

European Council Report
EU–China Summit

❝ I asked China to use their influence to make Russia go back to the [Black Sea] Grain Deal initiative to [allow] the Ukrainian grain to be exported to the rest of the world.

Russian President Putin visits China for the BRI Forum

HR/VP Borrell
Press comment after visit to China

Danish Foreign Minister Rasmussen
Visit to China

❝ We call on China to press Russia to stop its military aggression, and immediately, completely and unconditionally withdraw its troops from Ukraine

G7 statement

❝ Putin is not listening to European leaders, but is clearly listening to China. So I want to argue that China should speak up

EU Commission President von der Leyen
Speech on EU–China relations

❝ How China continues to interact with Putin's war will be a determining factor for EU-China relations going forward.

❝ I think China could play an important role to stop the war, if they wanted. It's up to China how they want to act concerning the war

Finnish Prime Minister Marin
Speech in Sydney

❝ We urge China's president to use his influence as a stabilising power to make Putin end the war.

Spanish Prime Minister Sanchez
G20 Summit

Jul
2023

Jan
2024

Jun
2024

with Putin's war will be a determining factor for EU-China relations going forward [4]'. While this marked a first step towards realism, divergences among Member States remain strong. China is well-aware of this and is ready to adjust its multifaceted approach towards the European continent accordingly, as shown during Xi Jinping's visit to France, Serbia and Hungary in early May 2024.

Despite persistent differences among Member States, the EU can take concrete steps to address the situation, as outlined below.

1. **At the very least, acknowledge China's stance**. This means jointly recognising that Beijing has supported Russia and continues to do so, and that given this stance, China cannot be considered by the EU as a credible mediator between parties. China's non-neutral stance has become apparent at various peace conferences and summits held over the last two years. Most recently, China's conspicuous absence from the Ukraine peace summit held in Switzerland on 15-16 June was widely interpreted as a sign of solidarity with Russia, who had not been invited. The EU should now explicitly recognise China's alignment with Russia.

2. **Emphasise consequences**, by flagging to Beijing – at both EU and Member State levels – the negative impact that its support for Russia has on EU-China relations, and underlining the conditional nature of future bilateral cooperation, building on previous warnings emanating from Brussels on this matter [5].

3. **Maintain pressure regarding China's exports of sensitive items.** Specifically, continued joint condemnation with other countries is necessary to address Beijing's exports of dual-use goods that support Russia's war effort.

4. **Adopt and implement targeted sanctions.** The EU could further impose sanctions, in line with the recent 13th and 14th packages, on Chinese entities believed to be helping the Kremlin buy European dual-use goods. At the same time, the EU should be under no illusion: these sanctions are unlikely to lead to a significant adjustment of China's approach towards Russia and the situation in Ukraine. Beijing has shown over the last two years that it is ready to pay the price for its support towards Russia, and the EU should remain fully aware that China considers Russia – not the EU – as a core pillar of its coalition-building strategy.

5. **Map long-term scenarios.** The EU could develop long-term scenarios for the coming years in which China will continue to further support Russia on the one hand, and Iran on the other, regardless of their actions in their respective neighbourhoods.

Although the two conflict theatres are very different, similar EU hopes and expectations are likely to arise regarding the potential role China could play in the Middle East. In particular, EU leaders might expect China to keep Iran in check, in a context of acute tensions in the Middle East following Hamas' terrorist attack on Israel on 7 October 2023. But here there is a similar risk of overestimating China's willingness to mediate on a fair basis, as well as its purported neutrality in the region. In addition to Russia, Beijing also sees Teheran as a core strategic partner within its coalition-building strategy as part of its ambition to create a geopolitical bloc against the West, and has strengthened bilateral ties accordingly over the last decade.

In parallel, during the last two years, Iran and Russia have also consolidated bilateral ties, as Teheran is directly supporting Moscow's war efforts through exports of drones and other military equipment. In this context, trilateral

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(4)   European Commission, 'Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre', 30 March 2023 (https://ec.europa.eu/commission/presscorner/detail/es/speech_23_2063).

(5)   Ibid.

cooperation is becoming natural, as demon-
strated by China-Iran-Russia naval drills that
have taken place annually in the Gulf of Oman
since 2022.

THE COST OF INACTION

Loss of time, credibility and security

The cost of inaction would be extremely high.

First, it would further squander precious time,
a crucial factor as the EU needs to address ur-
gent security challenges with greater speed. In
parallel, it would provide more time to Russia
and Iran to consolidate their own war efforts,
potentially escalating security threats and
challenges in both regions.

Second, inaction would further erode the EU's
credibility: Beijing's amused reaction to the
pleas emanating from Brussels has been per-
ceived as a confirmation of the EU's naivety
regarding China's stance *vis-à-vis* the conflict
and its antagonism towards the West.

The EU must ensure consistency with the
firmer stance it adopted towards China in
mid-2023. Beyond communication, it also
needs to recalibrate the relationship accord-
ingly. Engagement with China remains of
course necessary, but on the basis of a full ac-
knowledgement of China's geostrategic pos-
ture. Avoiding unrealistic expectations is key,
at a crucial moment when the EU needs to pri-
oritise effective support to Ukraine and forge
strong partnerships with allies who share
its goals.

NEW WAYS OF WORKING

CHAPTER 4

MAKING EU LEADERS RESPONSIBLE FOR PROTECTING EUROPEANS

Fragmented no more

by
STEVEN EVERTS

In a dangerous world, EU citizens demand protection. But the EU today cannot handle a world of integrated threats. Responsibilities are split; people are working in their corners; and no one seems to be in charge. It is time for EU leaders to assume the prime responsibility for protecting Europeans and create a Council for the defence of Europe.

THE PROBLEM

Security is everything, everything is security.

The world is becoming more complex and contested [1]. Security threats are piling up while the collective capacity of countries and institutions to cope with them is declining. In other words, the 'demand' for security solutions is outstripping the 'supply' – and this gap is making Europeans vulnerable and nervous.

It is objectively hard to provide security because the nature of (in)security is broadening. Take the Russia threat. It is waging an industrial-scale war against Ukraine which feels both old and new at the same time. Moscow is conducting an imperial war of territorial conquest, using 'old-fashioned' tools like artillery and missiles, but also modern tools such as drones and cyber operations. At the same time, Russia threatens Europe at large through influence operations in domestic politics and acts of sabotage against critical infrastructure. It does so not just in countries on Europe's edge, but on EU soil.

If you look at the Western Balkans, the Middle East, or the Indo-Pacific, you see many

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(1)   See: Ekman, A. and Everts, S., 'Contestation: The new dynamic driving global politics', *Chaillot Paper* No. 183, EUISS, May 2024 (https://www.iss.europa.eu/content/contestation-new-dynamic-driving-global-politics).

differences in what drives conflicts in these regions. However, there are also similarities, with countries using a mixture of overt and covert tools to threaten, bribe, bully and coerce to get their way. Indeed, it has become fashionable to talk about 'war by other means' and the 'weaponisation of everything' [2]. Energy, food, technology, people, critical raw materials: things and flows which used to bring the world closer together are now used as weapons. Everyone now agrees that internal and external security are interlinked. And it has become trite to say that we need to think and act in an integrated way to protect ourselves.

The problem is that the EU is not set up for this world of integrated threats. It has divided responsibilities for different parts of the 'security continuum' to different institutions: the European Commission, the EEAS, the Council and various executive agencies, from FRONTEX to EUROPOL to the European Defence Agency. Each has a role to play in internal and external security matters. Decisions at the political level should come from ministers but they meet (mostly) as ministers of foreign affairs, defence, interior, trade etc: each looking only after 'their' part of the picture. They do not see the whole picture, are poor at linking issues and cannot decide how to use the comprehensive toolbox that the EU prides itself on.

Despite an endless stream of EU strategies calling for holistic approaches and connecting the dots, the reality is that people are still working in silos, with each policy domain operating according to its own rhythm and rationales. It is an old problem: everybody calls for coordination, but no one wants to be coordinated.

Many countries have created national security councils to deal with this problem. These are mostly tied to prime ministers or presidents, as they are the only ones who can do policy integration and arbitrage. However, no similar move has happened in the EU. At EU level, many people are involved in the business of protecting European citizens against integrated threats, but no one seems in charge.

THE SOLUTION

Raising security to the level of EU leaders

Security is what Germans call *Chefsache*: a matter for leaders. So, they need to take their responsibilities: they have the overview and authority to take decisions, cut through blockages and give guidance to the whole EU 'system'.

EU leaders sit at the top of the EU decision-making process. They are like the 'nuclear power station' that needs to be connected to the 'grid': the whole ecosystem of ministerial and official-level meetings and bodies responsible for different parts of the security puzzle.
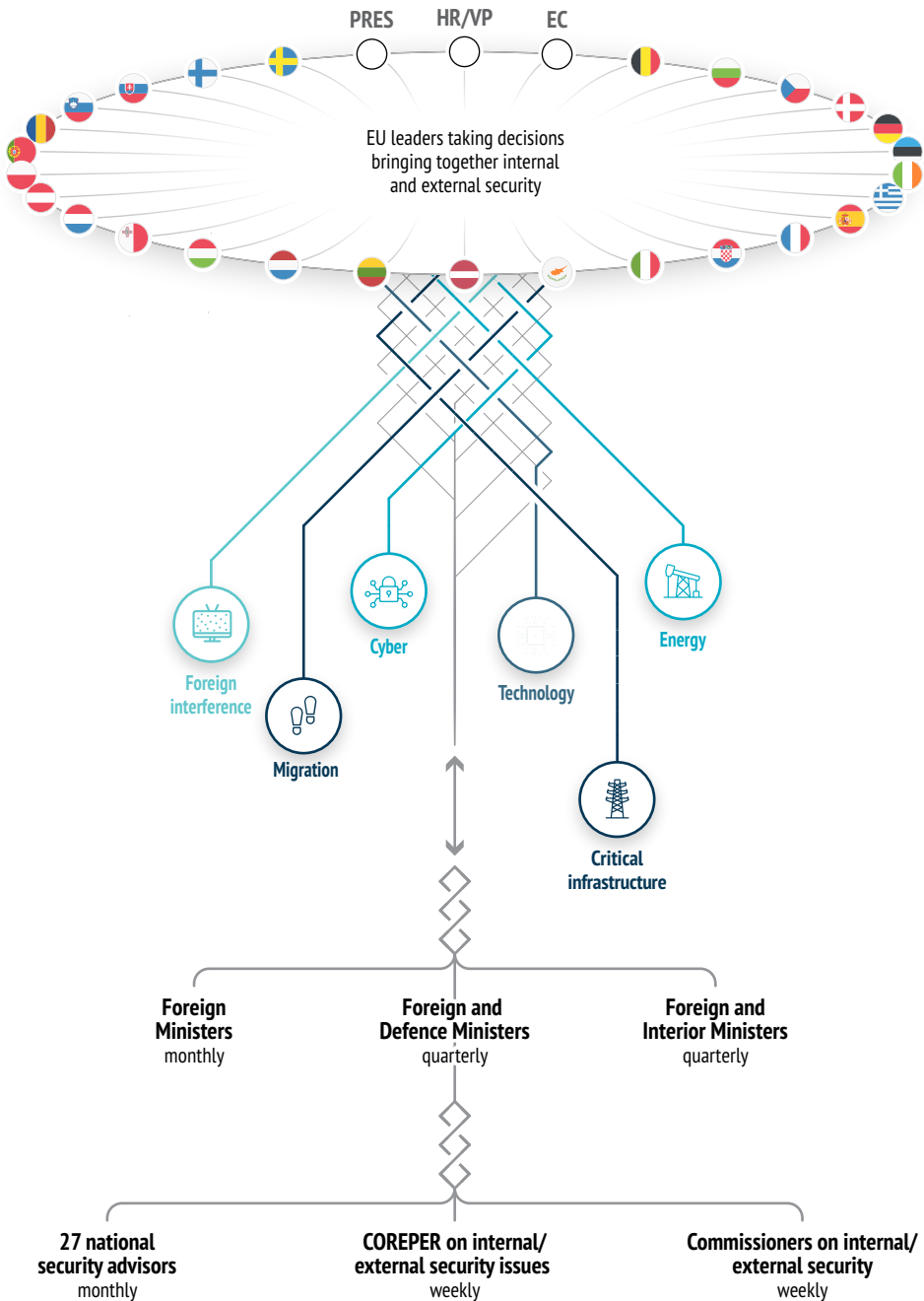
How to do it? We must turn the European Council into a Council for the defence of Europe. The European Council brings together 27 EU leaders plus the President of the European Commission and the High Representative/Vice-President (HR/VP) of the European Commission. It meets at least four times a year but in practice more often. Right now, when it deals with security issues at all, it does so in a haphazard manner, limiting itself to issuing statements on the crisis *du jour,* or some bland conclusions that float at too high a level of abstraction to make a difference. Instead, its role on security and defence should become more operational and structured.

The first day of every European Council meeting should be dedicated to security issues.

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(2)   See: Galeotti, M., *The Weaponisation of Everything: A field guide to the new way of war*, Yale University Press, New Haven, CT, 2022.

The Council for the defence of Europe
A new security mindset and a new way of working

PRES   HR/VP   EC

EU leaders taking decisions
bringing together internal
and external security

Foreign
interference

Cyber

Technology

Energy

Migration

Critical
infrastructure

**Foreign
Ministers**
monthly

**Foreign and
Defence Ministers**
quarterly

**Foreign and
Interior Ministers**
quarterly

**27 national
security advisors**
monthly

**COREPER on internal/
external security issues**
weekly

**Commissioners on internal/
external security**
weekly

Instead of a discussion forum, it should be a decision forum. For this, EU leaders need clear options and proposals for 'policy packages'. This is where the HR/VP comes in: s/he should be responsible for preparing these, drawing on the full range of tools that the EU has at its disposal, to deter and respond to all security threats. The HR/VP should become the 'security advisor' to the Cabinet of EU leaders.

To be able to mobilise and steer the relevant policies of the European Commission, the HR/VP must again become the first Vice-President in the Commission, tasked with overseeing the work of the other Commissioners and DGs involved in the security domain. It is important that the options and solutions that the HR/VP puts on the table cover the full security spectrum and take into account the internal/external nexus. This means using all available tools: diplomacy, money, sanctions, import and export controls, regulatory measures, civilian and military capabilities, etc. The EU must practise statecraft, using all available tools and levers to achieve its goals – rather than instruments driving the policies as has often been the case.

Before they reach the level of EU leaders, ministers, ambassadors and officials need to prepare these policy packages. In addition to the existing monthly meetings of EU foreign ministers, there should be quarterly 'jumbo' meetings of both EU foreign and defence and of foreign ministers together with interior ministers. All these should be chaired by the HR/VP, to ensure coherence and consistency.

A completely new feature of this system would be the creation of a monthly meeting of national security advisors. Many countries have appointed these in recent years, often with a wider 'national security team' covering both geopolitical and geo-economic type issues. But strikingly, they have never met in an EU context. A monthly meeting of EU national security advisors would build policy coherence and act as a 'clearing house'. This innovation should also encourage those countries that do not yet have a national security advisor to appoint one. A weekly meeting of COREPER ambassadors devoted solely to internal/external security coordination could underpin and prepare these meetings.

THE COST OF INACTION

Insecurity and loss of legitimacy

The point here is to eliminate fragmentation and weakness and replace them with coherence and strength. The existing system leaves European citizens vulnerable. The cost of inaction is being paid in lives lost, problems unaddressed and security threats that grow and fester.

Ultimately, there is also a political price to pay. If the EU does not step up and deliver on its rhetoric of 'a Europe that protects', it will lose legitimacy. Anti-EU forces will not be shy in pointing to the EU's security deficit, real or imagined.

Of course, changes in the policy process and a new flow chart are no panacea. They cannot substitute for political will. If Member States are divided, nothing much will happen. But with a Council for the defence of Europe at leaders' level and a preparatory set-up, including meetings of national security advisors, the EU would at last have a system that is fit for purpose and matches today's security realities. It is time to get serious about securing Europeans.

CHAPTER 5

BUILDING STRENGTH THROUGH GRADUAL INTEGRATION

A blueprint for EU enlargement

by
BOJANA ZORIĆ

The war in Ukraine underscores the urgency to uphold EU security, leaving no loose ends in the Union's neighbouring regions. The renewed momentum for enlargement compels the new EU leadership to take concrete steps. Gradual integration into the Common Foreign and Security Policy (CFSP) for candidates demonstrating commitment, political maturity, and full alignment with the Union's external objectives is the best way to revitalise the EU enlargement process, which has been stalled for too long.

THE PROBLEM

Waning enthusiasm on both fronts

Support for enlargement is dwindling within the EU, while candidate countries are losing patience. As candidates strive to meet EU accession requirements, scepticism in the EU persists. Data from the June 2023 Eurobarometer [1] survey reveals a mixed picture: citizens in only seven EU Member States overwhelmingly (up to two thirds, i.e. 66 %) support further enlargement. In contrast, support is critically low in four Member States, including France (35 %) and Germany (42 %). In the remaining sixteen countries, support ranges from 50 % in the Czech Republic to 63 % in Hungary. The rising tide of scepticism makes it increasingly difficult to secure approval for new Member States.

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(1) European Commission, 'Standard Eurobarometer 99: Europeans' opinions about the European Union's priorities – Spring 2023', 2023 (https://europa.eu/eurobarometer/surveys/detail/3052).

Meanwhile, the ongoing stalemate in the enlargement process has resulted in mounting dissatisfaction among the candidate countries. The stalemate is creating conditions where economic development is stagnating, democracy is weakening, state capture is rife, and there is a trend towards increasing dependence on authoritarian countries in the Western Balkans [2].

In a bid to counteract this negative trend, the European Commission unveiled its 'New Growth Plan' for the Western Balkans in 2023. This plan proposes extending certain privileges to the region in selected areas of the EU Single Market, even before full integration. To facilitate this, a new financial instrument, the 'Reform and Growth Facility', has been established, offering €2 billion in grants and €4 billion in loans between 2024 and 2027.

Such sectoral institutional integration represents a significant step forward in eventually opening the gates of EU membership. However, candidate countries already benefit from participation in some EU specialised agencies and programmes [3]. Without also granting access to the EU institutions, this is unlikely to achieve the necessary transformative effect.

THE SOLUTION

Enlargement must happen

Europe needs a success story. The geopolitical imperative of the war on the EU's doorstep underscores the urgency for decisive action. The EU enlargement process has traditionally aligned with NATO membership: Poland, Hungary and the Czech Republic became NATO members in 1999 and EU members in 2004; Croatia joined NATO in 2009 and became an EU member in 2013; Albania, Montenegro, and North Macedonia joined NATO in 2009, 2017 and 2020 respectively.

In the face of rising and imminent threats, Europe needs to consolidate its unity and resilience. The Western Balkan countries offer significant added value in this respect, both in securing external borders and contributing to Europe's overall security posture. Since Russia's annexation of the Crimea in 2014, Western Balkan countries have significantly increased their military spending. Notably, Albania, North Macedonia and Montenegro, all NATO members, now dedicate a higher percentage of their GDP to defence spending than 14 EU Member States (see graphic opposite). This, in turn, reflects the countries' strategic focus not only on bolstering their own defence capabilities but also on aligning with the EU's strategic objectives. The 2023 European Commission progress reports [4] confirm this trend, highlighting the countries' full alignment with the CFSP.

Moreover, the armed forces of these countries also demonstrate their alignment with NATO by operating according to NATO structures, procedures and standards. They actively contribute to various operations around the globe. Albania, for instance, has troops deployed in Bulgaria and Latvia as part of NATO's Enhanced Forward Presence (eFP). Additionally, Albania contributes troops to EUFOR Althea and KFOR, as well as to the Multinational Force and Observers (MFO) peacekeeping mission in the Sinai, and is a member of the Combined Maritime Force supporting operations in the Red Sea. Similarly, Montenegro

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(2)   See: Zweers, W. et al, *The EU as a promoter of democracy or 'stabilitocracy' in the Western Balkans?*, Clingendael Report, February 2022 (https://www.clingendael.org/sites/default/files/2022-02/the-eu-as-a-promoter-of-democracy-or-stabilitocracy.pdf).

(3)   See: Dimitrov, D., 'The new Growth Plan: Assessing the value of the proposed early integration incentives', European Policy Center, June 2024 (https://cep.org.rs/wp-content/uploads/2024/06/New-Growth-Plan_Assessing-the-Value-of-the-Proposed-Early-Integration-Incentives_DJD.pdf).

(4)   See: European Commission, 'Strategy and Reports', 2023 (https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/strategy-and-reports_en).
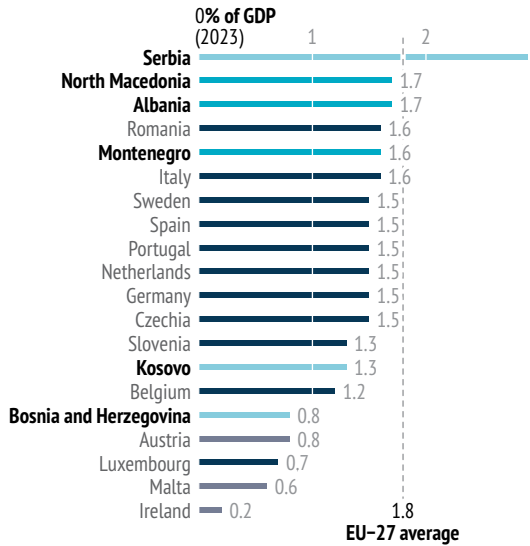
Western Balkans beefing up defence capabilities

3 Western Balkan countries

Three NATO member states, **Albania, Montenegro** and **North Macedonia,** have increased their **military budget** (as share of GDP) since 2014. Serbia and Kosovo* have done the same.
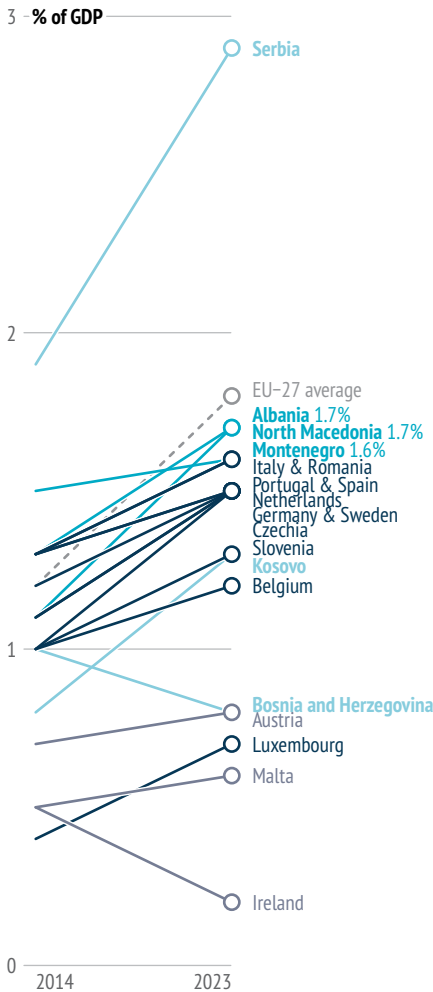
Colour code

NATO
● ●
(cyan)

not NATO
● European Union
● Western Balkans

14 EU Member States

Albania, Montenegro, North Macedonia and **Serbia invest the same or more in defence** (as share of GDP) than **14 EU Member States**

% of GDP (2023)

	% of GDP
Serbia	
North Macedonia	1.7
Albania	1.7
Romania	1.6
Montenegro	1.6
Italy	1.6
Sweden	1.5
Spain	1.5
Portugal	1.5
Netherlands	1.5
Germany	1.5
Czechia	1.5
Slovenia	1.3
Kosovo	1.3
Belgium	1.2
Bosnia and Herzegovina	0.8
Austria	0.8
Luxembourg	0.7
Malta	0.6
Ireland	0.2

1.8 **EU–27 average**

% of GDP chart (2014 – 2023):

Serbia

EU–27 average
Albania 1.7%
North Macedonia 1.7%
Montenegro 1.6%
Italy & Romania
Portugal & Spain
Netherlands
Germany & Sweden
Czechia
Slovenia
Kosovo
Belgium

Bosnia and Herzegovina
Austria
Luxembourg
Malta

Ireland

2014   2023

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 (1999)and the ICJ Opinion on the Kosovo declaration of independence.

Data: SIPRI, Military Expenditure Database, 2024; SEESAC, *Regional Report on Arms Exports in 2021*, 2023

participates in KFOR and a NATO training mission in Iraq, while also contributing to multinational battlegroups in Bulgaria and Latvia. North Macedonia is actively present in EUFOR Althea and KFOR in the Western Balkans and contributes troops to NATO's mission in Iraq and NATO's multinational forces in Latvia, Bulgaria and Romania.

This situation suggests that opening the door to the CFSP could be the first step towards

gradually integrating the Western Balkans into the EU. This would imply granting the selected candidate countries – Albania, Montenegro and North Macedonia – participatory status at the Foreign Affairs Council (FAC), the central decision-making body of the CFSP. As CFSP decision-making follows the principle of unanimity among Member States, the three candidates would not have voting rights, but they would be invited to make a formal statement before voting takes place.

Such a system would mean that the three countries would not have veto rights or the ability to block decisions. However, in cases where the strategic and national interests of the Western Balkans are discussed at the FAC, all members would be encouraged to consider the official candidates' statements before voting. The suspension of voting and veto rights would remain in place until these countries achieve full membership. Conversely, participation in the FAC would require official candidates to respect and fully adhere to the Council's declarations and acts.

Regular consultations among Foreign Ministers on strategies for ensuring the region's stability should be established. This could include inviting the Western Balkan candidate countries to participate in at least two Gymmich meetings per year focused on regional security matters. This would in turn increase the number of expert dialogues supporting the security and resilience of the Western Balkans, as outlined in the Göttweig Declaration [5], issued by the foreign ministers of Austria, Croatia, Czechia, Greece, Italy, Slovakia and Slovenia. This *modus operandi* would not only raise awareness among EU Member States about the presence of the official candidate countries, but also empower the latter to align more closely with all Council deliberations and statements by the HR/VP.

The war in Ukraine has fast-forwarded discussions about a more robust European common defence, reducing reliance on the United States as the main security provider. The discussion now focuses on achieving EU strategic autonomy within NATO through a strengthened European pillar. Europe will need a strong pool of capable and willing candidates from NATO members to make this happen. Albania, Montenegro and North Macedonia, due to their alignment with both NATO standards and the EU's external objectives, emerge as strong contenders for this initiative.

Western Balkans arms exports to the EU

2

Western Balkan countries

Serbia and – to a lesser extent – **Bosnia and Herzegovina** dominate Western Balkan **arms exports to the EU**
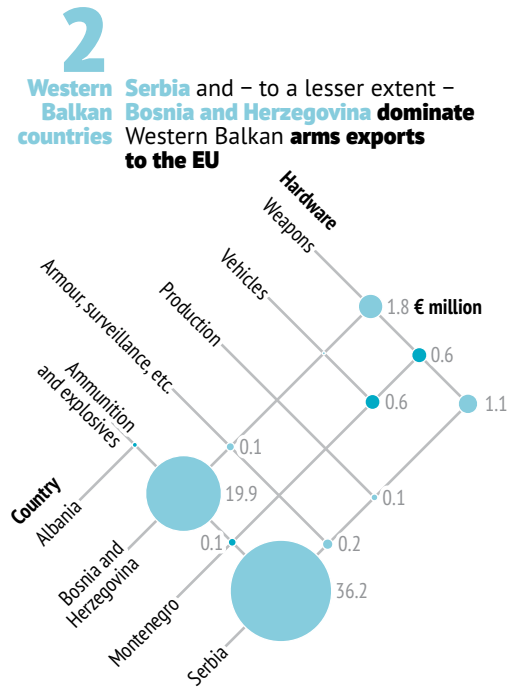
THE COST OF INACTION

Internal cracks laid bare

While enlargement presents major challenges, the strategic benefits of integrating the Westen Balkans far outweigh the costs of inaction. Reneging on the commitments made at the 2003 Thessaloniki Summit would be perceived as backsliding and could open the door to competing geopolitical influences.

Competing authoritarian powers, notably Russia and China, often deploy rhetoric emphasising the principles of national sovereignty and non-intervention in internal affairs. Leaving the Western Balkans in a state of limbo creates an opportunity for these authoritarian third actors to manipulate the

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(5)   Göttweig Declaration by the 'Friends of the Western Balkans', 23 June 2023 (https://mzv.gov.cz/file/5114454/Friends_of_ the_Western_Balkans_Gottweig_declaration_signed.pdf).

region both virtually and physically. Their growing presence and interference could significantly exacerbate regional insecurity.

Failing to deliver a definitive commitment to the Western Balkans risks compromising the EU's own security. Without a concrete enlargement perspective and with no clear steps towards making it happen, instability will fester on the EU's doorstep. Western Balkan countries, who have been waiting in line to join the EU for decades, may experience serious setbacks in their democratic transition, fall into the trap of ethno-nationalism or struggle to resolve outstanding bilateral disputes [6].

The lack of a clear roadmap for EU membership could erode public support for pro-European parties in the Western Balkans, potentially creating fertile ground for the rise of far right and anti-EU forces. This disunity could lead to disjointed efforts in border security, counterterrorism, disarmament, arms control and other security-related issues that are shared by the region and the EU. Deficiencies in any one country could have a spillover effect, jeopardising regional security as a whole.

The arrival of the new EU leadership presents the EU with an opportunity to change course by incentivising official candidates to maintain their commitment to EU integration. The partnership between NATO and the EU has managed to maintain the region's stability but as global crises unfold, will this be enough?

By delivering on its enlargement pledges, the EU would demonstrate its renewed commitment to the Western Balkans by making the perspective of EU accession credible again, while also addressing growing scepticism within the EU by keeping Member States aligned with the enlargement trajectory.

Leaving the region outside the EU security perimeter significantly diminishes the likelihood of success. A united Europe stands a greater chance of fortifying its borders and mounting a more effective response to global challenges.

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(6)   See Forum 2000 Foundation, 'Ideas on democracy in the Western Balkans', *Policy Brief*, 2023 (https://regionaladd.org/wp-content/uploads/2024/01/ideas-on-democracy-in-the-western-balkans-4.pdf).

TEAMING UP WITH RISING POWERS AND MINILATERALISM

EU collective engagement

by
AMAIA SÁNCHEZ-CACICEDO

Today's global order is characterised by a shift in power from Western industrialised countries to rising powers. Minilateral arrangements in this *à la carte* world are challenging traditional multilateralism. To maintain its global influence, the EU must collectively engage with rising powers and hop onto the minilateral bandwagon. Otherwise it risks becoming sidelined on the world stage.

THE PROBLEM

No EU collective approach to rising powers

Tectonic power shifts are taking place in the international order. As a result, the EU is losing leverage and struggling to maintain its influence. This is happening across the board, including in key institutions like the World Trade Organization (WTO), the UN Framework Convention on Climate Change Conference of the Parties (COPs) or the G-20. Rising powers are gaining ground. And yet the EU has no collective approach towards them.

In addition to growing economic influence and enhanced military expenditure, these powers have big aspirations. They seek international status and equal recognition. Within this group, some powers, like Russia, seek to revise the existing world order, while others, like India, advocate for reform within the current framework.

EU policies currently fail to acknowledge that rising powers share common traits. Instead, Team Europe engages with rising powers bilaterally and in silos across its network of institutions. Team Europe's current approach complicates EU engagement in connectivity initiatives across sectors and regions, which will continue to flourish in the future. Brussels is further neglecting the boom in minilateral initiatives across areas of strategic interest. Rising powers are ahead of the game. Caught between its aspirations as a normative power

and the realities of geopolitical competition, the EU has a lot to gain from collective and minilateral engagement with rising powers.

THE SOLUTION

With whom and how?

Team Europe should collectively engage with a set of seven rising powers, namely: Brazil, China, India, Indonesia, Saudi Arabia, South Africa and Türkiye. Russia is excluded because of its ongoing war on Ukraine.

The choice of powers is based on their G-20 membership, their increased economic influence [1], as well as their ambition to sit at the high table of international politics. While some countries such as China are considered established rising powers, others like South Africa, Indonesia and India are still emerging. Economic indicators like GDP per capita [2] vary considerably, as do factors like military resources or Human Development Index (HDI) rankings [3]. Nevertheless, geographical diversity remains crucial. All seven rising powers have sought to elevate their international status, often contesting the prevailing global order despite having benefited from it [4].

The EU can take the following steps to collectively engage with this grouping:

1. **Create a Directorate-General (DG) RISING.**

The EU should consider establishing a dedicated unit in the form of a Directorate-General focused on selected rising powers (DG RISING). This DG must have its own Commissioner and a mandate to develop and implement a comprehensive strategy for engaging with rising powers. In contrast to the DG for International Partnerships (DG INTPA), which focuses on specific regions and sectors, DG RISING would have a more comprehensive approach, providing policy packages across sectors and regions relevant to the target rising powers.

This would allow the EU to engage with rising powers along cross-cutting areas of mutual interest: climate change and green technology; connectivity and resilience in supply chains; critical raw materials; digital, critical and emerging technologies; security and defence – including maritime safety. The emphasis must be on streamlining joint engagement. This could facilitate the implementation of the EU Global Gateway, as well as upcoming connectivity initiatives, such as the India–Middle East–Europe Economic Corridor (IMEC), of which the EU is a signatory.

2. **Provide tailored and flexible financial support to rising powers.**

Beyond traditional grants, the EU should provide tailored financial assistance to selected rising powers. This could involve scaling up existing public-private funding schemes, similar to the model of the Global Gateway initiative. The latter leverages EU funding alongside contributions from European

financial and development institutions (like the European Investment Bank) and the private sector. The use of guarantees and blending facilities can attract additional financing. The geographically-focused blending investment facilities managed by DG INTPA could serve as a blueprint for this approach [5].

The Neighbourhood, Development and International Cooperation Instrument (NDICI) can also be replicated across areas of mutual interest beyond sustainable development. These kinds of external financial mechanisms offer the EU greater flexibility in its collective engagement with rising powers.

3. Engage with rising powers via minilateral arrangements.

The minilateral route is the way forward in a world of *à la carte* partnerships. Despite their historical preference for bilateral relations, India, China and Indonesia have become adept at building minilateral partnerships across their areas of strategic interest. France, Germany and Italy have taken the lead among Member States, particularly in climate change and green technology, as well as in the digital, critical and emerging technologies realm. France has been particularly active in forging minilateral arrangements focused on defence and security.

The EU needs to invest in minilateral arrangements of its own. It has been innovative in critical raw materials and is performing relatively well when it comes to connectivity, as well as in the digital, critical and emerging technologies sectors. However, to maximise its strategic impact, it should consider expanding its minilateral engagement to encompass security and defence, climate change and green technology, as well as supply chain resilience.

4. Build more equal relationships with rising powers.

It is imperative for the EU to establish a level playing field *vis-à-vis* rising powers. For this purpose, it should foster higher education exchange and highly-skilled training programmes where the EU possesses regulatory experience or technological know-how. This could include digital regulation, trade facilitation schemes or climate adaptation strategies, for example.

There is also a need to encourage mobility and the movement of people between the EU and targeted rising powers via renewed visa schemes. One recent example is the EU's 'cascade' regime, an initiative that aims to simplify the Schengen visa application process for regular Indian visitors travelling to Europe for work or leisure purposes [6].

THE COST OF INACTION

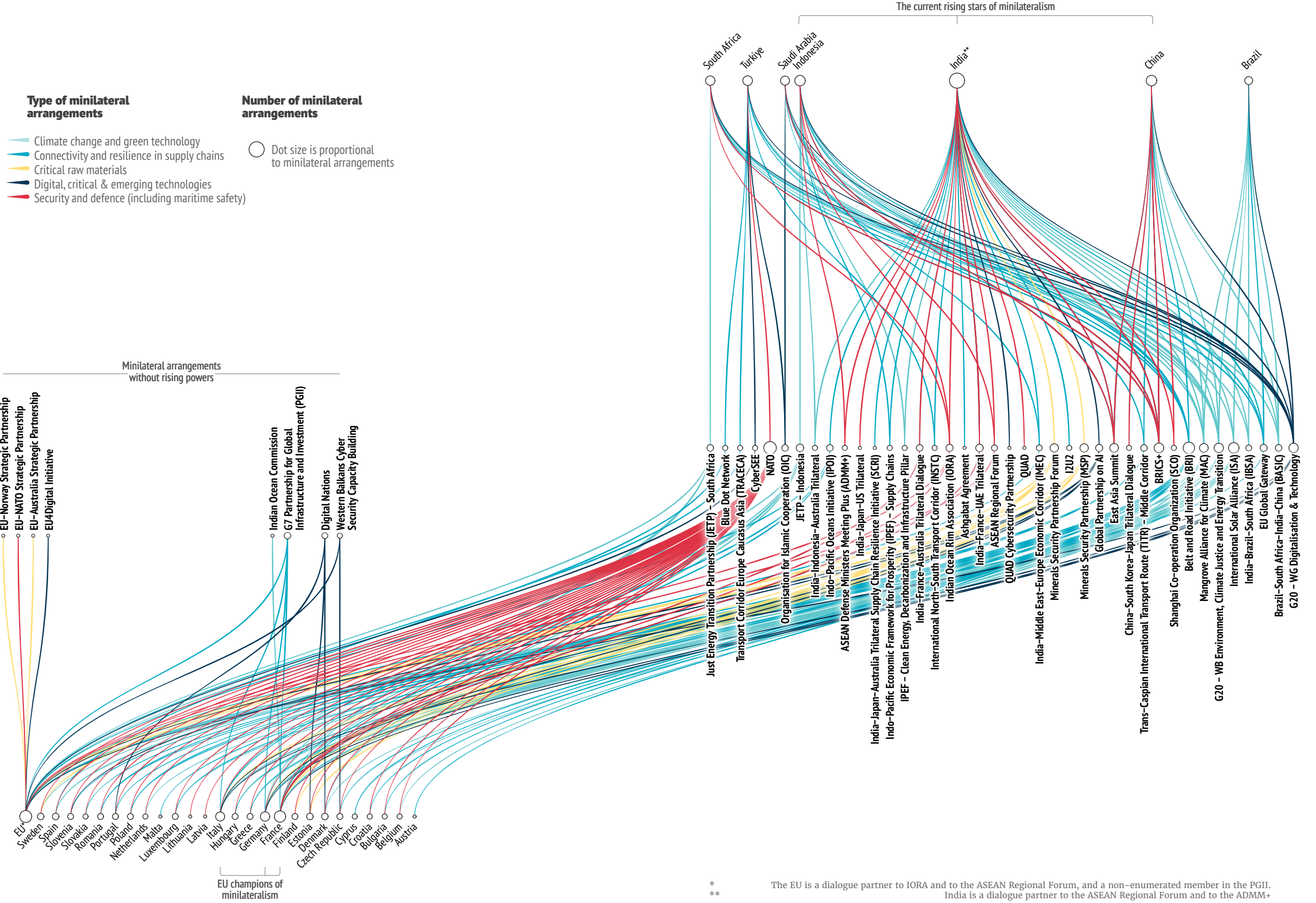## The EU losing out in crucial sectors and regions

Failure to acknowledge the aspirations and shared interests of rising powers will further erode the EU's leverage on the global stage. The loss of influence will not only affect its partnerships with rising powers but also with other 'like-minded' actors such as Australia, Japan or the United States. All three are actively engaging in minilateral arrangements. They also have a clear Indo-Pacific focus, based on their own geographical location and priorities.

(5)   European Commission, DG INTPA, 'Guarantees and blending' (https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/funding-instruments/guarantees-and-blending_en).

(6)   Delegation of the EU to India and Bhutan, 'European Union adopts more favourable Schengen visa rules for Indians', 22 April 2024 (https://www.eeas.europa.eu/delegations/india/european-union-adopts-more-favourable-schengen-visa-rules-indians_en?s=167).

Securing a piece of the minilateral pie
How the EU should build flexible partnerships with rising powers

The current rising stars of minilateralism

Type of minilateral arrangements
- Climate change and green technology
- Connectivity and resilience in supply chains
- Critical raw materials
- Digital, critical & emerging technologies
- Security and defence (including maritime safety)

Number of minilateral arrangements

Dot size is proportional to minilateral arrangements

Minilateral arrangements without rising powers

EU champions of minilateralism

* The EU is a dialogue partner to IORA and to the ASEAN Regional Forum, and a non-enumerated member in the PGII.
** India is a dialogue partner to the ASEAN Regional Forum and to the ADMM+

Not coincidentally, it is the Indo–Pacific rising powers that are leading the way in minilateral initiatives across various sectors and regions, including in security and defence. The QUAD, the Malabar Naval Exercises or the India–Japan–Australia Trilateral Supply Chain Resilience Initiative (SCRI) are examples of how traditional and rising powers are forging new avenues for strategic cooperation through minillateral arrangements. In contrast, the EU seems less engaged in this sphere. Team Europe risks losing out in getting a piece of the 'minilateral pie' in strategic sectors.

It would be naive to ignore the fact that Europe is on the descent while rising powers are on the ascent in terms of economic leverage and international influence. It is in the EU's own interest to signal its intent to engage on a par with rising powers. This approach can help address third countries' concerns about perceived 'double standards' in EU initiatives like the Carbon Border Adjustment Mechanism (CBAM), thereby fostering better understanding and reception of EU policies among rising powers. Conversely, a failure to adapt to the shifting global order will only deepen perceptions of Europe as out of touch and clinging to outdated power structures.

NEW WAYS
OF ACTING

RETHINKING CSDP MISSIONS AND OPERATIONS

Where to go and what to do?

by
JAN JOEL ANDERSSON

For more than 20 years, the European Union has deployed missions and operations under the Common Security and Defence Policy (CSDP), but their lasting impact has in many cases been limited. At a time of great power rivalry and resurgence of violent conflicts, the EU must be more selective in where it engages in crisis management. This means fewer missions and operations and focusing on core European interests: supporting candidate countries and wider neighbourhood partners and protecting maritime routes.

THE PROBLEM

Too many and too small

In the first half of 2024, there were 24 ongoing EU CSDP missions and operations, including 13 civilian, 10 military and 1 civilian and military initiative. All in all, some 3 500 military and 1 300 civilian personnel are currently deployed by the EU around the world. Since 2003, the EU has launched more than 40 civilian and military missions and operations in Europe, Africa and Asia [1].

EU CSDP missions and operations are often assessed as being important, but with limited strategic effect. There are many explanations for this including lack of resources and personnel; high staff turnover; and in training missions, a lack of instructors with appropriate language skills and poor follow-up of trainees. Risk aversion and Member States' caveats, lack of coordination with other EU

activities, and poor strategic communication also complicate matters [2].

Moreover, most EU CSDP missions are (or have been) rather small, deployed in complex and volatile environments, and dependent on the buy-in of host governments and political will of EU Member States. EU missions are also often tasked to implement training or capacity building, but frequently in countries where there is little willingness on the part of the partner government to improve oversight and build professional military or security sector forces [3].

The challenge is exacerbated when other countries or organisations offer assistance on more attractive terms. For example, in several countries (e.g. Mali, the Central African Republic, Libya and Sudan), the EU's partner governments have accepted offers to work with Russia's Wagner Group in fighting rebel groups and to ensure regime stability with little concern for good governance or human rights [4]. In other cases (e.g. Iraq, Afghanistan), the 'competition' is (or was) from better-resourced bilateral missions or international organisations such as NATO or the UN [5].

THE SOLUTION
Relative advantage and political buy-in

With ongoing wars and conflicts in Europe, the Middle East, Africa and beyond, the EU needs to stay globally engaged. The establishment of an EU Rapid Deployment Capacity of 5 000 troops for different types of crises by 2025 and the commitment to be able to deploy 200 fully equipped civilian CSDP mission experts within 30 days provide the Union with some means to do just that [6]. But given the mixed record and lessons learned from previous and current CSDP missions and operations, where should the EU go and what should it do in the future? With limited resources, the EU must make choices on where and how the Union should act.

The EU is a global actor, but all global actors need to act at home first. Without a secure and stable neighbourhood, the EU cannot credibly provide security further afield. For the EU, that means focusing its CSDP missions and operations on supporting candidate countries Ukraine and Moldova but also on stabilising the wider neighbourhood, including the Western Balkans. It is also in the wider neighbourhood that the EU is arguably most likely to succeed. Here it can marshal the necessary support from EU Member States to deploy missions of relevant size and resources, and ensure political buy-in from host governments seeking to join the EU, particularly in situations where
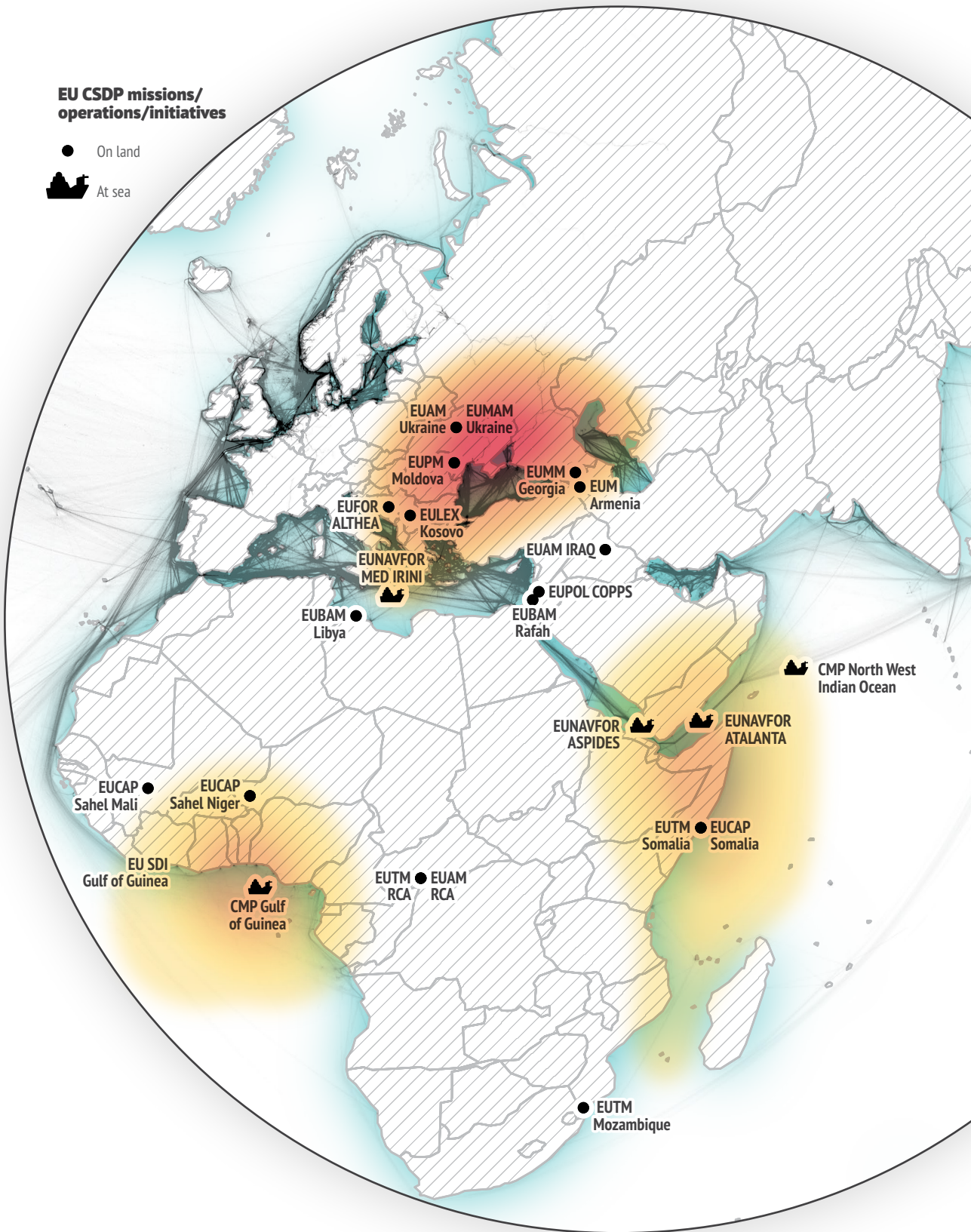
(2) See, for example, Sabatino, E. et al, 'Case studies of the EU's CSDP activity', Engage Paper No 19, March 2023 (https://www.engage-eu.eu/publications/case-studies-of-the-eus-csdp-activity).

(3) Van der Lijn, J., 'EU Military Training Missions: A Synthesis Report', SIPRI, Stockholm, May 2022 (https://www.sipri.org/publications/2022/ policy-reports/eu-military-training-missions-synthesis-report); and Van der Lijn, J. et al, 'Assessing the Effectiveness of European Union Civilian CSDP Missions Involved in Security Sector Reform: The Cases of Afghanistan, Mali and Niger', SIPRI, Stockholm, May 2024 (https://www.sipri.org/sites/default/files/2024-05/0524_eucap_0.pdf).

(4) Rampe, W., 'What Is Russia's Wagner Group doing in Africa?', CFR, 23 May 2023 (https://www.cfr.org/in-brief/what-russias-wagner-groupdoing-africa); Adegoke, Y., 'Why Wagner is winning hearts in the Central African Republic', BBC News, 11 December 2023 (https://www.bbc.com/news/world-africa-67625139).

(5) Including from EU Member States: see Andersson, J.J., 'Into the breach! EU military CSDP missions and operations', *Brief* no 3., EUISS, March 2024 (https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_2024-3_Bilateral-security-cooperation.pdf).

(6) EEAS, 'Annual progress report on the implementation of the strategic Compass', March 2024 (https://www.eeas.europa.eu/sites/default/files/documents/2024/StrategicCompass_2ndYear_Report_0.pdf).

Heating up

The future of EU missions and operations

EU CSDP missions/operations/initiatives

- ● On land
- 🚢 At sea

EUAM Ukraine ● EUMAM Ukraine

EUPM Moldova ●

EUMM Georgia ● ● EUM Armenia

EUFOR ALTHEA ● ● EULEX Kosovo

EUNAVFOR MED IRINI 🚢

EUAM IRAQ ●

● EUPOL COPPS

EUBAM Libya ● EUBAM Rafah ●

CMP North West Indian Ocean 🚢

EUNAVFOR ASPIDES 🚢 🚢 EUNAVFOR ATALANTA

EUCAP Sahel Mali ● EUCAP Sahel Niger ●

EUTM Somalia ● ● EUCAP Somalia

EU SDI Gulf of Guinea

CMP Gulf of Guinea 🚢

EUTM RCA ● ● EUAM RCA

EUTM Mozambique ●

it faces less competition from other security providers offering better deals.

Future EU CSDP missions and operations should therefore primarily deploy in support of EU candidate countries and partners in the wider neighbourhood. Building on the widely supported advisory and assistance missions for Ukraine (EUAM and EUMAM) in which nearly all EU Member States contribute to training of Ukrainian troops and civilian security sector personnel, future missions could include military training and further civilian security sector support in Moldova, Armenia and other EU candidate and partner countries [7].

However, as a global trading power, the EU is also committed to enhance the maritime security of the Union as all Member States and the global economy depend on open sea routes and secure seabed infrastructure. Following the Strategic Compass, the EU adopted a revised Maritime Security Strategy in 2023. This strategy aims to strengthen the EU's ability to respond to threats in the maritime domain and protect its interests at sea [8]. Building on EU naval operations *Aspides*, *Atalanta* and *Irini* as well as the Coordinated Maritime Presences (CMP) in the Gulf of Guinea and northwest Indian Ocean, the EU provides significant added value at the global level in the maritime domain.

Demand for EU naval presence – from the Mediterranean, along the coasts of Africa, and through the Indo-Pacific – is growing. Existing areas of operations can be complemented by new activities. A CMP by EU Member States in the Strait of Malacca and South China Sea could be the logical next step. Given the willingness and ability of EU Member States to deploy naval forces – individually, as part of EU or NATO operations, or in other multilateral efforts – EU-supported logistical bases or maritime hubs in key ports from the Red Sea to the Strait of Malacca could also be contemplated to facilitate a more permanent European naval presence in the Indian Ocean and beyond.

THE COST OF INACTION

Irrelevance

It is a strategic priority for the EU to be able to respond early and forcefully to external conflicts and crises. The launch of the EU naval operation *Aspides* in February 2024 and the ongoing EU civilian and military assistance missions in Ukraine demonstrate that priority in practice. The protection of merchant vessels in the Red Sea against sustained missile and drone attacks from the Houthis in Yemen, and the thousands of Ukrainian soldiers and civil servants trained by the EU make a clear difference. However, many other CSDP missions and operations have had far less impact.

With Russia's war of aggression against Ukraine continuing, and no end in sight to the many armed conflicts in the Middle East, Africa and in Asia, the EU must be globally engaged. But given the limited impact of CSDP missions and operations over the past two decades,

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(7)   In his chapter in this volume, Giuseppe Spatafora explores how to strengthen EUMAM in Ukraine.

(8)   Joint Communication on the update of the EU Maritime Security Strategy, 10 March 2023 (https://data.consilium.europa. eu/doc/document/ST-7311-2023-INIT/en/pdf).

the EU needs to be more selective in where and how it intervenes. If it does not, there is a risk that the EU as a crisis management actor will fade into irrelevance. To continue with small-scale training and capacity-building missions in places where the EU lacks relative advantage and political buy-in from partner governments and EU Member States is not only ineffective but also undermines the credibility of the Union as a strategic actor.

In an increasingly dangerous world, the EU can and should play a central role in international crisis management and capacity building. But this requires the Union to first secure its neighbourhood and maritime sea lines of communications.

TRAINING SOLDIERS IN UKRAINE

Creating conditions for a just end to the war

by
GIUSEPPE SPATAFORA

Russia's invasion of Ukraine challenges the norms of territorial integrity and sovereignty on which European security is founded. Success for Ukraine in defeating the Russian aggression is a matter of existential importance for the EU. To secure such an outcome, weapons and financial assistance are not sufficient: the EU should train soldiers directly on Ukrainian soil.

of weapons and ammunition from EU Member States and other countries will help offset Ukraine's deficits in artillery munitions and air defences.

Ukraine also needs to recover the territory that remains under Russian occupation. To do so, the Ukrainian Armed Forces need more than just weapons: they must scale up their capacity to make significant offensive gains. This requires advanced training: troops need to learn to breach heavily fortified Russian positions, establish significant footholds in well-defended enemy territory, and exploit these gains to keep pushing forward [1].

The EU is currently the biggest provider of training to Ukrainian troops. Through the European Union Military Assistance Mission in support of Ukraine (EUMAM), Member States provide training to both soldiers and junior leadership, at basic, advanced and specialised levels, from squad and platoon levels up to company and operational training. EUMAM currently operates in a multinational Combined Arms Training Command (CAT-C) in

THE PROBLEM

### Weapons alone are not enough

To push back the Russian invasion, Ukraine needs both weapons and training. Weapons allow Ukraine to resist Russian offensives, erode Russia's advantage in guns and ammunition, and generate the firepower for new offensive operations. If maintained, the supply

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(1)   Watling, J., 'American aid alone won't save Ukraine', *Foreign Affairs*, 2 May 2024 (https://www.foreignaffairs.com/ukraine/american-aid-alone-wont-save-ukraine).

Bridging the gap
Distance between EUMAM training locations and main theatres of operation
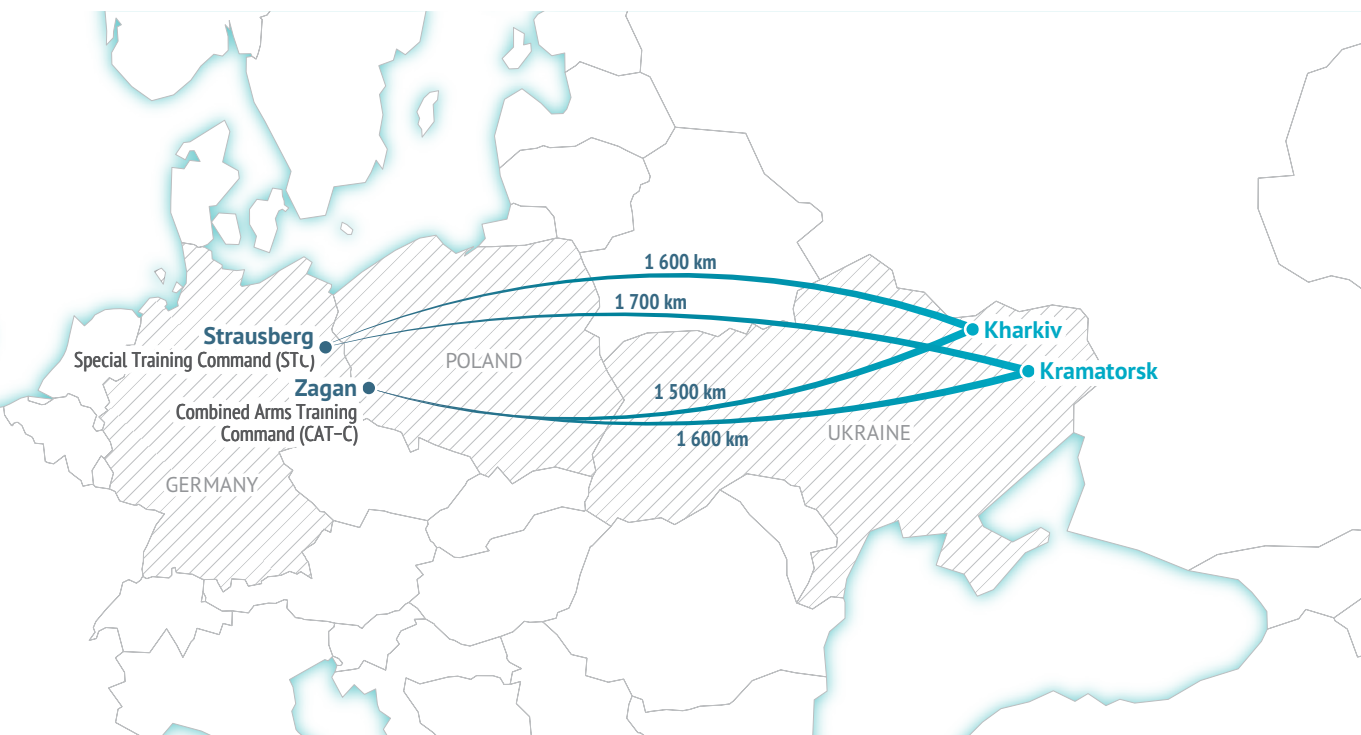
Poland, a Special Training Command (STC) in Germany, and in other locations across the EU.

By summer 2024, EUMAM has trained up to 60 000 soldiers [2]. However, training requirements go well beyond this number, especially if Ukraine is to retake the initiative in 2025. The 2023 counteroffensive failed because, among other things, only nine brigades received training, for a limited period, and in tactics not entirely relevant to the battlegrounds of southeastern Ukraine. On the field, these brigades proved less effective than battle-hardened ones. Ukrainian soldiers themselves argued that the training they received abroad did not fully prepare them for the type of war that Ukraine is fighting [3].

Ukraine's new conscription law passed in March 2024 will allow Kyiv to recruit up to 500 000 new soldiers. Yet, it will also massively increase training needs. These recruits have no combat experience. Their training will need to encompass the entire spectrum, from basic tactics and medical skills to mastering complex manoeuvres.

The pressure to maintain troop strength near the frontlines limits the number of soldiers that Ukraine can send abroad for training. This constraint hinders large-scale training efforts. At the current pace (60 000 troops in two years), the time needed to build a sufficient offensive capacity will extend significantly. Ukraine may lose the window of

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(2)   EU Military Assistance Mission to Ukraine (EUMAM) (https://www.eeas.europa.eu/sites/default/files/documents/2024/2024-EUMAMUkraine_02.pdf).

(3)   Kofman, M., 'Making attrition work: a viable theory of victory for Ukraine', *Survival*, 9 February 2023 (https://www.iiss.org/en/online-analysis/survival-online/2024/01/making-attrition-work-a-viable-theory-of-victory-for-ukraine/).

opportunity to retake the initiative, which many experts believe closes in 2025.
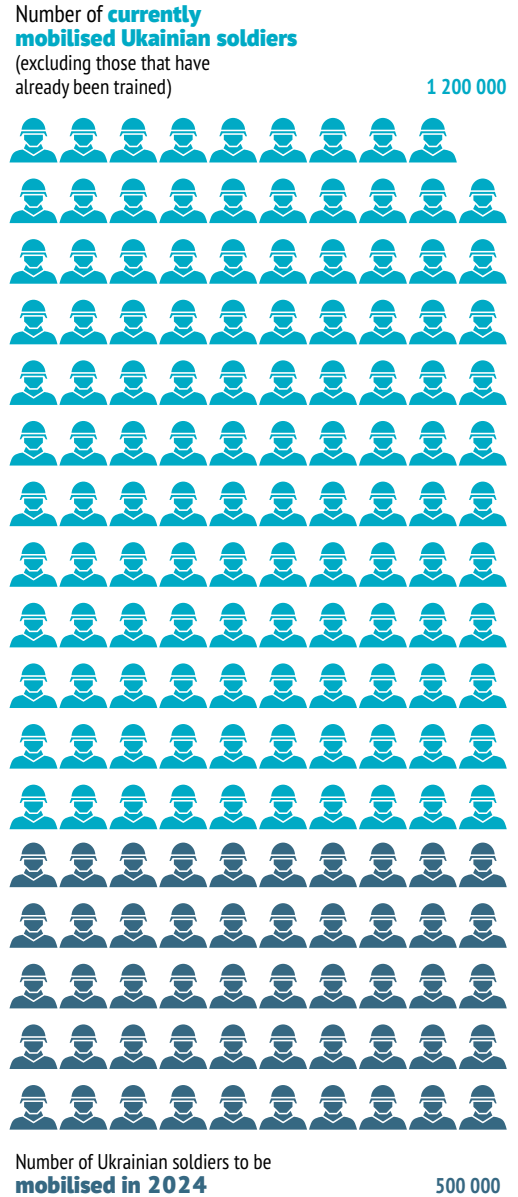
THE SOLUTION

Train soldiers inside Ukraine

Moving training into Ukrainian territory would allow the EU to train a far greater number of Ukrainian forces at a faster pace. Ukrainian brigades rely on a system of rotating battalions between frontline duty, reserve, and troop reinforcement [4]. Sending soldiers abroad disrupts this rotation. Training within Ukraine would allow brigades to seamlessly move troops from the frontline to the rear for reconstitution and training. The lower logistical costs would free up resources to provide high-quality instruction to a much larger pool of soldiers.

A mission inside the country would make it easier to tailor training to Ukraine's specific needs. This war is different from anything European armies have ever experienced – a brutal war of attrition in which traditional infantry fighting tactics and advanced technology combine in unique ways [5]. Embedding instructors directly in Ukraine would offer several advantages. First, it would allow them to gain first-hand experience of and insights into this new style of warfare. Second, it would improve the feedback loop between advisors and Ukrainian commanders. Instructors would have a better understanding of Ukraine's needs on the ground, and adapt

(4) Kofman, M., Lee, R. and Massicot, D., 'Hold, build, and strike: a vision for rebuilding Ukraine's advantage in 2024', *War on the Rocks*, 26 January 2024 (https://warontherocks.com/2024/01/hold-build-and-strike-a-vision-for-rebuilding-ukraines-advantage-in-2024/).

(5) Matisek, J., Ostanina, S. and Reno, W., 'What does European Union advising of Ukrainian troops mean for the bloc's security policies? An inside look at the training mission', Modern War Institute, 11 June 2024 (https://mwi.westpoint.edu/what-does-european-union-advising-of-ukrainian-troops-mean-for-the-blocs-security-policies-an-inside-look-at-the-training-mission/).

Training needs

EUMAM has trained only a small fraction of mobilised Ukrainian soldiers

Number of **currently mobilised Ukainian soldiers** (excluding those that have already been trained)   **1 200 000**

Number of Ukrainian soldiers to be **mobilised in 2024**   **500 000**

Number of Ukrainian soldiers **trained by EUMAM** by summer 2024   **60 000**

training programmes to address the specific challenges of the conflict. In the long run, this would also enhance interoperability between Ukrainian troops and NATO/EU forces [6].

Establishing a training mission in Ukraine would also carry significant political weight. It would serve as a major psychological boost for Ukrainians, indicating the EU's readiness to truly do 'whatever it takes.' It would come at a time of uncertainty regarding the US commitment to Ukraine, due to the upcoming presidential elections and the potential return of Donald Trump to the White House. Agreeing to have a training presence on Ukrainian soil would serve to counter the uncertainty about US support. It would also send a very strong signal to Moscow that Europe is in this for the long haul and that Russia cannot win this war of attrition. In short, it would demonstrate the Union's willingness to take up a leadership role.

Deploying EUMAM directly to Ukraine could deliver these benefits. EUMAM's mandate will be renewed in November 2024, just after the US election: this timing provides the opportunity to give immediate reassurances to Ukraine. Moreover, EUMAM is a model for an EU-wide and efficient approach to training. Member States pay fewer costs for supporting Ukraine, as opposed to training troops separately, thereby getting more 'bang for their buck'. It is a template worth building on.

Of course, this proposal currently lacks traction in some EU capitals, and consensus will be hard to achieve. If that is the case, a coalition of willing Member States could lead the way. The political appetite for training in Ukraine is growing across Europe, rather than falling. France was the first one to propose sending soldiers to Ukraine for non-combat tasks [7].

Recently, more Member States have expressed support for the idea. A critical mass of willing contributors is taking shape. Moreover, in a recent survey, 55 % of EU citizens said they would be happy for their national troops to provide technical assistance to Ukraine [8].

If moving EUMAM inside Ukraine proves impossible, the EU should support the ad-hoc coalition as a useful alternative. Reluctant Member States should be allowed to continue training outside Ukraine, while the bulk of training efforts shifts inside the country. What matters is not the *platform* (i.e., whether missions are deployed under the EU flag or not) but reaching the necessary *scale* of training. As indicated above, it will be difficult to reach such scale unless soldiers are trained on Ukrainian soil.

THE COST OF INACTION

Keeping victory out of grasp

Opponents of training soldiers in Ukraine base their argument on fear of Russian retaliation. It would be safer, they say, to boost training within EU territory. In addition to playing into the Russian narrative and exaggerating the risks to the mission, this course of action would not solve the fundamental constraints that Ukraine faces today.

Granted, Russia will likely accuse the EU of putting 'boots on the ground' and of escalating the conflict. But training is much closer to weapons delivery than to fighting: the

(6) Chinchilla, A. and Rosenberg, S., 'Why America should send military advisers to Ukraine', *Foreign Affairs*, 22 September 2023 (https://www.foreignaffairs.com/united-states/why-america-should-send-military-advisers-ukraine).

(7) Ricard, P. and Pietralunga, C., 'Macron wants to form a European coalition of military instructors in Ukraine', *Le Monde*, 30 May 2024 (https://www.lemonde.fr/en/international/article/2024/05/30/macron-wants-to-form-a-european-coalition-of-military-instructors-in-ukraine_6673124_4.html).

(8) Krastev, I. and Leonard, M., 'The meaning of sovereignty: Ukrainian and European views of Russia's war on Ukraine', ECFR, 3 July 2024 (https://ecfr.eu/publication/the-meaning-of-sovereignty-ukrainian-and-european-views-of-russias-war-on-ukraine/).

instructors would not be directly engaged in combat. To counter this accusation, the EU should do two things. First, limit the mission's mandate exclusively to training, with a strict requirement for instructors not to engage in combat. Second, 'pre-bunk' the argument, highlighting the fundamental difference between training and forces in combat.

Russia would still target the training mission with air strikes. To counter this threat, participating countries should deploy air defences such as Patriot batteries, which have proven very effective against Russian attacks. This would have two positive effects: minimising the risk to instructors and soldiers, and freeing up Ukraine's limited air defences, which would be redeployed to protect other areas of the country, including major cities.

If the bulk of training activities remain outside Ukraine, even if more instructors are provided, Kyiv will continue to face a difficult choice: send personnel abroad for training, or maintain sufficient reserves in the country? This will necessarily limit the number of foreign deployments. NATO's new training and support mission in Germany will not solve the issues. Only a small portion of Ukraine's army will learn the necessary skills that are needed to breach Russia's complex fortifications. These limitations will likely prolong the war, leading to greater numbers of casualties, and higher costs for EU Member States.

Ultimately, to help Ukraine achieve victory, the EU needs to take bold steps. A continued supply of weapons to Ukraine is necessary, but not sufficient. The Ukrainian army needs to build, through comprehensive training, enough offensive capacity to liberate Russian-occupied territory. Otherwise, a just end to the war will remain out of sight.

SECURING EUROPE'S NORTHEAST

Energy resilience through innovation

by
LUKAS TRAKIMAVIČIUS

The EU faces growing concerns about potential threats from Russia, especially in the Baltics. Despite the Baltic states' significant levels of defence spending, fuel supply security remains a worry. A Russian attack could disrupt energy supplies, weakening Baltic countries' military capabilities. Therefore, the EU should turn to innovative technologies to enhance energy resilience in the Baltics.

THE PROBLEM

Hard realities on the ground

Russia's war in Ukraine highlights its likely strategy in future conflicts: disrupting energy flows through a combination of hybrid and conventional attacks that target critical infrastructure. Such attacks against maritime shipping lanes and oil infrastructure might result in fuel supply disruptions in the Baltic region.

Lithuania hosts the only oil refinery in the Baltic states, located in Mažeikiai, which receives its supplies via the Būtingė oil terminal. The refinery is the main provider of liquid fuels in the Baltics, used by civilians and militaries alike.

Other oil refineries in Poland and Finland can also produce fuels. However, Russia's anti-access/area denial (A2/AD) capabilities around Kaliningrad and St Petersburg would likely make it challenging to receive fuel shipments via oil terminals on the Baltic Sea coastline. Additionally, transporting fuels by train from Poland to Lithuania would be difficult. Fuel shipments by train would have to go through the Suwalki Gap, a narrow sliver of land sandwiched between the heavily militarised Russian exclave of Kaliningrad and Belarus, a staunch Moscow ally.

Granted, the Baltic states have sizeable fuel storage facilities, which could be tapped into in the event of a crisis. According to existing regulations, EU countries must maintain emergency stocks of crude oil and/or petroleum products equal to at least 90 days of net imports or 61 days of consumption, whichever
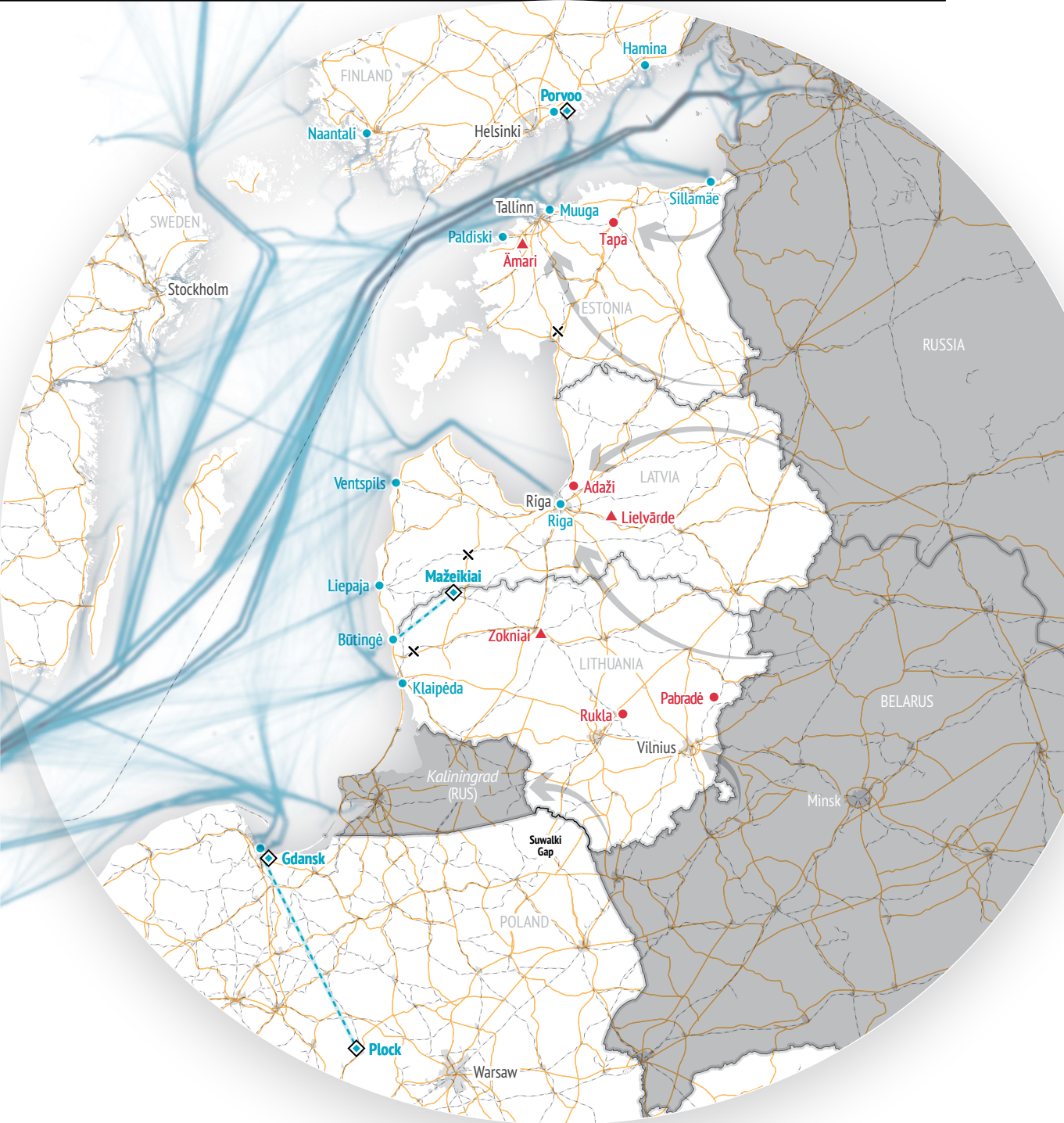
Building resilience

Infrastructural realities meet
energy supply provisions

Data: Global Energy Monitor, 2024; European
Commission, GISCO, 2024; Natural Earth, 2023

Energy
- ◇ Oil refinery
- ● Oil terminal
- --● Oil pipeline
- ✕ Potential sites for
  Power-to-X plants

Security
- ▲ Military airfield
- ● Military base
- ⇒ Potential Russian
  troop movement

Transport
- — Major road
- --- Major railroad
- ⌇ Shipping density

is higher [1]. Nevertheless, even these supplies would probably quickly be depleted in the event of a protracted conflict or if the Baltics had to accommodate large allied reinforcements.

The last time the European continent faced such a dangerous world was during the height of the Cold War. However, back then, countries in Western Europe could rely on the NATO Central Europe Pipeline System – a massive network of fuel pipelines and storage facilities – to deliver fuel supplies towards the border of East Germany. Yet, it would be costly, difficult and time-consuming to expand this pipeline system all the way from where it currently ends in the western part of Germany to a country like Estonia.

THE SOLUTION

Embracing innovation

Building long fuel pipelines is one way Brussels could support the Baltics and strengthen the EU's northeastern frontier. But investments in innovative clean energy technologies might offer a more forward-looking solution. Technologies such as Power-to-X (P2X) could go a long way in strengthening energy resilience and fuel supply security.

P2X refers to processes in which electricity is converted into storable energy carriers. 'Power' refers to the use of electricity and 'X' stands for the different energy carriers, or e-fuels, that this electricity can produce [2]. If low-carbon electricity is used in this process, then the e-fuel will also be virtually carbon-free.

The production of e-fuels like e-kerosene involves three main steps. First, low-carbon electricity is converted into hydrogen via electrolysis. Second, industrial plants (such as cement and steel) or direct air capture technologies collect concentrated CO_2. Third, chemical reactions fuse the hydrogen and carbon molecules together, and, after several more steps, produce a liquid fuel that resembles conventional, oil-based kerosene.

The advantage of these e-fuels, compared to energy carriers such as hydrogen, is that they are compatible with existing fuel infrastructure, allowing them to be used in the internal combustion engines of military vehicles without the need for any modifications [3]. Given the identical chemical structure of e-kerosene or e-diesel with their oil-based counterparts, these fuels can also be blended in any ratio, making it possible to introduce e-fuels at lower quantities.

The Baltic states are well-positioned to harness this emerging technology. All three countries have ambitious plans to scale up the development of renewables, resulting in an abundance of low-carbon electricity for the P2X plants. They are also home to several large industrial sites, which could provide ample feedstock of CO_2.

Developing P2X production plants would also align with existing EU policies like the Net Zero Industry Act, which aims to scale up clean technologies. Additionally, the ReFuelEU Aviation legislation will require jet fuel suppliers to blend a certain proportion of e-kerosene into the fuel they deliver to airports of EU Member States, starting at 1.2 % in 2030 and increasing to 35 % by 2050 [4]. In peacetime, P2X plants in the Baltics could supply fuel for

(1)　　European Commission, 'Security of oil supply' (energy.ec.europa.eu/topics/energy-security/security-oil-supply_en).

(2)　　Hedegaard, K., 'See how Power-to-X could be a key component in the global energy transition', World Economic Forum, 14 November 2023 (weforum.org/agenda/2023/11/power-to-x-a-key-component-in-the-global-energy-transition/).

(3)　　Trakimavičius, L., 'Mission net-zero: Charting the path for e-fuels in the military', NATO ENSEC COE, 22 November 2023 (enseccoe.org/publications/mission-net-zero-charting-the-path-for-e-fuels-in-the-military/).

(4)　　European Council, 'RefuelEU aviation initiative: Council adopts new law to decarbonise the aviation sector', 9 October 2023 (consilium.europa.eu/en/press/press-releases/2023/10/09/refueleu-aviation-initiative-council-adopts-new-law-to-decarbonise-the-aviation-sector/).

How Power-to-X works

Transforming renewable electricity into carbon-neutral fuels
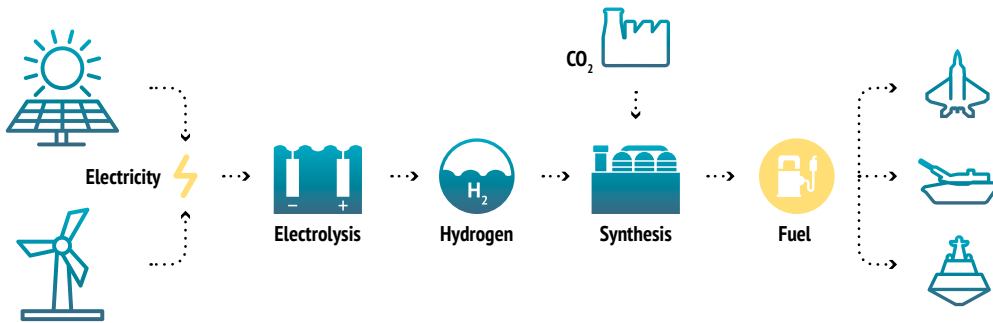
Data: Deutsche Welle, 2024

the aviation industry, enhancing the economic appeal of these projects.

P2X plants would not be a panacea for Baltic security needs. According to the International Energy Agency (IEA), due to the complex and energy-intensive production process, e-fuels are expected to remain scarce and expensive for a very long time to come [5]. As a result, it would be unrealistic to assume that, in the event of a crisis, P2X plants could meet the lion's share of Baltic fuel needs. Furthermore, P2X plants are just as vulnerable to attack by Moscow as conventional oil infrastructure facilities.

However, there is a strong case for the EU to prioritise e-fuel facilities in the Baltics, where costly P2X production can be justified on security grounds. While no energy infrastructure is completely safe from military threats, diversifying and decentralising fuel production capabilities would significantly enhance the overall energy resilience of the Baltics.

Meanwhile, such efforts would also benefit EU security. The Baltics could serve as a testing ground for new and experimental energy technologies for military applications that might eventually be scaled up and leveraged to

support energy resilience-building efforts of other EU Member States and EU-led missions.

THE COST OF INACTION

Missed opportunities and weaker deterrence

The next five years will present the new EU leadership with the opportunity to prove its geopolitical mettle by strengthening the energy security of the Baltics. While it is widely agreed that it is NATO's role to provide hard security guarantees for its member states, the EU can also play a pivotal role. Given that military mobility, energy security, decarbonisation and cross-border connectivity fall squarely within the EU's purview, Brussels' support would significantly strengthen the Baltic deterrence and defence posture.

Conversely, the decision to do nothing would undermine the EU's credibility as a strategic actor. After all, the costs of strengthening energy resilience in the Baltics would pale in

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(5)   IEA, 'The role of e-fuels in decarbonising transport', December 2023 (iea.org/reports/the-role-of-e-fuels-in-decarbonising-transport).

comparison to the overall costs of a securi-
ty flare-up.

Inaction would also undermine the EU's in-
dustrial goals. Support for the Baltics should
not be seen as an isolated, ad-hoc initiative,
but as an extension of the EU's ongoing,
long-term efforts to strengthen its clean tech-
nology industry. Investments in P2X facilities
and partnerships with the armed forces would
send a powerful signal to the energy markets
and technology developers that the EU is seri-
ous about promoting green hydrogen and de-
rivatives like e-fuels, strengthening Brussels'
hand *vis-à-vis* competitors like China.

Failure to scale up P2X technologies would
also weaken EU's climate agenda. Support-
ing e-fuels and collaborating with the defence
sector would, in the long term, also help to re-
duce the carbon footprint of the armed forces.
After all, due to their versatility and scalabil-
ity, e-fuels offer one of the few pathways that
could help decarbonise the armed forces with-
out leading to a loss of operational capabilities.

Crucially, it is important to acknowledge the
lack of alternative courses of action. Revisiting
the idea of expanding the NATO Central Eu-
rope Pipeline System is unlikely to be effective
due to the sheer length of the pipeline exten-
sion that would need to be built. Meanwhile,
building a new fuel pipeline from Poland to
Lithuania might work, but its construction
would be economically unappealing given the
lack of demand centres (e.g. airports) along its
route that could offset some of its maintenance
costs. The development of larger fuel storage
facilities can also help, but it would only par-
tially address the risk of fuel shortages.

The best way to deter Russia from testing
the EU's borders is to increase support for
Ukraine. The second-best way is to focus on
deterrence. Ideally, the EU should do both. By
investing in innovative clean technologies,
Brussels could kill two birds with one stone:
drive down emissions and strengthen its
northeastern frontier.

PREVENTING WAR IN EAST ASIA

A European action plan to strengthen deterrence

by
JORIS TEER

Over the last half century East Asia has become the global economy's manufacturing hub. Powerful trends have made conflict more likely since 2016. The most important of these are China's rapid military rise and the increasing number of hostile acts under the threshold of war being conducted by Beijing against Taiwan. The EU should mobilise its economic resources to contribute to deterrence and shape China's strategic choices.

THE PROBLEM

Rising tensions in East Asia

A blockade or invasion of Taiwan would have a severe impact on the EU [1]. Over 75 % of all semiconductors, essential components in everything ranging from fighter jets to pacemakers and wind turbines, are produced in China, Taiwan, South Korea and Japan [2]. China produces far more manufactured goods than the EU and the US combined [3]. The region's shipping lanes are the arteries of the world economy.

To Beijing's dismay, its hostile acts below the threshold of war have not brought its strategic goal of peaceful 'reunification' closer. Since 2016, these have included detention of Taiwanese in China, influence campaigns, cyberattacks, ever-higher numbers of People's

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(1)   This chapter is a condensed version of an EUISS report published under the same name in July 2024 (https://www.iss.europa.eu/content/preventing-war-east-asia).

(2)   Varadarajan, R. et al., *Emerging Resilience in the Semiconductor Supply Chain*, Boston Consulting Group and Semiconductor Industry Association, May 2024, p.11 (https://web-assets.bcg.com/25/6e/7a123efd40199020ed1b4114be84/emerging-resilience-in-the-semiconductor-supply-chain-r.pdf).

(3)   Organisation for Economic Co-operation and Development (OECD), 'TIVA 2023 ed. Principal Indicators', 2024 (https://stats.oecd.org/Index.aspx?DataSetCode=TIVA_2022_C1#).

Liberation Army aircraft entering Taiwan's Air Defence Identification Zone, more regular large-scale military drills around Taiwan, and the severing of subsea cables. Yet the Democratic Progressive Party, according to Beijing the choice for 'war' and 'recession', again won Taiwan's presidential elections in 2024 [4]. In 2023, a mere 7 % of Taiwan's population expressed the view that they wanted 'unification as soon as possible' or to 'move towards unification', whereas 16 % were still in favour in 2018 [5].

If Beijing opts for military conflict instead, Europe will face the impact of war-related disruption and economic coercion, meaning (counter)sanctions by China. Both a blockade and an invasion of Taiwan are likely to cause a complete standstill of the island republic's world-leading semiconductor production. Surveyed experts believe a US-China war is the likely outcome of an invasion [6]. This would disrupt manufacturing of vital goods throughout the region. Even 'just' a blockade is expected to set off a sanction spiral with China.

The economic impact would be far more severe than that of the war in Ukraine. The EU's identified areas of reliance on China alone are reason for much concern. For example, the EU depends on China to produce many vital medicines, such as antibiotics, and over 50 % of the mining or refining of most of the materials it deems critical [7].

Finally, the expectation that the US would prioritise the Indo-Pacific in the event of a Taiwan contingency is a major source of concern.

A conflict in East Asia could open the door for Russian *fait accompli* actions, akin to the seizure of Crimea, but possibly this time on NATO territory.

THE SOLUTION

Preventing conflict by preparing for economic conflict

Washington's bilateral alliances with Japan, South Korea and the Philippines, naval deployments, and military bases have served as the backbone of deterrence in East Asia. The Biden Administration launched additional diplomatic and military initiatives to deny China confidence in achieving its goal of 'reunifying' with Taiwan by force. EU Member States can further increase the cost by strengthening US-led (military) deterrence by mobilising their considerable economic resources.

Step 1: Settle on an action plan to strengthen US-led deterrence at the highest EU level.

Step 2.1: Map reverse dependencies, meaning the goods and services for which China depends on the EU. The EU, the world's third largest economy and largest manufacturer behind China, possesses important economic resources [8]. The European Commission should, in collaboration with partners like the US, produce an overview of economic pressure points they control long before conflict

(4)   Teer, J., Ellison, D.H. and de Ruijter, A., *The Cost of Conflict: Economic implications of a Taiwan military crisis for the Netherlands and the EU*, chapter 1, pp. 7-12, The Hague Centre for Strategic Studies, March 2024 (https://hcss.nl/wp-content/uploads/2024/03/Taiwan-The-Cost-of-conflict-HCSS-2024.pdf).

(5)   NCCU, 'Changes in the unification – independence stances of Taiwanese as tracked in surveys by Election Study Center, NCCU (1994~2023.06)', 22 February 2024 (https://esc.nccu.edu.tw/PageDoc/Detail?fid=7805&id=6962).

(6)   Lin, B. et al, 'Surveying the experts: U.S. and Taiwan views on China's approach to Taiwan in 2024 and beyond', CSIS China Power Project, January 2024, p. 17 (https://chinapower.csis.org/surveying-experts-us-and-taiwan-views-china-approach-taiwan-2024/).

(7)   Seaman, J. et al., 'Critical minerals: Critical raw materials: What Chinese dependencies, what European strengths?', chapter 6 in Rühlig, T. (ed.), *Reverse Dependency: Making Europe's digital technological strengths indispensable to China*, Digital Power China, May 2024, p. 1 (https://timruhlig.eu/ctf/assets/x93kiko5rt7l/14P2JpF9hLKq6ua1XVVDTG/66c8581a0e03a85465cf6277592d8abe/DPC__-__GESAMT_0.pdf); Grohol, M. and Veeh, C., *Study on the Critical Raw Materials for the EU – 2023*, European Commission, DG Grow, 2023 (https://op.europa.eu/en/publication-detail/-/publication/57318397-fdd4-11ed-a05c-01aa75ed71a1).

(8)   OECD, 'TIVA 2023 ed. Principal Indicators', op.cit.

Preventing war in East Asia
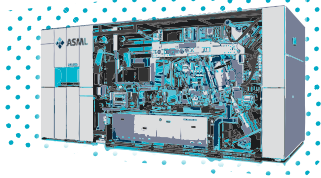
An action plan to strengthen European deterrence

Step 1 — **Settle on an EU action plan**

to contribute to deterrence in East Asia

Initiated by the European Council President;
other involved parties: EU Member States; European
Commission President; HR/VP

2.1 — Map reverse dependencies

meaning the goods and services for which China
depends on the EU. Combine this overview with
those of allies and partners.

Initiated by the European Commission President;
other involved parties: European Council;
EU Member States; Industry representatives;
External geo-economic, technical and China
experts

3.1 — Identify the most critical dependencies

by conducting military crisis stress-tests
with industry. At present, no party has a
comprehensive overview of critical
economic inputs produced in East Asia.

**Initiated by the European Commission
President**;
other involved parties: EU Member States;
Industry representatives; External military
and geo-economic experts.

2.2 — Prepare sanction packages at various levels of ambition

An on-and-off blockade of Taiwan warrants
narrower EU weaponisation of reverse
dependencies than a full invasion.

**Initiated by the President of the
European Commission and the HR/VP**;
other involved parties: EU Member States

3.2 — Focus de-risking efforts

on dependencies that threaten medical,
semiconductor, defence, and
telecommunication sectors. The EU is worse
positioned than the US and China to pursue
broad (re)industrialisation.

**Initiated by the European Commission
President**;
other involved parties: EU Member States;
Industry representatives; external
geo-economic experts.

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4 — Persuade China's leader(s) of EU resolve

to cut off trade, if EU red lines are crossed. This
should be done through private direct
messages to President Xi and public messages.

**Initiated by the European Commission
President; EU Council President; HR/VP**
other involved parties: Leaders of most
powerful EU economies (DE, FR, NL); In
coordination with EU partners and allies in
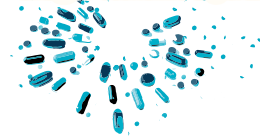Europe (UK), North America (US, CA), and
Indo-Pacific (SK, JP, TW, AU, IN)

takes place. Current efforts to map 'complete' industry ecosystems remain limited to high-profile sectors, such as semiconductors and green technologies. Research projects that chart the EU's reverse dependencies granularly are still too rare [9].

Step 2.2: Prepare trade and investment sanction packages. The European Commission should – in secret – prepare detailed sanction packages at various levels of ambition for different contingencies. Strengthening US-led deterrence requires EU capitals to be 'clear about what [they] seek to deter and what [EU capitals] will do if the threat is challenged [10].' In the run-up to Ukraine, the Council threatened 'massive consequences [and] severe costs […] coordinated with allies [11].' The EU and partners designed the sanctions effort in detail. However, exact measures were not communicated to Moscow prior to the war.

Step 3.1: Identify the most dangerous strategic dependencies. It remains unclear which EU critical sectors would be threatened most by a Taiwan contingency. To map dependencies more comprehensively, the Commission should run military-economic stress-tests with Member States, critical industries, and outside experts. Stress-tests have become cyber security best practices. These worst-case scenarios spur all participants into increasing preparedness. Leaders in critical industries, however, lack the expertise to gauge the disruptions caused by military conflict. Meanwhile, governments and defence experts lack a granular understanding of vital supply chains. Based on shared insights, parties can speed up targeted derisking strategies.

Step 3.2: Focus derisking efforts on the most critical sectors. China and the US pursue (re-) industrialisation across the board to establish greater control over critical economic inputs. This is difficult for the EU: it faces some of the highest energy prices and labour costs globally, devolved powers at even provincial, and municipal levels, stringent climate and environmental regulations, and powerful not-in-my-backyard-movements. The EU should prioritise its resources to overcome dependencies that directly threaten the security, safety and health of its population when weaponised. Examples are reliance on China for resources to produce vital medicine and ammunition, the critical materials required to manufacture semiconductors, weapon systems and medical technologies, and the assembly, test and packaging of semiconductors.

Step 4: Persuade China's leader(s) of EU resolve. Effective EU deterrence requires a combination of consistent messaging in private conversation with President Xi and public statements, clearly laying out red lines and the consequences if these are crossed. To minimise the risk of divide-and-rule retaliation, EU officials and representatives of the most powerful Member States must communicate these costs.

EU leaders must become more forward-leaning. They have reiterated the importance of peace and stability in the Taiwan Strait. Some have even added that the EU 'stands strongly against any unilateral change of the status quo, in particular by the use of force [12]'. Few, however, have communicated that the EU would impose a cost. According to a member of his team, President Macron did tell Xi in Beijing that a Taiwan conflict 'would force us

(9)   Rühlig, T (ed.), *Reverse Dependency: Making Europe's digital technological strengths indispensable to China*, Digital Power China, May 2024 (https://timruhlig.eu//ctf/assets/x93kik05rt7l/14P2JpF9hLKq6ua1XVVDTG/66c8581a0e03a85465cf6277592d8abe/DPC__-__GESAMT__0.pdf).

(10)   Mazarr, MJ. 'Understanding Deterrence', RAND Corporation, 2018, p.11. (https://www.rand.org/pubs/perspectives/PE295.html).

(11)   European Council, 'European Council conclusions', 16 December 2021 (https://www.consilium.europa.eu/en/press/press-releases/2021/12/17/european-council-conclusions-16-december-2021/).

(12)   US Department of State, 'G7 Italy 2024 Foreign Ministers' Statement', April 2024 (https://www.state.gov/g7-italy-2024-foreign-ministers-statement-on-addressing-global-challenges-fostering-partnerships).

to impose massive sanctions.' Encouragingly, President Macron's diplomatic advisor repeated the president's words publicly [13].

THE COST OF DOING NOTHING

Greater risk of geoeconomic catastrophe

But would EU endeavours not be marginal contrasted with US-led military deterrence in East Asia? EU economic deterrence is meaningful for two reasons. First, an economic collapse would jeopardise the one thing that Xi values most: political stability [14]. After the Tiananmen Square crackdown, the Chinese gave up their pursuit of individual liberties in exchange for a promise of rapid economic development. A decision by the EU and partners to cut off trade puts this arrangement at risk [15]. Second, the EU's economic leverage is growing. China's dependence on exports has increased in the last two years, despite policies to achieve greater self-reliance in strategic sectors. Consumption has faltered following Xi's Zero-Covid policy and the real-estate crisis. In 2022, China again relied for over 20 % of its GDP on exports. Xi's dream of industrial autarky has again become more reliant on the West's imports from China.

Finally, if war breaks out in the Taiwan Strait, it will have massive economic consequences for the EU, regardless of whether the EU and its partners had previously threatened economic retaliation. Threatening economic punishment beforehand, however, may reduce the probability that Beijing sets in motion this devastating chain of events.

(13)   'Fireside Chat with Emmanuel Bonne', The Aspen Institute, July 2023, Timestamp: 13:23 (https://www.youtube.com/live/DO1yVJZ83hY?si=pP0RZKlg8slwWiBv&t=802).

(14)   Tsang, S., 'Deterrence, assurance and China's agency in its Taiwan policy', The Asan Forum, December 2023, p. 8 (https://theasanforum.org/deterrence-assurance-and-chinas-agency-in-its-taiwan-policy/).

(15)   Ibid.

ABBREVIATIONS

ASEAN

Association of Southeast Asian Nations

CBAM

Carbon Border Adjustment Mechanism

CFSP

Common Foreign and Security Policy

CMP

Coordinated Maritime Presences

COPS

UN Framework Convention on Climate Change Conference of the Parties

COREPER

Committee of Permanent Representatives

CSDP

Common Security and Defence Policy

DG

Directorate General

EEAS

European External Action Service

eFP

Enhanced Forward Presence

ENP

European Neighbourhood Policy

EU

European Union

EUAM

European Union Advisory Mission Ukraine

EUMAM

EU Military Assistance Mission in support of Ukraine

FAC

Foreign Affairs Council

GDP

Gross Domestic Product

HDI

Human Development Index

HR/VP

High Representative of the European Union for Foreign Affairs and Security Policy/ Vice–President of the European Commission

IEA

International Energy Agency

IMEC

India–Middle East–Europe Economic Corridor

KFOR

Kosovo Force

NATO

North Atlantic Treaty Organization

NDICI

Neighbourhood, Development and International Cooperation Instrument

PLA

People's Liberation Army

PPP

Purchasing power parity

QUAD

Quadrilateral Security Dialogue

SCRI

Supply Chain Resilience Initiative

UN

United Nations

WTO

World Trade Organization

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The EU's foreign and security policy is in urgent need of a reboot. The EU's current approach to foreign policy was designed for a world at peace, where multilateralism was strong and global rules and norms were upheld. That world has vanished. We now live in an age of contestation and growing geopolitical rivalry where territorial conflicts proliferate and international institutions are in crisis.

In the EU, a new Commission and High Representative will take the helm this autumn. How should the new leadership reshape the EU's global role and stance while navigating an increasingly contentious international landscape?

To help EU leaders and policymakers address this critical challenge, the EU Institute for Security Studies has come up with ten ideas to propel EU foreign policy forward. They represent ambitious yet actionable proposals. We believe it is essential for the new leadership to implement them.

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