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Europe's Window of Opportunity

Why the EU needs to reform after the Conference

elf

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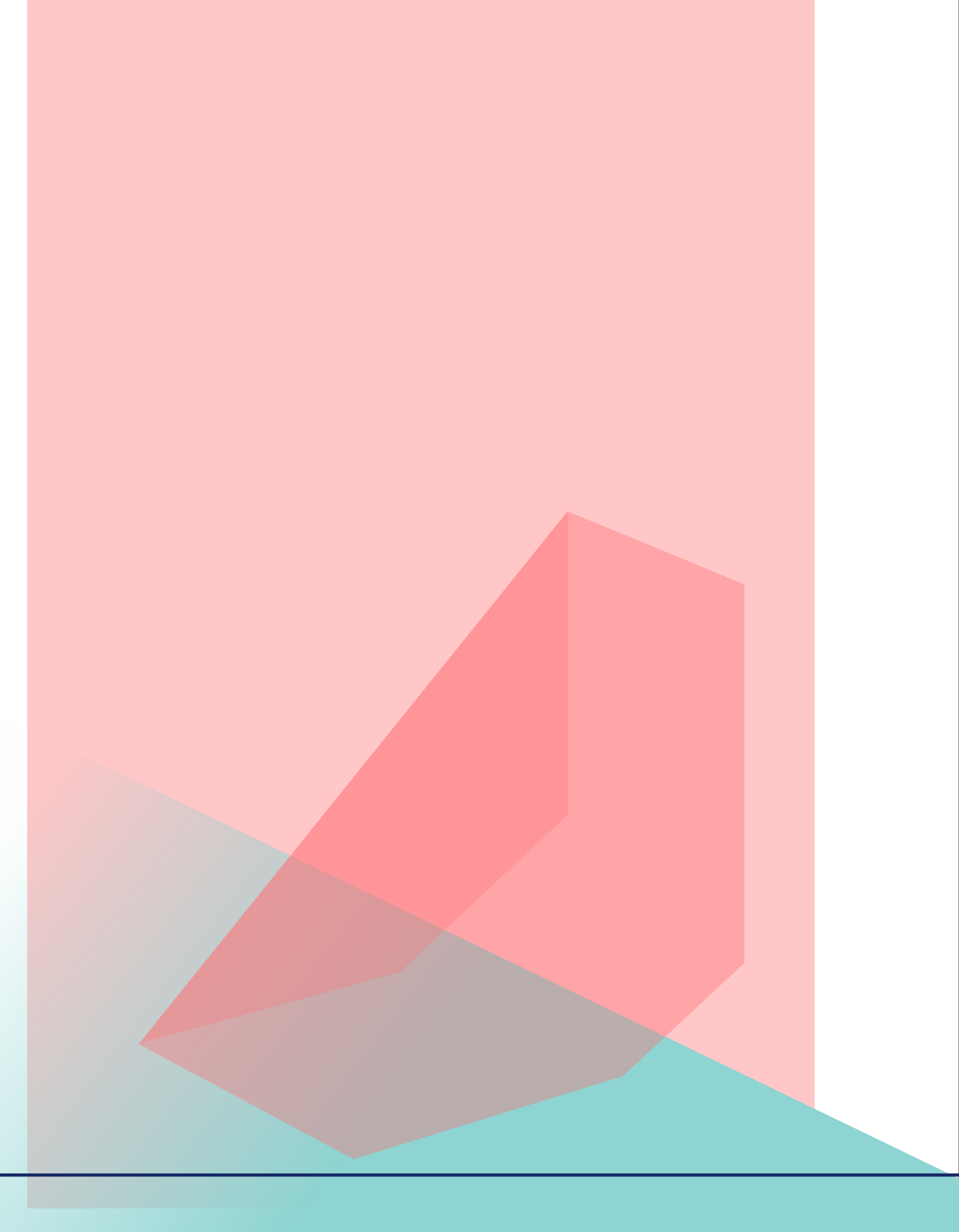

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DECEMBER 2021

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ABOUT

The publishers

The European Liberal Forum (ELF) is the official political foundation of the European Liberal Party, the ALDE Party. Together with 47 member organisations, we work all over Europe to bring new ideas into the political debate, to provide a platform for discussion, and to empower citizens to make their voices heard. Our work is guided by liberal ideals and a belief in the principle of freedom. We stand for a future-oriented Europe that offers opportunities for every citizen. ELF is engaged on all political levels, from the local to the European. We bring together a diverse network of national foundations, think tanks and other experts. In this role, our forum serves as a space for an open and informed exchange of views between a wide range of different EU stakeholders.

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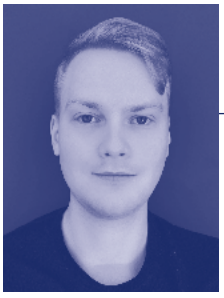

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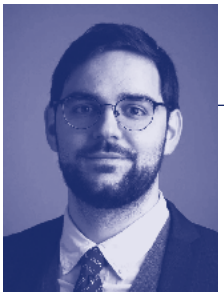

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EDITORIAL

A Newborn in the Liberal Family, a fresh Start for the EU

ANTONIOS NESTORAS
European Liberal Forum
Head of Policy and Research
Editor-in-Chief

ANTONIOS NESTORAS

As the new year unfolds, new resolutions are put to the test and new projects begin. For the European Liberal Forum, 2022 marks the launch of our very own publication outlet: the journal *Future Europe*. And so it is with the utmost pleasure and a certain emotion that I introduce you to this first issue of our young and ambitious journal. The aim is to provide a forum for all who believe in the European project and want to shape its future, to reflect on current issues, and propose bold new ideas and directions. *Future Europe* brings together academics, practitioners, and citizens at large. It welcomes a plurality of voices, bound together by our principles of free speech, fact-based argumentation, and respectful discussion.

This journal fills a gap that we believe exists between academia, policymaking, and the wider public. European Studies as an academic field has experienced a formidable boom in recent decades. This has led to a number of crucial insights into the development of the European project, its strengths and weaknesses, and ways to address them. Yet these are not always considered by policymakers and indeed are often unknown beyond specialised circles. At the same time, academics sometimes tend to stay too long in their ivory towers and could benefit from the practical knowledge of those involved in the day-to-day business of making Europe and from getting a better grip on the wishes and aspirations of its citizens. This is this dialogue that *Future Europe* wants to foster.

While upholding the highest standards of quality research, we offer a space where authors can provide different kinds of contributions that

are not purely academic in nature and style, ensuring accessibility to as many readers as possible. *Future Europe* also aims to encourage exchange between various fields of knowledge. It is interdisciplinary in nature and brings insights from various fields of the social sciences – politics, economics, and legal studies – to better understand the challenges that lie ahead of us.

In this respect, this first issue could not be timelier. Europe is facing a number of unprecedented and daunting challenges. A pandemic that has shaken our societies to their core and led the EU to fundamentally re-evaluate and upscale its budgetary commitments. Climate change and the necessity to transform the Union into a champion of sustainable transition and the carbon-neutral economy. A world, finally, where new powers rise and old ones refuse to give way and where Europe needs, more than ever, to stick together and offer a united front if it wants to preserve its way of life and its values.

To address these many challenges and to remain relevant, the EU needs reform. This is Europe's window of opportunity, perhaps more than at any point in our recent history. Pro-European, moderate, and progressive forces are now in control in Paris, Berlin, and Rome, and in many other capitals of the continent, providing an impetus for change. Old ideas are giving way to new ones. We cannot afford to stay complacent, and we all need to take part in this crucial discussion. The choices we make today will define what the EU looks like ten or twenty years down the road – just muddling through or changing fundamentally so as to build a better Europe.

If what we need now is a new vision and concrete proposals for action, it is fitting that the opening section of this first issue is devoted to the Conference on the Future of Europe. The Conference, whose first citizens' panels took place only a few months ago, in autumn 2021, represents a unique and formidable opportunity to give a voice to all citizens across the continent. Never in history has a participatory exercise of such scale been organised. This shows that, far from being a remote and alien construction, the EU is perfectly able to listen and be responsive to people's needs and wishes. The widely shared hope is that this process will result in bold new ideas and reforms that can put the EU back on track, fit for the century and able to deliver. To achieve success, concrete actions must follow. The Conference must not join the cemetery of lost opportunities, where so many grand ideas for Europe have already been buried. This would not only be a waste, it could also backfire, providing Eurosceptics with concrete evidence that, once again, the EU ignores the will of its citizens and is plagued by a democratic deficit. The stakes are therefore high and the boundary between success and demise will be thin. It is precisely these concerns that the first contribution in this issue seeks to address as it analyses the opportunities and obstacles the Conference may face in leading reform and proposing solutions to ensure that the promised outcomes are delivered.

This is Europe's window of opportunity, perhaps more than at any point in our recent history. Pro-European, moderate, and progressive forces are now in control in Paris, Berlin, and Rome, and in many other capitals of the continent, providing an impetus for change. Old ideas are giving way to new ones. We cannot afford to stay complacent, and we all need to take part in this crucial discussion.

In discussing the content of the Conference's debates, one crucial issue should not be overlooked, that of EU's enlargement. Not only enlargement resulting from the admission of new Member States but also that resulting from the possible break-up of existing ones. The rise of secessionist parties and Europe's relationship with the Western Balkans countries appear to be entirely separate issues but in fact give rise to similar pressing questions for Europe: the role of nationalities and nationalism, the protection of minorities, and whether or not the EU can function efficiently with one, five, or say ten new members. Moreover, the role of the EU in the Western Balkans region is also supremely important from a geopolitical point of view. If the Union does not provide greater certainty regarding its engagement in the region and a clear pathway to accession, it is likely to see

competing powers – China, Russia, and Turkey – filling the void. The EU cannot afford to let this complex region and its people sink back into instability. Inclusion is the EU's historical responsibility.

The rise of China emphasises that it is time for a more assertive Europe on the world stage, with greater capacity to ensure its security and defend its interests. Our countries are confronted with similar economic and security threats and face the same systemic rivals, China and Russia.

This brings us to the focus of the second section – what the geopolitical ambitions of a renewed and strengthened EU should look like. The rise of China emphasises that it is time for a more assertive Europe on the world stage, with greater capacity to ensure its security and defend its interests. Our countries are confronted with similar economic and security threats and face the same systemic rivals, China and Russia. Our partnership with the United States is precious and must be preserved, but the EU's ability to act globally must move beyond that partnership. Europe is less of a priority for the US and, where our interests are not aligned, Europeans must be able to make a different voice heard. Europe must gain its strategic autonomy to truly own its future; it should not abandon its vision of a global liberal order.

Just as rivalry between the West and Russia defined the second half of the twentieth century, so relationships with China will surely define the coming decades. In many ways, however, China promises to be an even more formidable rival. It is only a matter of time before it becomes the world's biggest economy and, despite what was initially believed, this economic development, this greater openness to business, and the profound societal change resulting from it, are not translating into a transformation of its political system. China is on course to defend an alternative political, one may say civilisational model, one not based on a free market, human rights, and liberal democracy, but based on rugged nationalism, statism, and oppression. This fact must be acknowledged and these differences must not be swept under the carpet. China's interests are, for the most part, fundamentally at odds with our own, which means that there is no more time for complacency and naivety. Wherever China oppresses its people or bullies others it should expect a firm reaction from Europe. Equally, China's attempts at undermining Europe's security and autonomy should be met with firm resistance.

That being said, we must also learn how to live with China, since it is foolish to hope for any significant change in the Chinese regime in the near future. In this context, EU–US interests will not be always aligned, and Europe should not let itself be dragged into a second, arguably more dangerous Cold War. Cooperation is needed on many fronts and is required to ensure that China does not sever its link with the rest of the world, as was so spectacularly the case at the beginning of the pandemic. New ways of dealing with China are therefore necessary, and this is what the three contributions in this section explore. Europe needs to find a new doctrine, a fully fledged China strategy that both stands up to China where necessary, especially when our core democratic and human rights values are at stake, and ensures continuous cooperation and economic partnership.

One topic symbolises well this possible equilibrium with China: the development of the 5G infrastructure. So far, security concerns have been met with protectionist responses and a trade war between the US and China entailing mutual bans of proprietary 5G equipment. This is a zero-sum game that will have only losers, for 5G bears the promise of a more efficient economic system, of greater innovation. The EU should embrace another viable alternative to this predicament and assert its leadership in promoting an open and interoperable 5G architecture, paving the way for more international trade and cooperation.

In the last section of this first issue, our contributors look at these technological developments and what they entail for Europe's economy and security, both from an external and an internal point of view. Technology is never value-neutral and Europe must ensure that the digitalisation of our society follows a logic that takes into account our core beliefs, fundamental values, and (cultural) heritage. Human-centred digitalisation should thus be the vector for a liberal approach towards more inclusive growth for individuals, opening up endless opportunities, while sustaining the European way of life. In this regard, keeping control of algorithms is key, especially considering the role they have played in the rise of populism and the deterioration of the democratic debate.

Although populism is not an entirely new phenomenon in Europe and the world, populists have gained even more exposure during the Covid-19 pandemic, capitalising on people's distrust of their governments, aided, one must admit, by the sloppy response from many governments and disregard of civic liberties. Populists and their conspiracies must be fought and contained, but it is the role and responsibility of liberals to provide an effective alternative voice.

Finally, there are two main takeaways with this first *Future Europe* issue. The first is that our European home is both strong and fragile. Its roots run deep but are not yet firmly fixed in solid soil. Europe is fragile because it is not yet well armed for many of the challenges that have already arisen and the threats that loom. It is still too slow, too fragmented, too pusillanimous. If we are not careful, this could jeopardise our unique political model, a model that is our main strength because it is the only one that is sustainable – not yet perhaps for the planet, but the only model that can deliver development and progress. Second, what all these excellent contributions show is how complex and entangled all these issues are. Addressing them will not be possible if we keep reasoning in silos. This is true for academics and experts as much as for politicians and people at large.

Europe is fragile because it is not yet well armed for many of the challenges that have already arisen and the threats that loom. It is still too slow, too fragmented, too pusillanimous.

Offering a comprehensive overview of some of the main challenges currently faced by Europe and providing a way forward with concrete solutions – this is the ambition of the *Future Europe* journal. We hope that our ambition will be fulfilled and that you enjoy the read along the way. Our best hope for 2022 is that this issue is only the first of a long series.

SECTION 1

THE CONFERENCE

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European Policy Centre

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Abstract

As per Joint Declaration, the Conference on the Future of Europe will end with a report to the Joint Presidency in spring 2022. All institutions and member states have pledged to follow up with the report swiftly and effectively. Despite agreeing on the Declaration and the Conference Rules of Procedure, however, the institutions and member states continue to have very different ambitions and expectations for the Conference and its desired outcome. Hence, there are doubts as to how comprehensive its results can be under the agreed process and how consequently they will be followed up after the Conference's end.

This paper analyses the chances and obstacles for the Conference to lead to concrete reform – and propose concrete solutions to ensure the promised outcome. By analysing lessons learned from previous experiences of citizens' participation, the Conference's setup as well as the political environment, the author identifies crucial roadblocks that need to be solved for a successful outcome and draws up the necessary next steps that should follow the Conference to translate its promise of a swift and effective follow up into reality.

Introduction

Initially an idea put forward by French President Emmanuel Macron,[1] a Conference on the Future of Europe was announced by Ursula von der Leyen in her speech outlining political guidelines before the European Parliament in June 2019. As part of her pledge, President von der Leyen emphasised that her Commission would be 'ready to follow up on what is agreed [in the Conference], including by legislative action, if

1 See E. Macron (2019), 'For European renewal', Paris, https://www.elysee.fr/en/emmanuel-macron/2019/03/04/for-european-renewal.

appropriate'.[2] Her College and other EU institutions later renewed the promise to properly follow up on the results of the Conference. But now that the Conference has started, what can we expect in terms of outcome and action?

The Joint Declaration and the Conference Rules of Procedure merely outline that the Conference's conclusions will take the form of a final report to the Joint Presidency of the Conference, Commission President von der Leyen, Parliament President Sassoli and the Council Presidency. European institutions will afterwards 'examine swiftly how to follow up effectively to this report, each within their own sphere of competences and in accordance with the Treaties'.[3] The documents therefore only set broad guidelines for what the outcome should look like. Clearly, this is connected to the bottom-up approach of the Conference: European institutions have established a process that is as open as possible for citizens to have their say.

The idea of discussing European issues with citizens is not new. Over the past decade or so, European institutions have established a rich history of including citizens in decision-making.

This paper analyses what can be expected from the Conference conclusions and their repercussions, identifies crucial roadblocks that need to be solved for a successful outcome, and draws up the necessary next steps that should follow the Conference to translate its promise of swift and effective action into reality. To this end, the analysis will draw on three pillars. Firstly, the paper will look at previous experiences of citizen participation, define parallels with and differences from the Conference and, on that basis, draw conclusions about the ongoing process. This will be followed by an in-depth analysis of the Conference's legal texts and governance. This part will in particular analyse what the Conference setup could mean for the outcome of the process. Lastly, the paper will take into consideration the positions among institutions that have emerged over recent months as well as the political environment, such as the consequences of the German federal election. The final section will draw conclusions and formulate recommendations on how to translate the Conference's outcomes into tangible results.

Lessons from previous experience of citizen participation

The idea of discussing European issues with citizens is not new. Over the past decade or so, European institutions have established a rich history of including citizens in decision-making. In 2005, the Commission put into place Plan D (Democracy, Dialogue, Debate), launching debates in all EU Member States. Following the French and Dutch rejection of the Constitutional Treaty, the initiative aimed 'to build a new political consensus about the right policies to equip Europe to meet the challenges of the 21st Century'.[4] The EU's involvement in citizens participation activities is therefore a direct consequence of the lessons learned from the Constitutional process. Many further initiatives followed that were aimed at giving citizens a voice at the European level, such as the Europe for Citizens Programme (2007), Debate Europe (2008), the Citizens' Dialogues (2012–present), the White Paper on the Future of Europe (2017), the European Citizens' Consultations (ECCs) (2018), and the first 'European Citizens' Panel on the future of Europe' (2018).[5]

Although none of these initiatives went as far as the Conference does now, there are many lessons the Conference can learn from these trial-and-error processes. Because whereas all these initiatives were successful in their common goal to debate EU

2 U. von der Leyen (2019), 'A Union that strives for more: My agenda for Europe', Brussels, https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission_en_0.pdf.

3 Conference on the Future of Europe (2021b), 'Joint Declaration on the Conference on the Future of Europe', Brussels, https://ec.europa.eu/info/sites/default/files/en_-_joint_declaration_on_the_conference_on_the_future_of_europe.pdf.

4 European Commission (2005), 'European Commission launches PLAN D for democracy, dialogue and debate', Press Release, 13 October, Brussels, https://ec.europa.eu/commission/presscorner/detail/en/IP_05_1272.

5 C. Stratulat and J. Greubel (2021), 'Preparing for the Conference on the Future of Europe: The 'known knowns' of citizens' participation', Brussels: European Policy Centre, https://www.epc.eu/content/PDF/2020/Conference_on_FoE-web2.pdf.

policy issues with citizens, none of them have led to concrete results. So, what are the key roadblocks in terms of sufficient output that emerge from these previous initiatives which the Conference needs to overcome to reach a tangible end result?

Ownership: All the above-mentioned historical precedents of citizen participation were initiated each time by one single European institution, which received remarkably little attention from other institutional actors. For example, the Citizens' Dialogues are a recurring element of the Commission's work on citizen participation, but they fail to contribute to the political debate on an institutional level in Parliament or the Council. Whereas Juncker's White Paper process was more successful in this respect, his initiative similarly failed to deliver concrete reforms. The ECCs, on the other hand, were initiated and run by Member States in the Council. Although they ended with a report to the European Council, its findings were never pursued by any institution.[6]

This time around, however, things are different. For the first time, all institutions have endorsed the endeavour and have committed to following up effectively on citizens' recommendations. European institutions and Member States will organise parallel participatory events on local, regional, national, and transnational levels, and all of them will feed into the same process, into one Conference outcome.[7] This joint ownership has the potential to lead to concrete results, including political reform.

Overall process: The Conference's process is far more developed than any other participatory endeavour taken on before by European institutions. There will be parallel participatory activities on local, regional, national, and transnational levels, both on- and offline, organised by institutions, Member States, and civil society alike. A 'central feature' of the Conference are the four European Citizens' Panels, which involve a total of 800 citizens from all Member States, randomly selected to deliberate on the core topics of the Conference. They will also come up with recommendations that will contribute to the Plenaries and the final report. This is what makes the Conference so distinct: for the first time, there is a clear connection between the citizens' dimension and representative bodies. Citizens will not only debate among one another: 108 citizens will also be part of the Conference Plenary. Debates in the Plenaries will furthermore be based on citizens' recommendations, and the final outcome will draw directly from them. Citizens' voices are therefore truly central in the Conference makeup. This direct link between citizens' and representative dimensions are a response to the lack of implementation in previous participatory experiments on the European level.

Purpose: On the other hand, the Conference lacks a clear objective shared by all institutions. The Joint Declaration is therefore very vague when it comes to the objectives of the endeavour. A 'new space for debate with citizens to address Europe's challenges and priorities',[8] the Conference will give citizens a say in European policymaking, according to the founding document. The outset seems rather policy-focused, mentioning ten policy areas and several cross-cutting issues that can be addressed. A targeted and clearly described goal is missing, however. This is despite the fact that the European Citizens' Consultations have shown that the clearer the objective and the narrower the subject, the more focused and more detailed the result will be. Experience with the ECCs has 'demonstrated that long-term and in-depth discussions on very specific, and potentially controversial, questions result in detailed outcomes that governments can make good use of in policymaking'.[9] To facilitate this process, 'it helps to know what the goal is' from the outset. The Conference's vague objective could therefore be counterproductive to achieving concrete results.

What kind of output is planned, and how do we get there?

But how do we get to the final outcome, and which roadblocks does the Conference process entail? The Conference outcome will take the form of a final report to the Joint Presidency of the Conference, Commission President von der Leyen, Parliament President Sassoli, and the Council Presidency.[10]

To get there, the European Citizens' Panels, national panels, and the Multilingual Platform will present conclusions and recommendations to the Conference Plenary, where they will be debated with representatives and citizens alike. On that

6 C. Stratulat and P. Butcher (2018), 'The European Citizens' Consultations: Evaluation report', Brussels: European Policy Centre, https://www.epc.eu/en/Publications/The-European-Citizens-Consult~267d84; P. Butcher and C. Stratulat (2019), 'Citizens expect: Lessons from the European Citizens' Consultations', Brussels: European Policy Centre, https://www.epc.eu/en/Publications/Citizens-expect-Lessons-from-the-European-Citizens-Consultations~26c3d4.

7 According to the Rules of Procedure, regional and local authorities, civil society, social partners and citizens can also organize decentralized events, the outcome of which can be collected on the multilingual platform.

8 Conference on the Future of Europe, 'Joint Declaration'.

9 Stratulat and Butcher, 'Citizens expect'.

10 According to the current timetable, French president Emmanuel Macron will represent the Council in the context of the French Council Presidency. See also: Conference on the Future of Europe, 'Joint Declaration'.

basis and 'without a predetermined outcome and without limiting the scope to pre-defined policy areas',[11] the Plenary will agree on its proposals. These proposals will be agreed upon by consensus 'at least between the representatives of the European Parliament, the Council, the European Commission, as well as representatives from national Parliaments, on an equal footing' and will be delivered to the Executive Board.[12] Although there is no provision that forces the Plenary to adopt citizens' recommendations, the Rules of Procedure state that any diverging positions from citizens' recommendations shall be expressed in the Plenary conclusions.

Yet the Executive Board has the final say when it comes to drafting the Conference outcome. The Board, again on a consensual basis, will draft both Plenary conclusions and, based on these, draft and agree upon the final report.[13]

Following the report, the 'three institutions will examine swiftly how to follow up effectively to this report, each within their own sphere of competences and in accordance with the Treaties'.[14] Institutions are clearly committed to taking into account the recommendations of citizens and the Conference Plenary and have repeated this commitment in several speeches and remarks,[15] although there is no strict and binding follow-up mechanism.

But what will that mean concretely for the type of outcome we can expect from the process? Four general observations – two positive and two negative factors – can be made in this regard.

Firstly, we can assess that there is a clear link between the participatory and the representative dimensions of the Conference, at least on the European level. Citizens will debate in European Citizens' Panels and come up with recommendations for the representative dimension, the Conference Plenary. The Plenary will structure its debates according to citizens' input, and the citizens themselves will be part of the Plenary to present, debate, and defend their ideas. Any deviation from citizens' recommendations on the part of the Plenary outcome will have to be noted. This presents a strong and unprecedented link between citizens and policymakers, which will ensure that citizens' voices are actually taken into account. We can therefore count on citizens' ideas making it into the reports of the Plenary, as well as the final report. However, this characterisation only fits at the European level of participatory elements. On the national and local levels, Member States can decide for themselves whether they will organise national citizens' panels or any other kind of participatory events.[16] This, of course, removes comparability among Member States and will leave any insights from national events, which the Plenary will discuss, incomplete and potentially biased.[17] It is also unclear who exactly will represent Member State citizens' events in the Plenary. The strong link between the participatory and representative levels is therefore watered down for these elements.

Secondly, the Conference is a joint effort by all European institutions, with all actors committing to following up on its outcomes. The consensus principle in the Conference Plenary and the Executive Board will furthermore ensure that the final result of the Conference is supported by all actors that will later have to implement the recommendations. This creates clear ownership among everyone involved in the process. Any output should therefore have high chances of being implemented by the respective institutions and at the relevant levels.

On the other hand, however, this high decision-making threshold brings one clearly dangerous element into the outcome of the process. A consensus requirement among so many actors – for the Conference Plenary, three European institutions, and national parliaments totalling 273 representatives; and nine representatives of all three European institutions for the Executive Board – greatly increases the risk of blockages. In the worst-case scenario, this could lead to institutions not being able to agree on a final outcome at all for months. But even in a less drastic scenario, it might lead to a situation where the final outcome will be a very general, lowest common denominator report in the form of only very

11 Article 20 in Conference on the Future of Europe (2021c), 'Rules of Procedure of the Conference on the Future of Europe', Brussels, https://futureu.europa.eu/uploads/decidim/attachment/file/9340/sn02700.en21.pdf.

12 Article 20, footnote 7, in Conference on the Future of Europe, 'Rules of Procedure'.

13 Article 18 in Conference on the Future of Europe, 'Rules of Procedure'.

14 Conference on the Future of Europe, 'Joint Declaration'.

15 See, for example: D. Sassoli (2021), 'Speech at the ceremony for the signing of the Joint Declaration on the Conference on the Future of Europe', 10 March, Brussels, https://the-president.europarl.europa.eu/home/ep-newsroom/pageContent-area/newsroom/ceremonie-de-signature-de-la-declaration-commune-pour-la-conference-sur-lavenir-de-leurope.html?lang=en; U. von der Leyen in European Parliament, Council of the EU, and European Commission (2021), 'Conference on the Future of Europe: Engaging with citizens to build a more resilient Europe', Strasbourg, https://www.2021portugal.eu/media/wm3p11ds/210310_jointdeclarationcofe_en.pdf.

16 Only these will follow the guidelines on a joint methodology set by the Conference's Executive Board. See: Conference on the Future of Europe (2021a), 'Guidance for National Citizens' Panels in the context of the Conference on the Future of Europe', Brussels, https://futureu.europa.eu/uploads/decidim/attachment/file/10231/Guidance_for_national_panels_EB260521.pdf.

17 As we know from the European Citizens' Consultations, the level of participatory undertakings will vary greatly between Member States when not guided by a common methodology. In the case of the ECCs, some Member States applied high standards to their consultations (e.g., Ireland or France), whereas activities in countries such as Poland mainly consisted of panel discussions and dialogue formats, with most speakers seeming 'in some way affiliated with, or ideologically close to the ruling Law and Justice Party (PiS)' (Stratulat and Butcher, 'The European Citizens' Consultations', p. 60). Events in the context of the Conference that are organised in the latter format will bear the risk of incomparability between Member States and a distortion of results. The lack of information on Member States' approaches reinforces this risk.

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abstract recommendations that will, as a result, be difficult for institutions to follow up on at all. Citizens' recommendations might become watered down to the extent that Panel participants do not see themselves reflected in the outcome. We have witnessed the same problem in the process of agreeing on a Joint Declaration, when it took months for institutions to agree on a joint mandate for the Conference, which in the end could only be found through silence on many of the sticking points that remain unresolved today. Such half-baked solutions need to be avoided at all costs for the final report of the Conference to achieve an outcome in which citizens can see themselves represented and ensure proper follow-up, based on joint ownership among all institutions.

Another potential problem is that it is still unclear what form of outcome we can expect. The Conference documents only speak of a final report, which will be handed over to the Joint Presidency. But it remains unclear what the report will look like. Will it be a summary of the discussions in the Panels and Plenary? Will it restate citizens' recommendations in the form of a 'wish list'? Or will it outline an elaborated action plan for European institutions, with clear responsibilities and steps for follow-up? In doing so, will the report be policy oriented, summarising the main policy outcomes, or will it go a step further by coming up with a joint vision or narrative of the Conference for the Future of the EU, or even develop a new 'mission statement' for the Union of the future? As the answers to these questions remain unclear, it will be difficult for either the Plenary or Executive Board to enter into discussions and prepare this output. The longer they remain unclear, the higher the chance of ending up with a document that is not concrete and that cannot be followed up on in detail.

The political environment

Ultimately, however, the Conference is a political process. Hence, it will be the political actors and the political environment that will determine how ambitious the outcome and how thorough its repercussions will be. This section will therefore look at the actors' commitment to the Conference, the role of the Franco-German engine in the process, and possible diverging positions among institutions and Member States.

Actors' commitment

Although the Conference is an inter-institutional initiative, the commitment to and ambitions for its outcome vary greatly between institutions. The European Parliament is the most committed and most ambitious actor in the debate around the Conference. From the start, the Parliament has positioned itself as the most vocal supporter. It was the first institution to agree on a joint position towards the Conference on 15 January 2020, and its position towards objectives, citizens' involvement, commitments, and possible treaty change is undoubtedly the most far-reaching out of the three institutions.[18] The Parliament has reinforced its position with several additional resolutions referring to the Conference or updating the institution's position to new (COVID-19) circumstances. This commitment continued throughout the negotiations on the Joint Declaration and is still ongoing during the Conference itself.

Likewise, the Commission seems fairly committed to the Conference. After all, it was Commission President von der Leyen who initiated the Conference. In fact, the Commission's services were heavily involved in preparing for the Conference, especially with a view to its citizens' dimension. President von der Leyen and her Commission have repeatedly renewed their commitment to the Conference and its outcome. Most recently, she repeated her pledge to implement the recommendations put forward by the Conference in her 2021 State of the European Union address.[19] However, it was the only reference to the Conference in her hour-long speech. More generally, it seems that the Conference no longer plays a big role at the Commission's political level.[20] Although this is certainly related to other, more pressing crises such as COVID-19 taking centre stage in the current political environment, this trend is worrying due to the Commission's central role in acting upon the results of the Conference. As the only institution with right of initiative, the Commission will be measured against its enduring pledges to take action following the Conference's conclusions.

But the most ambivalent relationship with the Conference certainly has to be that of the Council. Most governments have a rather lukewarm relationship with the Conference, seen by many as a necessary evil. This is also why the Council was the last institution to adopt a position on the Conference, and it was by far the least ambitious. As such, Member States have followed a policy-first approach, emphasising that the EU's current treaties already effectively address today's challenges.[21] Treaty reform is therefore out of the question. Initially, the Council also intended, in their position, to leave the follow-up of the Conference entirely in the hands of the European Council – a method that during the ECCs failed to

18 J. Greubel (2021), 'The Conference on the Future of Europe: Comparing the Joint Declaration to institutions' expectations', Brussels: European Policy Centre, https://www.epc.eu/en/Publications/The-Conference-on-the-Future-of-Europe-Comparing-the-Joint-Declaratio~3c7c60.

19 U. von der Leyen (2021), '2021 State of the Union address', Strasbourg, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_21_4701.

20 It should be noted, however, that the Commission plays a pivotal role on the working level, including in the set-up of the European Citizens' Panels and other elements of the Conference process.

21 Council of the EU (2020), 'Conference on the Future of Europe: Council position' 9102/20, 24 June, Brussels, https://www.consilium.europa.eu/media/44679/st09102-en20.pdf.

lead to change. Although there are certainly states that do support far-reaching European reform and are committed to the Conference, no matter its outcome,[22] commitment among the majority of Member States is rather low.

All in all, commitments towards the Conference vary among European institutions, with the European Parliament clearly being the most invested actor, while the Council seems least committed to a successful outcome.

The (potential) Franco-German problem

As in the past, Europe will need strong commitment from both France and Germany, the EU's biggest Member States, if the Conference is to end with concrete results. Especially due to the ambivalent stance of other countries towards the Conference, great effort on the part of the EU's Franco-German engine will be necessary to translate outcomes into reforms.

As father of the idea of a Conference on the Future of Europe, President Macron has always been one of the Conference's biggest supporters. The fact that he will be part of its Joint Presidency in the first half of 2022, when the Conference will draw to a close, should enable Paris to play a crucial role in steering the Conference towards a tangible result.

But French commitment will not be enough. Macron 'cannot steer the Conference to success single-handedly without an ambitious German counterpart. The Conference can only lead to worthwhile results if the next German federal government and the successor of Angela Merkel will back the process. And Paris and Berlin will have to push in the same direction if the recommendations from the Final Report are to be translated into concrete actions and reforms at the EU level.'[23]

Yet with public attention in Germany fully focused on the search for a new government, the Conference has already been relegated to a non-event. The Merkel government has also announced that national citizens' panels are not planned during this legislative term – and thus also not likely to happen until a new government takes office.[24] 'And with the European Citizens' Panels starting tomorrow [in September] and debates in the Conference Plenary scheduled to commence in October, the Conference will gain momentum while Germany is in full election mode. (...) The political recalibration of German politics will thus take time – time the Conference does not have.'[25] Therefore, there is a real danger that not only will the Conference remain a non-event in Germany but also that Macron will possibly be lacking a German partner with ownership of the process and a commitment to steering the results of the Conference towards concrete reforms.

For a long time, it was unclear whether the underlying objective of institutions would be focused on delivering actual policy results or raising awareness about the EU, in other words a communication exercise.

Ongoing differences

From the outset, European institutions have had very different understandings about what the Conference should be. These differences have been most prominent between the Council and the European Parliament and mainly refer to the objective, the role of citizens, and the content, leadership, and repercussions of the Conference.[26] For a long time, it was unclear whether the underlying objective of institutions would be focused on delivering actual

22 The EPIN report 'Managed Expectations' gives an extensive overview of Member States' positions, including those of Austria, France, and Italy, which are certainly more ambitious than other Member States. See M. Alander, N. von Ondarza, and S. Russack (eds) (2021), 'Managed expectations: EU Member States' views on the Conference on the Future of Europe', Berlin: EPIN, https://epin.org/wp-content/uploads/2021/06/Managed-Expectations-EU-Member-States%E2%80%99-Views-on-the-Conference-on-the-Future-of-Europe.pdf.

23 J. Emmanouilidis and J. Greubel (2021), 'The debate on the future of Europe has a German problem', Brussels: European Policy Centre, https://www.epc.eu/en/Publications/The-debate-on-the-future-of-Europe-has-a-German-problem~41db60.

24 Deutscher Bundestag (2021), 'Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Michael Georg Link, Alexander Graf Lambsdorff, Jens Beeck, weiterer Abgeordneter und der Fraktion der FDP: Begleitung der Konferenz zur Zukunft Europas durch die deutsche Bundesregierung (Drucksache 19/31895)', Berlin, https://dserver.bundestag.de/btd/19/318/1931895.pdf.

25 Emmanouilidis and Greubel, 'The debate on the future of Europe'.

26 Greubel, 'Conference on the Future of Europe'.

policy results or raising awareness about the EU, in other words a communication exercise.[27] For example, whereas the Council followed a clear 'policy-first approach', rejecting treaty change, both the Parliament and the Commission have had the topic of institutional reform high on their political agendas for the Conference, a topic that the Council has wanted to avoid at all costs.

These different understandings of the Conference's purpose remain unchanged despite the agreement on a Joint Declaration. Even at the event marking the signature of the Joint Declaration by the three institutions, Parliament President Sassoli and Portuguese Prime Minister Antonio Costa, who at that time held the rotating presidency of the Council, delivered different accounts of what the Conference should be about. Costa underlined the policy-first approach of the Council in his speech,[28] whereas Sassoli outlined that it 'is essential that this exercise leads to concrete actions, legislative changes, treaty changes, if this is desired and desirable'.[29] He emphasised that 'no taboos' should exist when discussing these issues – clearly targeting the Council's policy-only approach to the Conference. Despite the Joint Declaration, European institutions are clearly not entirely on the same page when it comes to the objectives of the endeavour. However, to lead to a concrete result and to manage citizens' expectations effectively, institutions need a joint understanding of the goal of the exercise. A vague mission statement that seeks to cover up fundamental differences among institutions as to what the objective should be puts the whole process, and most importantly any concrete output, at risk.

Apart from the objective, political tensions between institutions could also endanger the process. On the level of the Executive Board, tensions are already putting constraints on the day-to-day management and strategic planning of the Conference. On several occasions, representatives of the European Parliament, Council, and national parliaments have clashed,[30] paralysing the functioning of the Board. Most prominently, persisting tensions between the members of the Board in the context of agreeing on the Rules of Procedure reportedly endangered the Conference's official launch on 9 May 2021.[31] This continued political infighting could become increasingly problematic as the Conference process evolves. It is only a matter of time until these conflicts reach the policy debates. And by the time this already highly politicised atmosphere starts to involve those policy issues that remain controversial among institutions, such as institutional and treaty reform, the danger of tensions within the Executive Board paralysing the process will not have gone away – particularly because of the consensus rule in the Board's working methods.

This danger is also relevant to the Conference Plenary, where not only inter-institutional but also party-political manoeuvring will be observed. Here, too, the need for consensus coupled with unreconcilable political and institutional camps could very well paralyse the process as the Plenary moves towards its decision-making phase. Strong leadership will be needed to find an agreement on a joint outcome for the future of Europe and, equally important, to translate this outcome into concrete reforms.

Photo by Matt Duncan on Unsplash

27 Stratulat and Greubel, 'Preparing for the Conference'.

28 A. Costa (2021), 'Speech at the signing ceremony of the Joint Declaration on the Conference on the Future of Europe', 10 March, Brussels, https://www.2021portugal.eu/media/quvd4zsp/20210310_speech_prime-minister_en.pdf.

29 Sassoli (2021), 'Speech at the ceremony'.

30 Initially, the biggest roadblock for the Joint Declaration was institutional disagreement over the Conference leadership. Institutions also later clashed over the agreement on the Rules of Procedures and the role of the Plenary working groups. These points emerged from conversations between the author and people involved in the meetings of the Executive Board.

31 M. De la Baume (2021), 'It's on: Conference on EU's future will still launch after power-sharing deal', 7 May, Politico, https://www.politico.eu/article/conference-on-the-future-of-europe-power-sharing-deal-launch/.

Conclusions and recommendations

European institutions have come a long way to get the Conference on the Future of Europe started. Now their foremost goal should be to steer it towards a successful outcome. They have drawn important lessons from previous exercises in citizens' participation, but several roadblocks remain that will make it a rocky road for the Conference to travel along to deliver a tangible outcome that will be effectively acted upon by all institutions. The consensus rules in the Executive Board and the Plenary, coupled with a vague objective and an unfavourable political environment, are the biggest hurdles in this respect.

But how can the Conference still become a successful endeavour that leads to reforms, despite these roadblocks? The following recommendations may guide the way.

The co-chairs of the Executive Board will be key actors in steering the Conference towards a successful outcome. A proactive and strong chair was a crucial factor during the Convention on the Future of Europe in 2002, when former French President Valéry Giscard d'Estaing prepared the way for the Constitutional Treaty. It was his political finesse, a clear understanding of the political environment, and a precise vision of the final outcome that made this successful outcome possible.[32] A similar role must be assumed by the three co-chairs of the Conference. This process needs to be taken forward with the inclusion of the Executive Board, but it should still be predominantly driven by the co-chairs. They should, ideally already involving the French government,[33] develop a clear understanding of the process, a political strategy for the months ahead and, most importantly, a clear idea of the final report – in other words, have a vision for steering the process towards a defined destination.

Ideally, the report will be framed by a captivating narrative of European renewal, based on the citizens' vision. It should include concrete recommendations for each policy area, including an action plan for all institutions that outlines steps for further action. Clear steps towards successful implementation of this action plan will also contribute to turning the consensus problem into an advantage. With the Executive Board and thus all institutions endorsing this plan, institutions may assume clear ownership of reform. If this is the case, the chances of implementing the action plan will be high.

In the end, however, a successful outcome and follow-up hinges on the political pressure that the Conference can build up in the upcoming months. The more political pressure placed on European institutions and Member State governments there is, the better the chance for concrete steps and reforms. Three aspects will be key in creating this political pressure.

The critical roadblock for reform lies within the Council, in those Member States that see the Conference as a necessary evil. Relieving it requires political pressure from within the Council to ensure follow-up on the part of Member States. Strong leadership will be needed to translate this outcome into concrete reforms. This must include above all France and Germany, but also other Member States who support the process. Upcoming post-Conference Council Presidencies need to make implementing the Conference's outcome an integral part of their programme. Only in this way can the translation of the final report into reforms be possible. Ultimately, however, this needs to go hand in hand with an ambitious Commission, which needs to fulfil its pledge of thorough implementation, as it holds the single right of initiative at the European level.

The recommendations of the Plenaries and the final report alike need to closely reflect the ideas that will be brought forward in the European and national Citizens' Panels. Only with this direct link between the participatory and representative dimensions can the process create sufficient pressure to lead to reform. If this link is missing, and citizens do not find themselves reflected in the outcome of the Conference, the process will backfire and create more dissatisfaction with politicians and institutions – an outcome all involved actors will want to avoid.

Ultimately, this pressure function linked to citizens' expectations can be increased alongside greater public awareness of the process. The more people know about the Conference, the higher the pressure will be to make it successful. And the more citizens contribute, the more legitimacy the outcome will have, and the more pressure will be directed towards policymakers. Broad dissemination and participation in the Conference will therefore be in the interest of the Conference leadership, so that it can create a process with the best possible chances of success.

Although there are serious roadblocks, there still is a path to reform in the context of the Conference on the Future of Europe. But the foundations for a successful outcome need to be laid now. Institutions and co-chairs in particular must assume immediate leadership to steer the way towards a successful outcome and follow-up from the Conference.

32 J. Wuermeling (2021), 'Auf ein Neues? Erfolgsfaktoren für die Konferenz zur Zukunft Europas', *Integration*, (2), http://iep-berlin.de/wp-content/uploads/2021/08/Volltext_Wuermeling.pdf.

33 Holding the Council Presidency in the first half of 2022, France will become co-chair of the Conference, at which point the Executive Board will draft the final report.

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Accession from the Inside?

The Role of Secessionist Parties in the Conference

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Abstract

This paper considers the role of secessionist parties at the Conference on the Future of Europe (CoFoE). The formation of the Self-Determination Caucus by nine MEPs raises several questions for the Conference's proposals to bridge the gap between institutions and citizens. The paper offers a brief discussion of the literature on the principle of self-determination movements, in principle and policy. It then gives an overview of the relevant parties at the conference, including their relations with one another, the strategies available to them and the objectives they choose to pursue. This allows for trends to be identified and typologies to be used to sort the players. The paper shows that self-determination movements do not engage uniformly across the EU's institutions. This leads to an exploration of the other actor's choices when responding to the Caucus. The paper then considers the influence that this debate on self-determination has on the Conference, in the short term, and for the EU's core values in the long term.

Introduction

The Conference on the Future of Europe (CoFoE) represents a unique chance for small players from across the European Union to band together and join the conversation on how to bridge the gap between the Union's institutions and its citizens. In the case of several secessionist parties from across the 27 Member States, some have already taken that chance. The avenues that these actors could take to get their ideas into the discussions were made clearer on 15 January 2020 when the European Parliament outlined the themes and processes for the conference.[1] A year later, on 20 January 2021, nine current and former MEPs from different parties seeking to represent 'stateless nations and nations with territorial disputes' announced the formation of the Self-Determination Caucus.[2] The group's stated objective is to enable these peoples to

1 European Parliament (2020), 'Resolution on the European Parliament's position on the Conference on the Future of Europe', 15 January, www.europarl.europa.eu/doceo/document/TA-9-2020-0010_EN.html.

2 I. Bilbao (2021), 'Self-Determination Caucus: Founding manifesto', 20 January, www.izaskunbilbao.eus/download/2021.01.20-Manifesto_Self_determination_MEPs_caucus_EN.pdf.

exercise their 'right to self-determination' in a free, legal, and democratic manner.[3] While the members of the group have declared their support for the EU project, their ideas will reshape some of the EU's shared values if they gain acceptance at Union level. This raises a question about how the involvement of these secessionist parties will influence discussions at the Conference.

This paper gives an answer to that question in five parts. The first offers a brief background on the principle of self-determination and the complexities that arise when it is applied to the real world. The second outlines the persons and parties affiliated with the Caucus and highlights both their shared and divergent interests. The third shows that these parties cannot engage uniformly across the EU's institutions and covers the informal network they can count on to integrate their ideas into the Conference deliberations. The fourth considers how larger players from Member States choose strategies to respond to the group's ideas, since these often clash with their basic principles and national interests. The fifth covers the implications for the shape of the EU's core values in practice. This includes how democratic rights translate into political decisions, how diversity and integration are reconciled, and how the path to membership adapts to the needs of the future.

In debates over which country is the most likely to become the EU's newest member, most attention tends to go to the candidate states in its neighbourhood. Meanwhile, for those in the Caucus, there is an alternative path to the enlargement of the Union. From their perspective, Catalonia, which is home to most of the group's members, represents a potential case for accession from the inside. However, to overemphasise this single case would mask the many differences between the group's members that are worth unpacking. When its diverse members come together, they find more unity around the idea of self-determination than any of its many principles and policies. However, this idea shapes how the group can broaden its appeal to similar movements in Europe and engage a wider audience at the Conference. Meanwhile, players from Member States that wish to limit the group's role have several strategies available to them. The members of the Caucus are therefore more likely to succeed in their objectives if they utilise their informal network of national parliament members, party alliances, think tanks, international bodies, and active citizens.

What is self-determination?

In their founding manifesto, the nine Caucus MEPs open their position with a reference to the right to self-determination as enshrined in the Charter of the United Nations.[4] They refer specifically to Chapter 1, Article 2, where the UN sets its role as building 'friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples'.[5] The idea that a people have a right to determine their own affairs has, in recent decades, gained traction among groups that seek to gain the status of independent statehood for their homeland through democratic and legal means.[6] However, this path is also where the right to self-determination as a principle of international law is the least likely to help those that wish to use it to achieve clear political ends.

There are several problems when turning the principle into practice. These include how to define a people, how to draw borders between them, how to then grant rights to one people without removing those of others, and how to enable that people to decide on their independence within the constitutional framework and democratic standards of their current state. However, it is a leap to assume that the principle in itself could take the issue this far. The classic problem for the right to self-determination, in this view, is that it clashes with the principle of territorial integrity given in the UN's Chapter 1, Article 4. From a literal reading the Charter only seeks to keep UN member states from challenging each other's sovereignty. This leaves a theoretical window open for secession from the inside. However, where international bodies have dealt with such a clash between the two principles of international law, they have overwhelmingly chosen to close that window. For instance, in the Helsinki Accords of 1975 there is no contradiction between the two, as the respect for territorial integrity is given clear precedence over the right of self-determination.[7]

Academics who support the idea that the two principles are compatible note that self-determination can take many forms. These include varieties of intrastate autonomy for some regions and protected statuses for some minorities, as found in law across Europe. In these cases, territorial integrity serves as a sort of ceiling to a people's ambitions that sits just under independence. Carlos Closa argues that this idea became enshrined in the Article 4(2) of the Treaty on European Union, when Spain sought a response from the Union to a challenge

3 Bilbao, 'Self-Determination Caucus'.

4 Bilbao, 'Self-Determination Caucus'.

5 United Nations (1945), 'Charter of the United Nations and Statute of the International Court of Justice', 26 June, treaties.un.org/doc/publication/ctc/uncharter.pdf.

6 B.M. Boylan and E. Turkina (2019), 'Calling on Europe? Secessionist Political Parties and Their Communications to the European Union', *Journal of Common Market Studies,* 57(6), 1310–1332. DOI: 10.1111/jcms.12895.

7 Organisation for Security and Co-operation in Europe (1975), 'Conference on Security and Co-operation in Europe Final Act', 1 August, https://www.osce.org/files/f/documents/5/c/39501.pdf.

from the autonomous Basque Country.[8] This drive came after the Ibarretxe Plan of 2003, named after the then president of the regional government, proposed changing the constitution of the Basque Country such that it would be 'freely associated' with Spain.[9] The proposal was eventually passed by the Constitutional Court but did not gain the assent of the Spanish Parliament. The failure of this legislative approach is probably what led Ibarretxe's government to call for a referendum in 2008, which in turn was rejected by the Constitutional Court. This story highlights one of the issues facing the Caucus, that the right to self-determination does not open a clear path to a certain political outcome.

Nor is there a strong precedent for binding legislation based on the principle. The group cites the Parliament's Strasbourg Manifesto of 2014 as one such case, though this text only goes so far as to encourage the Commission to find 'democratic solutions in order to resolve conflicts between national minorities and states when the bilateral and internal solution is not possible'.[10] Perhaps because of this, the Caucus has set a clear objective for its participation in the Conference, to propose the creation of a European Clarity Act. This is intended to serve as 'tool to resolve democratic disputes over self-determination in the EU'.[11] However, at this stage there is little information available from the group about what this would entail. Natàlia Segura, a correspondent from the Catalan News Agency, asked the group for details about their desired content for the European Clarity Act. Jordi Solé, an MEP from the European Free Alliance (EFA), responded that the group would work towards an agreement on how to exercise the right to self-determination, while respecting the EU's founding principles. A detailed proposal would benefit the Caucus in the next stages of the Conference, though this will require the group to overcome the divergent interests of its members.

Who are the Caucus members?

The Caucus is made up of nine current and former MEPs, of whom five are from Catalonia: Carles Puigdemont, Toni Comín, and Clara Ponsatí, from Junts per Catalunya and Jordi Solé and Diana Riba from Esquerra Republicana de Catalunya. Two of the group's members are from the Basque Country, with Pernando Barrena from Euskal Herria Bildu and Izaskun Bilbao from the Euzko Alderdi Jeltzalea. There is also one member each from Ireland and Corsica: Chris MacManus from Sinn Féin and François Alfonsi from Femu a Corsica, respectively. In addition to their national parties, the members also represent political alliances in the Parliament, with three from the Greens/EFA, two from the Left in the European Parliament, and one from Renew Europe Group. The members from Junts per Catalunya are not currently attached to any of the Europarties. Of the nine members, Carles Puigdemont, Jordi Solé, and Chris MacManus were chosen to represent the group at the Conference.[12] The makeup of the Caucus shows some diverse interests among its members while also

Table 1 Typologies for ethno-regional self-determination movements

Demand category	Actor category	Actor subcategory	Typical demands
Soft demands	Protectionist	Conservative	Recognition and preservation for ethnic group
		Participationist	Access to state institutions
Mild demands	Decentralist	Autonomist	Regional autonomy
		Federalist	Regional autonomy in a federal framework
Strong demands	Secessionist	Independentist	Independence
		Irredentist	Independence, including for neighbouring territories
		Rattachist	Integration into a neighbouring state

Source: Régis Dandoy (2010, p. 206)

8 C. Closa (2016), 'Secession from a Member State and EU Membership: The View from the Union', *European Constitutional Law Review*, 12(2), 240–264. DOI: 10.1017/S1574019616000146.

9 M. Keating and Z. Bray (2006), 'Renegotiating Sovereignty: Basque Nationalism and the Rise and Fall of the Ibarretxe Plan', Ethnopolitics, 5(4), 347–362. DOI: 10.1080/17449050600865503.

10 European Foundation of Human Rights (2014), 'The Strasbourg Manifesto: On the protection of national minorities and languages within the framework of the European Union', 17 April, https://en.efhr.eu/download/rozne/20140417_Strasbourg_Manifesto_FIN.pdf.

11 Bilbao, 'Self-Determination Caucus'.

12 Self-Determination Caucus (@SD_Caucus) (2021b), 'The 3 MEPs who represent the Self-Determination Caucus are in the Plenary to promote the right to self-determination', Twitter, 19 June, 1:50 p.m., twitter.com/SD_Caucus/status/1406165044241514496.

begging the question as to how representative it is of the self-determination movements in Europe as a whole.

Régis Dandoy has developed a set of typologies for understanding parties that defend the interests of a specific ethnicity in a given territory.[13] The framework, shown below, moves from ones that make softer demands to those, like the members of the Caucus, that make stronger demands. This can serve to illustrate some of the divergent interests within the group. Junts per Catalunya and Esquerra Republicana de Catalunya have shown themselves to be clear independentists, especially after signing a declaration of independence for Catalonia on 10 October 2017. Euskal Herria Bildu and Euzko Alderdi Jeltzalea are more complicated as they sometimes reposition themselves between autonomy and independence. In the latter case there might also be an irredentist element to their objectives given the presence of Basque people in regions neighbouring the Basque region in Spain. Femu a Corsica fits the mould of an autonomist party in all respects but for some of its members' rhetoric. Sinn Féin could be seen as either an irridentist or a rattachist party, depending on which side of the Irish border one is standing. This variety in objectives incentivises the Caucus to stick to self-determination as a principle.

However, if the group seeks to represent the wider issue of self-determination some of its relations with similar movements will come to the fore. The Nieuw-Vlaamse Alliantie (N-VA) is notably absent from among the group's members. Despite this, the group's founding manifesto cites Flanders as a nation that is close to the achievement of recognised statehood. Pernando Barrena reported that the party had been invited to join the group but as of 20 January 2021 had not yet decided. While the N-VA remains with the EFA its three MEPs sit with the European Conservatives and Reformists (ECR) political group in the Parliament. This could suggest a more Eurosceptic leaning that might clash with the other parties of the Caucus, though this remains conjectural, especially since some commentators argue that the N-VA's move was primarily about signalling to the domestic audience. While the group sometimes lacks ties in the EU it also builds them outside it. François Alfonsi spoke in favour of the 'friends from the Scottish people' and the 'antidemocratic situation' where they were taken out of the Union against their will.[14] These ties to the wider concept of self-determination also form the basis for the informal network that can help the group to achieve its aims at the Conference.

How can the Caucus members influence the discussions?

While the three participating members of the Caucus will be able to directly influence the Conference, they risk being overshadowed by the sheer weight of other themes and players there. These include important topics that will be difficult to tie to the group's agenda, such as climate change, as well as representatives of governments that are openly resistant to their views on self-determination. Nevertheless, the group has aroused the interest of some journalists by its mere formation ahead of the plenary. Martin Banks, for instance, has written about the group's agenda in an article on how the EU engages with its citizens.[15] However, there are limits to how far the Caucus members can push this connection. Chris MacManus has commented on the irony of referring to citizens at the launch of the Conference, given that the outcome may well 'undermine the power of citizens'.[16] Framing the issue in such a way could be risky for the group since one of the recurring hurdles for self-determination movements in democratic systems is their need to build trust in their stable participation in official processes with the other actors.[17]

The Caucus members would have an easier time getting their ideas into the heart of the debates on citizen engagement if they can convince other players to adopt them. The EFA published its own press release on 21 January 2021 welcoming the group's establishment. This is not surprising given that Jordi Solé leads the EFA group of seven MEPs in the Parliament.[18] A bigger step forward came on 19 May 2021, when the whole Greens/EFA group adopted its agenda for the Conference. Their document includes a provision on 'unity in diversity' which states that 'the right to self-determination has to be protected in the EU'.[19] The Greens/EFA group consists of 73 MEPs, 11 of whom were chosen to join the Conference. They also have a large outreach network at their disposal, such that their agenda was shared much more widely than the Caucus's manifesto. While this may appear to be an early win for them, it is worth recalling the

13 R. Dandoy (2010), 'Ethno-regionalist Parties in Europe: A Typology', *Perspectives on Federalism*, 2(2), 194–220.

14 Self-Determination Caucus (2021a), 'Self-Determination Caucus – Press Conference', 20 January, YouTube video, youtu.be/_QPc7cMqbSk.

15 M. Banks (2021b), 'Conference on the Future of Europe a time to "reconnect the European project" says Sergei Stanishev', *The Parliament Magazine*, 18 June, https://www.theparliamentmagazine.eu/news/article/conference-on-the-future-of-europe-a-time-to-reconnect-the-european-project-says-sergei-stanishev.

16 C. MacManus (@MacManusChris) (2021), 'Launch of the EU's much heralded "Conference on the Future of Europe" in Strasbourg', Twitter, 19 June, 1:33 p.m., twitter.com/MacManusChris/status/1406160746397024256.

17 A.K. Bourne (2014), 'Europeanization and Secession: The Cases of Catalonia and Scotland', *Journal on Ethnopolitics and Minority Issues in Europe*, 13(3), 94–120.

18 Greens/EFA (2021a), 'EFA MEPs welcome Self-Determination Caucus: Press release from the EFA MEPs', 21 January, www.greens-efa.eu/en/article/press/efa-meps-welcome-self-determination-caucus.

19 Greens/EFA (2021b), 'Greens/EFA priorities for the Conference on the Future of Europe: Putting our future in the hand of our citizens', 19 May, extranet.greens-efa.eu/public/media/file/1/7033.

different interpretations of self-determination as a principle. While the EFA group's statement voiced its support for a European Clarity Act, the Greens/EFA group's agenda called instead for ratification of the European Charter of Regional and Minority Languages by all Member States of the EU.

At this stage it is unclear how the Caucus' ideas are likely to be received by the other Europarties. However, there are two other kinds of organisation that are likely to support the group, namely think tanks and international bodies. The Coppieters Foundation, a think tank aligned with the EFA group, is the most notable of the former. It has ties with several regional associations and has published research on topics such as independence, as in Matthew Bumford's report on the seats that autonomous regions would gain in EU bodies if they became Member States.[20] Recently it has adopted ideas similar to those of the Caucus, such as Marc Sanjaume-Calvet's argument that regional secession and European integration are compatible in principle and could be so in practice.[21] Among the international bodies that could give an indirect push for the idea of self-determination to be discussed at the Conference is the Unrepresented Nations and Peoples Organisation. Fernando Burgés, the Organisation's Programme Manager, has for instance spoken at the Parliament to promote self-determination as a democratic principle.[22]

But to achieve its aims, the Caucus will also need to build a rapport with the European citizens who bring their views to the Conference. The outcome depends as much on the citizens themselves as the outreach strategies of the group members and their partners in their informal network. This the most difficult aspect to predict beforehand and opens the door to both support and contestation of the Caucus.

How can other players respond at the Conference?

While it is possible to anticipate which players will promote the right to self-determination at the Conference, understanding who is likely to oppose their objectives is more difficult. A Union-wide agreement setting out its position on the principle does not necessarily hurt the interests of anti-secessionist actors in practice. Nevertheless, given the lack of a detailed proposal from the Caucus at this time, their rivals will probably come close from home. Spanish parties that remain critical of the Catalonian regional government's independence declaration of 2017 are a case in point. However, such disputes can also have knock-on effects for diplomatic and political relations that might lead unexpected players to become invested in the debate. While most governments called for a return to constitutional order in Catalonia, some countries went somewhat beyond that. Cypriot diplomats made a point of affirming their 'unwavering support' for Spain's territorial integrity and expressing solidarity for the Spanish government.[23] Flemish representatives, meanwhile, gave messages of support to the secessionist politicians in Catalonia, which then led Spain to briefly lift the diplomatic status of the delegate from the Flemish regional government.[24] Other countries, for whom the idea of self-determination is deeply tied to their own domestic political debates, might choose to side at the Conference in a similar manner.

The outcome depends as much on the citizens themselves as the outreach strategies of the group members and their partners in their informal network.

20 M. Bumford (2012), 'The ascent of autonomous nations: The institutional advantages of being an EU Member State', Coppieters Foundation, Brussels, 13 November, ideasforeurope.eu/activity/event/the-ascent-of-autonomous-nations-2/.

21 M. Sanjaume-Calvet (2020), 'An EU Approach to Internal Secession', in S. Antunes (ed.), *Self-Determination in a Context of Shared Sovereignty* (Brussels: Coppieters Foundation) pp. 142–155.

22 Unrepresented Nations and Peoples Organisation (2018), 'UNPO speaks at Self-determination Conference at European Parliament', 17 October, unpo.org/article/21165.

23 Agence France-Presse (2017), 'Spain wins backing in Catalonia crisis', 11 October, www.france24.com/en/20171011-spain-wins-backing-catalonia-crisis.

24 A. Hope (2018), 'Spanish government lifts diplomatic status of Flemish government delegate', *The Brussels Times*, 17 October, www.brusselstimes.com/news/eu-affairs/51310/spanish-government-lifts-diplomatic-status-of-flemish-government-delegate/.

While it is unclear whether the Caucus' proposals will receive much contestation at the Conference, the methods open to those who would seek to respond to them are clearer. Participants against secession are unlikely to band together in a formal group since they have their own unrelated priorities and would need to spend time to locate and coordinate with others. Therefore, if the discussions on self-determination result in pushback, this is likely to be unorganised. It could come in several forms, including agenda setting, forum shopping, conceptual reframing, and open discussion. For the first response, anti-secessionists can try to set the agenda to any number of other important topics. There is no shortage in this regard. Guy Verhofstadt gave an overview of the anticipated topics for the Citizens' Panel in a briefing on 14 September 2021. Discussions on democracy, for example, were expected to focus on reforms to the European elections while those on values will focus on the enforcement of human rights standards across Europe.[25]

For the second response, the classic case comes about when a player has multiple bodies where it can raise an issue, incentivising it to shop for a forum where it is most likely to get what it wants.[26] Since anti-secessionists are more likely to come from larger parties that from Member State governments, they are also more likely to bring ideas before the Commission and Council. Meanwhile, the pro-secessionists are less able to engage uniformly across the institutions from within the Parliament's delegation. Janis Emmanouilidis and Johannes Greubel have shown that some key themes from one body do not necessary feature in the other's priorities for the Conference.[27] The weight of deliberation also varies, with negotiations between the institutions often becoming stuck on how much influence the plenary should have and who will be involved in drafting the overall conclusions.[28] Therefore, this could encourage anti-secessionist actors to work within bodies that are more receptive to their objectives.

The anti-secessionists can also engage with self-determination more directly. For the third response, this would mean reframing the concept so that it clashes with other values. The Caucus members have been keen to show a side of self-determination that fulfils pro-secessionist ambitions while remaining supportive of European integration, democratic processes, diverse societies, and stable governance. Therefore, anti-secessionists could push the view that self-determination movements are divisive, destabilising, or exclusionary. The downside for such methods is that they can burn bridges between parties that could be used in the search for long-term resolutions, which can calm the domestic political climate. The final response is, of course, for pro-secessionists and anti-secessionists to have open discussions wherever the topic of self-determination comes up. This might seem the best option for the sake of dialogue, though at a gathering of so many actors with difference priorities and diverse backgrounds it will be difficult to know why one topic might hold more interest than another at any given point.

What does this mean for the future of Europe?

The Conference is a chance to elevate debates on what the right to self-determination entails to a Union-wide discussion. It cannot enable open dialogue for disputes where key players are unwilling to negotiate. It is also unable to empower one side to bypass domestic rivals with whom they are in deadlock. Therefore, it would be best for every side with a vested interest in the issue to be realistic about what can be achieved at the Conference. Self-determination disputes can often mobilise large numbers of citizens in a region in the context of a constitutional crisis or an independence referendum.[29] At the Conference, the issue will not have the same urgency. Therefore, achieving a comprehensive citizen-backed and Union-wide position on the right to self-determination should be seen as a long-term objective, with the Conference offering a potential springboard for future action, rather than serving as an arena for conclusive debate.

A plan to developing the principle of self-determination to include a clear path to independence would have big implications for the shape of the EU's core values if it were accepted. The principle is sometimes paired with the idea that it can change the way people engage with politics, giving them a voice at the most fundamental level of their statehood. However, this view still raises many questions for the role of democratic processes. A Union-wide approach to resolving self-determination disputes would need to clarify whether decisions ought to be made with a direct people's vote or an inclusive process involving political parties. If both are desirable then more detailed agreement would be required,

25 G. Verhofstadt (2021), 'Briefing by Guy Verhofstadt on the Conference on the Future of Europe – Launch of the Citizens Panels', 14 September, multimedia.europarl.europa.eu/en/briefing-by-guy-verhofstadt-on-conference-on-future-of-europe-launch-of-citizens-panels_20210914-1600-SPECIAL-PRESSER_vd.

26 M. Busch (2007), 'Overlapping Institutions, Forum Shopping, and Dispute Settlement in International Trade', *International Organisation*, 61(4), 735–761. DOI: 10.1017/S0020818307070257.

27 J. Emmanouilidis and J. Greubel (2021), 'Conference of the Future of Europe (CoFoE): Positions of EU institutions – Comprehensive summary of key elements', European Policy Centre, Brussels, 1 March, www.epc.eu/content/PDF/2021/CoFoE_new_table_.pdf.

28 M. Banks (2021a), 'CoFoE mired in disagreement; given fifty-fifty chance of starting as planned', *The Parliament Magazine*, 6 May, www.theparliamentmagazine.eu/news/article/cofoe-mired-in-disagreement-given-fiftyfifty-chance-of-starting-as-planned.

29 J. Cortés Rivera (2020), 'Creating New States: The Strategic Use of Referendums in Secession Movements', *Territory, Politics, Governance*. DOI: 10.1080/21622671.2020.1837223.

which comes with its own costs, such as the time invested in the negotiations at the EU.

The relationship between the ideals of unity and diversity could also change with the adoption of self-determination as an EU value. The accession of a former region of an existing Member State could lead to a more diverse makeup within the EU institutions. However, this should not replace protections for ethnic minorities within Member States, especially since the set of people groups that would be able to push for statehood through regional secession remains much smaller than the overall set of national minorities across Europe. There is also an open question as to whether independence remains the best way of ensuring 'unity in diversity' since those people groups who might be capable of achieving statehood are also more likely to achieve other arrangements such as protected status or regional autonomy.

A newly independent former region could also trigger a change in the EU's accession process. The potential case of Scotland could complicate matters further. In this case, a Union-wide discussion on the priorities for enlargement would be beneficial beforehand. A question would be whether the EU should change its accession process to be more flexible and responsive to outside events or maintain its comprehensive and measured approach to letting in new members. What these implications show is that the ideas proposed by the Self-Determination Caucus could raise more questions than they solve. But the Conference on the Future of Europe is thus the right forum to give topics such as this a gentle but helpful push towards the building of consensus through deliberations between diverse politicians and citizens.

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Towards Another Missed Opportunity?

CoFoE, Geopolitics, and EU Enlargement in the Western Balkans

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Abstract

At the onset of the Conference on the Future of Europe (CoFoE), the future of the European Union's expansion in the Western Balkans (WB) seems to have reached a new stalemate. Yet, the CoFoE could offer an opportunity to rekindle the EU's agenda in the WB. This paper argues that the CoFoE could provide a unique opportunity for the EU to clarify the relationship between its two approaches: one based on the objective of transforming the WB through EU membership and the other emphasising more geopolitical considerations as justification for EU membership. Failing to do so may further undermine the influence of the EU in the region while strengthening the influence of the other external powers.

CoFoE and EU enlargement

The idea of involving EU citizens in a public discussion on the future of the EU was proposed in September 2019 by French President Emmanuel Macron, who was looking to take advantage of the increased turnout in the EU elections of May 2019. The idea was then endorsed by the European Commission President-elect Ursula Von der Leyen, who included it in the political guidelines of her new Commission. Yet it took some time for the idea to become reality. This was due not only to the COVID-19 crisis but also the lengthy discussions between the three main EU institutions – the European Parliament, the European Commission, and the European Council.[1]

On 10 March 2021, the presidents of the three institutions agreed on a Joint Declaration that outlined both the main aspects of the discussion process and a non-exhaustive list of topics, which include: health,

1 S. Kotanidis (2021), 'Conference on the Future of Europe', Briefing – European Parliament, p. 3, https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690590/EPRS_BRI(2021)690590_EN.pdf

climate change and environmental challenges, an economy that works for people, social fairness, equality, intergenerational solidarity, digital transformation, EU values including the rule of law, migration challenges, democratic foundations, and how to strengthen the democratic process. It also included a number of overarching issues, such as better regulation, subsidiarity, proportionality, implementation and enforcement of the EU acquis, and transparency.[2]

The CoFoE has been welcomed as another ambitious EU attempt to set up a unique experience of transnational deliberative democracy. However, it has also raised a number of questions regarding its delivery not of concrete outcomes but outcomes that will merely reflect the lowest common denominator among the different views expressed.[3]

On a more practical level, the CoFoE includes a multilingual platform agreed by its executive board. On that multilingual platform, the topics were regrouped into ten broad categories, which may be amended in the course of the conference. The issue of EU enlargement is mentioned under the heading 'the EU and the World' – in other words, EU foreign policy. This makes sense as EU enlargement policy is usually viewed as part of EU foreign policy.

This grouping of topics shows the extent to which EU enlargement is being pushed to the margins of the CoFoE agenda. It also reveals a failure to recognise how EU enlargement should be a central issue when discussing the future of the EU for the following reasons.

First, EU enlargement impacts directly the internal structure of the EU. For example, it affects the EU financially (budget) and institutionally (decision-making). Second, EU enlargement is deeply intertwined with other EU policies. Indeed, it cuts across a number of internal policies ranging from the environment to the rule of law. Finally, EU enlargement relates to EU foreign policy and more importantly to the geopolitical stakes of its influence in the WB. In other words, a failed enlargement would not only undermine the credibility of the EU as a global actor, it would also call into question the credibility of its integrative model in the WB, a region that has been increasingly exposed to the influence of other powers, mainly Russia, China, and Turkey.[4]

There is, therefore, a real danger that the CoFoE might end up being another missed opportunity to relaunch the EU enlargement process at the time when, from both the EU perspective and that of the candidate countries, the likelihood of future membership seems more elusive than ever.

Backsliding and elusive EU membership

Since 2015, most WB countries have experienced a regression in democratic and human rights, as well as increased corruption. We must note that the COVID-19 crisis did not cause this democratic backslide but made it even more visible.

The use of the concept of democratic backsliding is contested.[5] Some authors prefer instead to use the term 'competitive authoritarianism' to discuss the nature of the political systems that have emerged in the WB since 2015. Such systems are characterised by weak democratic institutions and the exploitation of that weakness by authoritarian political actors to gain and retain power.[6] Those changes had become all too visible by 2019, when mass protests took place in Albania, Kosovo, and Serbia against increased suppression of democratic rights, corruption, and muzzling of the media, amid unfavourable economic conditions.[7]

As in other countries, the COVID-19 crisis led WB governments to curb individual freedoms. In Serbia, President Aleksandar Vučić, who has been in power since 2014, went so far as to impose a state of emergency in 2020, silencing the opposition by closing the Parliament and further restricting the freedom of the press. In Montenegro, pro-government demonstrations were allowed, but the police blocked protests organised by the opposition parties on health grounds.[8]

Regression, or at least lack of progress, is also reflected in conflict resolution in the region. The conflict between Serbia and Kosovo has shown few signs of a possible resolution, despite some positive steps, such as Kosovo's decision in June 2020 to remove all barriers on the import of goods produced in Serbia. Bosnia and Herzegovina has experienced significant

2 Joint Declaration on the Conference on the Future of Europe (2021), 'Engaging with citizens for democracy – Building a more resilient Europe', https://ec.europa.eu/info/sites/default/files/en_-_joint_declaration_on_the_conference_on_the_future_of_europe.pdf.

3 Kotanidis, 'Conference on the Future of Europe', pp. 4–5.

4 H. Hasa (2021), 'The EU's credibility as a global actor is undermined by its stalled enlargement process', LSE Blog, 16 July, https://blogs.lse.ac.uk/europpblog/2021/07/16/the-eus-credibility-as-a-global-actor-is-undermined-by-its-stalled-enlargement-process/.

5 L. Cianetti, J. Dawson, and S. Hanley (2018), 'Rethinking "Democratic Backsliding" in Central and Eastern Europe – Looking Beyond Hungary and Poland', *East European Politics*, 34(3), 243–256. DOI: 10.1080/21599165.2018.1491401.

6 F. Bieber (2018), 'Patterns of Competitive Authoritarianism in the Western Balkans', *East European Politics*, 34(3), 338. DOI: 10.1080/21599165.2018.1490272.

7 Balkan Insight (2020), 'Looking back at 2019: Year of mass protests across Balkans', 2 January, https://balkaninsight.com/2020/01/02/looking-back-at-2019-year-of-mass-protests-across-balkans/.

8 N. Wunsch (2020), 'How Covid-19 is deepening democratic backsliding and geopolitical competition in the Western Balkans', LSE Blog, 20 May, https://blogs.lse.ac.uk/europpblog/2020/05/20/how-covid-19-is-deepening-democratic-backsliding-and-geopolitical-competition-in-the-western-balkans/.

Regression, or at least lack of progress, is also reflected in conflict resolution in the region.

political turmoil in the aftermath of the 2018 elections, which left the country without properly functioning governing institutions, not to mention repeated attempts by Milorad Dodik, the leader of the Republika Srpska, to undermine the country's complex system of government.[9]

Such developments seem to be pushing WB countries further away from EU membership and call into question the EU enlargement methodology based on the fulfilment of the Copenhagen Criteria of 1993, which emphasise the rule of law and good governance as conditions for joining the EU. In addition, a string of internal crises that the EU has faced since 2008 (the Euro crisis, migration problem, Brexit, etc.) contributed to further decreasing the appetite within the EU to include new Member States, creating to some extent an 'enlargement resistance'.[10]

In this context, there have been attempts to put the issue of EU enlargement on the EU front burner again. In 2018, the Bulgarian EU Presidency convened an EU-WB summit, but it did not produce any concrete results. In 2018, the European Commission issued a new Enlargement Strategy for EU accession aimed at the WB, which mentioned, for the first time, the year 2025 as a possible horizon for the accession of the most advanced candidates, such as Montenegro and Serbia.[11] In 2019, however, the enlargement issue suffered a new setback. In October, France, the Netherlands, and Denmark opposed starting accession negotiations with North Macedonia and Albania. France's opposition was based on two arguments. The first and main argument was that the EU needed to reform itself internally before engaging itself in a new wave of accession. The second was that these two countries had not made enough progress on domestic reforms, in spite of some notable attempts in North Macedonia by Prime Minister Zoran Zaev (in office since 2017).[12] This last argument led the French to issue, a month later, a 'non-paper' proposing a new methodology for the accession process. The new methodology was based on four key principles: gradual accession, stringent conditions, tangible benefits, and reversibility.[13]

These developments led the EU Commission, in February 2020, to put out its own new EU enlargement methodology, largely inspired by the French non-paper. The new methodology that builds on the 2018 New Enlargement Strategy emphasises four key aspects: credibility, predictability, dynamism, and more political steering by the Council and the Member States.[14] It provides for a more flexible process, along with six policy clusters that would allow for faster conclusion of the accession discussions and greater political scrutiny on the part of the Council and Member States, who will play a more central role in steering the enlargement process.[15]

Following the adoption of the Commission's new methodology, the EU Member States agreed to start formal accession negotiations with Albania and North Macedonia. However, the negotiations stalled in June 2021, after Bulgaria demanded that North Macedonia first address their bilateral linguistic and cultural dispute.[16] Progress in the accession negotiations of the other candidates has been slow.

Montenegro was seen as the most promising candidate for EU accession. It applied for EU membership in 2008 and was granted candidate status in 2012. To date, thirty-three negotiation chapters have been opened and three have been closed. Still, the 2020 Commission Country Report on the country's progress towards EU membership highlighted several problematic issues, especially concerning human rights, the freedom of the press – the perpetrator of the 2018 shooting of a local journalist has still not been brought to justice – and

9 M. Edwards (2019), 'The president who wants to break up his own country', *The Atlantic*, 2 January, https://www.theatlantic.com/international/archive/2019/01/serb-president-dodik-bosnia/579199/.

10 S. Economides (2020), 'From fatigue to resistance: EU enlargement and the Western Balkans', Dahrendorf Forum IV Working Paper No. 17, 20 March, https://www.dahrendorf-forum.eu/wp-content/uploads/2020/03/From-Fatigue-to-Resistance.pdf.

11 European Commission (2018), 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', 6 February, p. 3, https://ec.europa.eu/info/sites/default/files/communication-credible-enlargement-perspective-western-balkans_en.pdf.

12 Even though being labelled as a 'hybrid' regime by the Freedom House, the new government elected in 2017 started a process of reforms with mixed results. See Freedom House (2020), 'Nations in Transit 2020', https://freedomhouse.org/country/north-macedonia/nations-transit/2020; *Le Monde* (2019), 'Macron accusé d'«erreur historique» pour avoir fermé la porte de l'UE à la Macédoine du Nord et à l'Albanie', 23 October, https://www.lemonde.fr/international/article/2019/10/23/macron-accuse-d-erreur-historique-apres-avoir-ferme-la-porte-de-l-ue-a-skopje-et-tirana_6016606_3210.html.

13 Non-Paper (2019), 'Non-Paper – Reforming the European Union accession process', November, https://www.politico.eu/wp-content/uploads/2019/11/Enlargement-nonpaper.pdf.

14 European Commission (2020), 'Enhancing the accession process – A credible EU perspective for the Western Balkans', 5 February, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/enlargement-methodology_en.pdf.

15 B. Stanicek (2020), 'A new approach to EU enlargement', Briefing – European Parliamentary Research Service, March, pp. 2–3, https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649332/EPRS_BRI(2020)649332_EN.pdf.

16 A. Rettman (2021), 'EU enlargement still "hopelessly stuck"', *European Voice*, 24 June, https://euobserver.com/world/152248.

corruption.[17] In May 2021, Montenegro opted in to the new EU enlargement methodology in the hope of speeding up its accession process.[18]

Serbia's path to EU membership has not been any easier since the country was granted candidate status in 2012. In the last two and half years, the discussions have reached a stalemate, with little if no progress being made. In its 2020 Country Report, the Commission expressed growing concerns over Serbia's deteriorating human rights situation and rule of law, not mentioning the deadlock in the country's peace talks with Kosovo. To complicate matters more, on 25 October 2019, Serbia concluded a free trade agreement with the Russian-led Eurasian Economic Union, likely to be incompatible with EU accession. This move appeared to have been more about foreign policy than about trade and showed the extent to which Serbia is playing the EU off against the other powers in the region.[19] In May 2021, Serbia also decided to opt in to the new enlargement method.[20]

The two other countries in the WB – Bosnia and Herzegovina and Kosovo – are yet to be granted the status of candidate countries. Bosnia and Herzegovina applied for EU membership in 2016. In 2019, the Commission delivered its opinion indicating fourteen key priorities to be addressed by the country in order to be eligible for EU candidacy. As far as Kosovo is concerned, the lack of consensus among EU Member States on recognising the country's independence prevents any formal discussions on EU membership, even if the EU has developed bilateral links with this not fully recognised entity.[21]

The lack of progress in the EU accession process for WB countries has led to strong reactions from key EU political figures and think tanks. In June 2021, the German, Portuguese, and Slovenian foreign affairs ministers reasserted the strategic importance of the EU extending membership to the WB countries while lamenting the stalemates in the accession negotiations with Albania and North Macedonia.[22] In July 2021, on the eve of the start of the Slovenian EU Presidency, a network of think tanks from both the EU and the candidate countries called for a rethink of the EU enlargement methodology, emphasising the need for greater differentiation between the candidate countries and more robust monitoring of their progress towards accession.[23] The last EU–WB summit held under the Slovenian EU Presidency on 6 October 2021 did not lead to any significant breakthroughs, falling short of mentioning the word 'accession' and just 'reconfirming its commitment to the enlargement process'.[24]

The combination of democratic backsliding in most WB countries and changing EU approaches has brought the EU enlargement process to a new stalemate. This may lead to decreasing EU influence in the WB while other powers such as Russia, China, and Turkey gain ground.

Geopolitical rivalries

The EU is, without doubt, the primary external political and economic actor in the WB. EU membership remains the main policy objective of all the countries in the region. Economically, the EU is by far the largest trading partner of the WB countries, accounting for more than 67 per cent of their imports and more than 73 per cent of their exports, well ahead of Russia, China, Turkey, and the other countries that barely reach double-digit figures. Financially, the EU is the largest donor and the largest investor in the region, dwarfing the other external powers by providing 60–80 per cent of the foreign direct investments in the different countries in the region. Even so, the EU is still suffering from a perception deficit in the region. For example, in a 2017 poll conducted, 24 per cent of respondents were convinced that Russia is at least at par with the EU when it comes to development aid. In reality, Russia accounts for less than 0.5 per cent of development aid to Serbia and the EU for more than 60 per cent.[25]

However, that does not mean that local responses to EU policies and decisions have not reflected deep concerns,

17 *The Guardian* (2018), 'EU tells Montenegro attack on journalist will affect membership bid', 11 May, https://www.theguardian.com/world/2018/may/11/eu-montenegro-attack-journalist-olivera-lakic-membership-bid.

18 C. Crowcroft (2021), 'Montenegro wants to join the EU – but will Brussels have it?', Euronews, 1 February, https://www.euronews.com/2021/02/01/montenegro-wants-to-join-the-eu-but-will-brussels-have-it.

19 V. Vuksanovic (2019), 'Serbia's deal with the Eurasian Economic Union: A triumph of foreign policy over economics', LSE Blog, 28 November, https://blogs.lse.ac.uk/europpblog/2019/11/28/serbias-deal-with-the-eurasian-economic-union-a-triumph-of-foreign-policy-over-economics/.

20 Euractiv (2021), 'EU-Serbia: A stagnation comfortable for both sides', 18 June, https://www.euractiv.com/section/enlargement/opinion/eu-serbia-a-stagnation-comfortable-for-both-sides/.

21 Rettman, 'EU enlargement still "hopelessly stuck"'.

22 Federal Foreign Office (2021), 'EU enlargement: A strategic and shared interest', 26 June, https://www.auswaertiges-amt.de/en/newsroom/news/2468650.

23 M. Emerson and M. Lazarevic (2021), 'Avant-garde proposal for EU enlargement to the Western Balkans', Euractiv, 15 July, https://www.euractiv.com/section/enlargement/opinion/avant-garde-proposal-for-eu-enlargement-to-the-western-balkans/.

24 A. Brzozowski and V. Makszimov (2021), 'EU leaders to restate Western Balkans enlargement commitment but without timeline', Euractiv, 5 October, https://www.euractiv.com/section/enlargement/news/eu-leaders-to-restate-enlargement-commitment-but-envisage-no-timeline/.

25 R. R. Panagiotou (2020), 'The Western Balkans Between Russia and the European Union: Perceptions, Reality, and Impact on Enlargement', *Journal of Contemporary European Studies*, 29(2), 225–226. DOI: 10.1080/14782804.2020.1798218.

and at times sharp criticisms in the WB, especially in relation to the COVID-19 crisis. In spring 2020, the EU decided to ban exports of medical supplies, which cut the WB off from access to vital tools such as personal protective equipment and masks. A year later, as the EU rolled out the vaccine, it refused to share it with the region. This does not mean, however, that the EU did nothing. In May 2021, the EU announced financial support of up to €3.3 billion to help mitigate the health and economic impact of the COVID-19 pandemic, consisting of a mix of loans, guarantees, and other financial instruments. The rollout of vaccines in the EU and the US is taking place via the COVAX mechanism set up by the World Health Organization, heavily supported by the EU. More recently, in April 2021, the EU committed to supply more than 651,000 doses to the region. However, there is no doubt that the EU lost a large chunk of credibility among the local populations in the region because of its vaccine diplomacy.[26] A July 2021 survey in Serbia showed that 54 per cent of the people see Russia and 47 per cent see China as a key ally of the country, while the figure for the EU decreased to 57 per cent [27]

The other countries that have increasingly invested both political and economic capital in the WB are, in order of importance: Russia, China, and Turkey.

The Balkans has been part of Russia's strategic backyard since the nineteenth century. Russia is the main energy supplier to every country in the region and skilfully takes advantage of its religious and cultural proximity to them. It has also been supporting local political forces with the intention of preventing the resolution of conflicts in the WB, whether between Serbia and Kosovo or in Bosnia and Herzegovina, and has been heavily involved in disinformation campaigns in the region. During the first months of the COVID-19 pandemic in the WB, Russia displayed its support by supplying countries such as Serbia with masks and by setting up a vaccines production facility scheduled to begin operations in autumn 2021 in Serbia.[28]

However, even if Russian policy in the WB is seen as a nuisance to the EU, its impact should not be exaggerated. First, Russia has mostly approached the WB as part of its relations with the other great powers. Second, except in the energy sector, the economic importance of Russia to the WB is rather limited.[29]

In some respects, China is a newcomer to the WB. Its involvement in the region is part of a larger policy called the Belt and Road Initiative, and aims to set up a format for cooperation with Central and Eastern European countries. These bilateral links were formalised in 2012 with the launch of the 17+1 format.[30] The last two summits of this format took place in 2018 in Sofia, Bulgaria, and in 2019 in Dubrovnik, Croatia. In the WB, China has become a new source for funding for a series of infrastructure projects, some of which have been considered as disrupting the EU objectives in the region .[31] As in other parts of the world, the motivation for China's involvement in the WB is much less political than financial and economic. It has nevertheless contributed to corruption and bad governance amid frustrations expressed in some Central and Eastern European countries with respect to their access to Chinese markets and lack of trade opportunities.[32] During the COVID-19 crisis, China was also keen to show support for the WB by providing large quantities of masks, protective clothing, and vaccines, including the establishment of a vaccines production unit in Serbia.[33]

Turkey's involvement in the WB has long been centred on its religious and cultural diplomacy, which involves funding preachers, mosques, and Islamic schools and cultivating close relations with local leaders. Such support proved useful in the repression of the so-called Gulenists, by helping extradite members from countries such as Albania and Kosovo, often in disregard of national and international human rights commitments.[34]

The geopolitical configuration of great powers' influence in the WB makes the EU a central actor in the region. However,

26 P. Schmidt and V. Dzihic (2021), 'Vaccine diplomacy and enlargement fatigue: Why the EU must rethink its approach to the Western Balkans', LSE Blog, 28 April, https://blogs.lse.ac.uk/europpblog/2021/04/28/vaccine-diplomacy-and-enlargement-fatigue-why-the-eu-must-rethink-its-approach-to-the-western-balkans/.

27 J. Hosa and V. Tcherneva (2021), 'Pandemic trends: Serbia looks east, Ukraine looks west', ECFR Commentary, 5 August, https://ecfr.eu/article/pandemic-trends-serbia-looks-east-ukraine-looks-west/.

28 Schmidt and Dzihic (2021), 'Vaccine diplomacy and enlargement fatigue'.

29 Panagiotou (2020), 'The Western Balkans Between Russia and the European Union'.

30 Established initially as the 16+1 initiative, which included Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, and Slovenia. In 2019, Greece joined the initiative and, in May 2021, Lithuania pulled out of that initiative.

31 N. Markovic Khaze and X. Wang (2020), 'Is China's Rising Influence in the Western Balkans a Threat to European Integration?', *Journal of Contemporary European Studies*, 29(2), 238–240. DOI: 10.1080/14782804.2020.1823340.; K. Juničić and S. Michalopoulos (2019), 'Chinese Balkans investments disrupt EU objectives, Commission warns'. Euractiv.com, 4 April, https://www.euractiv.com/section/china/news/chinese-balkans-investments-disrupt-eu-objectives-commission-warns/

32 D. Lilkov (2021), 'The 17+1 mechanism: Something doesn't add up – Re-evaluating cooperation between China and Central and Eastern European countries', In Brief – Wilfried Martens Center for European Studies, April, https://www.martenscentre.eu/wp-content/uploads/2021/04/The-171-Mechanism-Something-Doesnt-Add-Up.pdf.

33 A. Juncos (2021), ' Vaccine Geopolitics and the EU's Ailing Credibility in the Western Balkans' , Carnegie Europe, 8 July, https://carnegieeurope.eu/2021/07/08/vaccine-geopolitics-and-eu-s-ailing-credibility-in-western-balkans-pub-84900

34 M.E. Koppa (2020), 'Turkey, Gulf States and Iran in the Western Balkans: More than the Islamic Factor?', *Journal of Contemporary European Studies,* 29(2), 255–257. DOI: 10.1080/14782804.2020.1754769.

with influence comes the issue of strategy. Here, the EU risks giving more importance to geopolitics than to its transformation objectives for the region.

Transformative EU versus geopolitical EU

When taking office in 2019, EU Commission President Ursula Von der Leyen announced her willingness to have a geopolitical Commission. This announcement did confirm a new emphasis on geopolitics in EU external policy. That new emphasis had become visible in the aftermath of the EU-Russia crisis of 2014, which reminded the EU of the resurgence of power politics in Europe. If anything, the COVID-19 crisis in the WB highlighted the extent to which the region has once again become a space for renewed competition between the great powers.

Since 2016–2017, the EU seems to have gradually shifted to a new geopolitical approach in its involvement with the WB.

In its involvement in the WB, the EU has portrayed itself as a major transformative force or what some scholars call a 'transformative power'.[35] This was clearly reflected in the 2015 EU Commission enlargement strategy, which stated that 'EU membership has a powerful transformative effect on the countries concerned, embedding positive democratic, political, economic and societal change'.[36] In this light, EU policies are aimed at guiding the reform process in the candidate countries by setting accession conditions referred to as accession conditionality and Europeanisation – a process by which adaptation to the EU becomes deeply intertwined with domestic policymaking – and by providing the candidates with substantial financial support. These principles are the core of the transformative approach that rejects both a geopolitical approach and the concept of national interests.[37]

Since 2016–2017, the EU seems to have gradually shifted to a new geopolitical approach in its involvement with the WB. This shift is reflected in some key EU foreign policy documents, such as the new 2016 EU Global Strategy which places a stronger emphasis on EU interests, stability, resilience, and the need to develop defence capabilities.[38] The 2018 Commission's Enlargement Strategy, while not giving up on its transformative dimensions, uses new words and concepts in connection with the WB as being within the sphere of the EU's interest: 'EU membership for the WB is in the Union's very own political, security, and economic interest.'[39]

If the 2018 new EU enlargement strategy emphasised the need for human rights and good governance reforms, the 2020 Enlargement methodology gives the Member States more say in assessing the situation in the countries concerned. This greater political steering may take a tougher or a more lenient approach, according to the foreign policy preferences of the individual Member States. In any case, the use of unanimity in these decisions may well lead to other deadlocks, as Member States can always use enlargement decisions as a way to settle political scores with the candidate countries, as reflected in Bulgaria's recent veto blocking the accession negotiations with North Macedonia and Albania.[40]

There is, therefore, the EU risks gradually shifting to a new approach, from one seeking transformation to one driven by geopolitical considerations. The latter could lead to two kinds of developments. The first would be to devalue the transformative ambitions of the EU in the WB in favour of other objectives aimed at stabilising different countries in the region. The second development would be to show greater tolerance towards democratic backsliding in order to counter the influence of external powers, which would mean the EU compromising the very values on which it is founded. The net result of such an approach would be to grant EU membership to WB countries while disregarding the state of their democratic institutions.

To some extent, EU Member States are still divided, with several – including France, the Netherlands, and the Scandinavian countries – insisting on the need for the EU to continue serving as a transformative power in the WB while others – including

35 H. Grabbe (2006), *The EU's Transformative Power. Europeanization Through Conditionality in Central and Eastern Europe* (London: Palgrave Macmillan).

36 European Commission (2015), 'EU enlargement strategy', 10 November, p. 2, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52015DC0611.

37 Grabbe, *The EU's Transformative Power*, p. 3.

38 S. Lehne (2020), 'Geopolitics, the EU and the Western Balkans', in Z. Nechev (ed.), *Stimulating Strategic Autonomy: Western Balkans' Contribution for a Shared European Future* (IDSCS), pp. 11–19, https://idscs.org.mk/en/2020/11/06/stimulating-strategic-autonomy-western-balkans-contribution-for-a-shared-european-future/.

39 European Commission, 'A credible enlargement perspective', p. 1.

40 S. Cvijic (2019), 'Ditching unanimity is key to make enlargement work', Euractiv, 4 February, https://www.euractiv.com/section/enlargement/opinion/ditching-unanimity-is-key-to-make-enlargement-work/.

Austria, Italy, Bulgaria, Hungary, and Slovakia – are willing to speed up the accession process.[41]

A more geopolitical approach to the WB, if confirmed, may be based on an exaggerated reading of great power competition in the region. As the figures mentioned above show, none of the great powers active in the Balkans can aspire to replace the EU as the leading political and economic partner of WB countries. In addition, some of these external powers, such as China and Turkey or even Russia, do not have any interest in seeing a complete collapse of the EU enlargement to the WB, as these countries could be used as spearheads to take advantage of the EU single market. A weakening of the EU influence in the WB may also produce a vacuum that could fuel further instability in the region by exacerbating great power rivalries.

Lastly, an overemphasis on geopolitics in the EU approach towards the WB also presents the risk of overlooking the new challenges the region has been facing in the early twenty-first century. For example, the region has a very poor record on protecting the environment.[42]

CoFoE and EU enlargement to the WB: the way ahead

As mentioned above, enlargement and its geopolitical implications do not figure as a topic of discussion in the CoFoE. That does not mean that the CoFoE cannot make some useful contributions on these issues.

The first one concerns the importance of reasserting the EU's values as the very foundations of the EU project. Indeed, one can hardly expect the EU to recommend further democratic reforms to candidate countries while some EU Member States, such as Poland and Hungary, are themselves drifting in the direction of 'illiberalism'. A reassertion of EU values would strengthen EU credibility as a transformative power in the WB.

The second issue relates to the discussions on the EU's role in the WB as a transformative power and on the credibility of the integration project in the region. Here the CoFoE could provide a framework to reassert the *Europeanness* of the WB. Doing so would offer a strong symbolic and political boost to pro-EU liberal political forces in the region.

The third issue concerns EU decision-making. It was set aside in the Joint Declaration, but may well come back if the EU citizens wish it. This should include reform of the rule of unanimity, especially when it comes to EU enlargement. The use of unanimity always presents the risk of some Member States being willing to settle their bilateral issues with the candidates, stalling the process even further.

Conclusion

It would be tempting to brush aside the issue of EU enlargement when discussing the future of Europe. This would overlook the fact that EU enlargement is very much at the heart of EU integration.

Above all, there is an urgent need to include the citizens and civil society groups from the WB in the works of the CoFoE. The future of Europe is also their future, as so many policies, from the rule of law to environmental protections, are of vital importance for them. Failing to do so, may well play into the hands of the illiberal forces in the WB and their external backers.

There is also a real risk that the CoFoE may become another missed opportunity as far as EU enlargement is concerned. Such a situation could potentially lead to the EU losing influence and credibility as a transformative power in the WB, as well as the creation of a geopolitical vacuum in which all the countries in the region may be tempted not only to play the great powers against one another but also to serve as pawns in the larger game on the global chessboard.

41 M. Petrovic and N. Tzifakis (2021), 'A Geopolitical Turn to EU Enlargement, or Another Postponement? An Introduction', *Journal of Contemporary European Studies*, 29(2), 161–162. DOI: 10.1080/14782804.2021.1891028.

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SECTION 2

CHINA AND THE NEW COLD WAR

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Europe versus an Emerging China: Rivalry, Partnership, or Something Else?

Policymakers and Experts Comment on EU–China Relations

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Abstract

In the post-Covid world, patterns seem to be emerging that question the viability of the world order as we have known it until now. Western democracies seem to have handled the situation worse than China, with its authoritarian model, and the PRC is capitalising on it, building the image of a new world power, better suited to the challenges of the modern world than the West, which is supposed to be in decline. Meanwhile, China is becoming increasingly assertive, aiming to become able to challenge militarily the United States, while conducting serious diplomacy and increasing its economic influence to enhance its soft power and presence in countries either of the West, or considered to be traditionally within the western sphere of influence. At the same time, there are divisions within Europe regarding China, while the EU finds itself in the middle of the increasing rivalry between China and the US. Within the scope of this project, we are conducting a series of interviews with experts on a variety of fields and disciplines, providing answers to these questions: a) Where can Europe and China cooperate and where are they clearly rivals? b) What is the extent of their economic ties? c) How does the increasing rivalry between China and the US affect Europe? d) Are there any attempts of Chinese infiltration/ influencing in Europe that should be noted and given special attention to? e) What should the EU's stance be towards China?

Introduction

The rise of China during the first decades of the twenty-first century was not unexpected. The People's Republic of China (PRC) has been regarded as the 'world's factory' for decades, so it made sense that China would eventually turn into one of the great economic powerhouses of the century. However, for many years the notion of a potential rivalry between China and the West seemed more a product of hawkish minds trained in Cold War-style thinking than a potential reality. In an increasingly globalised world, the idea of an Asian superpower willing to challenge the powerful countries of the West economically, technologically, and even geopolitically/militarily – especially after the fall of the USSR – seemed a bit outlandish. After all, in the age of the Internet and the globalised economy, these kinds of rivalries seemed counterproductive, to say the least, especially in the light of so-called Pax Americana and increasing European integration.

This was, more or less, the thinking towards the end of the 1990s and in the early 2000s; however, things began to change with the global economic crisis during the late 2010s, the 'explosion' of the Internet and 'Big Tech', and the (re-)emergence of security threats that had either been underestimated or not foreseen. Thus, in 2021, China is widely regarded as the rising superpower of this century, willing and able to challenge Western democracies – thought to be in decline on every front in a new, odd 'Cold War'. This time, the rivals are continually positioning themselves to gain advantage over one another, while at the same time they co-exist and are co-dependent within the fabric of this new, digital, and interconnected world. Donald Trump's presidency of the United States appeared to be a starting point for all the world to see, as it was characterised by a series of clashes with China including, among others, sabre-rattling in the Pacific (South China Sea), accusations about cyberespionage and propaganda, the Huawei ban, and the Covid-19 pandemic – with origin theories floated in the US about a possible lab leak in Wuhan and China's 'retaliation', accusing the US of politicising the pandemic and spreading theories about alleged US origins of the coronavirus. The Biden administration seems to be willing to follow the same path, clearly defining China as a rival.

Within this context, Europe finds itself in a challenging position. The EU is not the US, so it cannot be considered a (direct) strategic rival to China. At the same time, the economic ties between Europe and China are extremely strong – their full extent will be demonstrated in this paper. However, the challenge posed by the Eastern, authoritarian model to the 'European/Western way' cannot be overlooked, while the digitalisation of the economy and the pandemic have brought matters of security and threats to the very fabric of European societies themselves.

The question that arises is obvious: In an age of renewed great power competition, *how should Europe handle China?*

Economic relations between China and the EU

As we have seen, the economic ties between the EU and China are very strong, and this is something that cannot be overlooked in any analysis of Sino-European relations. The numbers speak for themselves. According to figures provided to *Future Europe Journal (FEU)* by **MEP Iuliu Winkler** (of the European People's Party Group – Christian Democrats, vice-chair of the Committee on International Trade, and member of the delegation for relations with the People's Republic of China), China is the EU's biggest source of imported goods and its second-biggest goods export market. Trade between China and Europe averages more than €1 billion a day. In 2020, the EU imported goods worth €383.4 billion and exported goods worth €202 billion, bringing the total volume of trade in goods to over half a trillion euros annually. 'When it comes to services, the EU imported a volume reaching €32 billion and exported €52.5 billion. In terms of foreign direct investment (FDI), the EU has an inward stock of €69.3 billion and outward stocks worth €198.7 billion', he adds.

Matej Šimalčík, Executive Director at CEIAS (Central European Institute of Asian Studies), points out to *FEU* that, strictly economically speaking, China and the EU have one of the most important trade relationships in the world. He notes that *the EU is China's largest trading partner and maintains a long-term negative trade balance with it, meaning that the EU's imports from China are more than its exports to the country*. 'This negative trade balance is actually quite natural, as it is a result of how the global value chains are structured. While China's economy is still largely dependent on the manufacture and export of goods, the EU's is more service-centred. … *Over the past ten years we have seen a boom in Chinese investment in Europe.* This boom peaked in 2016, when projects worth some €44 billion were completed. Since then, yearly investment flows from China have substantially decreased. However, overall, *the EU has invested far more in China than China has invested in the EU*. The total stock of Chinese FDI in Europe is currently valued at around €70 billion. The EU has invested almost triple the amount in China (around €200 billion).'

The EU's main imports from China are *industrial and consumer goods, machinery and equipment, and footwear and clothing,* while the EU's main exports to China are *machinery and equipment, motor vehicles, aircraft, and chemicals*. As for Chinese investments in Europe, they have recently been focused on the information and communication technology (ICT), electronics, and transportation sectors, while in the past there were substantial investments into the entertainment and agricultural sectors. However, as Mr Šimalčík points out to *FEU*, 'a purely quantitative outlook may be somewhat misleading. *China has made eyebrow-raising investments also in sectors which may not represent a large share of the overall investment package, yet their strategic significance is much larger*. Investment into areas like health and biotech, aviation, or advanced material research may not reach high volumes, yet their impact on security is unparalleled.'

MEP Hilde Vautmans (Renew Europe Group), a member of the Committee on Foreign Affairs who has done extensive work on EU–China relations (Report on a new EU–China Strategy, rapporteur), underscores that in 2020 China overtook the US to become the EU's biggest partner for trade in goods. 'The recent EU–China GI agreement is a positive development, if properly implemented', she adds, also mentioning that the sheer amount of trade between China and the EU is indicative of a multidimensional economic relationship that covers a wide range of fields. 'This is to be expected considering the immense internal market value and industrial base of both China and the EU. Technological products, intellectual property, electrical appliances, minerals, and others are of particular importance, *and they are also the source of tension and controversy*', she tells *FEU*.

HILDE VAUTMANS

MEP Vautmans regards China's various diplomatic and economic initiatives with individual EU Member States or groups of Member States as 'worrying'.

China's 'gateways' to Europe

Trade and the economy need access points in order to exist – portals where wealth-producing interaction takes place. EU–China economic relations are no exception to this rule, using terrestrial and maritime connections, with some countries being better gateways than others.

China utilises a variety of access points to the EU/European market. According to MEP Winkler, to a limited extent it is using *terrestrial routes,* mostly by rail, such as the *East–West rail corridor*, which passes through Kazakhstan, Russia, Belarus, and Poland and ends up in Germany. To a larger extent, China is using maritime corridors, such as the Suez route, which links up with the port of Piraeus in Greece, or the Northern Sea Route, ending in some of the EU's biggest ports (Antwerp, Rotterdam, and Hamburg).

In addition, Hungary, the Czech Republic, Poland, and Slovakia have emerged as important entry points for Chinese goods into European markets, as mentioned by **Dr Ilaria Carrozza**, Senior Researcher at PRIO (Peace Research Institute Oslo), who specialises in Chinese foreign policy, the Belt and Road Initiative (BRI), and the Digital Silk Road, among other topics. Chinese companies, she tells *FEU*, have furthermore been very active in Germany, often establishing a physical base there in order to tap into Germany's advanced high-tech and manufacturing industries. 'China has also eyed the Balkans as a potential gateway for Belt and Road projects (mostly infrastructure, but also Smart City programmes), although challenges remain in the region in terms of feasibility, economic and infrastructure development, and disappointment in the actual results of past investments', she adds. On the topic of access points, Mr Šimalčík points out that Chinese investment in the EU is chiefly located in Germany, France, Italy, and Finland; *prior to Brexit, the largest recipient of Chinese FDI was the UK*.

MEP Vautmans regards China's various diplomatic and economic initiatives with individual EU Member States or groups of Member States as 'worrying'. As she says, this is an attempt to *eschew a common European approach and create favourable conditions for its penetration into the EU market:* China is approaching Central and Eastern European states with the 16+1 initiative, and Italy, Malta, and Luxembourg through the BRI; and, as she adds, 'during the past decade it has also penetrated the Greek market with FDI, acquiring critical trade infrastructure'.

Europe and China as partners

Beyond the field of economic relations, where could China and Europe be considered partners? The fight against climate change seems to be an obvious answer, while issues such as multilateralism and international peace come to mind, too.

Climate change especially appears to be one field of general agreement. 'Climate change is one of the global security challenges where the EU has to cooperate with China if it wants to find effective solutions', explains Dr Dominika Kunertova, Senior Researcher at the Center for Security Studies, ETH Zurich. This opinion is shared by MEP Winkler, who considers climate change and

Since 2019, the EU refers to China using a trifecta (sic) of terms. It is simultaneously a negotiation partner, economic competitor, and systemic rival.

MATEJ ŠIMALČÍK

environmental protections as areas where the two are potentially partners, but he is also quick to point out that this depends on the methodology China will apply towards meeting its climate objectives and cutting its CO_2 emissions.

'Environmental governance and security are two global policy sectors where the EU can really partner with China in order to address common challenges. No state can fight climate change or terrorism alone', adds MEP Vautmans.

Mr Šimalčík, for his part, elaborates on the complicated nature of the EU–China partnership/ rivalry: 'Since 2019, the EU refers to China using a trifecta (sic) of terms. It is simultaneously a negotiation partner, economic competitor, and systemic rival. Much of the EU's focus in relations with China is centred on the partnership aspect. Issues such as trade and investment regimes or environmental governance are most typically mentioned here. Yet it needs to be remembered that this partnership does not and should not mean condoning or accepting China's weaker regulatory regimes. That would be a race to the bottom. On the contrary, this partnership should aim at motivating China to accede to high regulatory standards in market access, labour rights, environmental preservation, and other areas.'

Europe and China as rivals

According to the interviewees, though, the areas of rivalry (current or potential) are quite serious. The EU and China are now (or at least seem to be) seated on opposing sides of the spectrum regarding topics such as human rights, types of governance, competition, and even geopolitics. Generally speaking, China is now openly promoting its authoritarian model as a more successful and effective alternative to the model(s) of Western democracies – and this is something that spills over to many other fields of interaction between it and the EU. It also leads to a picture of systemic rivalry, of two systems that are (obviously) co-existing and interacting in our interconnected world, but whose actual 'compatibility' is a topic that should be discussed further.

'There are several fields where the two can be considered rivals, for instance when it comes to *human rights and political freedoms, data protection, cyber, intellectual property rights, and privacy*; geopolitically, the Chinese approach towards Hong Kong as well as the balance of power in the South China Sea can be furthermore considered as highly contentious issues in the bilateral agenda', says MEP Winkler, adding that one could also include areas where the two are competitors, such as production standards, international standards for critical infrastructure, the Internet of Things, digitalisation, telecommunications, transport, geo-economics, and regional trade architecture.

Human rights are also considered to be a field of major divergence (Hong Kong, Xinjiang): MEP Vautmans even states that the EU's and China's values are incompatible when it comes to trade rules, human rights, and democracy. Her assessment is that China has been growing in assertiveness lately and, because of its authoritarian and totalitarian tendencies, it can be seen as a systemic rival.

China as a systemic rival is a view shared by Mr Šimalčík. As he points out, the competition aspect refers mainly to the fact that the two entities are competing against each other for technological leadership, which goes hand in hand with economic competition in third countries, but China is simultaneously a systemic rival, per EU policy, which promotes alternative models of governance. China's views on human rights, optimal governance models, and even the meaning of democracy differ significantly from those of the EU, he states, adding that China has been increasingly active in promoting this alternative vision, both inside and outside the UN system: 'These three aspects are not independent of each other and do not exist in a vacuum. They are rather mutually intertwined. To illustrate, consider Chinese lending practices. Chinese developmental finance is typically not tied to conditions of good governance, transparency, or anti-corruption reforms in target countries.' In this case, he continues, *China is acting both as an*

economic competitor, as Chinese financing provides opportunities for Chinese companies to operate abroad, but also a systemic rival, as a lack of focus on good governance practices can 'lead to stalling of reform efforts and even democratic backsliding in the recipient countries'.

The systemic rivalry is underlined by Dr Carrozza as well. As was outlined in the EU's 2019 EU–China Strategic Outlook, one of the biggest challenges for the years ahead lies in the technological domain, where 'China is viewed not only as an economic competitor but also a systemic rival attempting to promote *alternative modes of governance which are not compatible with the EU's values and vision*'. Further challenges are expected to remain in international security, competition in third-country investments, and China's lack of reciprocation in granting market access to European companies.

These differences between the EU and China are not likely to go away. Dr Kunertova's assessment is that the divergencies between the EU and China about what constitutes good governance are widening and deepening, and EU–China competition, even rivalry, will characterise their relations in an increasing number of fields *(human rights standards, finance and trade, investment, and research and development)*. 'This has already created some clashes in UN tech agencies in charge of international norms and standards setting', she points out.

Security: Could China be considered a military threat to the EU and its interests?

Security is defined to a large extent by geography, so talking about China as a potential military threat to EU Member States obviously seems (and is) quite far-fetched. However, in the third decade of the twenty-first century, security extends far beyond troops and military hardware. Simply put, China does not pose a military threat to Europe – the prime candidate for that role is still Russia. However, things seem to be heating up in the Pacific, as recently shown by the signing of AUKUS between Australia, the UK, and the US, and this is something that affects Europe, too. The so-called AUKUS rift with France should not be underestimated; furthermore, any tensions in the Pacific could threaten supply chains to Europe. There is, in addition, the issue of events happening in the cyber realm, where China is accused of extensive controversial (if not outright aggressive) activities.

Security-wise, the relationship between the EU and the PRC has, generally speaking, been transformed from *'naive and docile'* to 'incoherent and shaky', according to Dr Kunertova. 'The EU countries were naive about China being a benign trade partner and docile in response to Chinese investments. Now their national policies on China are incoherent and EU–China relations are shaky', she tells *FEU*.

She points out, however, that there are signs that the mood in the EU is changing. After the 2019 EU–China Strategic Outlook portrayed China as a partner, an economic competitor, and a systemic rival, in 2020 the EU introduced investment screening regulations to protect EU strategic economic interests. 'Importantly, in March 2021 the EU did impose the first significant sanctions on China since the 1989 Tiananmen Square massacre for human rights abuses in Xinjiang, in coordination with the US, the UK, and Canada, which put the investment agreement negotiated between China and the EU in December 2020 on ice. However, the EU is about to update its policy on China, and it remains an open question whether the EU will reclassify China as no longer a systemic rival, and it is unclear how the nature and depth of its relations with China will evolve.'

Security-wise, the relationship between the EU and the PRC has, generally speaking, been transformed from 'naive and docile' to 'incoherent and shaky'.

DOMINIKA KUNERTOVA

Moreover, there is always the 'elephant in the room' of *cyberespionage, cyberattacks, information warfare*, and so forth. According to Dr Kunertova, European countries are starting to take industrial espionage and state-sponsored hacking from China more seriously. She points out that in summer 2021, to

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the outrage of Beijing, both the EU and NATO joined the US (as well as Australia, Japan, and New Zealand) in publicly accusing Chinese security agencies of malign cyber activities with effects on the economy, security, democracy, and society that targeted, among others, government institutions and political organisations in the EU and its Member States. 'Although the EU–China summit in June 2020 discussed new digital technologies, data protection, and cybersecurity and promoted cooperation on responsible behaviour in cyberspace, these two actors have very different ideas about global cyber governance: China defends state-based Internet governance and cyber sovereignty, while the EU is vocal about a free cyberspace based on a multiple stakeholder model', she adds.

Beyond all this, though, there is always the topic of 'hard' military power and the potential for Chinese and EU interests to be directly at odds. Such a thing could occur in the South China Sea (freedom of navigation), as some 40 per cent of Europe's foreign trade passes through this area. 'China is not a military threat to Europe, yet *its aggressive islands-grabbing policies in the South China Sea can endanger supply chains to Europe*', Dr Kunertova asserts.

Last but not least, there is always the matter of the technological 'arms race' involving artificial intelligence, hypersonics, quantum computing, and so forth. China has gone on the offensive in all these new technologies, and this is something that could affect Europe. 'Geopolitically, these technological advancements will help China establish its status as a great power and geostrategically improve its military capabilities to install military dominance in the South China Sea and curb the United States' strike capabilities in the Asia-Pacific region. *However, China does not pose a military threat to Europe; that place is still attributed to Russia*', concludes Dr Kunertova.

China's EU strategy

How does China regard the EU? Apart from the field of economic cooperation, strained Sino-American relations inevitably affect China's view of Europe, as the latter is a close US ally. However, the EU is not the US, and Beijing cannot adopt a common strategy towards it as a whole, but rather has to adapt individually to every Member State/European region it interacts with. Generally speaking, China fully understands the economic value of its relations with Europe and attempts to promote its interests while taking into account the EU's complex nature (multiple Member States and varied contexts). However, this is something that proves troublesome at times – especially considering the fact that China, on the one hand, likes to take advantage of the opportunities provided by the liberal order to further its interests (economic, political, and strategic), but, on the other hand, does not seem to like its rules. The result is a complicated situation that becomes even more complicated as China widens its geostrategic/geopolitical ambitions – and seems to adopt a somewhat opportunistic strategy towards Europe, trying to take advantage where it can, reaping any benefits it can, while trying to avoid too much trouble in areas that might cause 'headaches'.

According to MEP Winkler, China looks at Europe through the paradigm of China–US relations, seeking tensions that it can exploit.

IULIU WINKLER

According to MEP Winkler, China looks at Europe through the paradigm of China–US relations, seeking tensions that it can exploit (for example, 5G, strategic autonomy, or CAI, the Comprehensive Agreement on Investment). 'It engages with Europe based on solid economic interests, as well as seeing it as a tool to help it move up the global value chain, innovate and tap into new technologies. China moreover sees Europe as the *final destination of its BRI/New Silk Road trade and infrastructure project,* seeking to maximise the economic benefits of the initiative', he tells *FEU*.

Dr Carrozza's assessment is that China does not have a single strategy for the EU/Europe, as Beijing has thus far preferred a *relatively flexible policy, which mostly attempts to take advantage of (economic) opportunities when and where they present themselves.* The modalities of its interaction with individual countries or regions have also been varied, she explains to

FEU, elaborating that 'China has been keen on boosting relations with Central and Eastern Europe, while it has encountered more resistance in Western Europe where political leaders are generally more wary of China's influence and presence; and in Southern Europe, China has recently attempted to increase its investments and profile (that is, in Italy and Greece). Overall, it can be said that China does view Europe as an important and strategic player in the global arena and is investing substantially across the bloc in an attempt to establish friendly relations and a favourable environment for the promotion of its initiatives, not the least the Belt and Road and its various components.'

China uses a variety of tools to promote its interests in the EU, including promoting trade and investment, influencing media narratives, and fostering ties to EU politicians. As Mr Šimalčík points out to *FEU*, Beijing's primary aim is to *prevent the EU from speaking out against and taking actions regarding issues that China labels as its core interests*: 'Typically, these are issues related to China's perception of its sovereignty and territorial integrity (for example, Taiwan, Tibet, Xinjiang, South China Sea). Secondly, it wishes to prevent the emergence of a strong EU–US alliance against China. The EU's talk of "strategic autonomy" actually provided a useful rhetorical device to China in this regard. Publicly, Beijing uses the narrative on strategic autonomy to laud any China-friendly policy of the EU, while decrying more critical actions as a result of US pressure. In a sense, China managed to kidnap the discourse on strategic autonomy. Still, China's *understanding of the complex political dynamics of the EU is not perfect, and at times it mis-calculates*', he adds.

MEP Vautmans tells *FEU* that China wants to exploit the liberal international order – open markets and open societies, free trade, technological advancements, and so forth – as much as possible, but without respect for international rules (World Trade Organization [WTO] and International Labour Organization rules, for example) and without allowing its population to enjoy the same levels of freedom, human rights, and democracy. 'They want all the benefits, without assuming responsibility. We see the same strategy in Europe. They want to penetrate the EU market, while they create obstacles for EU companies at home. They want to control critical infrastructure in Europe, but they have a whole strategy of avoiding dependencies on non-Chinese manufactured products and technology (that is, the "Dual Circulation" policy). Their state-owned companies exploit the openness and freedom of the European markets, but at the same time they are insulated from foreign competition. This creates an unfair, lopsided relationship that is non-viable in the long term', she says.

Dr Kunertova underscores the fact that Europe is a strategic trade partner of China; however, *the Chinese policy of keeping economic relations separate from political and strategic considerations is getting harder to sustain*. As she points out to *FEU*, the main tools used by the Chinese to project influence and control lie precisely in the economic sphere. These, she adds, include 'encroachments on critical infrastructure (5G technology, buying control over strategic ports, monopolising the supply of rare earths), violations of intellectual property rights and industrial espionage to acquire European know-how and skills in some strategic areas; shady Chinese FDIs, or debt diplomacy disguised as development aid [... the] Chinese are content to take advantage of the fault lines within the EU, whose unity is undermined by members with close investment ties to China (Greece), and others admire Chinese autocracy (Hungary).'

Divisions within the EU: How divided is Europe vis-à-vis China?

As mentioned above, China has adopted a flexible, somewhat personalised strategy towards the multiple EU Member States; hence, it is only natural that Europe does not have one common strategy towards China. Simply put, some countries are friendlier than others, mostly due to economic factors, and this affects their sensitivities in various matters.

In any case, the EU would obviously like to be able to speak with one voice on China and, as MEP Winkler tells *FEU*, it often does so, for example on human rights, condemning Chinese counter-sanctions, Hong Kong, Taiwan, and Xinjiang. However, there are also different sensitivities across Member States, depending on bilateral trade and investment relations, areas of bilateral interest, and the degree and weight of Chinese investments and political influence in certain Member States, he adds.

Dr Carrozza sees i*ncreasing convergence* among Member States in terms of their positions on China. 'The recent freezing of the CAI in response to Chinese sanctions on certain individuals and institutions is a practical example of this emerging consensus and the realisation that the EU–China relationship presents Europe with greater challenges than in the past. To be sure, differences remain across the bloc, especially if we consider that individual European countries' strategies towards China are mostly still informed by an economic logic. For instance, countries in Central and Eastern Europe – traditionally more dependent on Russia – look to China for alternative sources of growth and investments', she tells *FEU*.

As for specific cases, Mr Šimalčík points to Hungary as one of the most peculiar cases. Under Prime Minister Viktor Orbán, there has been a strong shift towards China (and Russia) as part of the Eastern Opening Policy. His assessment is that, while at times this may seem like an ideological shift, *it is in fact a very pragmatic policy*. As he mentions to *FEU*, 'Orbán is actually often using the "Chinese card" as a sort of leverage in his negotiations with Brussels. Hungary's pro-Chinese stances have been a chief reason that some analysts have labelled all the Central and Eastern European (CEE) countries as China's *Trojan horses* in the EU. *Such a view is, unfortunately, overly simplistic.* There is a variance among CEE members in their perceptions of China. Recently, many of them became quite critical of China, a stance that grew in part from their disillusionment with China's investment pledges, which remain undelivered.'

At times, Mr Šimalčík adds, States such as Germany and France have engaged in actions that are 'highly counterproductive' for establishing a common China policy, for example the recently rushed, as he calls them, negotiations over the CAI. However, he points out that the positions of individual States are not set in stone and are prone to change according to domestic political shifts, as various political groupings have differing perceptions of China, which can lead to rapid changes in anticipation of upcoming elections. 'Recently we have seen that in Lithuania and Slovakia. In the next few months, we may see something similar occurring in Germany and Czech Republic. Even a changed approach by Hungary is not out of the question, as the opposition has a fighting chance to unseat Viktor Orbán in 2022', he tells *FEU*.

In any case, no EU Member State seems to have truly gone rogue regarding China – something pointed out by MEP Vautmans, who thinks that the problem most often is a lack of coordination. As she points out to *FEU*, there are varying degrees of concern over this or that matter, and Hungary in particular seems to be making a unified EU position more difficult because it sees its cooperation with China as a way to give Brussels a hard time and decrease the latter's influence. Yet, she adds, *despite China's diplomatic and economic offensive, no EU Member State has broken rank.* 'Not one EU country would disagree with the assessment, for example, that China is both a partner (economy, climate) and a rival (human rights, democracy). The problem, as is often the case in the EU, is a lack of coordination, and the absence of an institutional framework that can decide and implement a common European approach. For example, when it comes to foreign affairs, the unanimity rule in the Council slows down the EU as a geopolitical actor. China knows this and never misses a chance to exploit our weakness', she says.

The US versus China, with Europe in the middle

The US–China rivalry is considered the 'Cold War 2.0' of our times (although many disagree with that approach in the wider context of our interconnected world). Whether this is true or not, it is a fact that relations between the US and China have grown increasingly tense of late. The question that arises is clear: Where does Europe find itself within this increasingly confrontational environment?

As MEP Winkler tells *FEU, Europe is avoiding having to choose between the US and China*; rather, it formulates its values-based and interests-driven priorities and deals with the US and China on an objective basis. The US, he points out, is clearly the EU's natural like-minded partner and ally, and it will remain so for the foreseeable future, mainly due to the deep geostrategic and security-related ties of the transatlantic partners, while China is yet another consequential global actor of strategic significance for the EU. The EU, he adds, has a clear interest in China behaving responsibly in the international arena, with deliverables on multilateral fronts at the UN and WTO on sustainable development and climate policy, as well as maintaining stability in the Far East. 'Certainly, the economic and commercial ties between the EU (and its Member States) and China are an important factor that renders a possible decoupling between the two an inexpedient choice. The EU will continue engaging with both actors in line with its strategic interests', MEP Winkler says.

To Mr Šimalčík, Europe finds itself somewhat in the cross hairs. On one side, it has a close alliance with the US that also involves security cooperation and a certain degree of dependence in this field. On the other, the EU is trying to find its own independent modus operandi of dealing with China in a way which allows it not only to engage in beneficial economic interactions but also to deal with various challenges posed by China as a rising power. In any case, as he points out to *FEU*, 'nevertheless, while it may not seem so at first glance, *the EU and the US are actually at a high level of agreement on most major issue*s (for example, participation of Chinese vendors on 5G networks, corrosive impact of some Chinese investment projects, proliferation of Chinese political values) regarding China. However, the EU at times appears less vocal on high-profile issues. This is chiefly due not only to the need to balance overall EU interests vis-à-vis both China and the US but also to the need to balance various and at times contradictory interests of individual Member States.'

For Dr Carrozza, the end of the Trump administration and the inauguration of President Biden provides hope that the EU and the US can work out their differences on this matter. For one, she tells *FEU*, the US has typically adopted a much more confrontational posture vis-à-vis China than Europe has, although the current consensus emerging across the bloc signals that the EU is also likely to become tougher on China, at least on select issues. At the same time, she adds, the EU is looking to find its own way of dealing with China in an attempt to achieve strategic balance between Washington and Beijing so as to ensure that Europe is not too closely allied with either power in ways that would alienate the other. 'The EU Strategy for Cooperation in the Indo-Pacific is a good example of this attempt to find a "European" approach', Dr Carrozza concludes.

In turn, Dr Kunertova believes that most European democracies are wary of joining the US in anything resembling a Cold War-style effort to contain China's aggression. For instance, she tells *FEU*, German leaders tend to locate Europe at a strategic equidistance between the US and China, thus avoiding decoupling from China and protecting trade benefits. As Dr Kunertova points out, 'most countries would prefer to escape from geopolitical tensions altogether. *Europeans are afraid of being dragged into Sino-American trade wars that would have nefarious economic consequences* [...] Yet it is unreasonable to expect that Europe can escape the negative side effects of the great power competition. The US–China confrontation will only deepen and spill from the technology and trade domains to other policy areas, which will increase the pressure on European countries to make their positions explicit.'

Conclusions: How should Europe handle itself regarding China?

Iuliu Winkler: 'Europe's current multi-faceted approach to China (partner, competitor, rival) is a suitable strategy to deal with such a complex international actor. Cooperate where possible, compete where needed, and confront where necessary is the main mantra of the EU's approach to China. Europe must, in my opinion, stand up for its values and principles in this key bilateral relationship, while robustly defending its economic and commercial interests.'

Ilaria Carrozza: 'I think it will be crucial for the EU to acknowledge that individual Member States have different interests and priorities when it comes to their China strategies. At the same time, single countries do not have the power to match China's political and economic sway; therefore, the EU will need to find a more coherent approach overall. There are challenges in moving from the Strategic Outlook to actual policy implementation. Common points among Member States can be found, for instance, in future talks about reviving (or not) the CAI and encouraging China to facilitate access to its markets for European companies. These goals will ultimately require strengthening the bloc's negotiating power and improving cooperation and coordination among its members.'

Matej Šimalčík: 'It is of utmost importance that Europe shows a united stance when it comes to challenges posed by China to the EU and to global governance as such. The current model of unanimous voting on issues of common foreign and security policy is a major obstacle, though, as it has been far too easy for China to find a single Member State to block decisions Beijing views unfavourably. Second, the EU needs to realise that China is to a large extent dependent on the EU market for its exports; this provides the EU with substantial leverage over China. Third, the EU needs to come to terms with the fact that most inroads made by China into the EU were thanks to domestic actors, such as various oligarchic groupings and kleptocratic networks, which have vested interests in business dealings with China. Thus, to counter Chinese influence, Europe needs to close existing governance gaps and promote transparency in various interactions with China, in order to mitigate their potential negative impact on European governance and policymaking.'

Dominika Kunertova: 'European leaders need to acknowledge that China is not a benign trading partner and implement protection measures proactively. For instance, they should decrease reliance on China for supply chains in defence and intelligence areas; avoid countries becoming indebted to China; correct vulnerabilities in security, economics, and societal resilience; and make sure that European technology does not enable China's military modernisation. Europeans should work closely with the US, for instance through the recently created EU–US Trade and Technology Council and the G7's "Build Back Better World", though this unfunded countermeasure to China's BRI might be too little too late. Europeans need to be smart, as the stakes are getting higher: they not only need to keep the Chinese influence in Europe at bay, but they also need to keep the US engaged in deterring a nuclear-armed Russia. European countries must better coalesce to help the US counter China in the economic and technological domains; the US does not need an Asian NATO as much as it needs a European "Quad".'

The US has typically adopted a much more confrontational posture vis-à-vis China than Europe has, although the current consensus emerging across the bloc signals that the EU is also likely to become tougher on China, at least on select issues.

ILARIA CARROZZA

Europe and China: Why and How to Prevent the New Cold War

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Abstract

For decades, the EU's relationship with China has been fairly stable and beneficial, calling the state a strategic partner to the EU. In the past few years however, the rhetoric and policies have evolved to identify China as a systemic rival, causing the dynamic of the EU and its allies to shift towards a New Cold War with China. Since 2019 the EU has taken a firmer stance towards China due to various concerns including human rights abuses particularly in Xinjiang and Hong Kong, and unbalanced business reciprocity. Another significant factor to acknowledge in this dynamic is US–China relations which were at a historic low after the election of President Trump who launched a consequential trade conflict. Biden's new administration has not significantly altered its policy towards China, but it is now working to recruit the EU to follow in this hardline approach as the US attempts to rebuild its transatlantic partnership. However, following the US stance risks exacerbating issues, such as creating a dichotomy which could push China closer to other autocratic states, including Russia. As a result, the topic of this New Cold War has become increasingly relevant, as well as how the EU should approach this possibility and the threats that follow it. While it is necessary to stand for the values of democracy, it is also important to remember China is a major global player, and for the benefit of all states, collaboration on certain topics remains crucial. Simultaneously, collaboration should not mean unrestricted cooperation in all areas. Overall, similarities with the Cold War should not entail an identical approach to the Chinese case, and the EU must work to form a united, pragmatic, response.

Introduction

With China's growing influence and economic might, the threat posed to the established liberal international order is also increasing. After decades of relatively stable cooperation, tensions are starting to rise. While the United States has starkly shifted its position towards China, the European Union is left in a difficult spot, resulting in internal as well as external disputes. Meanwhile, Beijing is consistently unwilling to accept criticism, rejecting and condemning any comments on its actions. China often uses its history as a basis for this approach and

for its overall attitude in matters relating to foreign policy. As a result, important disagreements, particularly those which are value-related, make China increasingly difficult to work with in several ways. Escalations, first with the US and now with the EU, indicate the coming of a 'New Cold War'. Assessing the accuracy of this label by comparing the current situation with the Cold War can give us a more objective perception of the threat from China. This in turn helps figure out why and how the EU can prevent a New Cold War.

EU–China relations

The history of diplomatic relations between the EU and China goes back to 1975. The EU was only a fraction of its current size and China was just beginning to introduce economic reforms that would open it up to the rest of the world. The EU, along with other democratic states, hoped further interconnection and engagement would move the country to adopt more democratic values, both in its politics and through economic reforms.[1] Since then, cooperation with China has only deepened, and the EU has created significant interconnections with it.

In 2003, the EU labelled China a 'strategic partner'. This title characterised the thus-far unfulfilled potential in the relationship. The label represented an opportunity to build an equal and mutually beneficial partnership on multiple fronts. China's Prime Minister Wen Jiabao outlined the 'strategic' aspect of the partnership, describing cooperation that 'should be long-term and stable, bearing on the larger picture of China–EU relations. It transcends the differences in ideology and social system and is not subjected to the impacts of individual events that occur from time to time.'[2] This definition emphasised the yearning for a solid and secure relationship. Both the EU and China recognised they had much to gain in the long term from a relationship of this nature. Since the 2000s, this has largely been achieved. The partnership, particularly in trade and business, has expanded at an exponential rate. It has also been relatively stable, in spite of the ongoing concerns.

Despite their deepening interconnectedness, the EU's has in recent years taken a tougher approach towards China. In March 2019, it released a document titled 'EU-China – A Strategic Outlook' which sharply shifted its label for China from 'strategic partner' to 'systemic rival'.[3] The term 'systemic rival' evokes a sense of challenge and competition rather than of cooperation and mutual gain. Although a more realist overall approach to the relationship, this signifies a loss of hope that China will eventually become more democratic and open. This discouragement, underpinned by the grievances with China, continue to increase. The rate at which China is expanding in power and influence means the EU has determined that key issues with China can no longer be sidelined. Similarly, a 2021 G7 communiqué for the first time emphasised a multitude of concerns regarding China. The group did not shy away from pressing China on crucial issues from human rights abuses, to Indo-Pacific ocean security, to questions regarding the origins of COVID-19.[4] The nature of this communique is another indicator of the shift in the international community's attitude towards China.

One of the EU's most significant concerns is related to the ongoing and intensifying human rights abuses occurring across China and throughout its autonomous regions. Unlike business reciprocity, democracy and the rule of law are core values of the EU. According to a report by the Human Rights Watch, Muslims in Xinjiang are being subjected to a Chinese campaign to 'Sinicize' them, forced into labour camps and brutal assimilation programmes. Buddhists in Tibet are also being subjected to a similar campaign. Although Chinese officials deny these human rights abuses, they are attempting, through inhumane measures, to erase ethnic and religious minority groups from Chinese territory. This goal has been gaining traction in recent years.[5] With these efforts, coupled with intense surveillance networks across these regions, the Chinese government is evidently seeking to create a more uniform and readily conformative populace. Conformity as the norm generates a state that is easier to control and reduces the threat of dissent against the Chinese Communist Party (CCP). These concerns have led the EU, along with Canada, the US, and the UK, to implement sanctions on Xinjiang officials – the first sanctions the EU has placed on China in three decades.[6]

Beyond this, there are overarching concerns about the human rights situation across the country. Activists and journalists are consistently targeted, and the pandemic has only exacerbated anxieties about Chinese officials abusing surveillance technologies.[7] Finally, in Hong Kong, Beijing is attempting to erase pro-democracy movements and political opposition after implementing a national security law that grants the government sweeping power to stop

1 *The Economist* (2018), 'How the West got China wrong', 1 March, https://www.economist.com/leaders/2018/03/01/how-the-west-got-china-wrong.

2 F. Zhongping and H. Jing (2014), 'China's strategic partnership diplomacy: Engaging with a changing world', European Strategic Partnerships Observatory, June, https://www.files.ethz.ch/isn/181324/China%E2%80%99s%20strategic%20partnership%20diplomacy_%20engaging%20with%20a%20changing%20world%20.pdf.

3 European Commission (2019), 'EU-China – A strategic outlook', 12 March, https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf.

4 G. Faulconbridge and S. Holland (2021), 'G7 chides China on rights, demands COVID origins investigation', Reuters, 13 June, https://www.reuters.com/world/china/china-cautions-g7-small-groups-dont-rule-world-2021-06-13/.

5 Human Rights Watch (2021), 'China: Events of 2020', https://www.hrw.org/world-report/2021/country-chapters/china-and-tibet/.

6 BBC (2021), 'Uighurs: Western countries sanction China over rights abuses', 22 March, https://www.bbc.com/news/world-europe-56487162.

7 L. Kuo (2020), 'The new normal': China's excessive coronavirus public monitoring could be here to stay', *The Guardian*, 9 March, https://www.theguardian.com/world/2020/mar/09/the-new-normal-chinas-excessive-coronavirus-public-monitoring-could-be-here-to-stay.

dissent.[8] In general, President Xi Jinping has shown great interest in any opportunity to consolidate power and secure control. These actions run counter to the shared values that the EU is meant to promote internationally. As a result, there is debate on the way forward with China.

Even in the economic realm, which has seen the most cooperation between the EU and China, there are lingering challenges that result in tensions. The two states are enormous trading partners and make up a significant portion of the world economy, with trade between them averaging over a billion euros a day.[9] Still, despite the benefits to the EU, the trade and investment relationships remain unbalanced. Since the financial crises of 2008, in particular, various forms of investment in the EU from China have been increasing rapidly. Two-thirds of these investments are from Chinese state-owned enterprises (SOE).[10] These firms however have unfair advantages both in China and in Europe. The SOEs are supported by government subsidies, giving them an edge over typical private enterprises, and monopolistic Chinese firms can distort the EU's single market. Meanwhile, companies from the EU and other foreign countries do not have the same degree of free access to Chinese markets. EU and foreign firms are instead met with walls of regulations and entry into whole sectors is denied. This hurts EU companies, both domestically and in China.[11]

To counteract this, the rivals have spent seven years negotiating a Comprehensive Agreement on Investment (CAI). The agreement promises greater market access for EU firms in China, including to sectors that have been largely shut off to foreign players. The CAI also generally reduces unfair regulations and limitations in order to make it fairer and more predictable to do business.[12] In addition, certain Member States (MS), in particular France, emphasised the need for a sustainable development section. Accordingly, a vague but legally binding promise for China to one day ratify the International Labour Organization's Convention on Forced Labour was added. However, it did not specify a timeline. Furthermore, the CAI has yet to be ratified. Recent events have raised questions on when this might occur. Beijing retaliated to the sanctions by the EU and its allies on Xinjiang officials by imposing similar sanctions, but on a larger scale, on EU officials, institutions, and even academics. Thereafter, members of the European Parliament, some of whom were included in the sanctions, moved to freeze progress toward ratification of the CAI.[13]

EU–US–China triangle

While EU–China relations were degrading, those between the US and China have deteriorated to a far greater degree. Like the EU, the US has for the past few decades enjoyed deepening economic ties and cooperation with China.[14] However, there has always been a sense of competition between the two countries, which act as rivals both economically and in terms of influence. The US continues to grasp at maintaining its global dominance, but it has faltered remarkably in certain regions. The Middle East in particular represents a sore point, marked by chaotic military missions and unachieved goals in Iraq, Syria, Afghanistan, and more.[15] Just one signifier of the potential decline in US hegemony is that it has long been clear that it fears China's rapid growth because of what it could mean for the global order. If the US is flagging in its role, this allows room for China to step in and take its place.

When President Donald Trump was elected in 2016, he was fully prepared to act on these concerns to ensure US dominance on the world stage. As a result, he put up trade barriers and an onslaught of tariffs on Chinese goods. Citing unfair Chinese business practices as the reason and encouraging US citizens to buy more American-made products, Trump made it clear that his attitude to China was one of staunch competition.[16] This competition grew not only from business concerns but security ones. A particular source of contention is the South China Sea, where the US accuses China of going against the rules-based international order. China lays claim to the area and its many islands. However, multiple surrounding countries who also assert ownership of portions of the territory have contested the Chinese claims. The area is also being increasingly militarised, undergoing

8 BBC (2020), 'Hong Kong security law: What is it and why is it worrying?', 30 June, https://www.bbc.com/news/world-asia-china-52765838.

9 European Commission (2021), 'China', 26 July, https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/.

10 P. Le Corre (2018), 'On Chinese investment and influence in Europe', Carnegie Endowment for International Peace, 23 May, https://carnegieendowment.org/2018/05/23/on-chinese-investment-and-influence-in-europe-pub-76467.

11 A. Kratz and J. Oertel (2021), 'Home advantage: How China's protected market threatens Europe's economic power', European Council on Foreign Relations, 15 April, https://ecfr.eu/publication/home-advantage-how-chinas-protected-market-threatens-europes-economic-power/.

12 G. Grieger (2021), 'EU-China comprehensive agreement on investment', European Parliament, March, https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/679103/EPRS_BRI(2021)679103_EN.pdf.

13 J. Liboreiro (2021), 'MEPs vote to freeze controversial EU-China investment deal', Euronews, 24 June, https://www.euronews.com/2021/05/20/european-parliament-votes-to-freeze-controversial-eu-china-investment-deal.

14 R. Hass (2021), 'The "new normal" in US-China relations: Hardening competition and deep interdependence', Brookings, 12 August, https://www.brookings.edu/blog/order-from-chaos/2021/08/12/the-new-normal-in-us-china-relations-hardening-competition-and-deep-interdependence/.

15 G. Rachman (2019), 'End of the American era in the Middle East', *Financial Times*, 30 December, https://www.ft.com/content/960b06d0-2a35-11ea-bc77-65e4aa615551.

16 M. Schneider-Petsinger (2019), 'US–China strategic competition', Chatham House, 7 November, https://www.chathamhouse.org/2019/11/us-china-strategic-competition/behind-us-china-trade-war-race-global-technological.

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extensive construction by the Chinese military.[17] As the most significant influence in the region, the US sees this as a potential threat to stability and the considerable volume of global trade that passes through its waters.[18] President Joe Biden has not greatly changed this stance. However, he has rejected Trump's unilateral, 'America First' approach to leadership. Instead, he seeks to unite allies against China's influence.[19] As a result, the EU is being called on to join the US in taking a hard line, which could have major, long-term consequences. This is a cause for concern, considering the recent four-year period of Donald Trumps Presidency where the US acted less like a trustworthy ally and more like a wildcard in the international community.[20]

This outlines the pressure that the EU has been facing in recent years, stuck between a systemic rival to the east and a sometimes unreliable ally to the West. In addition, it seems that the US and the EU are not entirely aligned regarding their interests in and threat perception from China. To some degree, Washington has always appeared concerned, even threatened, by China's rise. Meanwhile, the EU seems to accept it as a normal evolution in the multipolar world, and only feels threatened if China behaves aggressively. Similarly, the US has much to lose in the region. Currently, it acts as the dominant power in East Asia, supported by multiple sizeable military bases.[21] The EU, while recognising the importance of stability in the region, does not share the same interest in maintaining these roles, and is also currently pursuing strategic autonomy. As a result, the EU is left to identify the true threats to the Union are and overall stability, while resisting being drawn into unnecessary power plays.

Not only is the China question causing rifts between allies, it is also causing disagreements within the EU, exposing its weaknesses. Since 2012, Central and Eastern European (CEE) countries have had close links with China. They joined the 16+1 mechanism (later 17+1 after the addition of Greece), which promised increased investments, particularly in infrastructure, and the potential to revitalise economies.[22] While this initially improved relations, over time the CEE states found themselves consistently let down by empty promises. Many of the countries became increasingly critical of China, and Lithuania even withdrew. Now, some countries, such as Poland, have expressed discontent with the way the large MS France and Germany are determining foreign policy on China. An example of this was the summit Germany and France had with China in July 2021 to discuss future cooperation excluding fellow MS from the narrative. Similarly, two states, which are the strongest proponents of the CAI, are also the ones that stand to benefit the most from it economically. France and Germany also facilitated the finalising of CAI negotiations. This was done to the dismay of other MS, who critiqued the deal's lack of geopolitical ambition.[23]

Of course, France and Germany are far from completely supportive of Beijing's policymakers. However, Hungary's self-declared 'illiberal' leader Viktor Orbán and President Xi Jinping do have an especially friendly relationship. They appear congenial both in their interpersonal interactions and in terms of doing business, allowing for amicable politics. Hungary has repeatedly vetoed EU statements calling for the protection of human rights in China. Its most recent such veto was concerning China's actions in Hong Kong. This caused an outcry in the EU, particularly from Germany.[24] Do these divisions exemplify Beijing's plans to divide and conquer the Western world? Some would argue it does. Nonetheless, rather than overplaying the Chinese threat, it is more beneficial to look inwards and analyse how China simply exploited certain vulnerable points of access to the EU. As a result, there is a chance for the EU to step back and recognise the need to present a united front.

Having outlined the varying perceptions of China from the US and EU MS, to subsequently understand China's perceptions of Western powers, and its approach to foreign policy in general, it is necessary to grasp the implications of the 'century of humiliation'. The century of humiliation refers to a period of slightly over 100 years in China's history that was marked by foreign occupation and war – ending in 1949, when the CCP emerged victorious and took back control of the country, or at least most of it. Although that era may have ended, China still aims to eventually reclaim all

17 H. Beech (2018), 'China's Sea Control Is a Done Deal, 'Short of War With the U.S.', *The New York Times*, 20 September, https://www.nytimes.com/2018/09/20/world/asia/south-china-sea-navy.html.

18 U. Saiidi (2018), 'Here's why the South China Sea is highly contested', Consumer News and Business Channel, 7 February, https://www.google.com/search?q=cnbc+stands+for&oq=cnbc+stan&aqs=chrome.1.69i57j0i512l2j0i22i30l7.4898j0j7&sourceid=chrome&ie=UTF-8.

19 S. Tisdall (2021), 'Biden races to unite allies against China knowing sooner or later an explosion will occur', *The Guardian*, 25 July, https://www.theguardian.com/world/commentisfree/2021/jul/25/an-explosion-is-coming-biden-races-to-unite-allies-against-china.

20 M. Spetalnick and M. Nichols (2020), 'Despite change at the White House, U.S. allies will remain wary after Trump', Reuters, 7 November, https://www.reuters.com/article/us-usa-election-allies-idUSKBN27N0VY.

21 J.J. Mearsheimer (2010), 'The Gathering Storm: China's Challenge to US Power in Asia', *The Chinese Journal of International Politics*, 3(4), 381–396. https://www.jstor.org/stable/48615756.

22 A. Brinza (2019), 'The "17 + 1" Mechanism', *China Quarterly of International Strategic Studies*, 5(2), 213–231. DOI: https://www.worldscientific.com/doi/pdf/10.1142/S237774001950009X.

23 T. Colson (2021), 'China is playing divide-and-rule between the United States and Europe and it's working', Business Insider, 9 January, https://www.businessinsider.com/china-divide-and-rule-tactics-divide-bidens-us-and-europe-2021-1.

24 S. Lau (2021), 'Orbán taunts Germany by doubling down on support for China', Politico, 8 June, https://www.politico.eu/article/orban-taunts-germany-by-doubling-down-on-support-for-china/.

the territory it believes to have once belonged to it. This includes, but is not limited to, Taiwan and the South China Sea.[25] The CCP's 1949 victory is an enormous source of legitimacy for the party. It boasts as the party which managed to overcome that era of adversity, and build China into a strong and prosperous state. This narrative shapes the way in which China behaves with the world. It believes it must be strong in dealing with the West, so foreign states may never again lead it astray.

This victimisation narrative explains much of the state's foreign policy. China claims to be a nation that strives for peaceful coexistence and puts the utmost emphasis on the importance of sovereignty and non-interference.[26] As such, whenever Western states comment on anything China considers to be its domestic affairs, it is able to simply call for non-interference. Non-interference is an ideal that the Chinese government claims to firmly follow. This is precisely why China responded disproportionately to the sanctions on Xinjiang officials. Continued 'interference' regarding issues such as human rights, and the South China Sea, drives the CCP to paint the EU and its allies as being aggressive and overstepping their limits. At the same time, Beijing has adopted business and soft power as its primary tools to increase its influence and attractiveness internationally. However, it takes these actions without admitting any outright attempt to influence sovereign nations.[27]

The Cold War comparison

From the first sign of growing tensions, the term 'New Cold War' has been almost unhesitatingly used. It is undeniable that relations have taken a plunge and that China is a growing power. This naturally creates concerns for current dominant world powers. But how appropriate is this comparison, really?

The most obvious similarity is the conflict of value systems between China and much of the Western world. While the degree to which China is truly a communist state is arguable, it nonetheless rejects the democratic model of governance that is so integral to the EU and its allies. Instead, as a result of declared Chinese exceptionalism, the CCP has created socialism with Chinese characteristics. The system is unique to the country and its people, emphasising its differences with the Western world through a sense of nationalistic superiority.[28] China has similarly dismissed the idea that there is a set of universal values. It has consequently rejected the values that are at the forefront of many multilateral institutions today.[29] Overall, China's official partiality to socialism, no matter how tailored, along with its adoption of a strong central government, does create an obvious parallel to the Soviet Union.

The second main area of comparison is related to the idea of power and who is leading the world order. After World War II, the West grew increasingly concerned by the Soviet Union. It was worried that the communist power was pushing its influence onto its neighbours and planning to act similarly around the world. Western interventionism, and a military build-up that led to a security dilemma, frustrated the communist power. This led to the Cold War, a conflict defined by a zero-sum mentality for decades.[30] This history has clear parallels with the current rivalry. The West, in particular the US, is undoubtedly concerned by China's growing influence globally, particularly in relation to what this means for the future world order. China's current international drive to invest in critical infrastructure such as roads and ports is a physical manifestation of Beijing's influence that so concerns Western powers. In addition, foreign interventionism is a sore spot for China due to its history and the pride it takes in non-interference. Interventionism in turn consistently causes firm pushback.

However, the current situation is different from the Cold War in many significant ways. Perhaps most importantly, the West – including both the EU and the US – is deeply interconnected with China, far more than with the Soviet Union at any point during the Cold War. Globalisation has resulted in entrenched economies, and China is no exception. Multilateral organisations and agreements have led to the realisation of the liberal international relations prophecy of inevitable cooperation. While it is possible to go against this, as Trump attempted to do, that would not be without significant consequences for everyone involved. True decoupling with China at this point in the process of modernisation is not only certain to be harmful, it is simply unrealistic.[31]

Another significant difference is related to the parties' goals in the international community, at least officially. The Soviet Union made no attempt to conceal the fact that expansion was at the forefront of the agenda. Spreading communism to all corners of

25 A.A. Kaufman (2011), 'The "century of humiliation" and China's national narratives', Testimony before the U.S.-China Economic and Security Review Commission Hearing on 'China's Narratives Regarding National Security Policy', 10 March, https://www.uscc.gov/sites/default/files/3.10.11Kaufman.pdf.

26 Z. Hanfu and R. Nedyam (1954), 'Agreement between the Republic of India and the People's Republic of China on trade and intercourse between the Tibet Region of China and India', History and Public Policy Program Digital Archive, 29 April, https://digitalarchive.wilsoncenter.org/document/121558.

27 M. Kalimuddin and D.A. Anderson (2018), 'Soft Power in China's Security Strategy', *Strategic Studies Quarterly*, 12(3), 114–141. http://www.jstor.org/stable/26481912.

28 B. Ho (2014), 'Understanding Chinese Exceptionalism: China's Rise, Its Goodness, and Greatness', *Alternatives: Global, Local, Political,* 39(3), 164–176. http://www.jstor.org/stable/24569474.

29 T. Kemp (2015), 'China leaders oppose 'universal values,' but it may not matter', Consumer News and Business Channel, 6 July, https://www.cnbc.com/2015/07/06/china-leaders-oppose-universal-values-but-it-may-not-matter.html.

30 BBC (2019), 'What was the Cold War', 23 May, https://www.bbc.co.uk/newsround/47122488.

31 K. Johnson and R. Gramer (2020), 'The great decoupling', *Foreign Policy*, 14 May, https://foreignpolicy.com/2020/05/14/china-us-pandemic-economy-tensions-trump-coronavirus-covid-new-cold-war-economics-the-great-decoupling/.

the world was its ultimate objective. This also meant providing assistance to socialist states globally. In this regard, there is some similarity with China's behaviour, considering one of Beijing's greatest tools for influence is providing economic assistance through investment. Still, whether or not China is attempting to influence nations and take the place of the US on the world stage, this is not being done through the spread of an ideology. In fact, China prides itself on its unique system of socialism with Chinese characteristics. It is not meant to be universally applicable – that would take away its Chinese particularity. Instead, China's expansionist efforts are less outright, driven by physical economic projects rather than pushing values and ideas.

Chinese initiatives such as the Belt and Road Initiative (BRI), or even the 17+1 plan, certainly can be seen as attempts to expand. At the very least, they could be ventures to create 'blocs' of influence. Still in reality, their connections, however strategic, are weak. The partnerships themselves are built on the frail foundation of economic coercion, not deep-set value systems or ideological beliefs. In the event of a New Cold War breaking out, how firmly would these states stand by China? During the Cold War, the Soviet Union took advantage of power vacuums in its neighbourhood, exploiting economically burdened and weak states. Today, many of China's neighbours, most of which are US allies, are relatively stable. They also benefit from the global economy, even if they have taken a hit because of the pandemic. This is not to say China is not taking advantage of this contrast. Stable countries increase the strategic payoff of Chinese investments. However, in this comparison, it is crucial to underline the different contexts for the rise of the Soviet Union and the rise of China. The Cold War developed after the Second World War, a time of economic recession following a global conflict. Despite present hardships, which should not be understated, the world is still in a much different place. If anything, the COVID-19 pandemic has only underlined the importance of global cooperation.

Any suggestion of a New Cold War with China would require a distinct conceptual framework. Expansionism would be perceived not from an ideological standpoint but primarily an economic one. This is the main source of China's influence and its most powerful tool for political coercion. Particularly in the long term, Beijing's hold on critical infrastructure in developing nations could evolve into an increasingly significant threat. With these concerns in mind, pursuing similar strategies towards China as were implemented towards the Soviet Union could lead to intensified conflict and a New Cold War. Therefore, as China poses certain threats and challenges, handling these threats requires a unique approach. Attitudes and strategies duplicated from the Cold War would ensure a treacherous outcome.

How does China regard the EU? Apart from the field of economic cooperation, strained Sino-American relations inevitably affect China's view of Europe, as the latter is a close US ally.

Preventing a New Cold War: why and how

This leads to an important question. China may be a significantly different threat than the Soviet Union once was, but it is still a declared rival of the EU and a perceived threat to the Union's greatest ally, the US. It actively works against the values that are most integral to democratic states, and arguably acts to undermine democracy and the liberal international order as a whole. So why should the EU prevent a New Cold War? And what should its role be in handling the growing rivalry with China?

To start, China and the West are, as previously mentioned, interconnected. Overall, there is no undoing this. Damaging core economic links would be detrimental to the world economy as a whole. Beyond this, it is also important to remember that China is a military and nuclear power as well as an economic one. Overstating the Chinese threat could itself push China down the road to behaving more like one. Creating a security dilemma would signal that we have learned nothing from the lessons of the Cold War. This would also give China a common enemy with other rivals of the EU and US. Russia is a prime example. So far, the two countries have not been more than partners who appear to share common goals. Among these goals is dividing Europe.[32] Driving China away could push into the arms of fellow authoritarian leaders and facilitate the creation of those quintessential Cold

32 E. Szekeres (2021), 'China and Russia Seeking to Divide EU and NATO, US Diplomat Says', Balkan Investigative Reporting Network, 28 June, https://balkaninsight.com/2021/06/28/china-and-russia-seeking-to-divide-eu-and-nato-us-diplomat-says/.

War 'blocs', even without spreading an ideology.[33] At the same time, without being able to rely on the EU and US for economic growth, Beijing may become even more aggressive. Areas like the South China Sea and Taiwan could fall victim to the CCP's need to project strength in order to maintain legitimacy.

Finally, it would be an error to say that the West's engagement with China in hopes of driving meaningful reform has failed. Although it has not yet materialised as a significant change in China's governance or proclaimed values, that does not mean it has not touched the people. Civil society is still growing in the country. If not, Beijing would not have had to work so hard to suppress it and maximise control. This is true not just with regard to Hong Kong, but across China, where activists of all kinds are fighting in the face of persecution. The government has long been targeting human rights activists, regularly arresting and jailing them for 'subversion'. Often they are sentenced to many years in prison without being granted proper legal representation of their choice.[34] Other activists of various kinds have faced similar fates. Whether pushing for democracy, women's rights, labour laws, etc. they are systematically censored, targeted and often imprisoned. Sometimes activists are forced to give false confessions, which the government then utilises for propaganda.[35] Giving up on China would mean giving up on these tenacious advocates of civil society as well.

So how should the EU deal with China? As outlined, China undoubtedly challenges certain EU interests and values. However, escalating the perceptions of China as an existential threat will certainly turn it into a more than sizeable enemy, as well as distract from the specific points of concern. Instead, the international community should be realistic – not realist in its approach. A pragmatic attitude, rather than one prioritising a zero-sum approach, will likely lead to greater stability for now and the future. There are certain areas where engagement with China is absolutely necessary and often beneficial. In some ways, it even creates leverage over China. Most notably, the EU and its allies represent a significant market for China, as well as sources of investment and overall economic growth. Leverage is also what will likely prove helpful in tackling human rights abuses, something the CAI attempted to make small steps towards. There is no reason to lose this and create or expose further weaknesses because of lack of engagement.

At the same time, it would also be unwise to practice unrestrained cooperation on all fronts. For the EU, some sectors are better without Chinese involvement, particularly when it comes to its quest for greater strategic autonomy. What this requires from the EU is something that it currently lacks: a coordinated approach. Internal cohesion on the topic of China is far from solid, and that is all too clear to leaders in Beijing. While there will always be lingering disagreements, the EU needs to at least give the appearance of a united front. It needs to define its goals as well as clear red lines. Only then can it take the reins in the relationship with China, rather than following Beijing's lead.

As a result, for the EU to handle China effectively, it requires both deliberate engagement and disengagement, depending on the respective threats and benefits. Certain areas which would benefit from engagement are relatively undisputed and ongoing, such as tackling the issue of climate change. Other concerns that may require a more nuanced approach include nuclear non-proliferation, economic partnership, world health, and academic exchanges. However, it would be wise to shield certain sectors from Beijing's influence. These include 5G, the BRI and general investment initiatives, and media and information.

Countering climate change is one of the most widely agreed-upon areas of necessary cooperation with China. Environmental concerns transcend state lines; therefore they should transcend political disagreements. Supporting China in its efforts to become a greener country is crucial. China is a signatory of the Paris Agreement and has a stated goal of reaching carbon neutrality by 2060. This is an important step for the world's greatest emitter of greenhouse gasses. Yet there is criticism that this is not ambitious enough, and that it fails to meet the Paris Agreements' goals. Nonetheless, as all states work towards a greener future, they need to both hold each other accountable and support each other. China's launch of an emissions trading system, similar to the EU's, is a recent development which the Union supported.[36]

Nuclear non-proliferation is a crucial global security matter. While China is a nuclear power, its official doctrine has always been to minimise build-up, limiting it to the extent necessary for deterrence. China has also given assurances that it will never use its nuclear capabilities first. Worryingly, however, new reports assert that China is currently in the midst of a build-up. Photos show the creation of new missile silos, even as Beijing officially denies any such endeavour.[37] Perhaps this is the start of a security dilemma. China could be attempting to catch up with the US as a nuclear power while tensions rise, simultaneously keeping a hand in the global race with Russia, India, North Korea, and others. The EU

33 H.A. Conley, M.J. Green, and N. Szechenyi (2021), 'The return of the quad: Will Russia and China form their own bloc?', Center for Strategic and International Studies, 6 April, https://www.csis.org/analysis/return-quad-will-russia-and-china-form-their-own-bloc.

34 Human Rights Watch (2019), 'Human rights activism in post-Tiananmen China', 30 May, https://www.hrw.org/news/2019/05/30/human-rights-activism-post-tiananmen-china.

35 S.L. Myers (2018), 'How China uses forced confessions as propaganda tool', *The New York Times*, 11 April, https://www.nytimes.com/2018/04/11/world/asia/china-forced-confessions-propaganda.html.

36 L. Maizland (2021), 'China's fight against climate change and environmental degradation', Council on Foreign Relations, 19 May, https://www.cfr.org/backgrounder/china-climate-change-policies-environmental-degradation.

37 M.A. Pomper and D. Santoro (2021), 'China's nuclear build-up could make for a more dangerous future', World Politics Review, 30 August, https://www.worldpoliticsreview.com/articles/29926/china-s-nuclear-weapons-build-up-could-make-for-a-more-dangerous-future.

could have a role in preventing this, serving as a bridge in dialogue to assure China that the US and its allies have no intention of utilising nuclear weapons against it. It is necessary for international security that the EU pushes for nuclear non-proliferation abroad as well as at home, while supporting deals to limit nuclear proliferation whenever possible.

In terms of economic cooperation, the EU and China are interdependent. This calls for a realistic approach to any attempt at 'decoupling'. The pandemic has shown how risky it is to become dependent on China for certain essential goods.[38] Rather than turning to autarky and setting a negative precedent, the EU could adopt the solution of diversifying supply chains. It is important to remember that China is also reliant on the EU for certain goods due to its specialisations, which exist as a result of rejecting autarky. Simultaneously, the EU is China's largest export market, as well as an important investor and job creator.[39] This signals that the dependence is not one-way. Overall, collectively assessing strengths and weaknesses will be the best way forward. Again, this should be done realistically to avoid threat overestimations which could subsequently damage business. Collectivity must also be emphasised. The EU should not again allow initiatives such as 17+1 to create opportunities for China to target MS that are most vulnerable to economic coercion. However, when addressing China as a cohesive whole, the EU should remain open to mutually beneficial business. Economic cooperation serves as a deterrent to escalating conflict, and as a possible source of leverage, as it increases China's reliance on the EU.

On the health front, the COVID-19 pandemic has shown the need for better global coordination to detect and contain future global threats. Beijing initially expressed support for reforming the World Health Organization (WHO). The EU was calling for more transparency and information-sharing regarding threats to global health. However, Beijing is now pushing back with a sense of irritation on calls for investigations into the origin of the virus, as the WHO has turned to Wuhan for answers.[40] If we want to prevent future pandemics or end the current one, global cooperation is absolutely necessary. As with climate change, viruses have no borders, therefore we must resist politicisation of the topic. That means working with rivals and focusing on areas where there is an agreement on the need for coordinated action.

Finally, academia is also an opportune area for cooperation. Universities in the EU are seeing an increased number of Chinese applicants, particularly since Brexit. Chinese students abroad represent an opportunity for deeper cultural exchange. It is also an excellent opportunity for young people, the future leaders of an ageing China, to develop greater mutual understanding with their European peers. During their studies, which also benefit local economies, Chinese students are exposed to essential European values and ideas. This can help further the cultivation of civil society upon their return to China.[41] The exchange can result in a newfound appreciation for aspects of Western democracy, even if they continue to support the CCP. Yet the EU should not be naive about Beijing's attempts to dictate discussions on campus or even requests for students to spy for China.[42] It should be acknowledged and, when possible, limited. This also means diligently maintaining a watchful eye on the agendas and activities of Confucius Institutes, which are Chinese-funded cultural and language centres. However, remaining diligent does not mean treating every Chinese student as a spy. A hostile approach encourages discrimination and further alienates China and its citizens. Similar considerations should be applied to research. While some projects may be justifiably considered too sensitive, academic cooperation creates dialogue between countries and helps foster innovation.

Among the areas in which cooperation should be avoided, the highly contested field of 5G technology is the prime example. States everywhere are assessing the security risks of dependency on Chinese technology providers. Companies such as Huawei have been criticised for allegedly using their hardware for spying.[43] This is precisely what represents a real and imminent threat to the EU. Allowing the implementation of this technology could create long-term concerns, security threats, and a crucial point of weakness. The European Commission has announced that European companies Nokia and Ericsson can replace Huawei in providing 5G infrastructure, and this solution should be prioritised.[44] Particularly because Europe is lagging on telecommunications, this is a chance to catch up while also prioritising security concerns. It would mean a sizeable present investment and an initial delay. However, in the long term, this solution would bring ease of mind, while simultaneously supporting European development.

38 L. Cerulus (2020), 'Coronavirus forces Europe to confront China dependency', Politico, 6 March, https://www.politico.eu/article/coronavirus-emboldens-europes-supply-chain-security-hawks/.

39 M.J. Zenglein (2020), 'Mapping and recalibrating Europe's economic interdependence with China'. Mercator Institute for China Studies, 17 November, https://merics.org/en/report/mapping-and-recalibrating-europes-economic-interdependence-china.

40 S. Tiezzi (2021), 'China rejects WHO call for more transparency on origins probe', *The Diplomat*, 20 July, https://thediplomat.com/2021/07/china-rejects-who-call-for-more-transparency-on-origins-probe/.

41 J. Fu (2019), 'Moving towards a bright future: Chinese students in the EU', European Institute for Asian Studies, February, https://www.eias.org/wp-content/uploads/2016/03/Jia-EU-Asia-at-a-glance-Final.pdf.

42 D.K. Tatlow (2019), 'The Chinese influence effort hiding in plain sight', *The Atlantic*, 12 July, https://www.theatlantic.com/international/archive/2019/07/chinas-influence-efforts-germany-students/593689/.

43 T. Bowler (2020), 'Huawei: Why is it being banned from the UK's 5G network?', BBC, 14 July, https://www.bbc.com/news/newsbeat-47041341.

44 D. Bellamy (2020), 'EU insists European companies could replace Huawei in 5G network', Euronews, July 25, https://www.euronews.com/2020/07/25/eu-insists-european-companies-could-replace-huawei-in-5g-network.

Chinese investment in infrastructure can be seen as a tool for possible expansionism. This means that EU MS must be apprehensive about collaborating with China on investment projects. The BRI is a colossal endeavour for developing infrastructure and creating a 'new silk road' that better connects China to the world. Critics of the initiative have called the projects debt traps, and cited negative environmental impacts, labour conflicts, and more. Setting aside potential benefits to developing nations, the BRI certainly poses significant risks. In the EU, where about two-thirds of MS are now partners in the project, it opens up yet another opportunity to divide the Union. Much like the 17+1 mechanism, political coercion resulting from promised economic investments gives Beijing a chance to expand its influence over the EU.[45] In addition to this, it could prevent further accessions by driving up candidate countries' public debt levels (debt trap). Montenegro, an aspiring MS, recently turned to the EU for help to pay for a $1 billion debt to China for the construction of a major highway.[46] Apart from this, there are the security threats that come with China owning or controlling crucial infrastructure such as ports, railways, and strategic companies worldwide. While the EU may not be able to entirely prevent the spread of BRI outside the Union, MS should not feel the need to turn to China to finance infrastructure projects. Instead, the EU should create accessible alternatives to BRI funding, and generally allow MS to invest more in infrastructure, particularly following the COVID-19 pandemic.

Finally, the media industry is a clear example of business asymmetry between the EU and China. While China has invested more than €3 billion in European media in the last ten years, European firms are blocked from investing in Chinese media.[47] Beyond this uneven playing field, media is a known tool for soft power, and therefore it is a sector that is vulnerable to manipulation. Simply by utilising existing social media platforms, and hiring citizens to share certain messages at 0.5 yuan per post, China has conducted multiple targeted disinformation campaigns.[48] Similarly, as China was under fire for its actions, and potential responsibility, at the start of the COVID-19 pandemic, disinformation on Europe's response intensified. Ideas were even falsely spread from Chinese sources that European healthcare workers were leaving the sick to die.[49] China has also long utilised disinformation in attempts to divide Taiwan. These campaigns represent unambiguous attempts at interference in internal affairs, despite China's stated position on the matter. Further, when Chinese firms have purchased media companies outright, there have been occasions when this has led to them covering China in a more positive light. One prominent example of this occurred in the Czech Republic, where a Chinese purchased stake in the media company Empresa Media resulted in solely positive coverage of China and its international endeavours.[50] Therefore, we are essentially selling China the tools to manipulate EU MS, their citizens, and the global discussion.[51] As a result of the business imbalance, as well as the real threat of information manipulation, it would be reasonable for the EU to take a similar stance to China with regard to foreign investment in media. The EU must carefully consider strict limits on Chinese participation in its media sector.

Conclusion

Preventing a New Cold War is all about stepping back from the inflammatory comparison to the Cold War and critically analysing the actual points of threat, challenge, and rivalry and building a strategy from there. The EU can take a pragmatic approach. In contrast to the Cold War era, today a zero-sum calculation is not required. The EU can support cooperation in necessary areas, such as nuclear non-proliferation and global health, while firmly protecting itself from 5G data abuses, security breaches, and economic coercion. Of course, the first step for the EU is to foster a sense of unity on the topic. It is crucial to stop granting Beijing easy avenues to divide the EU. By staying away from extreme assessments of China's intentions on the world stage while maintaining a strong and united front acting in the larger interests of the Union, the EU can help to de-escalate tensions. If it does not, the New Cold War may become a self-fulfilling prophecy.

45 J. Hillman and A. Tippett (2021), 'The Belt and Road Initiative: Forcing Europe to reckon with China?', Council on Foreign Relations, 27 April, https://www.cfr.org/blog/belt-and-road-initiative-forcing-europe-reckon-china.

46 G. Baczynska and A. Vasovic (2021), 'EXCLUSIVE Montenegro counts on EU aid, asset sales to ease burden of China debt -officials', Reuters, 11 July, https://www.reuters.com/world/exclusive-montenegro-counts-eu-aid-asset-sales-ease-burden-china-debt-officials-2021-06-11/.

47 S. Lau and J.H. Vela (2021), 'EU deal cements China's advantage in media war', Politico, 13 March, https://www.politico.eu/article/eu-trade-deal-china-media-war-industry-soft-power/.

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49 J. Rankin (2020), 'EU says China behind "huge wave" of Covid-19 disinformation', *The Guardian*, 10 June, https://www.theguardian.com/world/2020/jun/10/eu-says-china-behind-huge-wave-covid-19-disinformation-campaign.

50 I. Karaskova (2020), 'China's Evolving Approach to Media Influence: The Case of Czechia', China Observers in Central and Eastern Europe, 14 December, https://chinaobservers.eu/chinas-evolving-approach-to-media-influence-the-case-of-czechia/.

51 Lau and Vela, 'EU deal cements China's advantage'.

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Avoiding the Prisoner's Dilemma

Europe's Role in Upholding Multilateralism in Global Governance

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Abstract

The relationship between the European Union (EU) and China is one of the most important issues in current international relations, especially in the light of a trade dispute between the United States and China that, arguably, goes much further than trade. It is a struggle between values, between perspectives of what the world should look like, between multipolarity and unipolarity, and for the economic and political system that will prevail. Specifically in respect of global economic governance – the rules and norms that govern the economic regime of international trade and institutions – China seems to be building an alternative to the Western model in which the fundamental liberal values of democracy, freedom, and human rights prevail. Instead, the Chinese model prioritises national sovereignty, social stability, and the survival of the Chinese Communist Party (CCP).

In the context of the Conference of the Future of Europe and the development of a new EU China strategy, my analysis uses an altered model of the Prisoner's Dilemma to illustrate how communication can promote cooperation between both actors and lead to mutual understanding. It also incorporates the domestic policy perspective in the analysis as relevant variable to consider when analysing China's foreign policy perspectives and to increase their cooperation through a more effective EU China strategy. Finally, some policy recommendations are made, including delinking values from interests in EU–China dialogues, improving communication channels, building lasting people-to-people relations through soft power, a two-tier China Strategy, and the creation of a 'China intelligence unit'.

Introduction

The relationship between the European Union (EU) and China is one of the most important issues in current international relations, especially in the light of a trade dispute between the United States and China that, arguably, goes much further than trade. It is a struggle between values, between perspectives of what the world should look like, between multipolarity and unipolarity, and for the economic and political system that will prevail. Specifically in respect of global economic governance – the rules and norms that govern the economic regime of international trade and institutions – China seems to be building an alternative to the Western model in which the fundamental liberal values of democracy, freedom, and human rights prevail. Instead, the Chinese model prioritises national sovereignty, social stability, and the survival of the Chinese Communist Party (CCP). When translated into foreign policy, it is a model that does not include any kind of conditionalities but that is motivated by economic profit and overall national interests; while the EU and its Member States have traditionally been guided – both rhetorically and in setting the conditions for aid – by the promotion of anti-corruption, transparency, respect for human rights, and ultimately democratic norms and values.

The relationship between the European Union (EU) and China is one of the most important issues in current international relations, especially in the light of a trade dispute between the United States and China that, arguably, goes much further than trade.

The EU is thus faced with the challenge of designing and implementing its own, independent 'China strategy', which will be an intrinsic part of its Conference for the Future of Europe (CoFoE). This strategy, and the CoFoE, is about Europe's role in upholding multilateralism in global governance, in standing for the values that have traditionally been at the core of its foreign policy and that now have to be even more strongly enforced at home and abroad if it aims to be an autonomous global actor capable of independently protecting and preserving those liberal values worldwide. In this paper, I argue that it should continue to aspire to be such an actor, especially in the context of a retreating and increasingly isolationist United States: US President Joe Biden may claim to 'be back' when it comes to fighting common threats such as climate change, but the US clearly is not 'back' when it comes to foreign policy, as witnessed by the speedy and messy retreat from Afghanistan during the summer of 2021.

My analysis uses an altered model of the Prisoner's Dilemma to illustrate how communication can promote cooperation between both actors and lead to mutual understanding.[1] The classical idea of the Prisoner's Dilemma comes from game theory, and it represents a situation where two individuals acting in their own self-interest leads to a suboptimal outcome, because their impulse to protect themselves leads them both to a worse state than if they had cooperated with each other in the decision-making process. This concept could help us set the policy framework to avoid what has been popularised in the media and academia as a 'New Cold War'; we will also analyse the probability of this happening by mapping current spaces of dialogue between the EU and China, as the world moves away from US dominance towards a more multipolar world with two great powers, which could potentially lead to a Thucydides Trap. This is a trap identified by the ancient Greek historian Thucydides, who explained that Athens' rise instilled fear in Sparta, leading to the latter's militarisation and ultimately the war between the two powers.

From the liberal internationalist perspective, I examine how the EU should react to China's efforts to move away from the existing liberal globalist world towards a more interest-led, state-controlled economic and foreign policy: that is, how the EU can use the existing bilateral forums of dialogue to achieve a better understanding of China and its intentions, and to either respond accordingly by accommodating its demands and thus avoiding confrontation, or counter-balancing it. Finally, to make this analysis relevant and complete, I will incorporate the body of research that takes domestic politics into consideration and evaluates how international politics also has the potential to shape the domestic preferences of ruling elites, as the basis for a longer-term strategy to socialise China into the existing ecosystem of global governance.[2]

In responding to the rise of China, in the context of the aftermath of the biggest health crisis that the EU has ever had to face, this paper aims to provide a theoretical framework with which to understand the dynamics of the relationship of cooperation and conflict between the EU and China and to offer recommendations for the design of a more realistic, fruitful, and forward-looking China strategy.

Therefore, we have to ask how the EU can optimise its China strategy within the structure of EU–China dialogues. This boils down to

1 S. J. Majeski and S. Fricks (1995), 'Conflict and Cooperation in International Relations', *The Journal of Conflict Resolution*, 39(4), 622–645.

2 R. D. Putnam (1988), 'Diplomacy and Domestic Politics: The Logic of Two-Level Games'. *International Organization*, 42(3), 427–460. P. Gourevitch (1978), ' The Second Image Reversed: The International Sources of Domestic Politics', *International Organization,* 32(4), 881–912.

considering how each region's domestic politics influences the foreign policies of each other and to identifying the main points of contention and the most potentially fruitful areas for future cooperation. The paper considers and includes the variable of domestic stability in China, national security, and respect for its political party structure as particular points of contention that can hinder foreign policy cooperation, and it analyses how the regions perceive each other and how these societal perceptions incentivise or hinder more cooperative foreign policy. Finally, we will see that the topic that each EU–China dialogue is meant to address – in particular, how sensitive this topic is for the CCP in terms of its national priorities – is the main determinant of the outcome in the modified Prisoner's Dilemma framework: a cooperative outcome, defection from the negotiations, or withdrawal or avoidance to negotiate altogether from China's side, and an indicator of distance or divergence with respect to EU's starting negotiating position.

Forever caught in a Prisoner's Dilemma

In many situations, especially those related to values such as democracy, human rights, and fundamental freedoms, the EU and China get caught in a Prisoner's Dilemma-like situation, where conflict prevails and both end up defecting from any kind of agreement. To avoid a Nash equilibrium, wherein both players choose rationally to defect because of fear, greed, or distrust, Majeski and Fricks propose an alternative that better resembles the real world of international relations, which is more liberal than a truly anarchic, neorealist world, as I will explain.[3] In their view, two players – for the purposes of this analysis, the EU and China – have repeated interactions and pursue multiple negotiations at the same time, creating channels of communication and building mutual trust. They also have the option to withdraw from negotiations as an alternative to defecting on a previously agreed commitment. The difference between this withdrawal option and the traditional 'exit' or defection option is that withdrawal means that the actor decides not to take part in a negotiation and this is communicated in a way that has no further negative consequences for the other actor; while defection means that the actor defaults on the commitments it made in past negotiations.

However, this happens in an environment where there are other sources of mutual mistrust, such as espionage, economic sanctions, cyberattacks, or the spread of misinformation. In this context, it is worth considering how to maximise the level of trust in EU–China dialogues, especially those related to values. Binding commitments consolidate trust, so we can consider the more material or economic interest-dominated dialogues to have a positive impact on the relationship, as their potential for mutual understanding and cooperation is higher, because economic interests and common commitments to fight climate change and foster digitalisation make it easier to agree. This is demonstrated by the commitment to two high-level dialogues in 2020, one on the digital area and the other on environment and climate. The first High-Level Digital Dialogue took place on 10 September 2020, where they identified 'priorities in the digital transformation of both the EU's and China's economies, including areas where concrete progress is possible'[4] and recognising the fact that 'the EU and China will both play a role in defining how global technological developments will go forward. The dialogue is therefore necessary to foster cooperation, but also to address divergences we have, like on reciprocity, data protection and fundamental rights',[5] as Executive Vice-President Vestager recognised. On the EU–China High Level Environment and Climate Dialogue, already the second meeting took place on 27 September 2021, where they 'reaffirmed the urgency of taking immediate action to fight climate change in the context of the UNFCCC and the Paris Agreement', confirmed their commitment to 'showing climate action leadership', and 'emphasized the importance of working together' so as to 'inspire other countries to join their efforts'. They agreed to expand cooperation in many areas of environmental policies, and to continue this dialogue regularly at an annual basis.[6]

The EU needs to capitalise on the trust that has been created to make progress towards agreement on human rights and values. Therefore, let us focus on what the EU should improve and change in its policy towards China within the focus of the CoFoE; Chinese foreign policy is thus beyond the scope of this paper. In that regard, the EU, and the European External Action Service (EEAS) in particular, should develop cultural training for its diplomats, to better equip them to understand the different conceptions that China has of the traditional notions of human rights and democracy, among others potential areas of misunderstanding. EEAS diplomats have been accused of having tunnel vision, believing that their vision of human rights is superior and universal, like some kind of universal idea that has not yet been discovered by the Chinese[7]. A more practical pedagogical approach would probably be more productive, characterising China as an equal partner and engaging in mature discussions about the nature and substance of human rights that would lay the groundwork for finding a common point from which to start a fruitful discussion on how to build respect

3 S. J. Majeski, & S. Fricks (1995). 'Conflict and Cooperation in International Relations'. *The Journal of Conflict Resolution*, 39(4), 622–645.

4 European Commission (online), 'EU-China: Commission and China hold first High-level Digital Dialogue'. 10 September 2020. Available at: <https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1600>

5 Ibid.

6 European Commission (online), "Joint Press Communiqué following the Second EU-China High Level Environment and Climate Dialogue". 10 October 2021. Available at: <https://ec.europa.eu/clima/news-your-voice/news/joint-press-communique-following-second-eu-china-high-level-environment-and_en>

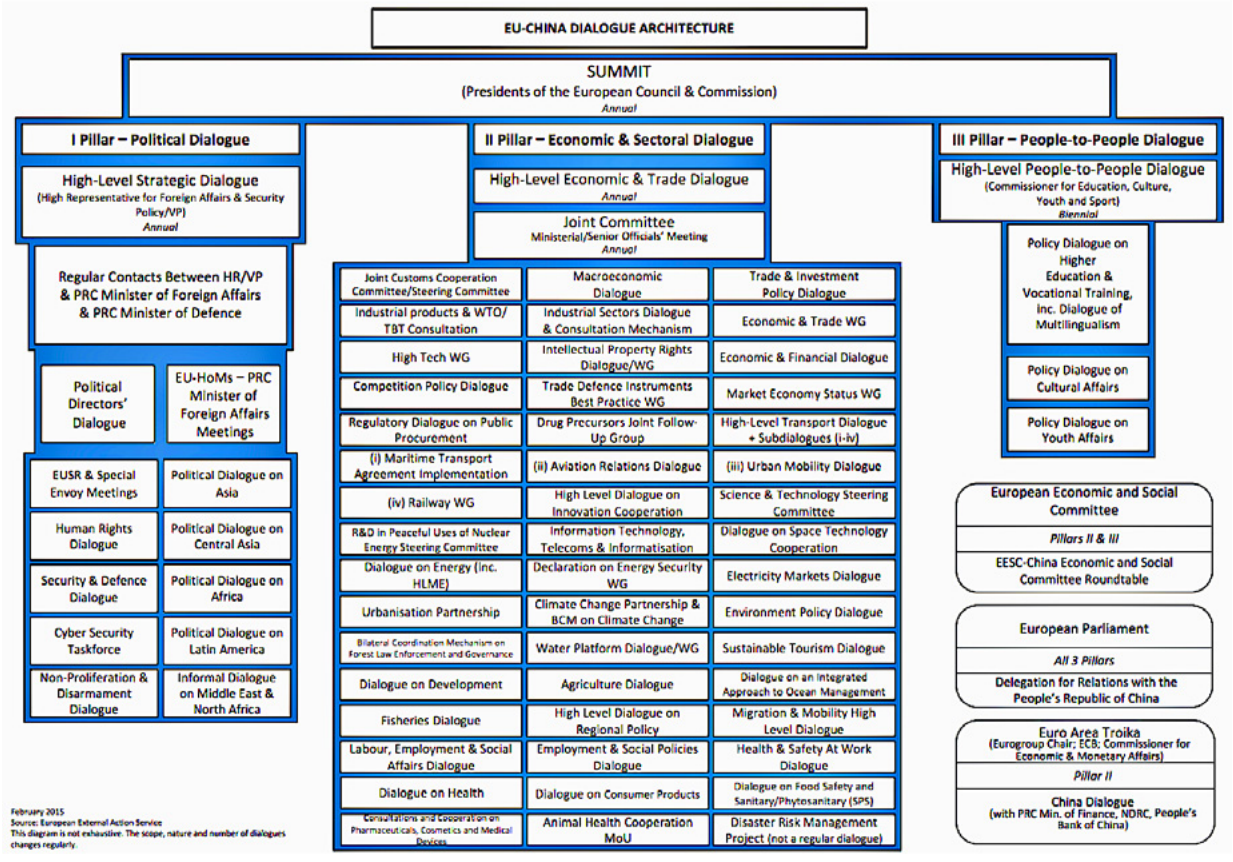
7 M. R. Taylor (2020). 'Inside the EU-China Human Rights Dialogue: Assessing the Practical Delivery of the EU's Normative Power in a Hostile Environment'. *Journal of European Integration*, https://doi.org/10.1080/07036337.2020.1854245.

for human rights and fundamental freedoms in China and the world. This pedagogical approach would involve a willingness to continuously teach, learn, and adapt, that is, to be influenced by the social, cultural, political, and economic conditions of the other actor. Greater cultural immersion and understanding of the Chinese psyche is needed in both Beijing-based and Brussels-based EU diplomats. If the EU believes its understanding of human values to be uncontested and unique, any discussion will be inherently conflictual and antinomic.

This more productive and fruitful approach would allow both the EU and its Member States to reprioritise human rights as a top concern in their foreign policy towards China, which will create a virtuous circle of understanding and rapprochement. A premise of this approach is a clear and systematic unity between the 27 Member States on what the substance and policies around human rights ought to be. Opposition from members such as Hungary or Greece,[8] as witnessed in the past, need to be avoided by all means; it would show weakness and disunity, giving China greater leverage to avoid compromise and continue its obstruction, refusal, and hostility in respect of any talk of human rights. Any domestic concessions made by China on human rights issues as a result of its dialogue with the EU are often subject to quid pro quo, but this transactional approach will not be possible if China believes that it can take without having to give, as has been the case in the past.

Beyond that, this approach is fundamentally liberal. First, it is rooted in the theory of Keohane's analysis of cooperation in international relations, in which cooperation is different from both discord and harmony:

Figure 1 Architecture map of EU–China dialogue



Source: Christiansen, 'A Liberal Institutionalist Perspective'.

8 J. Chalmers, & R. Emmott (2021). 'Hungary blocks EU statement criticizing China over Hong Kong, diplomats say'. Reuters, 16 April, Available at: <https://www.reuters.com/world/asia-pacific/hungary-blocks-eu-statement-criticising-china-over-hong-kong-diplomats-say-2021-04-16.>

We need to account for very different political configurations and political norms that govern the EU and China if we want to coexist in a multipolar world.

Cooperation, as compared to harmony, requires active attempts to adjust policies to meet the demands of others. That is, not only does it depend on shared interests, but it emerges from a pattern of discord or potential discord. Without discord, there would be no cooperation, only harmony.[9]

Thus, cooperation is a mutual adjustment process, dependent on the existence of common interests, and regimes have the function of creating certainty and giving access to credible information so that states have incentives to cooperate. Cooperation in the world political economy is 'a means of attaining self-interested economic and political goals'.[10] As we have seen, with the modified Prisoner's Dilemma, communication can facilitate cooperation and policy coordination, through a scheme of dialogues (see Figure 1 for a visual map of the dialogue architecture) and other formal and informal platforms that can lead towards harmony and help avoid a New Cold War-like situation of radical division among world powers.

However, we need to account for very different political configurations and political norms that govern the EU and China if we want to coexist in a multipolar world. As Christiansen explains:

The more hierarchical arrangement in China permits more strategic action and also means that its diplomatic agenda is presented more consistently than that of the EU. In the face of the often-mixed tones coming from Europe, China tends to repeat the same message, and does so with one voice. On the other hand, the institutional set-up in China is not very flexible and tends to be slow moving, something which creates particular challenges when quick reactions to crises are required.[11]

This shows the importance of the dialogue architecture as the main framework for communication and the promotion of mutual understanding between the EU and China. It also highlights the opportunity that the CoFoE presents, especially if it leads to treaty changes, as it provides the opportunity for reforms that are a prerequisite to an equal-to-equal, dynamic relationship with China, taking advantage of the intrinsic shortcomings in China's political system.

Since the CoFoE is based on public consultation, it can facilitate the development of a China policy that resonates with public opinion in Europe and the consensus across Member States needed to promote a unified approach towards China, by developing a greater synergy between the political elite and society at large. This gives it a stronger hand in negotiating with China, since the fact that the EU's position comes from this prior policy process makes it more legitimate but also more inflexible, and puts China in a position of having to conform or risk having no agreement at all if it forces the EU to go back and renegotiate internally. This is the only way Europe will be able to stand its ground and uphold multilateralism, which involves the protection and promotion of a specific role and direction for existing international institutions, in the face of China's very different views.

The domestic is international

It is important to understand the domestic drivers of the CCP's policy on human rights, as these are arguably the biggest obstacles to a rapprochement with the EU on this issue. As far back as 1988, Putnam[12] stated that 'domestic politics and international relations are often somehow entangled'. Indeed, they are, in a complex relationship that Gourevitch[13] calls 'the second image', where he claims that 'instead of being the cause of international politics, domestic structure may be a consequence of it. International systems, too, become causes instead of consequences.' This means that China's international policies on human rights are not only influenced by its domestic situation – stability, Party politics, and societal perspectives – but also that these domestic factors

9 R. O. Keohane (1984), *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press).

10 Ibid.

11 Christiansen, T. (2016). 'A Liberal Institutionalist Perspective on China–EU Relations', in J. Wang and W. Song (eds.), *China, the European Union and International Politics of Global Governance* (London: Palgrave), pp. 29–50.

12 R.D. Putnam (1988), 'Diplomacy and Domestic Politics'.

13 P. Gourevitch (1978). 'The Second Image Reversed: The International Sources of Domestic Politics'. International Organization, 32(4), 881-912.

are themselves affected by the international system and, ergo, by what China agrees to on this issue with the EU. Domestic politics 'provide an important foundation for the institutionalisation of bi- and multilateral contacts' by providing cognitive priors – which refer to available theoretical, logical and empirical information previously held that is used to evaluate a particular situation in a context of imperfect information – for diplomats and political officials, and provide a context and the bureaucratic machinery to conduct foreign policy. (ibid) But, at the same time, according to constructivist International Relations theory, those international contacts and foreign policies 'socialise' political elites and promote intercultural learning and norm transposal across all social strata, with regard to any culture, not only China.

Let us analyse first the domestic influences of globalisation in China. First and foremost, we have to factor in President Xi Jinping's consolidation of power. Through a massive anti-corruption campaign, and multiple constitutional changes, he has eliminated his critics all the way from the local level up to the Politburo, and has secured his leadership role permanently, centralising power across all policy domains, including foreign affairs, around himself. Brown argues that:

The anti-corruption struggle has a predominantly political function. […] It is a fight for the very soul of the Party, and one that ranges far beyond the figure of Xi. If it succeeds, then a fundamental part of this mandate – to create a sustainable one-party rule – will be in his and the Party's grasp. If it fails, then the party is vulnerable to the sort of implosion that overwhelmed the Soviet Union and others. Its dream, a Party dream, perhaps even a national dream – will have failed.[14]

We see, once again, that the boundaries between the nation and the Party, in China, are decidedly blurred.

Moreover, Xi has also stepped up repression of popular dissent, with the most egregious examples being the 'education camps' in Xinjiang that aim to repress the Muslim Uyghur minority[15] and the promulgation of the new Security Law in Hong Kong.[16] The overall aim of such actions is to preserve internal stability and avoid internal tensions. For this, other imbalances have to be addressed, including the rural poverty created by incredibly rapid urbanisation and the creation of 'super megacities', and the demographic imbalance resulting from the One Child Policy that has led to a situation today where for every 112 Chinese men, you find only 100 women, one of the largest gender imbalances in the world.[17]

Other major challenges include the effects of climate change – especially water and air pollution – and the lack of strong food and health regulations, combined with poor enforcement of the few regulations that do exist. China accounts today for 27 per cent of global greenhouse gas emissions, while the US contributes 14 per cent, and the EU-27 and India are each responsible for 7 per cent. In this sense, the EU has been working to promote a global approach to tackling climate change through a multilateral framework, committing with its own Green Deal to climate neutrality in 2050. This is why Xi's pledge at the UN General Assembly in 2020 to achieve carbon neutrality before 2060[18] is so relevant. We thus see that climate change is a particularly important area for fruitful cooperation and global engagement between the EU and China.

Apart from popular stability at home, Xi has two other main priorities. The first is national security – which has translated into a more aggressive stance in the South and East China Seas, the modernisation of the Chinese military, and several conflicts with neighbours where there are disputed borders, which has led to border clashes, most significantly with India. The second key priority for the current leadership is the preservation of the socialist system under the rule of the Party. According to Shullman, this is the 'main driver of China's assertive influence efforts in developing countries', which 'both predated and in fact facilitated Xi's elevation to power in 2012'.[19] The foreign policy consequences of this are, for instance, the Belt and Road Initiative, which in fact has led multiple developing countries in the South East Asian region and Africa to take on an unsurmountable level of debt. This strategy has been called 'Chinese debt trap diplomacy'[20] and 'creditor imperialism'.[21] Under it, China provides huge project-related loans at

14 K. Brown (2018), 'The Anti-Corruption Struggle in Xi Jinping's China: An Alternative Political Narrative', *Asian Affairs*, 49(1), 1–10.

15 Human Rights Watch (online), 'More evidence of China's Horrific Abuses in Xinjiang', 20 February 2020. Available at: <https://www.hrw.org/news/2020/02/20/more-evidence-chinas-horrific-abuses-xinjiang#>; *The Guardian* (online), "China has built 380 internment camps in Xinjiang, study finds". 24 September 2020. Available at: <https://www.theguardian.com/world/2020/sep/24/china-has-built-380-internment-camps-in-xinjiang-study-finds>

16 United Nations (online), 'Hong Kong: Arrests under Security Law, a serious concern', 12 October 2021. Available at: <https://news.un.org/en/story/2021/10/1102882>; *New York Times* (online), 'With New Conviction, Hong Kong Uses Security Law to Clamp Down on Speech', 3 November 2021. Available at: <https://www.nytimes.com/article/hong-kong-security-law-speech.html?>; BBC (online), 'Hong Kong Security law: What is it and is it worrying?', 30 June 2020. Available at: <https://www.bbc.com/news/world-asia-china-52765838>

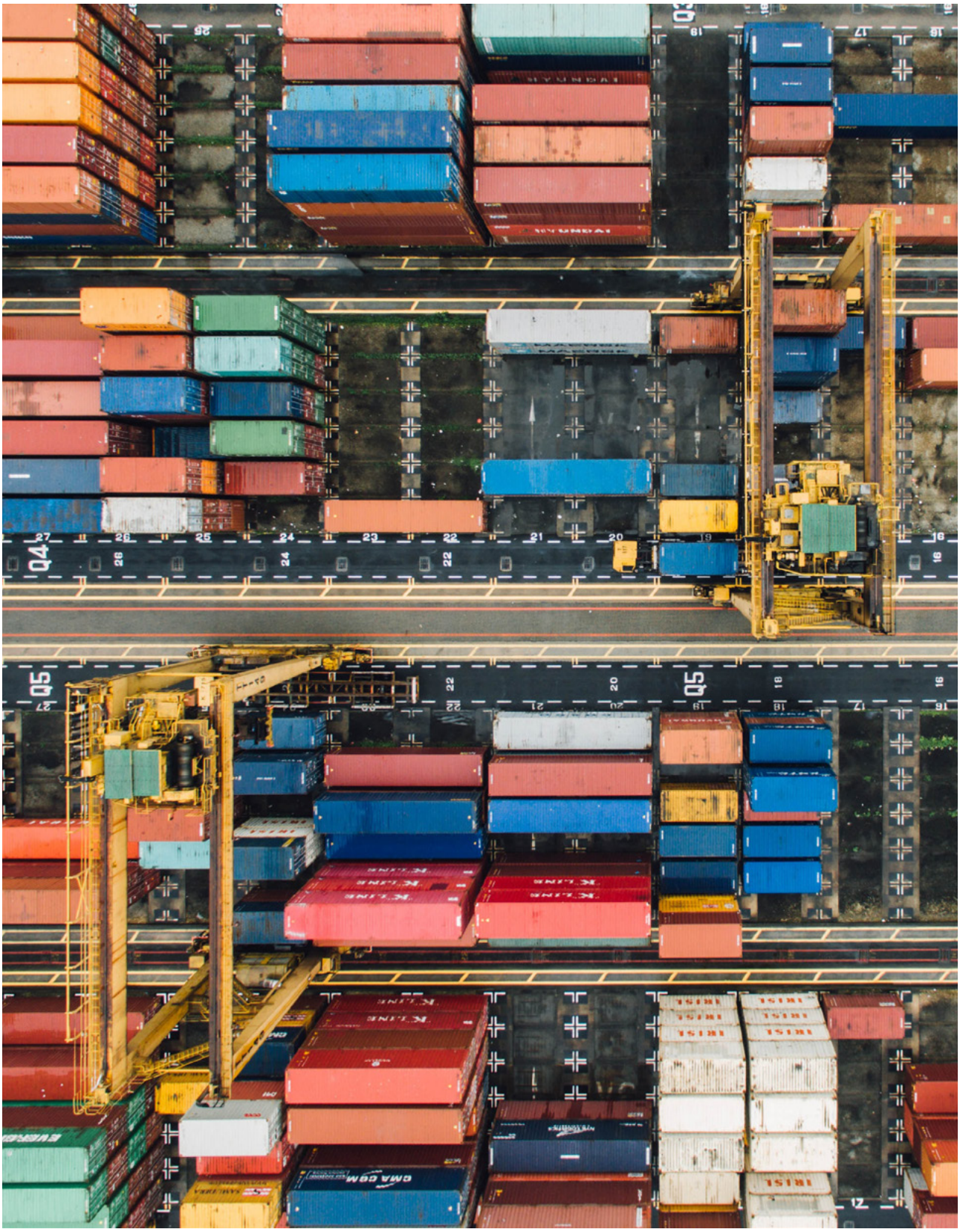
17 The World Bank, 'Sex ratio at birth (male births per female births) – China', https://data.worldbank.org/indicator/SP.POP.BRTH.MF?locations=CN.

18 United Nations (online), 'China headed towards carbon neutrality by 2060; President Xi Jinping vows to halt new coal plants abroad', 21 September 2021. Available at: <https://news.un.org/en/story/2021/09/1100642>

19 D. O. Shullman, 'Protect the Party: China's growing influence in the developing world', Brookings, 22 January 2019, https://www.brookings.edu/articles/protect-the-party-chinas-growing-influence-in-the-developing-world.

20 W. Shepard, 'How China's Belt and Road became a "Global Trail of Trouble"', Forbes, 29 January 2020, https://www.forbes.com/sites/wadeshepard/2020/01/29/how-chinas-belt-and-road-became-a-global-trail-of-trouble/?sh=143613fe443d.

21 B. Chellaney, 'China's creditor imperialism'. Project Syndicate, 20 December 2017, https://www.project-syndicate.org/commentary/china-sri-lanka-hambantota-port-debt-by-brahma-chellaney-2017-12.



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market-based rates, without transparency and much more lenient environmental and social impact assessments, with the aim of bending other states to its will. It thereby hopes to advance its strategic interests, including expanding its diplomatic influence, securing natural resources, promoting the international use of its currency, and gaining a relative advantage over other powers. In short, China uses its sovereign debt to offer grants that compel its neighbours to make political concessions, giving Chinese policymakers and investors an assurance of 'proper behaviour'.

China also promotes its model of governance in those developing countries through a network of Confucius Institutes, university partnerships, propaganda in non-independent media and think tanks, and other cultural and educational initiatives. Likewise, as part of state-building initiatives aimed at aiding developing countries with infrastructure and economic loans, China has sent advisers and engineers to help internationalise its model of a single-party authoritarian political system that weaponises new technologies for societal control.

Thus we see that, at some level, Xi Jinping's foreign policy aims are affecting the way China handles domestic politics, and that in fact the two aims are mutually reinforcing and mutually dependent, even complementary. It cannot achieve domestic stability, the preservation of the Party, and full national security if they are not integral parts of its foreign policy, regionally and internationally. For the preservation of its power, which most experts argue is Xi's main priority, the Party depends on domestic control and prosperity. That is, the legitimacy of the Party depends most of all on the country's economic prosperity, 'a new pillar of economic competence and the delivery of economic gains'.[22] In a context of economic globalisation, that prosperity depends on China's economic and political stance in the world; its ability to create long-lasting partnerships and maintain security and stability in its region; and the control and manipulation of the information space to its advantage. It achieves the last of these through cyber tools and new technologies that control the information and ideologies that enter China, blocking or counter the ones that might delegitimise the country's authoritarian model. The CCP is telling a 'China story' at home that is only sustainable as long as freedom of information is restrained.[23]

We now need to factor in the effect that this internationalisation of the 'China story' is having on the EU's domestic politics and perspectives, especially during the COVID-19 pandemic. China used this 'opportunity' to conduct 'health diplomacy' and send personal protection equipment to some EU countries in need, especially during the chaos and stress of the first wave of the disease in early 2020. However, this has backfired because of the secrecy with which it handled the initial outbreak of the virus in Wuhan and, later, its rejection of a transparent and deep investigation of the origins of the virus by the World Health Organization, initially blocking and later constraining it. This, together with the lack of economic reciprocity in the EU–China relationship and China's disregard for human rights and other core EU values, has significantly worsened the perceptions of China in most EU countries, as multiple surveys show.[24]

Overall, its practices of interference through influence operations 'to discredit the handling of the [COVID-19] crisis by specific countries, leaders, and organizations, as well as to exaggerate the ability of China to cope with the crisis domestically and provide assistance to others', with the overall objective 'to portray the Communist regime as an effective, socially responsible system of governance and China as a conscientious global leader' have been undermined by its obfuscation of the origins of the virus and its disinformation campaigns on the ground in the EU. As a result, Chinese influence in the EU has been significantly weakened in most countries, and this will arguably affect these countries' foreign policy stances, first when agreeing on a common EU strategy on China, and second when dealing with China themselves at the national level, considering that they must be accountable and responsive to public opinion. However, they will inevitably have to face a choice between the short-term economic gains that result from dealing with China and the long-term dependencies that come with the intensification of geopolitical competition between China and the West.

Policy recommendations

By applying the idea of the altered Prisoner's Dilemma, we have seen how dependent the future relationship between China and the EU is on communication and EU mechanisms, whether institutional or more deliberative, such as the CoFoE. Thus, it is relevant to translate this theory into specific and actionable key steps that the EU should take to shape the domestic drivers that affect its foreign policy towards China and to build the ground for a practical China strategy that maximises the potential for cooperation – that is, a strategy grounded in the EU and its Member States' perspectives, but also in the realities that China faces at home and abroad.

Delinking values from interests

The EU should delink the discussions of economics and trade, connectivity, and climate change, on the one hand, from talks on human rights and values, and labour rights, on the other, to

22 K. Brown and U. A. Bērziņa-Čerenkova (2018), 'Ideology in the Era of Xi Jinping', *Journal of Chinese Political Science*, 23, 323–339.

23 Ibid.

24 R. Q. Turcsányi, 'Survey: Europeans' views of China in the age of COVID-19', Central European Institute of Asian Studies, 28 March 2021, Available at: <https://ceias.eu/survey-europeans-views-of-china-in-the-age-of-covid-19>; A. Nestoras and R. Cirju (2021), 'The Rise of China in the Information Domain? Measuring Chinese Influence in Europe During the Covid-19 Pandemic', European Liberal Forum, Policy Paper no. 7.

avoid being caught in the Prisoner's Dilemma and to maximise benefits in both areas. This is because the rationales behind the two sets of talks are diametrically opposed, meaning that if the guiding principle is economic gain, the resulting policy options and priorities will often be antithetic to those when the goal is the pursuit and promotion of a specific value. The prevailing strategy of using economic interests to obtain gains in human and labour rights is rigid, limited, and impractical. However, Member States need to make respect for human rights a top priority again, in order to give the EU greater leverage in further negotiations with China. The CoFoE should also be used as a platform to define those value priorities, specifically in the context of dealing with China. If China does not feel compelled to engage in the talks, it will simply defect. This connects directly to getting stuck in a Prisoner's Dilemma-like situation, the subject of the next recommendation.

The key is communication

This is in fact the main conclusion of the altered Prisoner's Dilemma. To promote higher levels of cooperation that reduce fear and avoid being guided by greed and ending up defecting from dialogues, the EU diplomats need to abandon their belief that the Western understanding of human rights is superior and universal, because this is a non-starter. The EU needs to train its diplomats to act pedagogically and with reflection, and to engage in constructive discussion about the meaning and substance of human rights, not as something set in stone, but as a dynamic, relative concept so that we can end up finding a compromise position that both parties are comfortable with adhering to and respecting. Once this is found, it will be the starting point for further talks, compliance, and enforcement of respect for the fundamental rights of people in China.

We should also keep in mind here the idea of multispeed growth of a value-driven society, as China may in twenty years open up to the idea of fundamental rights as understood in the West. In the meantime, we have to understand that this process of adoption will be slower than in the West for philosophical, political, and societal reasons. All in all, despite being a more internal matter, the CoFoE should think about the performance of the EEAS and give it the mandate to improve internal training and develop a curriculum better tailored to dealing with China, including a building a better understanding of the cultural dimension behind the Chinese position on human rights, and equipping the diplomatic service with the cognitive tools to navigate this profound, identity-based disagreement.

Build lasting people-to-people relations through soft power

The EU should engage more strongly with Chinese civil society, taking advantage of the extent to which China has opened up over the last 50 years, and utilise China's own cultural propaganda efforts to the EU's advantage. On the one hand, education and culture are soft power tools that China has mastered, with its wide network of Confucius Institutes and repatriation of students who have been educated in, gained know-how from, and established lasting connections with other countries. The EU has to maintain links with the Chinese students who have studied in its universities and promote its values and culture in China through them, as well as through Europeans who work, travel or study in China, its network of delegations, Member States' embassies, think-tanks, and non-profits active in China. It should also involve like-minded partners in the region such as Japan, India, and Australia. As a fundamentally civic – and not only political – platform, the CoFoE should include these civil society engagement strategies – not only with China but also with other authoritarian regimes such as Russia, Venezuela, and Afghanistan – in its programme.

Two-tier China strategy

The coordination between the EU and its Member States over their China strategy is key. Ideally, there should exist a single EU-led China strategy, which is currently under development, but it is quixotic to think that Member States will abandon their own policies and outsource such an important aspect of foreign policy exclusively to the EU. Therefore, the coordination between their intelligence agencies, their China policy experts, and their China units within their respective foreign ministries is of primary importance. In a two-tier approach, the EU should focus on establishing the broad strategic guidelines, to be approved by the Council, which should then be followed by the EEAS and the Member States. The possibility of a veto in the Council has to be taken into account, and that is why I believe that such coordination should form part of a broader institutional reform, which the CoFoE itself points to, to incorporate qualified majority voting on all foreign policy decisions in the Council, to increase the decision-making flexibility of the EU and its responsiveness to a fast-changing international context. The abovementioned strategic guidelines should include respect for EU values and broad geopolitical, security, and economic priorities, to be developed and further specified by each Member State according to its own preferences. These suggestions for a China strategy and its various elements should be food for thought for the CoFoE.

Facts trump 'fake news'

The EU should establish a 'China intelligence unit' dedicated to monitoring disinformation and misinformation emanating from China with the aim of influencing European society. This could be part either of IDEA (a think-tank linked to the European Commission) or a new parliamentary committee. It could be composed of experts in natural language processing, big data, and artificial intelligence who would monitor news and social media originating from China or Chinese sources and identify factually misleading ones. This would require in-house investment in new skills and know-how, not only among EU personnel but also in the educational systems of EU Member States. Particular attention would have to be paid so to avoid crossing the line between keeping the EU's politics and social climate healthy and creating a censorship unit that blocks Chinese material that 'we do not like'. For instance, an ethical committee could oversee the unit. Instead of blocking or censoring, it could also provide

factual counter-information to the Chinese propaganda and disinformation, which would at the same time increase public understanding of China. This philosophical dilemma of censorship versus the protection of democratic health should also be a topic of the CoFoE, as it should include the views of both the public and political representatives. Beyond that, the unit should also address ways to protect the EU from foreign interference through fake news, disinformation, and more direct cyberattacks.

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SECTION 3

TECHNOLOGY, POPULISM, AND NATIONALISM

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A Populist Post-COVID Wave?

A Cross-Case Comparison

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Abstract

Even though populist movements typically thrive in political, economic, and/or social crises, the COVID-19 pandemic proved to be difficult for populists across Europe to politicise and mediate. The extent to which populists have been able to capitalise on the pandemic has varied from country to country. This paper will examine how European populist movements in three European countries – the United Kingdom, Spain, and Italy – have responded to the pandemic, and how they will likely fare in their upcoming national elections.

Crises usually bode well for populist movements. Populists often mediate and politicise crises for electoral advantage. An example of the political opportunities presented by crises can be observed in the aftermath of the 2008 global financial crisis, which was followed by the Eurozone debt crisis in 2011/2012. These economic crises disrupted national economies, as well as national politics across the globe. Populism movements sprang up, specifically right-wing populist parties. Notable examples were the Brexit Party in the United Kingdom and the Tea Party, followed by the election of President Donald Trump in the United States.

More recently, the COVID-19 pandemic has triggered political, healthcare, social, and economic crises across the globe. We would therefore expect populist movements to have leveraged the chaos and disorder which has beset national and international governing institutions. However, the extent to which populists have been able to capitalise on the pandemic has varied across countries. This paper begins by defining populism according to Cas Mudde's ideational interpretation of populism. Then, recent populist movements in Italy, Spain, and the UK will be examined in an effort to determine how populism in each country has, or has not, responded to the COVID-19 pandemic. These three countries were chosen for case studies since they were among the European countries to be hit first and worst by the pandemic, especially during the first wave. Therefore, there is considerably more research on the health crises and resulting political dynamics within these countries than there is on countries that have not suffered as severely or were hit by the pandemic later.

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Understanding populism

Populism is perhaps one of the most contested and frequently undefined terms in politics. Indeed, the term is employed to refer to a wide range of movements across political contexts that challenge established governing institutions. What's more, populism is rarely claimed by parties or movements as a self-descriptor. In view of the lack of consensus around the meaning of the term, this paper employs Cas Mudde's ideational interpretation, which posits that populism juxtaposes 'the elite' and 'the people' by condemning the former and celebrating the latter. In other words, populism is 'a thin-centered ideology that considered society to be ultimately separated into two homogenous and antagonistic camps, "the pure people" versus "the corrupt elite," and which argues that politics should be an expression of the volonté générale (general will) of the people'.[1] Mudde and Kaltwasser describe populism as 'thin-centered' because it is an ideology that is frequently attached to other ideologies and can take many forms, depending on the political and social contexts in which it is invoked. 'Thick-centered' ideologies on the other hand, like liberalism, socialism, or communism, are less amorphic. Unlike populism, these ideologies are 'coherent ideological traditions' that form their own, independent discursive frameworks.[2]

Italy

Italy was the first Western country to be hit by the pandemic, in January 2020. COVID-19 was particularly deadly there partly because, in 2019, Italy had the oldest population in Europe, with 22.8% of its people aged over 65 and, according to a 2017 report, 71% of those over the age of 65 had at least two underlying health conditions. Almost half of this age-group took at least five different medicines a day.[3] As of 9 September 2021, Italy reported 4,571,440 total COVID-19 cases and 129,515 deaths.[4] What's more, the economic strain of the pandemic plunged the country into its deepest recession since World War II: in 2020, Italy registered the worst fall in GDP in the Euro area with an 8.9% contraction.[5]

The Italian government, led by Prime Minister Giuseppe Conte, declared a state of emergency on 30 January 2020, and on 9 March 2020 implemented a national lockdown. Conte's government received domestic and international support for its containment measures. Initially, this led to increased trust in the government in Italy. In December 2019, 42% of Italians reported a positive opinion about the government. By February 2020, this percentage increased to 71%.[6] However, by June 2020 (during phase two), this percentage decreased to 60% (albeit still higher than pre-pandemic). The data collected from these opinion polls are especially relevant to an examination of the political consequences of COVID 'since Covid-19 has been the central – if not the only – topic on the political agenda of all parties and institutions for most of 2020', therefore 'it is possible to read the variations in this ... data as clearly connected to the pandemic'.[7] Nonetheless, the fluctuating feelings of the Italian public towards their government have painted a complicated picture for the post-COVID state of populism in the country.

Populism in Italy

Populism has been a strong force in Italian politics. In 2018, the aggregate proportion of votes for populists in the general election hit nearly 70%.[8] 'No other major West European democracy has witnessed such levels of support for populists.'[9] One possible explanation for this is Italians' historical distrust towards government institutions:

Such a tradition of disaffection [towards the government] has its roots in the formation of the unitary state of 1861. Following this, the Catholic Church and large sectors of southern elites took a firm position against the new polity and its elites. The original lack of legitimacy of the new state and its institutional weakness initially nurtured anti-institutional and anti-political sentiments in the population. Fascism simply fanned the flames.[10]

Anti-establishment political ideologies and rhetoric have flourished in the generations since unification. Indeed, in the March 2018 election, two populist parties, the Five Star Movement (M5S) and Lega (formerly the Northern League), won a combined majority of votes and parliamentary seats. As a result, these parties joined forces to form a government. In 2019, Lega gained 34.3% of

1 C. Mudde and R. C. Kaltwasser (2017), *Populism: A Very Short Introduction* (Very Short Introductions) (Oxford: University Press), pp. 5–6.

2 Mudde and Kaltwasser, *Populism*, p. 6.

3 A. Amante and C. Balmer (2020), 'COVID-19: Why has the pandemic affected Italy so badly?', World Economic Forum, 17 December, https://www.weforum.org/agenda/2020/12/italy-death-toll-pandemic-covid-coronavirus-health-population-europe/.

4 European Centre for Disease Prevention and Control (2021), 'COVID-19 situation update worldwide, as of week 35, updated 9 September 2021', https://www.ecdc.europa.eu/en/geographical-distribution-2019-ncov-cases.

5 Euronews (2021), 'Italy politics: Former ECB chief Mario Draghi sworn in as prime minister', 13 February, https://www.euronews.com/2021/02/12/former-ecb-chief-mario-draghi-appointed-italy-s-next-prime-minister.

6 G. de Ghantuz Cubbe (2020), 'Assessing the political impact of Covid-19 in Italy', EUROPP, 29 September, https://blogs.lse.ac.uk/europpblog/2020/09/29/covid-19-italian-politics/.

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8 M. Vercesi (2021), 'Why is Italy more populist than any other country in Western Europe?', The Loop, 12 July, https://theloop.ecpr.eu/why-is-italy-more-populist-than-any-other-country-in-western-europe/.

9 Vercesi, 'Why is Italy more populist'.

10 Vercesi, 'Why is Italy more populist'.

the vote in the 2019 European Parliament election. M5S is a right-wing anti-establishment party that opposes immigration, the EU, and globalism. However, the party also supports policies that are traditionally championed by political parties on the left, including universal basic income, and environmentalism. Lega is a right-wing populist party that emphasises nativism, nationalism, and conservatism. Another notable populist party that grew significantly during the pandemic is Brothers of Italy. In September 2020, this far-right populist party was so successful in regional elections that it 'ended 25 years of leftwing rule in the eastern Marche region'.[11] In fact, current opinion polls indicate that Brothers of Italy has overtaken Lega.[12] The Brothers of Italy leader Giorgia Meloni is now slated to succeed Mario Draghi as Prime Minister in the 2023 general elections.

Changing strategies

While COVID ravaged Italy, its populist parties carefully positioned themselves in opposition to the Conte administration, which was finding renewed favour from the public. Lega's strategy was to attack the EU, 'insinuating that supranational institutions were conspiring to damage the Italian economy'.[13] Lega also blamed Chinese nationals and immigrants for the outbreak of the virus, using the opportunity to call for more stringent border protections.[14]

Another notable political consequence of the pandemic can be observed in the Italian public's feelings towards the EU. According to survey data collected by the European Parliament in June 2020, only 23% of Italians reported that they were satisfied with the measures taken by the EU to date against COVID-19, which ranked as the lowest satisfaction rate in the EU.[15] Italians also reported the lowest levels of satisfaction, 16%, with regard to the solidarity between EU Member States in fighting the pandemic.[16] In other words, only 16% of Italians felt that other Member States were pulling their own weight in the fight against the pandemic. The European Parliament conducted the same surveys in June 2021. This time, 51% of Italians reported they were satisfied with the measures taken by the EU to fight the pandemic and 44% reported that they were satisfied with the solidarity between EU Member States.[17] The growing approval for the EU in Italy was reflected by the swearing in of the current Prime Minister, Mario Draghi, the ex-head of the European Central Bank, in February 2021. Following the collapse of the Conte administration, Draghi received backing from across the political spectrum in Italy, most importantly from M5S, the largest group in Parliament. Even though Draghi's government may represent a departure from traditional Euroscepticism in Italy, populist parties throughout the country have by no means lost ground as a result of the pandemic. The general elections in 2023 will be the next test of the strength of populism in Italy, post-pandemic.

Spain

Like the United Kingdom, Spain has been one of the worst-hit countries in Europe, especially at the start of the pandemic. As of 9 September 2021, 4,887,394 cases and 84,928 deaths were reported there.[18] As a result, on 14 March 2020, the Spanish government declared a state of emergency and implemented one of the strictest lockdowns in the world.[19] These public health measures, which inevitably reduced civil liberties and economic progress, were leveraged by populist parties in Spain.

Populism in Spain

From the start of the pandemic, the far-right party Vox (Voice) has been among those to politicise the crisis and the Spanish government's response. Founded in 2013 as a split-off from the right-wing People's Party, Vox opposes multiculturalism, immigration, feminism, Islam, and autonomous communities. The party is economically liberal, a soft Eurosceptic, and draws heavily upon Catholicism. Vox gained prominence in the 2019 Spanish national elections held in April and November, where the party received 10.3% of the vote in the former and 15.1% in the latter.[20] It has since become the third largest political party in

11 A. Giuffrida (2020), 'Far-right Brothers of Italy close to snatching Marche region from left', *The Guardian*, 22 September, https://www.theguardian.com/world/2020/sep/21/far-right-brothers-of-italy-on-course-gain-marche-region-from-left.

12 A. Giuffrida (2021), 'Success of far-right Brothers of Italy raises fears of fascist revival', *The Guardian*, 3 August, https://www.theguardian.com/world/2021/aug/03/success-of-far-right-brothers-of-italy-raises-fears-of-fascist-revival.

13 D. Bonansinga (2021), 'Has the pandemic changed populism in Italy? – Populism in action', Populism in Action Project, 17 May, https://more.bham.ac.uk/populism-in-action/2021/05/17/has-the-pandemic-changed-populism-in-italy/.

14 Bonansinga, 'Has the pandemic changed populism in Italy?'

15 European Parliament (2020), 'Plenary Insights – June 2020', EUROPA, June, https://www.europarl.europa.eu/atyourservice/files/beheard/eurobarometer/2020/plenary-insights-june-2020/en-plenary-insights-june-2020.pdf.

16 European Parliament, 'Plenary Insights'.

17 European Parliament (2021), 'Resilience and recovery: Public opinion one year into the pandemic', EUROPA, June, https://doi.org/10.2861/297253.

18 European Centre for Disease Prevention and Control, 'COVID-19 situation update worldwide'.

19 La Moncloa (2020), 'El Gobierno decreta el estado de alarma para hacer frente a la expansión de coronavirus COVID-19 [Consejo de Ministros/Resúmenes]', 14 March, https://www.lamoncloa.gob.es/consejodeministros/resumenes/Paginas/2020/14032020_alarma.aspx.

20 P. Taggart and A.L.P. Pirro (2021), 'European Populism Before the Pandemic: Ideology, Euroscepticism, Electoral Performance, and Government Participation of 63 Parties in 30 Countries', *Italian Political Science Review/Rivista Italiana Di Scienza Politica*, 1–24. https://doi.org/10.1017/ipo.2021.13.

Spain. For the purpose of examining the responses of populist parties to the COVID-19 pandemic, Vox is particularly salient because of how its leaders adjusted their political strategy over the course of the pandemic.

New strategy during COVID-19

Over the course of the pandemic, Vox changed its political strategy. A paper published by José Javier Olivas Osuna and José Rama in June 2021 analysed speeches given by Vox party leader, Santiago Abascal between March and June 2020, the first wave of the pandemic.[21] Their analysis draws upon the core dimensions of populism: antagonism, morality, the idealisation of society, popular sovereignty, and personalistic leadership.

After analysing the transcripts of the debates for the approval and extension of the state of emergency in Spain to combat the spread of the pandemic, Osuna and Rama conclude that 'in comparison with Vox's political manifestos, the idealised depiction of society lost relevance ... whereas the moral and antagonistic dimensions largely increased their salience'.[22] Osuna and Rama explain that, while Abascal increased morality and antagonism references in his speeches, he did so in order to delegitimise the Spanish government and its pandemic interventions. Without making any specific comments about the pandemic itself, he accused the government of spreading disinformation and harbouring a secret agenda, which allegedly included 'eroding the unity of Spain and trying to establish a communist authoritarian regime'.[23] Further, throughout the first wave, as 'the number of populist references increased, the tone of his statements also became more hyperbolic and aggressive'.[24] For example, particularly salient excerpts from Abascal's speech on 3 June 2020, include,

Mr. Sánchez, you can't disguise this: tens of thousands of dead Spaniards due to sectarianism and criminal negligence by this Government and millions of Spaniards ruined...[25]

...We know where your Government stands, [...], forging new agreements with all of Spain's enemies ..., of course: with ETA, with the Basque Nationalist Party and with Republican Left of Catalonia, with those who have only ever been concerned, are and will be concerned by Spain going down in flames and who have taken advantage of this epidemic to advance their goals of destruction and division of Spain.[26]

I believe that Mr Iglesias wishes a civil war, [...], I believe that in his vanity and fanatism is capable of provoking a tragedy in Spain, but we are not going to fall into his provocations.[27]

Public health measures in Spain, which inevitably reduced civil liberties and economic progress, were leveraged by populist parties.

The populism espoused by Abascal during this period proved to be contagious. In fact, Abascal's rhetorical style influenced the communication styles of other populist and even non-populist party leaders in Spain. Pablo Casado, the leader of the People's Party, a conservative and Christian-democratic party, abandoned the anti-populist features he usually employed in his speeches and replaced them with populist antagonism and morality features.[28] Party leaders across Spain adopted Abascal's communication style in order to attack and delegitimise other political parties in Spain, including Vox. Indeed, Abascal's populist rhetoric was politically attractive.

As Spain, along with most Western countries, begins to enter the post-pandemic world, populism has taken on

21 J.J. Olivas Osuna and J. Rama (2021b), 'Vox, Covid-19, and populist discourses in Spain', EUROPP, 25 June, https://blogs.lse.ac.uk/europpblog/2021/06/25/vox-covid-19-and-populist-discourses-in-spain/.

22 Olivas Osuna and Rama, 'Vox, Covid-19, and populist discourses in Spain'.

23 Olivas Osuna and Rama, 'Vox, Covid-19, and populist discourses in Spain'.

24 Olivas Osuna and Rama, 'Vox, Covid-19, and populist discourses in Spain'.

25 J.J. Olivas Osuna and J. Rama (2021a), 'COVID-19: A Political Virus? VOX's Populist Discourse in Times of Crisis', *Frontiers in Political Science*, 3. https://doi.org/10.3389/fpos.2021.678526.

26 Olivas Osuna and Rama, 'COVID-19: A Political Virus?'

27 Olivas Osuna and Rama, 'COVID-19: A Political Virus?'

28 Olivas Osuna and Rama, 'Vox, Covid-19, and populist discourses in Spain'.

a different agenda within the country. As in the United Kingdom, post-pandemic populism in Spain is now focused on perceived threats to personal freedom and civil rights. As people become more frustrated with ongoing pandemic restrictions, coupled with the fact that – all thanks to vaccines and the government-enforced containment measures – the virus no longer poses an existential threat to the country, populists in Spain have seized the opportunity to deploy 'freedom populism'. On 4 May 2021, Isabel Diaz Ayuso, the incumbent Madrid Community President and member of the People's Party, won the regional election in a landslide vote. As a result, she will govern alongside Vox in Madrid for at least two years. She ran on a platform that promised to 'liberate' Madrid from the pandemic restrictions implemented by Spain's socialist government.[29] Throughout her campaign, she posted videos on Twitter of the owners of Madrid's well-known bars and restaurants, saying 'Madrid is freedom' and 'We are more alive than ever'.[30] Clearly, this new brand of late to post-pandemic populism, or 'freedom populism' has proven to be much stronger in Spain than in the United Kingdom. Ayuso's overwhelming electoral victory is indicative of the newfound vitality of the populist post-COVID wave in Spain.

The UK presents a key case study for examining the impact of COVID-19 on populism in Europe because populists across the continent drew upon British anti-EU arguments in their own political arenas.

The United Kingdom

The UK presents a key case study for examining the impact of COVID-19 on populism in Europe because populists across the continent drew upon British anti-EU arguments in their own political arenas. Additionally, the changing strategies of populist politicians in the UK during the pandemic provide key insights into highly effective rhetorical strategies employed by anti-establishment actors seeking to politicise COVID-19.

The UK has been one of the worst-hit countries throughout the pandemic. As of 9 September 2021, it reported a total of 6,978,126 COVID-19 cases, the second highest case rate in Europe, after Russia, and a total of 133,229 COVID-19 deaths, the second-highest deathrate in Europe, again after Russia.[31] However, the high impact of COVID-19 on the British public was not easily leveraged by populist parties.

Populism in the UK

Even before the onset of the pandemic, populism in the UK was alive and well. This was perhaps best exemplified by the 2016 vote on the referendum to leave the EU, resulting in 'Brexit', when on 31 January 2020 the UK became the first and only country to date to withdraw from the EU. Brexit was largely led by the Brexit Party, which was founded in November 2018 by Nigel Farage and Catherine Blaiklock. They advocated for a 'clean-break Brexit' or a 'no-deal Brexit' in which Britain would withdraw from the EU entirely and move to World Trade Organization trading rules if a free trade agreement was not agreed upon. The Brexit Party argued that a complete exit from the EU would finally allow Britain to 'reshape' its future by resuming sovereignty over its 'laws, borders, money, fishing and defence'.[32] The Party's political ideology was founded upon populism and Euroscepticism. It drew its support from former UK Independence Party (UKIP) voters, which was not surprising, especially since Farage had led UKIP, a Eurosceptic party, from 2006 to 2009 and from 2010 to 2016. There was also support for the Brexit Party from Conservative Party voters as well as from members of left-wing parties, such as the Respect Party and the Revolutionary Communist Party.

The popularity of the Brexit Party among British voters was especially evident at the UK's contingent at the 2019 European Parliament election, held on 23 May 2019. The Brexit Party won the most votes and became the largest single national party in the European

29 S. Zabala (2021), 'Be aware of freedom populism', Al Jazeera, 25 June, https://www.aljazeera.com/opinions/2021/6/25/beware-of-freedom-populism.

30 Zabala, 'Be aware of freedom populism'.

31 European Centre for Disease Prevention and Control, 'COVID-19 situation update worldwide'.

32 C. Tindall (2019), 'Election 2019: What are the Brexit Party's policies – apart from the obvious', The Conversation, 2 December, https://theconversation.com/election-2019-what-are-the-brexit-partys-policies-apart-from-the-obvious-127694.

Parliament, being the dominant choice of those who had voted to leave the EU. Voters who voted to stay in the EU were not nearly as unified in their party choices, as these voters were split among the Liberal Democrats, the Green Party of England and Wales, the Scottish National Party, and the Labour Party, among others. On 6 January 2021, the Brexit Party re-registered under a new name, Reform UK.

New strategy during COVID-19

Throughout the first wave of the pandemic, UK populist politics failed to leverage the crisis. The traditional anti-establishment rhetoric employed by populist movements was not well suited to the unprecedented challenges brought forth by the pandemic, especially during the first wave. Indeed, the Brexit Party/Reform UK saw no significant increase in its political support by the end of the first wave (May 2020) or by the middle of the second wave (March 2021).[33] Nonetheless, by November 2020, Brexit Party/Reform UK rebranded its party focus. The party's new objective was to oppose lockdowns. In an email to supporters in November 2020, Farage painted a bleak picture of the consequences of a national lockdown:

The new national lockdown will result in more life-years lost than it hopes to save, as non-Covid patients with cancer, cardiac, lung and other illnesses have treatments delayed or cancelled again. Suicides are soaring. Businesses and jobs are being destroyed.[34]

The Brexit Party/Reform UK's anti-lockdown rhetoric had many supporters, as evidenced by multiple demonstrations, often thousands strong, across the UK between April 2020 and August 2021.[35] These lockdown protests focused on the perceived futility of lockdowns and frequently linked lockdown restrictions and the COVID-19 vaccine to various unfounded, anti-science, and anti-establishment conspiracy theories. As anti-vaxxer and conspiracy theorist Piers Corbyn told attendees at an April 2020 protest at Shrewsbury College, 'We all know the lockdown has failed us. It has caused misery… We'll have more deaths from loneliness, suicide and people being kept out of hospital'.[36] At an October 2020 protest in London, protestors held signs that falsely linked COVID-19 to 5G, compared health restrictions to life under Nazi Germany, and denied the existence of the virus among other anti-lockdown, messages.[37] Piers Corbyn told these protestors, 'Bill Gates wants vaccinations to control you and to control women's fertility to reduce world population. That is his game and he's going to get loads of money off it, and you will pay with your money and your life. We say, "No."'[38]

Yet such anti-vaccine and anti-lockdown movements in the UK do not represent the general attitude of the British public towards COVID-19 public health measures. By the end of June 2021, nearly 44 million people in the UK, or 83.3% of the adult population, had received at least one vaccination, and 32 million people, or 60.9% of the adult population, had received two doses.[39] The Office for National Statistics collected data from 28 April to 23 May 2021 and reported that only 6% of adults in Great Britain reported vaccine hesitancy.[40]

Indeed, the anti-vaccine movement in the UK is not nearly as strong as its counterparts in Europe or the US. Nonetheless, the UK anti-vax movement should not be dismissed. It is the result of a new brand of populism within the UK – a populism focused on distrust of the political and scientific elite and a renunciation of pandemic safety restrictions in the name of personal liberty and conspiracy theories. Meanwhile, the pandemic has been severely jeopardising the public health of the entire country for nearly two years.

Conclusion

Populism typically thrives in political, economic, and social crises. The COVID-19 pandemic presented national governments across the globe with all three types of crisis, on top of a transnational public health disaster. However, populist movements in Europe did not necessarily capitalise on the pandemic. As indicated

33 G. Bobba and N. Hubé (2021), 'Populism and Covid-19 in Europe: What we learned from the first wave of the pandemic', EUROPP, 20 April, https://blogs.lse.ac.uk/europpblog/2021/04/20/populism-and-covid-19-in-europe-what-we-learned-from-the-first-wave-of-the-pandemic/.

34 BBC News (2020), 'Nigel Farage: Brexit Party to focus on fighting lockdown', 2 November, https://www.bbc.co.uk/news/uk-politics-54777346.

35 For accounts of some of these demonstrations, see Reuters (2021), 'Scuffles and arrests as anti-lockdown protesters march through London', 20 March, https://www.reuters.com/article/uk-britain-protests/scuffles-and-arrests-as-anti-lockdown-protesters-march-through-london-idUSKBN2BC092; D. Gayle (2021), 'Anti-vaccine passport protesters storm Westfield mall in London', *The Guardian*, 29 May, https://www.theguardian.com/world/2021/may/29/anti-vaccine-passport-protesters-occupy-westfield-mall-in-london; BBC News (2021), 'London protests: Thousands march through capital in day of protest', 26 June, https://www.bbc.co.uk/news/uk-england-london-57623110..

36 R. Mills (2020), 'Police explain response to anti-lockdown protest in Glastonbury after Piers Corbyn disputes it was broken up', SomersetLive, 26 April, https://www.somersetlive.co.uk/news/somerset-news/piers-corbyn-protest-glastonbury-police-4080293.

37 N. Vassell (2020), 'Thousands of protesters in London after capital moved to tier 2 rules', *Metro*, 17 October, https://metro.co.uk/2020/10/17/thousands-of-protesters-fill-london-streets-after-capital-moved-to-tier-2-rules-13438503/; N. Murphy (2020), 'Thousands of anti-lockdown protesters crowd into London as tier 2 restrictions hit', *Mirror*, 17 October, https://www.mirror.co.uk/news/uk-news/thousands-anti-lockdown-protesters-crowd-22862195.

38 R. Lott-Lavigna (2020), 'Anti-lockdown conspiracy theorists march in London as new tier 2 rules hit', Vice.com, 17 October, https://www.vice.com/en/article/93w9ke/standupx-anti-lockdown-protest-anti-mask-london.

39 M. Townsend (2021), 'Vaccine hesitancy wanes despite thousands joining "Freedom March"', *The Guardian*, 27 June, https://www.theguardian.com/world/2021/jun/26/vaccine-hesitancy-wanes-despite-thousands-joining-freedom-march.

40 Office for National Statistics (2021), 'Coronavirus and vaccine hesitancy, Great Britain', 9 June, https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandvaccinehesitancygreatbritain/28aprilto23may2021.

by the three countries examined in this paper, Italy, Spain, and the UK, populist politicians had to change their strategies and rhetoric in order to preserve their political relevance during and after the pandemic. And even if not entirely comprehensive, such comparisons across countries have the potential to be helpful for EU policymakers seeking to address differences in political responses to the pandemic.

In Italy, the country hit the worst of the three in terms of the incidence of COVID-19 deaths per million population (2,145.73), populists were not able to make as much headway as their British and Spanish counterparts. It seems that the existential threat posed by the pandemic, especially during the first wave in Italy, made the politicisation and mediation of populist actors untenable, and Italian populist politicians kept a low profile during the height of the pandemic. However, the COVID-specific brand of 'freedom populism' (of course the objective of 'freedom populism' is hardly novel, it is the same anti-establishment argument, just re-clothed to suit pandemic-related discontent) which grew in the UK and Spain has gripped Italy as well. Besides enduring the country's horrific death and infection rates, Italians have also suffered from a severe economic downturn. People are anxious to recover economically, and continuous lockdowns undeniably preclude swift economic improvement. In this context, populist politicians, armed with 'freedom populism', are poised to leverage the disquiet within the population. Indeed, the country is predicted to swing back to right-wing leadership in the 2023 general election.

Populist politicians in Spain were considerably more successful at leveraging the pandemic than those in the UK. In terms of incidence of COVID-19 deaths per capita, both countries were hit similarly hard (1,999.02 per million population in the UK and 1,809.4 million in Spain). Perhaps the difference in political dynamics can be attributed to the difference in the strength of scientific voices and institutions within the two countries. The UK leads Europe in the field of biotechnology, and even developed the AstraZeneca vaccine, which was approved for use in the UK vaccination programme in December 2020. While Spain plans to roll out its own COVID-19 vaccine by the end of this year, the country is nowhere near the biotech giant that the UK is. It is conceivable that this contextual difference contributed to the different success rates met by populist politicians in the two countries.

In the UK, whose most visible populist movement recently achieved its goal of officially withdrawing the country from the EU, populist politicians had to redirect their anti-establishment talking points. Of course, the politicians of Reform UK did not change their strategy from Brexit policies to anti-lockdown policies simply because of the potential political opportunity presented by COVID. Brexit was dropped because it had succeeded. Indeed, the pandemic seems to have occurred at a convenient time for populist politicians in the UK who needed a new focus, post-Brexit. Nor can the influence of populist, anti-lockdown rhetoric and conspiracy theories issuing from the US be overlooked. Former US President Trump's repeated denunciations of the scientific and biological facts of COVID-19 had international consequences, and these are readily observable in the UK. The political influence of the US on the domestic political dynamics of other national governments is certainly not new. However, as Europe begins to emerge from the pandemic, EU policymakers should be especially vigilant against potentially pernicious political rhetoric from opportunistic actors within the US and elsewhere.

As Europe recovers from the pandemic, it is likely that populist political movements will only grow stronger. Now that the biological existential threat of COVID-19 is receding, populist mouthpieces can retroactively criticise national governments and transnational institutions, rightly or wrongly, for failing to act in the best interests of the public. Populist politics are often condemned for a host of legitimate reasons – they are prone to xenophobia, exclusivity, conservatism, and exploit ignorance and desperation among vulnerable communities. However, condemnation will likely do little in the face of the populist movements that are likely to gather steam in the coming months and years in Europe. Populist political leaders are often savvy political entrepreneurs who thrive in contexts where people feel oppressed, unheard, and unseen. If EU policymakers intend to combat post-COVID populism, they too need to be attuned to the fears of a European public which is desperate to return to their pre-pandemic lives.

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EU Strategic Autonomy

Industry Implications in the Changing World Trade Order

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Abstract

Concurrent factors are rapidly reshaping our vision of the international economy: the COVID-19 pandemic and its impact on industries and value chains; the growth and growing assertiveness of China; and the United States' redefinition of its role in the various regions of the world. How do these major factors affect the present and future of the EU and what are the implications for its policies? This paper analyses the main characteristics of European strategic autonomy in the wider context of the economic and social changes observed in international trade and international relations, in order to better understand what strategic autonomy means for European democracy.

EU strategic autonomy imperatives gaining prominence

The European social model seeks to build a working, resilient, and prosperous economy, industry, and internal market. In this respect, achieving strategic autonomy is crucial as it also intersects with sovereignty and defence. The EU's strategic autonomy policies should not be examined in isolation; they must be seen as a major ingredient of the Conference on the Future of Europe.[1]

Strategic autonomy has progressively gained prominence among the EU's objectives and policies. As revealed in a 2021 Istituto Affari Internazionali Report, European Strategic autonomy was first used in the context of EU security and defence, and remained a concept that was not explicitly defined until 'it was elevated as a broader strategic ambition in the 2016 EU Global Strategy, agreed immediately after the Brexit referendum'.[2] The EU

1 European Council, 'Conference on the future of Europe', https://www.consilium.europa.eu/en/policies/conference-on-the-future-of-europe.

2 N. Tocci, 'European strategic autonomy: what it is, why we need it, how to achieve it', Istituto Affari Internazionali, 2021, https://www.iai.it/sites/default/files/9788893681780.pdf.

Implementation Plan on Security and Defence defined strategic autonomy as 'the EU's ability to act in security and defence together with partners when it can, alone when it must'.[3] The concept originated in the security and defence domain, but came to be used interchangeably with the notion of European sovereignty in the policy field, 'heralded by French President Emmanuel Macron in 2017 and echoed by former President Jean-Claude Juncker in his 2018 State of the Union address'.[4]

Since then, the COVID-19 crisis has forced the EU to revisit or tweak long-accepted concepts and theories, such as budget equilibrium, the role of competition policy, reluctance to reshape industrial policy, and the benefits of free trade. It can be said that the resulting rebalancing of economic objectives, priorities, and instruments is still a work in progress. Truth be told, those past imperatives had never been fully implemented. The budgets of EU Member States have not always been balanced. And for many years now, achieving free trade in the multilateral arena has not been a shared objective at the world level or even among Western countries. 'My country first' slogans are deeply embedded in protectionist economic policies and international exchanges everywhere.[5] The popular sovereignty of European citizens is still under construction as the democratic institutions in place at Union level have not subsumed individual nations' popular sovereignties. As a result, the EU has gone a long way towards defining its *multi-faceted strategic autonomy ambitions*.

The most widespread current perceptions of strategic autonomy among European citizens, according to which it is possible to build a discourse around the concept, can be listed as the following 'policy' and 'ability' objectives:[6]

- design of EU rules and establishment of its own laws;
- adherence to a sustainable EU growth and social development plan, relying whenever needed on its own industrial resources, and withstanding negative or hostile initiatives from foreign powers;
- withstanding economic shocks caused by international crises;
- successfully conduct of a common EU foreign policy;
- the creation of an EU's military power whenever its core interests are at stake.

Table 1 EU strategic autonomy initiatives in different areas.

Technology and Digitalisation	Industrial Policy and Sustainability	Foreign Affairs and Security
Comprehensive EU legal framework on privacy and the digital market, such as the GDPR and DSA/DMA	Attempts at industry 're-shoring'	Progress towards common foreign and defence policies
A set of initiatives in strategic industrial sectors such as health, microchips, car batteries, AI, and new technologies	Coordination of green and decar-bonated policies, and the Fit for 55 package to achieve carbon neutrality by 2050	Establishing a common European agenda for recalibrated EU–China relations
Initiatives to foster EU digitalisation and the internal digital market, such as broadband, regulation, competition, industrial policy (5G), and cybersecurity		Reassessment of the transatlantic dialogue to find common ground in industry priorities and trade
		Reinforcement of political, economic, and military relationships with Japan, South and South-East Asia, and Africa, which will also play a significant role in rebalancing international power and trade relations

3 Tocci, 'European strategic autonomy', p. 7; See also: Council of the European Union, 'Implementation plan on security and defence', 14 November 2016, http://data.consilium.europa.eu/doc/document/ST-14392-2016-INIT/en/pdf

4 Tocci, 'European strategic autonomy'.

5 Insert here the country name of your choice.

6 See: S. Anghel, B. Immenkamp, E. Lazarou, et al. (2020), 'On the path to 'strategic autonomy: The EU in an evolving geopolitical environment', Report, European Parliamentary Research Service, September 2020, PE 652.096 – DOI:10.2861/60568; B. Lippert, N. von Ondarza, and V. Perthes (eds.), (2019): 'European Strategic Autonomy Actors, Issues, Conflicts of Interests', SWP Research Paper, n° 4 2019, Berlin, doi: 10.18449/2019RP04

Because of geographical and cultural differences among EU members, an immediate objection to such policies comes to mind: are the 27 Member States, split as they are on many issues, capable of overcoming their divergences and implementing a coherent strategic autonomy agenda? The brief reply would be that the EU has surprised its detractors during recent years, by its ability to rise, however lopsidedly, to its challenges.

In this respect, the concept of EU strategic autonomy has inspired numerous intertwined initiatives in different strategic areas, as shown in Table 1.

Considering the overall structure of the Union – composed of different sovereign states with different prerogatives and approaches not necessarily aligned to a common objective – difficulties, shortcomings, and setbacks are unavoidable. However, the historical experience of the path towards European integration encourages us to move ahead and pave the way for potential progress toward a common approach in achieving strategic autonomy.

Forward-looking strategic autonomy

From the European strategic autonomy perspective,[7] this section considers the future of EU industries and value chains and their implications for the broader context of the relationships with China and the US.

Global value chains (GVCs)

It is a common belief that the economic crisis that the COVID-19 pandemic created raised questions about the impact of GVCs on countries' gross domestic product (GDP). Three recent studies provide welcome factual evidence in this regard.

Giglioli et al. conclude that 'contrary to what could be expected on the basis on past crises, during the current Covid-19 pandemic, GVCs may have sheltered countries and firms, contributing to their resilience [...], we provide some evidence showing that countries more integrated into international production suffered lower GDP losses'.[8]

An August 2021 Asian Development Bank cross-economy GVC study concludes: 'Participation in GVCs and the size of the pandemic-related shock to gross domestic product (GDP) appear to have a U-shaped relationship. Greater participation is associated with a larger negative shock in 2020, but the relationship reverses beyond a certain point.'[9] This points to the diversity of outcomes among economies: 'GVCs clearly have the power to both mitigate and amplify global disruptions'.[10] The interpretation of these discrepancies is straightforward: smaller, less diversified, or protectionist economies suffer more from international trade shocks than do larger diversified economies.

This result is in line with the conclusions of a 2021 OECD study that investigates the impacts of shifting away from GVCs towards a localised regime, concluding that:

The localized regime, where economies are less interconnected via GVCs, has significantly lower levels of economic activity and lower incomes. Furthermore, the localized regime is also found to be more – not less – vulnerable to shocks, as shown by greater instability of key economic variables such as real GDP.[11]

Brendan Murray wrote in August 2021 in Bloomberg: 'So as companies re-evaluate their supply chains and try to make them more durable, they're doing things like increasing inventories and adding vendors rather than scrapping GVCs and going full tilt into re-shoring production.'[12] Murray notes that distance is not the main problem posed by the pandemic. He quotes Soren Skou, chief executive of container-shipping line Maersk, as saying:

If you near-shore and you put a factory in Mexico instead of China or you put a factory in Eastern Europe instead of China, that factory can still be hit just as easily in a pandemic scenario as it can if it's based in China [...] so we are not seeing any dramatic move to near-shoring as a consequence of this.[13]

Identifying all the risks facing our economies is beyond our capabilities. Once we have listed and experienced recurring economic crises, pandemics, climate change, natural catastrophes, and political crises, we are left with all 'those ills we know not of',[14] the irreducible uncertainty of the future. The public likes to think that government has mastery not only over the present but also

7 M. Draghi (2019), 'Sovereignty in a Globalised World', speech delivered on the award of Laurea honoris causa in law from Università degli Studi di Bologna, Bologna, 22 February, https://www.ecb.europa.eu/press/key/date/2019/html/ecb.sp190222~fc5501c1b1.en.html.

8 S. Giglioli, G. Giovannetti, E. Marvasi, and A. Vivoli (2021), 'The Resilience of Global Value Chains During the Covid-19 Pandemic: The Case of Italy', UniFI DISEI Working Paper No. 07/2021, Florence: Università degli Studi Firenze Dipartimento di Scienze per L'Economia e L'Impresa.

9 Asian Development Bank, 'Key indicators for Asia and the Pacific', August 2021, https://www.adb.org/sites/default/files/publication/720461/ki2021.pdf, p. 229.

10 Asian Development Bank, 'Key indicators for Asia and the Pacific', p. 230.

11 Organisation for Economic Co-operation and Development (OECD), 'Global value chains: efficiency and risks in the context of COVID-19', OECD Policy Responses to Coronavirus (COVID-19), 11 February 2021, https://www.oecd.org/coronavirus/policy-responses/global-value-chains-efficiency-and-risks-in-the-context-of-covid-19-67c75fdc.

12 B. Murray, 'Pandemic's economic shocks fuel scrutiny of global value chains', Bloomberg, 24 August 2021, https://www.bloomberg.com/news/newsletters/2021-08-24/supply-chain-latest-pandemic-shocks-fuel-debate-on-supply-chains.

13 Murray, 'Pandemic's economic shocks'.

14 Shakespeare, *Hamlet*, Act 3 scene 1.

Table 2 EU strategic autonomy requirements.

Vertical Requirements	Horizontal Requirements
Production of 'essential' goods	Social standards
Energy supply	Environmental standards
Communication, network infrastructure	Health standards

the future, but the truth is that we can only explore the future, and have no way of making the unpredictable predictable. Confronting the limits of our knowledge, we only have two imperfect lines of economic policy action against risks: identifying 'strategic' industries and diversifying.

Strategic industries and diversification

As there is no general definition of what a 'strategic' industry is, let us adopt the European Citizens' Initiative directive's definition of critical infrastructure: 'an asset [...] which is essential for the maintenance of vital societal functions, health, safety, security, economic or social well-being of people'.[15] Simplifying the concept amid the ongoing crisis of a global pandemic crisis, we may prioritise the obvious: healthcare products. A close second would be products affected by current shortages (i.e., microchips) or accelerated industrial transitions (such as car batteries). Myopia is a big risk here, as we tend to focus on immediate needs and shortcomings. This risk is mitigated by the EU having poured public money into a whole range of industries, not just the 'strategic' ones, partially addressing the issue of diversification that as identified in the studies mentioned above can act as a buffer against crises. Diversification, however, cannot be overly extensive. It has obvious limits in terms of natural resources, competencies, and financing.

However, the size and integration of the EU internal market is a notable competitive advantage. As former European Central Bank president Mario Draghi noted just before the onset of the COVID-19 crisis in February 2019:

Two-thirds of EU countries' trade is with other Member States, compared with about half for the NAFTA region. Around 50% of euro area cross-border financial holdings are from other euro area countries. Practically speaking, this means that Italy exports more to Spain than to China, and more to Austria than to Russia or Japan. In 2017, German direct investment in Italy was five times higher than that of the United States. [...] The EU accounts for 16.5% of global economic output, second only to China, which gives European countries a large domestic market to fall back on in the event of trade disruptions. EU trade makes up 15% of world trade, compared with around 11% for the United States, providing the EU with significant weight in trade negotiations.[16]

The EU's areas of critical dependence are rather localised. According to a European Commission (EC) report, 'a bottom-up (quantitative) mapping using external trade flows for more than 5,000 products as its starting point identifies 137 products in the most sensitive ecosystems where the EU can be considered highly dependent on imports from third countries (representing about 6% of the extra-EU import value of goods)'.[17] The report identifies three main foreign sources of EU import value, China (with 50% of total value), Vietnam, and Brazil. Product dependency ranges from energy industry-related products including raw/processed materials and chemicals, to the health ecosystem, including pharmaceutical ingredients, to products needed to support the sustainable transition and digital transformation. It is noteworthy that the 0.6 per cent of extra-EU import products 'could be considered as potentially more vulnerable given their possibly low potential for further diversification as well as substitution with EU production'.[18]

Overall, EU strategic autonomy remains imperative for its industry and value chains. To define the core strategic industry set (CSIS) and connected values, the European approach to the redefinition of strategic autonomy should be built around the requirements shown in Table 2.

CSISs and international trade

The practical implementation of CSISs warrants competitive efficiency. The drawbacks of overly bureaucratic decision-making processes can potentially hamper this development, as can protectionism, and so such practices should be avoided as much as possible. The CSISs include already existing initiatives to protect companies from foreign takeovers and acquisitions.

It is essential to reconcile legitimate policy goals with international trade mechanisms that rely on comparative advantages. Interna-

15 Council of the European Union, 'Council directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection', Official Journal of the European Union, 23 December 2008, https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:345:0075:0082:EN:PDF, Art. 2(a).

16 Draghi, 'Sovereignty in a Globalised World'.

17 EC, 'Strategic dependencies and capacities', 5 May 2021, https://ec.europa.eu/info/sites/default/files/swd-strategic-dependencies-capacities_en.pdf.

18 EC, 'Strategic dependencies and capacities'.

tional trade advantages do not just refer to innovative advantages. For many developing and emerging countries, the relatively low cost of manpower and the existence of natural resources are the major factors of competitiveness. Some trade-offs are needed, but how can we define them? Beyond the CSISs, international trade principles will define a playing field based on best practices and lessons from the experience of the previous phase of globalisation, particularly the necessity to dynamically accommodate transition phases. The definition of the playing field will address levels of social, environmental, and health standards as well as governments subsidy issues intelligently, consistent with the level of development of the countries concerned, resulting in different categories of trading partners being taken into consideration. To match the scale of international trading partners, both the CSISs and international trade principles for Europe must be defined at the EU level, with special emphasis on consistency and solidarity.

Internationally agreed CSISs would help to avoid trade wars and be the first step in future international negotiations if and when the horizon becomes clear after the current crisis.

How far can CSISs distance themselves from high-level international trade rules? Very importantly, and somewhat paradoxically, if a core set of strategic goods and services to be produced locally or regionally is to be defined, this definition will need to be agreed coordinated with as many players as possible and as symmetrically as possible, not only at the EU level but also with other trade partners. Internationally agreed CSISs would help to avoid trade wars and be the first step in future international negotiations if and when the horizon becomes clear after the current crisis.

The international dimension: partners and rivals

In international trade, the EU faces major challenges from economic, technological, and industrial rivals; yet it also has an opportunity to strengthen ties with its historical partners.

First of all, there are obvious implications for the China conundrum that the EU is facing, in the form of trade rivalry.[19] China's strategy in trade and international policy has taken an aggressive turn. The EU must evaluate what it must do and realistically can do in the face of a non-democratic behemoth with a population of 1.4 billion whose economic policy is governed by its national interest. Given the big difference between the 1947–1990 Cold War with the Soviet Union and the current situation, existing economic links with China jeopardise the interests of the EU and Member States initiatives' industries. The multibillion-euro question is how far strategic autonomy and democratic imperatives can trump existing economic and business interests. The EU's China policy involves fine-tuning a mix of political pressures, markets, and industrial transitions. Let us not forget, though, that EU–China dependence goes both ways and presents challenges to all involved. China has engaged for some years in a re-orientation of its industry towards its own internal market. Even given the authoritarian nature of the regime, economic and social transitions are not painless and pose a political risk.

The US has made major military and economic contributions to the development and welfare of Europe over the last decades. It is now partially pivoting away from Europe. After two decades of various forms of 'America First', the US is shifting away from the (benign) hegemonic role that it has held for years in international relations, seeming to favour a more combative posture in defending Western democracies (especially against Russia and China). Europe is still at pains to sort out the discrepancies between lenient speeches and tough realities. It is struggling to figure out what kind of relationship it can now establish without being considered a second-rank partner. Strong transatlantic relations, however, should remain an essential component of EU policy in order to preserve a balance in the international system by matching the population and economic weight of the Asian giants. Multinational companies, although multinational by name, and having interests in multiple regions, still have a prevalent national identity – especially US-based big tech companies. Consequently, any EU–US cooperation must include cross-Atlantic investment. This should be reinforced by selected joint research projects, with potential industry spin-offs benefitting both regions. The 29 September 2021

19 European Commission, 'Country and regions: China', https://ec.europa.eu/trade/policy/countries-and-regions/countries/china.

launch of the US–EU Trade and Technology Council, as part of the EU Digital Strategy,[20] has provided a framework for a reset of transatlantic relations. While it takes two to tango, we should put our best foot forward.

The EC's Summer 2020 Economic Forecast,[21] which came out before the adoption of the Recovery Plan and was updated in 2021,[22] emphasised that 'exceptionally high risks concerning [...] protectionist policies and an excessive turning away from global production chains could also negatively affect trade and the global economy'. But the same EC made strong statements about regaining strategic autonomy in the technological, industrial, and digital areas.[23] This clearly hints at a reassessment of supply chains and relocalising production, within a context not only of increasing mistrust of China, but also of long-lasting echoes of 'Made in America by American Workers',[24] to quote US President Joe Biden's plan.

Future perspectives

Complete strategic autonomy does not exist. Easy references to elegantly coherent economic doctrines are of little use at this point. We have entered an era of deep pragmatism. As a Darwinian scholar explained:

Yes, change is the basic law of nature. But the changes wrought by the passage of time affects individuals and institutions in different ways. According to Darwin's Origin of Species*, it is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself. Applying this theoretical concept to us as individuals, we can state that the civilization that is able to survive is the one that is able to adapt to the changing physical, social, political, moral, and spiritual environment in which it finds itself.*[25]

Despite this quote being one of the most famous examples od misinterpretations of Darwin's work, to the extent of our discussion, the point it underlines are still valid.

The best way to tackle the problem of European strategic autonomy while sticking to our common values-driven approach would be a mix of pragmatic considerations regarding economic policy and industry analyses. The COVID-19 crisis has dramatically emphasised the blind spots, shortcomings, and fragility of the international

Table 3 Actions required for the EU to increase strategic autonomy.

Trade	Leverage and fine-tune trade relationships between market economies to alleviate the industrial and political constraints posed by trade with non-market economies.
Supply chains	Check supply chains (resilience, source duplication), with industry bodies (soft instrument) and possibly impose regulatory rules (hard instrument), keeping in mind companies themselves are best placed to optimise value chains within a given context.
Industry	Monitor industry adjustment in GVCs. Do whatever it takes to facilitate and possibly incentivise the needed changes.
Post-pandemic future orientation	Mobilise all EU industrial and institutional competencies to identify areas where it needs to catch up: what we want the EU economy to be after the pandemic and how to help EU reach its full potential and adjust relations with non-market economies.

20 European Commission, 'Digital in the Trade and Technology Council', 2021, https://digital-strategy.ec.europa.eu/en/policies/trade-and-technology-council.

21 European Commission. 'European economic forecast: summer 2020', 7 July 2020, https://ec.europa.eu/info/publications/european-economic-forecast-summer-2020_en.

22 EC, 'Strategic dependencies and capacities'.

23 European Commission (2021), 'Digital sovereignty: Commission kick-starts alliances for Semiconductors and industrial cloud technologies', Press Corner, 19 July.

24 The White House (2021), 'President Biden to Sign Executive Order Strengthening Buy American Provisions, Ensuring Future of America is Made in America by All of America's Workers', Statements and Release, Briefing Room, 25 January.

25 L. C. Megginson (1963), 'Lessons from Europe for American Business', *Southwestern Social Science Quarterly*, 44(1), 3–13.

trade order. National economies and the international trade order are now engaged in a confusing process of accelerated change, facing compounded risks.

To compete on a global scale, the EU must improve its footing in strategic sectors, and aim to increase its international power, while enacting strategic – and 'smart' – policies. There is a widely shared view that globalisation is here to stay. It has been demonstrated that the benefits of international competitive trade extend across countries and industries. However, even before the current crisis had highlighted its sometimes critical shortcomings, globalisation had plateaued. Since 2019, the opinion has gained ground that the new international order will combine, in a principled, optimal, and realistic way, the dual requirements of strategic autonomy at the national and regional (EU) level with the benefits of open economies. In March 2020, the EC announced an attempt to define a long-term industrial strategy with three main priorities: global competitiveness with a level playing field, climate neutrality by 2050, and a digital future.[26] The September 2021 State of the Union address affirmed a blueprint for EU policies.[27]

Conclusion: strategic autonomy imperatives for Europe

In conclusion, a plan for the EU to pragmatically interpret strategic autonomy imperatives would include the actions listed in Table 3.

The concept of EU strategic autonomy is a central imperative for Europe. The discussion around what is strategic will lead to strengthened sovereignty. The political debate should proceed using the concept of deep pragmatism. This does not mean a shift towards protectionism or looser relations with strategic partners. It requires strategically coordinating the political agenda among the EU's 27 Member States. Policies that favour the free market and industry initiatives will tend to strengthen the strategic nature of the actions undertaken by the Union. That will in turn strengthen popular sovereignty and the European social model. Smart (liberal) policies, in the era of digitisation and major changes in industry and the internal market, are more essential than ever if we are not to fall behind in the strategic sectors of the future.

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5G Geopolitics and European Strategic Autonomy

Security, Standardisation, and the (False?) Promise of Open RAN

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Abstract

'How long does it take to download a two-hour-long movie in high-definition?' This question might not make sense once 5G networks are fully operational because the movie will probably download before the sentence is finished. A file that took more than 20 hours to transfer at the beginning of the century will need less than 5 seconds to move from the cloud to a device in a few years from now. That is how fast 5G is and, typically for revolutionary technologies, it will have far-reaching implications, not only for the digital economy but also for security in domestic and international politics.[1] So far, security concerns have been met with protectionist responses and a trade war between the US and China entailing mutual bans of proprietary 5G equipment. The emerging alternative to this zero-sum game is n open and interoperable 5G architecture – called Open RAN – that claims to favour free trade, fair competition, and international cooperation. This paper examines Europe's possible entanglement in this New Cold War for the digital age.

1 It is possible that 6G will be the real revolutionary technology, while 5G is only an intermediary step that – although it will make a huge difference in the industry – will offer very little in terms of consumer services. Nevertheless, the discussion and the main conclusions of this paper remain intact.

Introduction: technology, change and the geopolitics of 5G

Technology has long been discussed as a 'master variable' in international politics.[2] Advancements in information and communication technology have been also a major source of change in the world.[3] The way individuals, businesses, and states connect and create networks has a transformative effect on the global economy, international organisation, and geopolitics.[4] In the same vein, 5G technology answers to a growing demand for larger bandwidths and faster data traffic, but it also comes with some innovative and disruptive potential.

The geopolitics of 5G evolves into a zero-sum game with Cold War undertones between the United States and China: the two sides are making a claim for technological superiority by adopting protectionist policies in an attempt to bar one another from their domestic markets.

The vastly increased number of interconnected devices and the sheer speed of data exchange will enable new or boost an existing range of burgeoning technologies, such as automated driving, cloud computing, machine learning, and the Internet of Things (IoT); at the same time, the enhancement of mobile connectivity will enable network architectures that will disrupt digital platforms, social networks, and existing business models.[5] This in turn will create a whole new level of digital dependencies for individuals, businesses, and states that will provide both opportunities and risks.

As a result, the geopolitics of 5G evolves into a zero-sum game with Cold War undertones between the United States and China: the two sides are making a claim for technological superiority by adopting protectionist policies in an attempt to bar one another from their domestic markets.[6] This technological confrontation between the two rivals and their allies will have profound consequences for international politics at large.

In response to this arrangement, and instead of subscribing to a race for technological sovereignty through trade protectionism, some parts of the 5G industry are calling for an alternative, open, and interoperable network architecture – so-called Open RAN – which promises to ensure network security while respecting the values of free trade, fair competition, and multilateralism in international governance.

Europe has yet to take a firm stance in this debate. There is no common European response on the horizon, and Member States have very different views with varying degrees of urgency attached to the matter. Yet this predicament calls for a common response because it touches upon the issue of European sovereignty, and so it is also linked to the concept of strategic autonomy. Europe is in a good position to avoid entanglement in a New Cold War and at the same time to reap the benefits of revolutionary technology for its internal, increasingly digitised market. Moreover, in the end, Europe's position within this confrontation not only has the potential to decide the outcome but also to define the values of the future international order that will emerge from it.

2 H.H. Sprout (1963), 'Geopolitical Hypotheses in Technological Perspective', *World Politics*, 15, 187–212.

3 L. Dudley (1991), *The Word and the Sword: How Techniques of Information and Violence Have Shaped Our World* (Oxford: Blackwell); R.J. Deibert (1997), *Parchment, Printing, and Hypermedia: Communication in World Order Transformation* (New York: Columbia University Press).

4 P. Khanna (2016), *Connectography. Mapping the Future of Global Civilization* (New York: Random House).

5 S.K. Rao and R. Prasad (2018), 'Impact of 5G Technologies on Industry 4.0', *Wireless Personal Communications*, 100(1), 145–159; D. Soldani and A. Manzalini (2015), 'Horizon 2020 and Beyond: On the 5G Operating System for a True Digital Society', *IEEE Vehicular Technology Magazine*, 10(1), 32–42; F. Boccardi, R.W. Heath, A. Lozano, T.L. Marzetta, and P. Popovski (2014), 'Five Disruptive Technology Directions for 5G', *IEEE Communications Magazine,* 52(2), 74–80.

6 C.H. Kwan (2020), 'The China–US Trade War: Deep-Rooted Causes, Shifting Focus and Uncertain Prospects', *Asian Economic Policy Review*, 15(1), 55–72.

5G security and protectionist responses: a Cold War for the digital age?

5G technology is expected to create value across the board;[7] at the same time, however, it is certain to create an equal number of capabilities and vulnerabilities within the network.[8] This potentiality is already affecting national and international security. Technological dependence on 5G creates a range of technical threats, such as 'backdoors' that give remote access to information, source coding vulnerable to hacks and other cyberattacks, and others. But in reverse, technological superiority in 5G entails great potential for market penetration and economic dominance, intelligence gathering, sabotage, and foreign influence.[9] In this sense, controlling the supply chain of 5G – from sourcing raw materials to manufacturing equipment or setting up 5G towers – becomes a matter of national security, and 5G equipment manufacturers become national strategic assets.

It is in this context that many countries have grown wary of China's rise as a technological superpower and its state-owned technological giants that are starting to dominate 5G network development programmes.[10] Achieving global market dominance using protectionist industrial policies is a long-standing Chinese strategy.[11] Recently, the Chinese communist leadership reaffirmed this strategic objective with the announcement of a 'dual circulation policy' that aims to boost domestic industrial production, while reducing reliance on foreign technologies.[12] In response, since 2018, several states including the US and the UK have introduced protective measures and imposed restrictions on the use of Chinese technology in their domestic 5G networks, with compulsory bans on equipment manufactured by Huawei and ZTE, among others.[13]

The competition between the US, China, and allies in 5G technology links back to a wider debate about the nature of US–China relations as bipolar rivalry. In this context, the US–China rivalry is framed as a New Cold War, analogous to the US–Soviet confrontation of the twentieth century.[14] Several explanations are given for its origins, including the spectacular rise of China's economic power that challenges American interests and the resulting confidence and assertiveness of the communist regime that pushes it to call for a revision of the liberal international order.[15] Several factors seem to be at play here, but the acute ideological differences between the US and China, in combination with wider geopolitical dynamics, are definitely among the foremost factors behind this confrontation.[16]

5G competition is usually approached through the prism of this US–China antagonism. As the argument goes, China will use its national champions to dominate the 5G market and every market that will be built on top of it, control the network, and compromise critical infrastructure in the West. In turn, Chinese dominance will displace US interests and ultimately undermine the liberal international order. This is a Cold War fit for the digital age which beckons other international actors to take sides.[17] The only alternative is to agree on an open and interoperable 5G architecture that does not rely on proprietary equipment and thus promises to avoid national dependence on foreign equipment manufacturers.

The (false?) promise of Open RAN

Traditional RAN use proprietary equipment to connect devices to the network. In simple terms, all parts of the 5G network that work together to connect a device to the cloud are manufactured by one and the same company. This architecture guarantees compatibility and operability but is also conducive to the emergence of monopolies, which can ultimately translate into technological dependence. In contrast, Open RAN supports the disaggregation of hardware and software: the operating system may come from company A, microchips from company B, and cells and antennas from company C. An additional layer of virtualisation removes any remaining dependencies on specific hardware suppliers. More than a mere technical matter, this type of network architecture

7 A. Rejeb and J.G. Keogh (2021), '5G Networks in the Value Chain', *Wireless Personal Communications,* 117(2), 1577–1599.

8 X. Ji, K. Huang, L. Jin, H. Tang, C. Liu, Z. Zhong, ... and M. Yi (2018), 'Overview of 5G Security Technology', *Science China Information Sciences*, 61(8), 1–25; I. Ahmad, T. Kumar, M. Liyanage, J. Okwuibe, M. Ylianttila, and A. Gurtov (2018), 'Overview of 5G Security Challenges and Solutions', *IEEE Communications Standards Magazine,* 2(1), 36–43.

9 T. Rühlig and M. Björk (2020), 'What to make of the Huawei debate? 5G network security and technology dependency in Europe', UI Paper, Swedish Institute of International Affairs.

10 K. Kaska, H. Beckvard, and T. Minarik (2019), 'Huawei, 5G and China as a security threat', NATO Cooperative Cyber Defence Center for Excellence (CCDCOE), 28.

11 T.A. Hemphill and G.O. White III (2013), 'China's National Champions: The Evolution of a National Industrial Policy – Or a New Era of Economic Protectionism?', *Thunderbird International Business Review*, 55(2), 193–212.

12 J.Y. Lin and X. Wang (2021), 'Dual Circulation: A New Structural Economics View of Development', *Journal of Chinese Economic and Business Studies*, 1–20.

13 Kaska, Beckvard, and Minarik, 'Huawei, 5G and China as a security threat', 15–18.

14 Y.F. Khong (2019), 'The US, China, and the Cold War Analogy', *China International Strategy Review*, 1(2), 223–237.

15 The literature is divided on the issue of China's rise as a threat to the liberal international order. See, for example: Z. Bijan (2005), 'China's Peaceful Rise to Great-Power Status', *Foreign Affairs*, 84, 18; H.W.C. Yeung and W. Liu (2008), 'Globalizing China: The Rise of Mainland Firms in the Global Economy', *Eurasian Geography and Economics*, 49(1), 57–86; M. Li (2008), The Rise of China and the Demise of the Capitalist World Economy (New York: New York University Press); A.I. Johnston (2003), 'Is China a Status Quo Power?', International Security, 27(4), 5–56; F. Huiyun (2009), 'Is China a Revisionist Power?', *Chinese Journal of International Politics*, 2(3), 313–334.

16 C. Edel and H. Brands (2019), 'The real origins of the US-China Cold War', *Foreign Policy*, 2 June, https://foreignpolicy.com/2019/06/02/the-real-origins-of-the-u-s-china-cold-war-big-think-communism/.

17 Y. Xuetong (2020), 'Bipolar Rivalry in the Early Digital Age', *The Chinese Journal of International Politics*, 13(3), 313–341.

is supposed to alleviate security concerns, reduce the risk of technological dependencies, and change the very nature of the 5G market.

An open and interoperable 5G architecture guarantees that this critical infrastructure will not be dependent (only) on Chinese equipment. The open ecosystem also means that the cost of espionage, hacking, and other cyberthreats will increase, while the efficiency of such threats will necessarily decrease. In economic terms, apart from reducing supplier dependencies, Open RAN can also remove market barriers and open up competition that favours a multi-vendor environment. In turn, the openness of Open RAN's ecosystem will inevitably drive technological innovation. Finally, the operators' costs within an Open RAN architecture are likely to be lower than traditional proprietary implementations, and this could contribute to reaching the full potential of 5G to create value. (It is no coincidence that in the aftermath of Huawei bans in some EU countries, a coalition of European telecommunications operators have called for Open RAN.)[18]

Nevertheless, the deployment of an Open RAN ecosystem is expected to bring about significant delays. As far as interoperability across systems, equipment, and networks – which would be necessary for security and efficiency in an Open RAN architecture – Open RAN does not yet seem capable of delivering 5G in Europe and the rest of the world. Interoperability needs a high level of standardisation that is not yet in place, and the success of Open RAN also hinges on the ability of vendors and operators to innovate collaborative solutions and to reduce deployment risks.[19]

Standardisation is, of course, nothing unusual in the field of telecommunications.[20] Indeed, there is already a commitment among different stakeholders to seize the opportunity to create new 5G network standards: the O-RAN Alliance, for instance, is an association promoting an 'open, intelligent, virtualised, and fully interoperable RAN'; others, like Small Cell Forum (SCF), work on the deployment of mobile connectivity via small cells 'for organisations of all sizes'.[21] More initiatives to assess interoperability capabilities have recently been tested.[22] However, in the absence of an agreement on technical standardisation between operators, hardware and software manufacturers, and states, Open RAN does not seem to ensure the correct application of interoperability protocols needed to unlock its full potential.

Conceivably, an open and interoperable approach will create a level playing field between big players and SMEs in the sector, potentially resulting in a better segmented market and enhanced (but fair) competition within the EU telecommunications industry. This will act against possible monopolies, as well as prevent each provider from competing only in consideration of its own ambitions or market conditions. However, at the same time, it is possible that an approach to interoperability that is not shared by the various stakeholders and is supported clearly both at the national and European level may result in excessive coordination costs to cover what economies have lost in buying any single component and relying on a single supplier (i.e., traditional RAN).

In short, an open and interoperable 5G marketplace needs a common regulatory framework and interoperability standards that are currently missing. Creating these necessary conditions for interoperability would take a tremendous amount of time, state subsidies, and regulation.[23] If this is the case, the promise of a secure 5G network would be offset by delays in deployment, and the potential for free market principles as guiding norms of the 5G industry would also be eliminated by the necessity for state-enforced standardisation across states, operators, equipment manufacturers, and so forth. In this context, and from a European perspective, the adoption of Open RAN would further postpone an EU launch at the forefront of 5G deployment and would exacerbate existing problems in the connectivity level of the continent.

5G Governance and European Strategic Autonomy

Despite a number of significant European initiatives, EU connectivity targets are hampered by a deeply fragmented market along national and even regional lines. Critical differences exist in the rollout of 5G networks, with more than half of EU Member States not yet being able to offer commercial 5G services. In addition, delaying the deployment of 5G in Europe means that the EU will be outpaced by other regions in the world, risking a competitive disadvantage and a strategic weakness.

The EU is keenly aware of the risks linked to 5G, and there is an ongoing debate about the possibility of coordinated action to ban Huawei across the continent.[24] In the recent past, the Commission

18 Deutsche Telekom AG, Orange S.A., Telefónica S.A., and Vodafone Group Plc (2021), 'Memorandum of Understanding on the implementation of OPEN RAN based networks in Europe', 18 January, https://www.orange.com/sites/orangecom/files/2021-01/Memorandum of Understanding Open RAN.PDF.

19 Samsung (2020), 'Overcoming challenges of multi-vendor Open RAN', White Paper, 6 February, https://images.samsung.com/is/content/samsung/p5/global/business/networks/insights/white-paper/mvoran-challenges/Samsung-MVoRAN-Challenges-Whitepaper.pdfRAN.

20 See, for instance: The 3rd Generation Partnership Project (3GPPP Initiative) (2021), 'Advanced plans for 5G', June, https://www.3gpp.org/.

21 Small Cell Forum (2021), 'About us', https://www.smallcellforum.org/about-us/.

22 O-RAN Alliance (2020), 'Second global O-RAN ALLIANCE Plugfest', Press Release, September, https://static1.squarespace.com/static/5ad774cce74940d7115044b0/t/5f88ac86a861db37b8f7df78/1602792591334/O-RAN-2020.10.15-PR-2nd-O-RAN-Plugfest-v1.0.pdf.

23 H. Lee-Makiyama (2021), 'Subsidising Balkanisation: What China's 3G subsidies teach us about 5G Open RAN', ECIPE Policy Brief, October.

24 See: European Commission (2019), 'A report on the EU coordinated risk assessment on cybersecurity in fifth generation (5G) networks', Brussels; Rühlig and Björk, 'What to make of the Huawei debate?'

has invested significant political capital in developing a Digital Single Market; but so far it has been sitting on the fence of the 5G geopolitical divide between the US and China.[25] It bears noting that the bloc has adopted legislative packages since 2015 concerning, among others, data protection (GDPR), cybersecurity (NIS), and Electronic Communications (EECC) in Member States.[26] The latter are currently implementing the first large-scale rollouts of 5G networks, which are limited to specific geographic areas.

Up to now, EU Member States have had different approaches to banning Chinese 5G equipment manufacturers. Belgium, Denmark, France, Lithuania, Poland, Romania, Slovakia, and Sweden have explicitly banned them, whereas in Finland, Germany, Portugal, and Spain it remains a distinct possibility even if Chinese companies are not specifically mentioned in their cybersecurity guidance. Other European governments such as Austria, Greece, and Slovenia are still in the process of finalising their domestic legislation. The EU has already provided general safety guidelines in the form of a 5G security toolbox, which leaves a lot of room for national capitals to manoeuvre.[27] But if history serves, sooner or later the EU might also pursue a continent-wide implementation of 5G technology in Europe, including a coordinated response to the Chinese threat.

Overall, ensuring the integrity of supply chains remains a priority. It is impossible to ignore the threat to national and international security that comes from a single supplier's potential dominance of 5G equipment and infrastructure. First and foremost, the EU needs to ensure that China does not become a dominant provider of 5G equipment in Europe. This possibility could put China in a position from which it could control the flow of information within Europe's 5G network that is currently being rolled out across the continent. Such a position could give China the upper hand not only in terms of data flow but also the infrastructure that supports information and communication technologies in Europe. In other words, if China dominates 5G equipment, there is clearly a data concern, as well as a worry that Beijing would then decide when the EU's infrastructure equipment is going to be delivered – and this would impact on the EU's ability to roll out technology going forward at its own determined pace.

National security concerns are not unfounded, and China has showed in the past that it will use every technological advantage to increase its influence in Europe.

National security concerns are not unfounded, and China has showed in the past that it will use every technological advantage to increase its influence in Europe.[28] Europe is in fact in a position to pursue its independence in 5G and, at the same time, to speed up 5G deployment to acquire a technological edge in the digital markets. Technology can shape European power, and the European industrial base can live up to this task, as long as there is a common EU industrial policy to support it.[29] In time, such a policy needs to be complemented by other industrial initiatives at the EU level, for example, semiconductor technology and the supply chain which is at the heart of 5G infrastructure, among others. The EU must develop and sustain leadership there, as well, since that is the first link in the security chain.

5G Governance and European Strategic Autonomy

Relying on Chinese state-owned companies for critical infrastructure may be a risk now, but in the long term what is needed are clear rules that will ensure technical

25 See: European Commission (2015), 'A digital single market strategy for Europe', COM(2015) 192 final, Brussels, 6 May.

26 European Commission (2016), 'Commission Implementing Regulation (EU) 2016/2286 of 15 December 2016 laying down detailed rules on the application of fair use policy and on the methodology for assessing the sustainability of the abolition of retail roaming surcharges and on the application to be submitted by a roaming provider for the purposes of that assessment', Official Journal L344/46, 17 December; European Parliament (2016), 'Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC of 14 April 2016 (General Data Protection Regulation)', Official Journal L119/1, 4 May; European Parliament (2018), 'Directive (EU) 2018/1972 of 11 December 2018 establishing the European Electronic Communication Code', Official Journal L 321/36, 17 December.

27 European Commission (2021), 'Cybersecurity of 5G networks – EU toolbox of risk mitigating measures', NIS Cooperation Group, CG Publication, 1/2021

28 A. Nestoras and R. Cirju (2021), 'The rise of China in the information domain? Measuring Chinese influence in Europe during the Covid-19 pandemic', ELF Policy Paper, July, Brussels: European Liberal Forum.

29 U. Franke and J.I. Torreblanca (2021), 'Geo-tech-politics: Why technology shapes European power', ECFR Policy Brief, 15 July.

Europe can and should assume leadership in ensuring that the ongoing digitalisation of the world will not be hampered by another Cold War entrenchment.

standardisation, cooperation, and security. Having clear 5G governance and an industrial policy that includes investments in research and innovation, as soon as possible, will also allow for a solid basis upon which to build the next generations of networks in the near future.[30] This is more than industrial standardisation; it is also an engraving of core EU values in this burgeoning market. Clear 5G governance in Europe could tip the scales towards free trade, fair competition, innovation, and international cooperation. Standardisation will have a huge impact on European industry and the internal market, but it will also reinforce transatlantic relations, as well as promote cooperation with technological (and geopolitical) rivals, which will inevitably lead to greater digitalisation worldwide.

Obviously, this cannot be only a European choice. Setting 5G standards requires international action, supported by a coalition of technologically advanced countries.[31] In addition, the EU's leadership in standards development also depends on its collaboration with many industry consortiums, such as Open RAN Alliance, Small Cell Forum, TIP, and other efforts under way in which European companies are actively engaged.

Yet Europe can and should assume leadership in ensuring that the ongoing digitalisation of the world will not be hampered by another Cold War entrenchment. The normative power of the European Union has long been debated in academic and policy cycles.[32] More than a theory, it has been examined in practice: the EU has assumed environmental leadership, setting the pace for action against climate change.[33] Similar initiatives can be taken in respect of cyber-diplomacy and setting the pace for a new, digital age of international organisation.[34]

More than the rise of China and its ability to challenge the liberal international order, it is the escalation of the US–China confrontation and the resulting tech war that threatens to unravel the underlying values;[35] but a New Cold War is not inevitable.[36] A firm European response to 5G governance can be a viable alternative to this predicament. The EU's leadership in setting 5G standards can dampen divisions and pave the way for more international trade and cooperation.[37] In the end, Europe has a clear choice: it becomes either a Cold War theatre once more or a meeting ground for open technological competition, free trade, and prosperity.

30 P. Timmers (2020), 'There Will Be No Global 6G Unless We Resolve Sovereignty Concerns in 5G Governance', *Nature Electronics*, 3(1), 10–12.

31 See, for example: G7 United Kingdom 2021, 'Ministerial Declaration' from the G7 Digital and Technology Ministers' meeting of 28 April 2021, 2–3.

32 See, for example: I. Manners (2002), 'Normative Power Europe: A Contradiction in Terms?', *Journal of Common Market Studies,* 40(2), 235–258.

33 See: J. Vogler and C. Bretherton (2006), 'The European Union as a Protagonist to the United States on Climate Change', *International Studies Perspectives*, 7(1), 1–22; S. Lightfoot and J. Burchell (2005), 'The European Union and the World Summit on Sustainable Development: Normative Power Europe in Action?', *Journal of Common Market Studies*, 43(1), 75–95.

34 A. Barrinha and T. Renard (2017), 'Cyber-Diplomacy: The Making of an International Society in the Digital Age', Global Affairs, 3(4–5), 353–364.

35 Kwan, 'The China–US Trade War'.

36 M. Zhao (2019), 'Is a New Cold War Inevitable? Chinese Perspectives on US–China Strategic Competition', *The Chinese Journal of International Politics*, 12(3), 371–394.

37 J. Seaman (2020), 'China and the new geopolitics of technical standardization', Notes de l'Ifri, Institute Français des Relations Internationales.

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Algorithms vs Culture?

Freedom of Choice and Human-centred Digitalisation in Europe

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Abstract

During the months-long worldwide lockdowns in response to the Covid-19 pandemic, not only our economies but also our public sphere decisively and irreversibly shifted into a digital realm. The omnipresence of algorithms in our increasingly digitalised public sphere has had a significant impact on the public discourse and agenda. At the same time, we cannot see what is happening inside the 'black boxes' where algorithms operate. Are such algorithms-based personalised recommendations upholding our individual freedom of choice or do they represent a threat to that choice? Considering the ubiquity of these 'guiding' algorithmic mechanisms in online media and culture-related platforms, it is worth understanding how dependent we are on them and how this dependency may affect our future and culture – and how we can use them to strengthen our values and societies. In this paper, we reflect on the correlation between algorithms and individual freedom in the increasingly digitalised European cultural domain, taking the quickly growing video-on-demand (VOD) sector as a case in point.

Introduction

Easy access to any sort of audio-visual content is among the twenty-first-century conveniences that have already become a habitual, a part of our daily lives that is almost taken for granted. Anytime, anywhere, on any personal device, we freely search for, find, and watch videos for entertainment as well as for informative and professional purposes. Thanks to video-on-demand (VOD) platforms, such as YouTube and Netflix, we are now liberated from following the fixed schedules of limited numbers of shows and films offered by cable television channels or cinemas. Instead, we are free to choose among an endless variety of programmes and shape our own screening agenda for an evening or a weekend. In our digital 2021, this recent opportunity already seems to be an indispensable element of our very understanding of freedom: freedom of choice, access to information, even freedom of self-identification and self-expression. However, despite the liberating and horizon-widening potential of these developments, are we truly as free and conscious in our choices as we would like to think?

When it comes to personalised use of technologies, the concept of freedom and individual choice is arguably trickier than it seems. The way the content is organised, shown, or promoted in social networks and online platforms follows the logic of an artificial intelligence (AI) system,[1] with its strengths and limitations. When users are looking for new content, the algorithm's output will recommend things they might want to watch, at that precise moment in time and space, using data collected on their location and online behavioural habits. Recommendation engines are becoming ever more sophisticated in analysing data and fine-tuning the content selection for individual users to suggest what they might be looking for. On the purely technical side, the use of these engines helps optimise the functioning of the platform itself for different purposes (including creating prediction products based on users' behaviour) as well as helping users navigate the chaotic vortex of continuously emerging and changing information on the Internet.

While the omnipresence of algorithms in our online searching is already too evident to have remained a secret to anyone, the question is whether algorithms-based personalised recommendations uphold our individual freedom of choice or represent a threat to it. In the light of the EU's large-scale digital transition, it is worth understanding how dependent we are on AI systems and how this dependency may affect our future and culture – and how we can use those systems to strengthen our values and societies. Moreover, we need to understand the form that our fundamental liberal values and beliefs, with their purely human nature, can take in this quickly developing digital reality that is heavily reliant on algorithms.

In what follows, we reflect on the correlation between algorithms and individual freedom in the increasingly digitalised European cultural domain, taking the quickly growing VOD sector as a case in point. We first discuss the increasing role of recommender systems in Europe's digital domain and how they are gradually substituting for the human factor in setting the public agenda. After that, we focus on the VOD sector to highlight the potential practical implications of this phenomenon for European culture. In the conclusion, we suggest a vector for finding solutions to this emerging dilemma between technological progress and human freedom.

New co-evolutionary vector: algorithms vs free choice?

During the months-long worldwide lockdowns in response to the Covid-19 pandemic, not only our economies but also our public sphere (from administrative operations to public debates) shifted decisively and irreversibly into a digital realm. The EU's long-term agenda for large-scale digitalisation is not a remote strategy but a concrete action plan for European economies, societies, and individuals.[2] There may be ongoing debates on the means and ways of achieving it, but there is unanimity on the common goal to prepare Europeans for the new era, particularly to secure the bloc's strategic autonomy in this domain. While advancements in technology have led to a massive shift towards an interconnected society, these unprecedented developments have also presented us with novel threats – not only of a technological nature (e.g. cybersecurity, privacy) but also related to the philosophical and moral underpinnings of our European way of life.

The idea behind digital computers may be explained by saying that these machines are intended to carry out any operations which could be done by a human computer.
– Alan Turing –

The use of algorithms, as implicit and ubiquitous elements in organising our digital environment, is gaining in importance across an ever-wider spectrum of areas. Gillespie defines algorithms as 'encoded procedures for transforming input data into the desired output, based on specified calculations'. Algorithms are either made by humans, through coding by hand, or they are generated from datasets through machine

1 An artificial intelligence system (AI system) means 'software that is developed [...] for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with' (European Commission, Artificial Intelligence Act).

2 European Commission (2020), 'Shaping Europe's digital future', Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2020) 67 final, Brussels, 19 February.

learning techniques.[3] Consisting of instructions to execute a succession of tasks for different purposes, algorithms are used for automatising various processes operated by software, for example, categorising search results and advertisements. Increased use of complex algorithms has become necessary with the introduction of online applications and services, such as social media and streaming platforms. The speed and amount of data they can handle in the core units are unimaginable, while they are fundamental to make sense of this amount of data, extracting information and knowledge that can be used afterwards. In addition, more complex and modern algorithms can learn from each other and even create new algorithms with the introduction of machine learning and deep learning. More complex systems of analysis, such as neural networks, are particularly useful when dealing with big data.[4] Indeed, there is a mutual relation between algorithms and (big) data, that is, the phenomenon of employing immense datasets generated by, but that cannot be read by, traditional information and communication technologies (ICT) applications.[5]

While algorithms are used in a variety of circumstances, their impact on our daily lives will only increase during the next decade. This is related to the rollout of new technologies such as next-generation networks and the large-scale deployment of AI techniques, such as machine learning and neural networks, which will affect many aspects of our lives. However, the increasing presence of algorithms itself should not worry us – at least for now. The underlying reason for using algorithms for recommender systems is to provide users with targeted information, based on their habits and needs.[6] For instance, YouTube and Netflix are using algorithms to suggest videos that users might be interested in watching, potentially facilitating our access to what is relevant to us. These processes work by collecting data from users (based on their privacy settings and preferences),[7] such as identifying users' location, content already watched, and general browsing habits.[8] In addition, the information collected helps online platforms provide targeted advertising, which without doubt constitutes the main source of revenue for digital companies and social media.[9] Social networks and the digital economy have thus significantly benefitted from the evolution of complex algorithms and the automation of computational processes.[10] However, this does not come without further implications.

Algorithms can be defined as a modern co-evolutionary vector.[11] While up to recently human society was characterised by people's relationship with nature and with each other, recommendations-based systems have influenced the way our society has evolved in the last decade and will continue to affect its development in the future. In particular, as the transmission of information has gravitated towards online platforms,[12] this has altered the communicative space and how the public perceives information. On the one hand, in the context of communication through the Internet, the information can be extrapolated from a single context and moved 'from network to network', making it 'difficult for traditional gatekeepers, such as public relations professionals and journalists, to control or withhold information [...]'.[13] Carrigan and Porpora recently studied this interplay between human identity and our relation to technology and thinking machines.[14] Describing how the digital technological matrix shaped society in the context of AI, they identify different phases of this transformation up to the point of the creation of a 'humanted', an augmented human identity 'modified by technologies who is both the product and producer of the hybridization of society'.[15]

On the other hand, as a result of the use of personalised recommendation systems, the targeting is shifting from a specific audience, or 'target group', with predefined interests to a 'personalised' approach. This has changed the way information reaches audiences, where the use of algorithms for both boosting research engines and

3 Tarleton Gillespie (2014), 'The Relevance of Algorithms', in Tarleton Gillespie, Pablo J. Boczkowski, and Kirsten A. Foot (eds.), *Media Technologies: Essays on Communication, Materiality and Society* (Cambridge, MA: MIT Press), p. 1, https://www.microsoft.com/en-us/research/wp-content/uploads/2014/01/Gillespie_2014_The-Relevance-of-Algorithms.pdf.

4 M.I. Jordan and T.M. Mitchell (2015), 'Machine Learning: Trends, Perspectives, and Prospects', *Science*, 349(6245), 255.

5 Andrea De Mauro, Marco Greco, and Michele Grimaldi (2015), 'What is Big Data? A consensual definition and a review of key research topics', 1644 AIP Conference Proceedings,106.

6 Cooper Smith (2014), 'Social networks are only just getting started in mining user data', *Business Insider*, 24 April, http://www.businessinsider.com/social-medias-big-data-future-2014-2.

7 This may vary depending on the application, system, browser, and Terms and Conditions that single companies apply.

8 It should be clear that an algorithm alone cannot work properly. It needs to use data collected from users' behaviour. The process of obtaining data generated from users in social media is called social media (data) mining. The purpose is to analyse these data in order to implement technical advancement of the platform as well as to create targeted marketing campaigns. For further information: M.A. Abbasi, H. Liu, and R. Zafarani (2014), *Social Media Mining: An Introduction* (New York: Cambridge University Press).

9 Statista (2020), 'Selected online companies ranked by total digital advertising revenue from 2012 to 2020', June, https://www.statista.com/statistics/205352/digital-advertising-revenue-of-leading-online-companies/.

10 A. Zakurdayeva, ''The future of the algorithm and its benefits for technology companies'', Yalantis.com, https://yalantis.com/blog/the-future-of-the-algorithm-economy/.

11 William Uricchio (2017), 'Data, Culture and the Ambivalence of Algorithms', in Mirko Tobias Schäfer and Karin van Es (eds.), *The Datafied Society: Studying Culture through Data* (Amsterdam: Amsterdam University Press), pp. 125–137, DOI: https://doi.org/10.25969/mediarep/12569.

12 Statista (2021), 'Share of respondents who read the written press every day or almost every day in the European Union (EU 28) from 2011 to 2020', March, https://www.statista.com/statistics/452430/europe-daily-newspaper-consumption/.

13 J. Fawkes and A. Gregory (2000), 'Applying Communication Theories to the Internet', *Journal of Communication Management*, 5(2), 109–124.

14 M. Carrigan and D.V. Porpora (eds.) (2021), *Post-Human Futures: Human Enhancement, Artificial Intelligence and Social Theory* (Abingdon: Routledge).

15 Carrigan and Porpora, *Post-Human Futures.*

influencing the emotional dimension (that is, suggesting content in social media) detracts from human rationality. In this situation, the individual relies on (or is subject to) the mathematical rules of the algorithms used by the platform rather than on their own will.[16] Herein lies a hidden dialogue between a human-driven factor, that is, somebody actively sharing content on social media or entering their preferences in a search, and automated computing, with the shared or recommended content following predetermined paths established by an algorithm. As a result, the content that becomes 'viral' creates a volatile situation, with the human factor possibly being diminished in this interaction and dissemination process.

Algorithms as new agenda-setters

The role of algorithms in (re)shaping our perceptions and everyday culture has recently been the focus of scholarly attention.[17] With the rise of free digital information and algorithms, it is the system that is preselecting the information for us, based on our perceived preferences. They not only influence our private everyday lives and choices but, in the increasingly digitalised public sphere, they have great potential to impact our political and socio-cultural discourses and agendas.[18] Gillespie has coined the term 'public relevance algorithms' to refer to the way algorithms are 'producing and certifying knowledge', thereby to a great extent determining what we consider important, timely, and worthy of attention – in political, social, and cultural terms.[19] As a result, the power of algorithms ranges from shaping public tastes and socio-cultural and political agendas to shaping 'a public's sense of self'.[20]

What is novel here is not the phenomenon itself but the logic and the principles of filtering and classifying the information flow before it even reaches our eyes and ears.[21] Societies have always had public arbiters whose expert judgement and authority (based on education, experience, achievements, or other qualities) would direct public attention and shape public opinion. Filtering and pre-selecting information to fit the anticipated needs of a certain target audience has always been among the key functions of the media and the cultural domain. The added value of a newspaper or an art critique consists not merely in transmitting and interpreting the news but, first of all, in identifying what information is relevant for their potential readers/listeners/viewers, thus determining whether certain facts or ideas are even worth mentioning and discussing. From this perspective, not only the audience's opinion but even its very time and attention has always been to a significant degree directed by certain individuals, recognised and acknowledged as experts and public arbiters in a given domain (those with what Pierre Bourdieu would call social and cultural capital).

Today, with the shift towards digitalisation and a dramatic increase in the amount of information and the speed and scope of its circulation across the globe, the role of the human factor in this preselecting – and agenda-setting – process has decreased significantly, giving more and more power and credibility to technologies and automatisation.

Two theories from the literature are central to a discussion of freedom of choice and algorithms. The designs of both code architecture and nudges are not neutral, and their forms reflect aims and decisions. Thus, there is a risk that such designs taken in the dark and without any kind of scrutiny are likely to be used to benefit their creators or without due consideration of the balance of public interests.

Regarding architecture design (that is, coding), Lessig argues that the architecture of software can act as a regulator and constraint on human behaviours since this represents '[...] the "built environment" of social life in cyberspace. It is its "architecture". [...] The code or software or architecture or protocols set these features, which are selected by code writers. They constrain some behavior by making other behavior possible or impossible. The code embeds certain values or makes certain values impossible. In this sense, it too is regulation, just as the architectures of real-space codes are regulations.'[22]

Moreover, when it comes to choices, behavioural economics theories such as 'nudge' theory can not only help us understand the functioning of complex recommender systems but also give us a broader perspective on the risks and implications. In Thaler and Sunstein's words, '[a] nudge [...] is any aspect of the choice architecture that alters people's behaviour in a predictable way

16 This leads to a horizontalisation of information dissemination, creating prerequisites for a shift from mass communication to personal communication and determining a hybrid situation of mass self-communication. See M. Castells (2010), *The Rise of the Network Society* (Oxford: Wiley Blackwell).

17 Stefka Hristova, Soonkwan Hong, and Jennifer Daryl Slack (eds.) (2020), *Algorithmic Culture: How Big Data and Artificial Intelligence Are Transforming Everyday Life* Lanham, MD: (Lexington Books); H. Jenkins, S. Ford, and J. Green (2013), *Spreadable Media: Creating Value and Meaning in a Networked Culture* (New York and London: New York University Press).

18 See Max van Drunen (2021), 'Editorial Independence in an Automated Media System', *Internet Policy Review*, 10(3),https://policyreview.info/articles/analysis/editorial-independence-automated-media-system; Judith Möller, Damian Trilling, Natali Helberger, and Bram van Es (2018), 'Do Not Blame It on the Algorithm: An Empirical Assessment of Multiple Recommender Systems and Their Impact on Content Diversity', *Information, Communication & Society*, 21(7), 959–977, https://www.tandfonline.com/doi/full/10.1080/1369118X.2018.1444076.

19 Gillespie, 'The Relevance of Algorithms', 168.

20 Gillespie, 'The Relevance of Algorithms', 168.

21 F.J. Zuiderveen Borgesius, D. Trilling, J. Moeller, B. Bodó, C.H. de Vreese, and N. Helberger (2016), 'Should We Worry about Filter Bubbles?', *Internet Policy Review*, 5(1), https://doi.org/10.14763/2016.1.401.

22 Lawrence Lessig (2006), *Code: And Other Laws of Cyberspace, Version 2.0* (New York: Basic Books), pp. 121–125.

without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting fruit at eye level counts as a nudge. Banning junk food does not.'[23]

When machine learning algorithms are used as decision support tools with big data, as for instance in the case of recommender systems, nudges become a powerful tool. The recipients of these nudges are 'hypernudged', meaning that 'Big Data-driven nudging is [...] nimble, unobtrusive and highly potent, providing the data subject with a highly personalized choice environment'.[24] Recommender systems are a 'very powerful form of choice architecture, shaping user perceptions and behavior in subtle but effective ways through the use of "hypernudge" techniques, undermining an individual's capacity to exercise independent discretion and judgment'.[25]

What previously depended on personal choice, socio-cultural capital, and individual preferences and choices of an editor or an expert nowadays relies more and more on statistics, data, and variables and is filtered by algorithms. Even the phenomenon of self-made opinion leaders – such as YouTube and Instagram influencers – has only been possible thanks to the increasing role of recommender systems. After reaching a certain level of views and likes, the probability of a certain item of content being considered by algorithms as relevant to an ever-broader audience increases – as does its presence in recommendations and ratings. In this way, in the algorithms-dependent digital public domain, it is popularity that determines relevance – and not quality or trustworthiness.

With the advancement of AI systems, scenarios in which content, be it trustworthy or not, spreads quickly among a broad audience and gets beyond human control occur more and more often. Remarkable evidence has been provided by Facebook employees showing that the company does not fully control its recommendation engines, which can allow content of any kind to become viral in a split second.[26] Although the technological might of the platform is commonly used for generating profit, it does not yet possess the means to guarantee that these very instruments are not facilitating the swift spread of unethical or potentially harmful and dangerous ideas, from misinformation on health-related issues to propagating openly discriminatory and hateful content. This evidence alone clearly points to the fact that the advancement of algorithmic technologies is currently not being matched by equally sophisticated gate-keeping engines.

Thus, the use of algorithmic information systems has led to a sea change in how information emerges and circulates in the public domain. In this context, we, liberals, are specifically concerned with how these developments might affect our fundamental values and principles in the long run. The question is whether the growing presence of such 'guiding' mechanisms in online media and culture-related platforms truly facilitates our access to the vibrant whirl of diverse content and increases our freedom of choice. Or does it, to the contrary, limit our focus to a certain (most popular or most familiar to us) segment of the available information?

European culture between technological progress and human values

Although the socio-cultural impact of the algorithmic logic behind recommender systems has been widely studied with regard to media and news, it is equally relevant for the cultural domain, or culture-related digital platforms. Due to the use of algorithms and the extensive deployment of recommendation engines, the digitalisation of (popular) culture is accelerating globalisation and 'has shrunk the world into a much smaller interactive field'.[27] There are a number of consequences and implications of this phenomenon for shaping the cultural horizon of Europeans, as individuals, citizens, and societies. Among the positive socio-cultural effects of this transformation is the fact that, thanks to better connectivity, more people have on-demand worldwide access to informative audio-visual content, such as documentaries, podcasts, and interviews. Anyone with an Internet connection is generally able to select independently what information to consume, in what way, and at what time. This opens up a seemingly limitless scope of constantly emerging cultural products and gives us the freedom to follow our own tastes, preferences, and interests. In an ideal scenario, this broadening of opportunities (in terms of accessibility of diverse content as well as increased personal liberty to select and filter it) allows for shaping one's individual cultural and intellectual horizon.

However, in practice, algorithms-based recommendation systems present a substantial, even if not yet fully evident, threat to our freedom of choice – and, as a consequence, to our cultural sphere. Following the logic of similarity, which is a fundamental principle of recommendation systems, limits our awareness of diversity, differences, opposition, and alternatives. In fact, algorithms by their very nature are data-based, and this makes them values-dependent:

23 Richard H. Thaler and Cass R. Sunstein (2008), *Nudge: Improving Decisions about Health, Wealth, and Happiness* (New Haven, CT: Yale University Press), p. 6.

24 Karen Yeung (2017), "Hypernudge": Big Data as a Mode of Regulation by Design', *Information, Communication & Society*, 20(1), 122–123.

25 K. Yeung (2018), 'Algorithmic regulation: A critical interrogation', *Regulation and Governance*, 12(4), December Pages 505–523

26 Melissa Heikkila (2021), 'Facebook's bad algorithm', Politico AI: Decoded, 27 October, https://www.politico.eu/newsletter/ai-decoded/facebooks-bad-algorithm-natos-ai-strategy-ai-liability-is-coming/.

27 G.M. Chen and K. Zhang (2010), 'New Media and Cultural Identity in the Global Society', in R. Taiwo (ed.), *Handbook of Research on Discourse Behavior and Digital Communication: Language Structures and Social Interaction* (Hershey, PA: Idea Group Inc.), pp. 12–14.

they tend to enhance efficiency to achieve a specific outcome. In that sense, choices made by automated decision-making systems may be 'an extremely potent tool [because they] translate normative values of stakeholders into actionable math'.[28]

In doing so, they simplify the complexity of the world around us, narrowing our attention down to what is familiar, similar, and alike – and to what a recommendation system is trained to identify as interesting and relevant. Within this process, the abundance of options thus does not necessarily translate into freedom of choice. On the contrary, by limiting our focus to what is already most familiar to us, it may actually result in a reduction of this freedom. In this way, greater connectedness, as much as globalisation, not only potentially enriches our societies but also threatens to diminish our distinctive cultural specificities, as individuals and as societies. As a result, the use of AI in the cultural sector can lead to a more connected world, where cultural differences and individual preferences are less pronounced. This dynamic fosters a situation of simplistic identity-building, to which Chuck Pallanik's character refers in *Fight Club*: 'What kind of [Ikea] dining set defines me as a person?'

The example of VOD platforms sheds light on the practical implications that algorithms-based recommender systems can have for our cultural field. VOD streaming platforms are online services where users can access audio-visual content, such as videos and films, digitally. The idea behind them is single and simple: access any video content, anywhere, at any time. The popularity – not to say the omnipresence – of streaming services has increased dramatically in the course of the last decade and is expected to double in the next one. In their functioning, VOD platforms are heavily reliant on personalised recommendation systems, both for organising the platform's functioning and for promoting specific content. The correct implementation of big data analysis to refine recommender systems is considered a success factor for big VOD providers, enabling them to follow and predict their subscribers' habits and tastes.[29]

Digital platforms entrust machines with the responsibility to select what is worthy of being promoted, watched, and discussed, thus enabling information and content to follow non-human-driven criteria. In a subtle yet powerful way, the omnipresence of recommender engines subjects the individual to the mathematical rules used by the platform. Does this mean that we are facing a new challenge – a potential clash between the freedom of the Internet and the freedom of the individual's 'right to self-identification'? This not only presents an ethical dilemma in itself, it

Photo by Markus Spiske on AdobeStock

28 David Lehr and Paul Ohm (2017), 'Playing with the Data: What Legal Scholars Should Learn about Machine Learning', *U.C. Davis Law Review*, 51(653), 692; see also Ronald E. Leenes (2011), 'Framing Techno-Regulation: An Exploration of State and Non-State Regulation by Technology', *Legisprudence (Social Science Research Network),* 5(2), 141–169, https://papers.ssrn.com/abstract=2182439.

29 https://www.bilgi.edu.tr/tr/etkinlik/10374/algorithms-in-film-television-and-sound-cultures-new-ways-of-knowing-and-storytelling/; Uricchio, 'Data, Culture and the Ambivalence of Algorithms', 155.

Human-centred digitalisation should be the vector for a liberal approach towards more inclusive growth for individuals, opening up endless opportunities, while sustaining the European cultural project.

also has far-reaching implications for European – and Europeans' – overall cultural horizon. While an on-demand platform may offer high-quality content and original products, the mechanical way in which videos are recommended and promoted (or not) threatens to impoverish our public discourses, cultural agenda, and overall horizon. Following the logic of similarity and the growing reliance on mathematically generated guidance might divert public attention away from what could be truly new and thought-provoking, happening far away from us – or, ironically, just in front of us. In this way, the enriching cultural potential of the audio-visual sector can easily be lost, reducing it to a source of cultural fast food, where already known, 'tasty', easy-to-process, and accepted content makes us disregard and unintentionally dismiss important socio-cultural shifts, developments, and phenomena.

This issue remains hugely important for the future of the shared European culture. The way culture is promoted, communicated, and disseminated has the potential to shape and transform European society, today and in the future. Although this is not new in history, nowadays it is happening at the speed of a 'bit'.

Instead of a conclusion: human-centric approach to digitalisation

Given the impact that digital platforms have on modern society, the purely mathematics-driven implementation of recommender systems remains tricky with regard to free choice. The VOD sector, placed at the intersection of culture and technologies, presents a case in point for demonstrating the potential clash between technology – neutral in and of itself from a moral point of view – and human values, culture, and ideological principles.[30] In the context of the digital transformation in Europe, how can we use algorithms-based systems to strengthen our cultural richness and human capital, instead of allowing technological progress to reduce them?

Firstly, while considering the risks that the logic of technological advancement presents to our values-based European project, we should not overlook the potential value of culture in reversing this dynamic. Culture is a strong instrument in strengthening the European project as well as its guiding principle, 'united in diversity', while it also minimises the risk of losing human sensibility and critical thinking, both individually and collectively. In other words, not only can technology influence the evolution of the European cultural field, but the European cultural project could – and should – direct the pace of Europe's technological advancement. The European Commission's upcoming Media and Audio-visual Action Plan as well as its recent large-scale 'New European Bauhaus' initiative acknowledge the EU's leading role in sustaining the European cultural project.[31] Although it is questionable whether cultural projects should be directed in a top-down manner or include any sort of ideological underpinning, at the current stage in the EU's history the role of culture is directly linked to preserving the attractiveness of European unity and uniqueness, both internally and externally. Therefore, we must ensure that algorithms do not side-track European cultural heritage and creativity (for example, vis-à-vis both its global and more local competitors). This means ensuring transparency about the very functioning of these recommenders and being capable of foreseeing any potential negative effect they might have. Here again, technology must be carefully examined within regulatory measures to mitigate those risks, while entailing the preservation of culture as among our fundamental values.

Secondly, the key question for our future society is not about the algorithms themselves – it is about who will control them. Such a statement implies that algorithms are impartial when it comes to social dynamics and human interactions. Despite this being an extreme exaggeration, it might represent a pivotal point in the discussion, since the relation between automatisation, culture, and individual freedoms concerns fundamental aspects in the debates on the future of Europe. While

30 G. Leonhard (2016a), *Technology vs. Humanity – The Coming Clash between Man and Machine* (Zurich: The Futures Agency), p. 133.

31 European Union (2018), "The New European Bauhaus explained", January, https://europa.eu/new-european-bauhaus/document/download/45f60059-6776-4fd7-8475-a456a56bbd5d_en; see also: European Union (2021), 'About the initiative', January , https://europa.eu/new-european-bauhaus/about/about-initiative_en.

Europe's path towards digitalisation is unavoidable, unstoppable, and represents a step forward in the evolutionary process of our societies, we have discussed how the automatisation of content and culture (in a broad sense) entails the risk of imposing on us convenient boxes or paradigms to satisfy our innate human need for comfort and familiarity. This might come at the expense of morally and intellectually mature liberal democracies. However, while the advancements in technology represent the next big change in the history of humanity, this transformation should be directed by us, not by mathematics and statistics. It is thus essential to put the human factor and human values at the heart of the large-scale implementation of digital means. Recent academic studies provide preliminary insight into the form and shape that this might take. For instance, as a general idea, Avezzù suggests a turn (back) from algorithm-based systems towards human-curated content.[32] Furthermore, consideration of the freedom of choice vs technological progress dilemma should remain central to the approach that we take on the path towards digitalisation.

More specifically, in relation to the audio-visual sector, fostering the diversity of sources and promoting high-quality content requires changing the blind suggestion mechanisms based on the number of views or the virality of content and adding to the recommendation engines criteria based on qualitative parameters that reflect European values and our cultural heritage. For instance, the recommender system of VOD platforms can be nudged to prioritise award-winning and classical films. This, in addition to information about the general functioning of the suggestion algorithm given to the consumer, would allow one to make a free choice and decide whether to follow what is automatically recommended by the system (based on popularity or similarity to one's search history, for instance) or to explore new strands based on qualitative criteria. While technically it is easy to nudge an algorithm to favour certain criteria or give more weight to certain features while arranging content, doing this is indeed of utmost importance for our cultural domain.

The Commission's recent Digital Services Act package requests online platforms falling under the scope of the proposal to provide certain formal data on the functioning of the recommender systems which they employ (for example, related to the functioning of the algorithms, what data are collected, and for what purposes). At the same time, the metadata, or 'conditions of recommendability',[33] fuelling the algorithms behind their recommender systems still operate inside a black box. These latter, however, constitute our main target if we aim to make the algorithmic systems instruments to promote both individual freedom and a quality-oriented cultural domain. In this regard, although it is unrealistic to aim for a recommender system to be fully controlled by humans and their values due to the complexity of such automated systems, technology must, nonetheless, be re-humanised to the greatest extent possible in order to uphold our fundamental values and reinforce our cultural objectives.

A decisive step in this direction will be introducing the theory of choice and an architecture aimed at building the environment that arranges content according to the qualitative criteria defined by humans. Applying the concept of nudges introduces into the equation the considerations of quality and cultural agenda as well as taking into account the freedom of choice dilemma. Stemming from psychology, this approach implies that choice architects influence behaviours by exploiting human cognitive biases. What is key here is that nudges are characterised as being choice-preserving: although they aim to influence human behaviour in a certain way (for example, following priorities), humans can always opt out. This could represent a solution for overcoming the risky technical implications of recommender systems, while accommodating the general requirements of safeguarding freedom of choice and avoiding any kind of censorship or intervention by external actors.

In this way, technology will follow not machine rhythms, or algorithms,[34] but human 'rhythms', or androrithms.[35] Although this remains a long-term project, for the preservation of liberalism it is fundamental to keep this principle in mind while elaborating our vision for Europe's digital future. In summary, while the digitalisation of our society is already taking place, any further steps should follow a logic that takes into account our core beliefs, fundamental values, and (cultural) heritage. Human-centred digitalisation should thus be the vector for a liberal approach towards more inclusive growth for individuals, opening up endless opportunities, while sustaining the European cultural project.

32 Giorgio Avezzù (2017), 'The Data Don't Speak for Themselves: The Humanity of VOD Recommender Systems', *Cinéma & Cie* 17(29), 51–66.

33 Avezzù, 'The Data Don't Speak', 15.

34 Avezzù, 'The Data Don't Speak', 15; Leonhard, *Technology vs. Humanity.*

35 G. Leonhard (2016b), 'What are androrithms?', https://www.futuristgerd.com/2016/09/what-are-androrithms/.

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Origin Labelling, Food Nationalism, and the EU

Better Information to Consumers or Single Market Fragmentation?

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Abstract

As part of its Farm to Fork Strategy, the European Commission is currently working on a reform of the legal framework governing the use of origin labelling on food products. Presented as an obvious way to enhance food transparency and foster more sustainable diets, origin labelling raises however the prospect of new barriers to intra-EU trade and a re-nationalisation of sourcing practices and purchasing behaviour. This contribution introduces some key aspects surrounding the use and usefulness of origin labelling for consumers and offers an overview of the relevant EU legal framework. It addresses and discusses the possible risks that enhanced origin information on food products could raise for the EU single market and argues for a limited reform of existing EU legislation.

Introduction

Localism is in vogue, in Europe and elsewhere. For consumers, buying local offers a sense of greater certainty as to the quality and safety of products, hope for a smaller carbon footprint, and a means of supporting local communities. The Covid-19 pandemic, which has exposed the existing fragilities in global supply chains, has only reinforced this trend. More generally, origin is a point of concern for consumers who want to be provided with information on the provenance of products. This is particularly true for food, which has become the focal point of current societal, ethical, and environmental debates.

The easiest way to convey origin information is through labelling. Consumers increasingly expect such information to be made available. However, for most foodstuffs present on the EU market, labels do not mention the origin

of the food or its ingredients. Displaying that information is not generally required by EU law, and it is therefore most often absent. As a result, consumers and consumer groups in the EU have long requested and advocated for greater transparency as to the origin of food products.

The European Commission recently announced that it was willing to move in that direction. As part of its Farm to Fork Strategy, adopted in 2020, the Commission wants to revise existing rules to extend the mandatory indication of origin to more categories of foodstuffs. Taken at face value, this seems to be a reasonable move. It is hard to argue against consumers being provided with more information, enabling them to gain greater control over their diets and uphold whatever their beliefs or principles might be. The present paper, while not denying the inherent value of greater transparency for consumers, offers to take a step back and critically examine the issue of origin and origin labelling in the EU. These, it will be argued, beg important and complex questions that should not be swept under the carpet.

A first series of questions relate to food's origin in general. What is it that consumers want to know when seeking information about origin, and what do they think they know when they are provided with it? A number of assertions made in this regard – that domestic food or food from a given origin would be safer, tastier, or better for the environment – do not seem to withstand scrutiny in an EU single market where rules applicable to food are largely harmonised. Origin is a poor proxy for most of what people value about food. This does not automatically mean that information on origin should be withheld from consumers, but wider public policy benefits arising from the provision of that information are far from certain.

A second series of questions relate to food's origin from the perspective of the EU single market. European consumers display nationalistic tendencies in respect of their food choices, a fact not altogether surprising considering how closely food is associated with national and local cultures.[1] In that regard, origin labelling can be used as a tool to guide consumers towards national purchases. Member States have used it in the past and continue to do so,[2] often as part of broader campaigns to incite consumers to buy national products.[3] This not only creates tangible barriers to the free movement of goods; it also opposes the broader ideal of a single market where goods circulate freely and are judged on their merits rather than their origin. This explains why EU law has always been rather hostile towards mandatory indications of origin for products.

The Commission therefore needs to strike the right balance between the various interests at stake and to proceed cautiously with the coming reform, especially since the effects of mandatory country-of-origin labelling on food choices and trade patterns remain disputed. This will be no easy task, and an intense debate can be expected in the years to come, much like the one already raging regarding the introduction of a European front-of-pack nutrition label.[4] Ideally, EU rules requiring the mandatory indication of origin for food products should be kept to a minimum, applying only when a clear link can be established between the origin of a given food and its characteristics or where a clear EU public policy interest exists.

The first part of this paper discusses the importance of origin for consumer choice and some of the main costs and benefits arising from origin labelling for food in the EU context. The second part provides an overview of the applicable legal framework. In the third and final part, the current tabled changes to this legal framework are briefly discussed.

Origin and origin labelling for food

An important aspect of consumer choice

The so-called country-of-origin effect, that is, the impact of country-of-origin information on product evaluation and purchasing intention, is a well-established phenomenon in consumer research, although its nature and extent are still debated.[5] The literature distinguishes three main and interrelated ways in which this information affects consumer attitudes and behaviours.[6] Firstly, a consumer may positively or negatively associate a product's origin with certain characteristics, objective or imagined, for instance, only buying German cars for their reliability but favouring France when it comes to wine. Secondly, consumers are also influenced through an 'affective' mechanism which is at play when the origin

1 For a brief overview of the question, see: Atsuko Ichijo (2020), 'Food and Nationalism: Gastronationalism Revisited', *Nationalities Papers*, 48(2), 215.

2 See, for example, the recent information report from the French Senate (2021), 'Rapport d'information fait au nom de la commission de l'aménagement du territoire et du développement durable et de la commission des affaires économiques', n° 620 (2020–2021), 19 May, 72–73.

3 See the infringement procedure opened by the European Commission against Romania in 2017 (https://ec.europa.eu/commission/presscorner/detail/en/MEMO_17_234) and the recent reasoned opinion sent to Bulgaria (https://ec.europa.eu/commission/presscorner/detail/en/inf_20_1687).

4 See: Vincent Delhomme (2021), 'Front-of-Pack Nutrition Labelling in the European Union: A Behavioural, Legal and Political Analysis', *European Journal of Risk Regulation*, 1–24. DOI: https://doi.org/10.1017/err.2021.5.

5 Marc Herz and Adamantios Diamantopoulos (2017), 'I Use It but Will Tell You That I Don't: Consumers' Country-of-Origin Cue Usage Denial', *Journal of International Marketing,* 25(2), 52–53, 64; Andrea Insch and Erin Jackson (2013), 'Consumer Understanding and Use of Country-of-Origin in Food Choice', *British Food Journal*, 116(1), 62; Wim Verbeke and Jutta Roosen (2009), 'Market Differentiation Potential of Country-of-Origin, Quality and Traceability Labeling', *Estey Centre Journal of International Law and Trade Policy,* 10(1), 20.

6 Peeter W.J. Verlegh and Jan-Benedict E.M. Steenkamp (1999), 'A Review and Meta-analysis of Country-of-Origin Research', *Journal of Economic Psychology*, 20(5), 521; Peter M. Fischer and Katharina P. Zeugner-Roth (2017), 'Disentangling Country-of-Origin Effects: The Interplay of Product Ethnicity, National Identity, and Consumer Ethnocentrism', *Marketing Letters,* 28(2), 189.

possesses emotional value, particularly in relation to their home country. Finally, in 'normative' situations, consumers hold certain ethical views related to product origin and deliberately decide on their purchases based on those considerations. For example, some consumers refrain from buying products originating from a country whose regime or actions they object to or consistently favour products of domestic origin to support their own country and economy.

Available data for the European Union show a sizeable consumer interest in origin.[7] In the 2019 Eurobarometer on food safety, 53 per cent of consumers mentioned origin as a decisive factor in their food choices, the most cited item before cost (51 per cent), safety (50 per cent), and taste (49 per cent).[8] The recent 2020 Eurobarometer, *Making our food fit for the future – Citizens' expectations*, shows a lower yet still significant level of interest in origin: 34 per cent of respondents said they cared about the origin of food.[9] This is not a new phenomenon. A 2013 study by the pan-European consumer organisation BEUC showed that close to a 70 per cent average of consumers in Austria, France, Poland, and Sweden considered origin to be an important factor, although this information only came in fifth or sixth place in terms of what consumers said mattered most to them when choosing food.[10]

The reasons behind consumers' interest in the origin of their food can vary. Apart from the simple desire to know where a food item comes from, consumers generally see origin information as a way to assess four main dimensions of food: its safety, its quality, its environmental impact, and its ethical dimension.[11] What is also made evident in a wide range of studies is that European consumers display nationalist tendencies when it comes to food.[12]

Regarding meat, recent studies show that more than four-fifths (82 per cent) of Europeans who use origin indications to inform their purchasing decisions state a preference for meat from their own country and do so for national identity reasons and as a means to support their national economy.[13] In a 2015 report from the European Commission, 43 per cent of interviewed consumers declared that they would use origin labelling to favour national or local production over other food origins and that only a little over 10 per cent would use it for quality or food safety reasons.[14]

If focusing on particular EU Member States, a recent poll shows, for instance, that three out of four French people are ready to pay more for French products and that around nine out of ten think that buying French is a way to support national companies, that it is a guarantee of quality products elaborated with respect to high social standards, and that it is important for a company to tell consumers whether a product has been fabricated in France or not.[15] In Italy, it has been reported that 96 per cent of Italian consumers expect origin labelling to be made mandatory on food and 80 per cent consider it important to buy food made in Italy with Italian ingredients.[16]

Although the extent to which these various attitudes towards local and foreign food products are present in the European population can be debated, it cannot be denied that for a sizeable number of consumers origin information offers an opportunity to favour domestic production. The magnitude of this phenomenon may even be underestimated, as it has been shown that consumers often deny relying on origin information for fear of appearing biased.[17] If origin could reliably be linked to important properties or aspects of foods, this would not in itself be a problem. This is, however, most often not the case.

How relevant is origin to judging food properties?

Consumers may wish to consume foods from a given origin or refuse foods from another for ethical reasons that are only

7 See, for instance, various European Commission reports: European Commission (2013), 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for meat used as an ingredient', COM(2013) 755 final, Brussels, 17 December, 7; European Commission (2015a), 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for milk, milk used as an ingredient in dairy products and types of meat other than beef, swine, sheep, goat and poultry meat', COM(2015) 205 final, Brussels, 20 May, 6; European Commission (2015b), 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for unprocessed foods, single ingredient products and ingredients that represent more than 50% of a food', COM(2015) 204 final, Brussels, 20 May, 6.

8 Special Eurobarometer (2019), 'Food safety in the EU', Directorate-General for Communication, European Commission, June.

9 Special Eurobarometer 505 (2020), 'Making our food fit for the future – Citizens' expectations', Directorate-General for Communication, European Commission, December.

10 BEUC (2013), 'Where does my food come from? BEUC consumer survey on origin labelling on food', January, 5, https://www.beuc.eu/publications/2013-00043-01-e.pdf.

11 See: BEUC, 'Where does my food come from?', 6; on safety and quality, see: European Commission (2020a), 'Evaluation support study on mandatory indication of country of origin labelling for certain meats: Final Report', Brussels, 12 November, 171; European Commission, 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for milk', 7; European Commission, 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for meat', 7.

12 See, however, the BEUC study showing that 'a minority of consumers (1%–3%) spontaneously reply that they pay attention to the origin of their food because they wish to support the local economy/local farming or prefer regional products' ('Where does my food come from?', 6).

13 Commission Staff Working Document (2013), 'Origin labelling for meat used as an ingredient: consumers' attitude, feasibility of possible scenarios and impacts', SWD(2013) 437 final, Brussels, 17 December, section 3.3; European Commission, 'Evaluation support study', 51.

14 European Commission, 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for unprocessed foods', 6.

15 DGCCRF (2020), 'Le Made in France: le nouveau critère d'achat privilégié des Français', November, 3, https://www.economie.gouv.fr/files/2020-11/made-in-france.pdf.

16 Presentation by Coldiretti (2018), 'Labelling of origin for agricultural and food products', 4 June, European Parliament, http://www.europarl.europa.eu/cmsdata/148301/Coldiretti%20presentazione%20COOL%20origine%20ENG_def.pdf.

17 Herz and Diamantopoulos, 'I Use It', n. 5.

known to them. This is a highly subjective judgement, and origin information may certainly help consumers choose according to their own scale of values. However, from the perspective of other typical and more 'objective' reasons given by consumers as to why the origin of food matters to them – safety, quality, and sustainability – origin appears to be a rather poor proxy.

Regarding food safety, extensive EU legislation in the field means that food consumed in the EU is generally safe and,[18] most importantly, that the standards that must be respected with regard to food safety are the same regardless of a product's origin.[19] Fraud can occur, and the traceability of foodstuffs needs to be ensured, as illustrated by the 2013 horsemeat scandal,[20] but origin information itself cannot give consumers a sense of whether a particular food is safe or not.

Regarding the environment, origin offers only partial and possibly misleading information. International transportation emissions only account for approximately 6 per cent of the greenhouse gas emissions originating from EU diets.[21] Transport is just one of many factors contributing to the environmental impact of food and not the most crucial one. As a senior European Commission official recently declared, 'normally, the effect of having the right climate, the right soil or the right water outweighs very often the transport cost, which is the first thing you think about when you think about sustainability'.[22] Buying local and sustainably grown fruits and vegetables, rather than importing them from across the globe, can make perfect sense, but this reasoning may not apply for all categories of products and for all origins. Moreover, in the EU context, where most Member States are modest in size, country-of-origin labelling may not constitute an adequate tool to assess the distance covered by a given food before reaching consumers. For the many Europeans living in border areas, foreign foods may in fact be more local than domestic ones produced on the other side of the country.[23]

Finally, regarding food quality, it is undeniable that certain products' characteristics directly result from their place of origin. This is especially the case for agricultural products, to which soil and climate can give specific qualities, and more generally for a range of traditional products that are prepared according to fixed recipes with ingredients originating from a particular place. These products usually benefit from a protected designation of origin at the EU level (see section 'National rules on origin labelling and the free movement of goods'), ensuring that consumers are not misled as to their quality or their provenance. However, for a wide range of other food products, especially processed food, origin information is of no use to assess quality because no link exists between their characteristics and their origin.

Mandatory origin labelling for food and the single market

Labelling is the most effective way to convey origin information to consumers. This information matters to them and may in certain cases help them to choose foods that better align with their preferences. Hence, even if mandatory origin labelling does not bring any substantial contribution in terms of food safety, quality, and sustainability, it can be argued for as a matter of transparency, consumer autonomy, and free choice.

However, the costs and potential negative consequences arising from new origin labelling obligations for food at the EU level should not be ignored, even if evidence of this remains unclear and contested among various stakeholders. It is not the case that because consumers find a piece of information important, it must automatically be translated into an obligation for operators to disclose that information.

Origin labelling comes at a certain cost for economic operators.[24] That cost mainly derives not from affixing a label but rather from the burden of determining what should be, in legal terms, the origin indicated on that label and adapting the process of production as a result. Because food products are often made of ingredients originating from various countries and assembled in different countries, complying with mandatory origin labelling requirements requires the adoption of separate process lines per origin and separate logistic flows, which can affect the efficiency of the production process. After the introduction by certain Member States of national rules on mandatory origin labelling for milk and meat, for example, food business operators have reported rising costs; however, these do not seem to have impacted final prices for consumers.[25]

18 See: Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, OJ L 31, 1 February 2002, 1–24.

19 See: European Commission, 'Evaluation support study', 51; European Commission, 'Report from the Commission to the European Parliament and the Council regarding the mandatory indication of the country of origin or place of provenance for meat', 8.

20 Catherine Barnard and Niall O'Connor (2017), 'Runners and Riders: The Horsemeat Scandal, EU Law and Multi-level Enforcement', *The Cambridge Law Journal*, 76(1), 116.

21 Vilma Sandström, Hugo Valin, Tamás Krisztin, Petr Havlík, Mario Herrero, and Thomas Kastner (2018), 'The Role of Trade in the Greenhouse Gas Footprints of EU Diets', *Global Food Security*, 19, 51.

22 Natasha Foote (2020), 'Distance not determining factor of sustainability, says Commission official', Euractiv, 26 November, https://www.euractiv.com/section/agriculture-food/news/distance-not-determining-factor-of-sustainability-says-commission-official/.

23 Chris Hilson (2008), 'Going Local? EU Law, Localism and Climate Change', *European Law Review*, 33(2), 196.

24 See: Dirk Jacobs (2018), 'Country of origin labelling: Perspectives and experiences from the European food and drink manufacturing sector', *Food Drink Europe*, 4 June, European Parliament, http://www.europarl.europa.eu/cmsdata/148123/Jacobs-presentation.pdf.

25 See the various presentations by CLITRAVI, the European Dairy Association, and the French and Finnish governments; https://ec.europa.eu/food/horizontal-topics/expert-groups/advisory-groups-action-platforms/advisory-group-food-chain-and-6_en.

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More worrying from a single market perspective is the potential negative effect of mandatory origin labelling rules on intra-EU trade flows. This could occur if consumers adapt their purchasing behaviour to favour national products or if companies change their sourcing activities to limit their supply to a smaller number of countries, either due to the costs faced or in anticipation of a change in consumer purchasing behaviour. In this regard, recent available data on EU mandatory origin labelling rules for meat reveal that the impact on intra-EU trade flows is far from clear-cut, with evidence of renationalisation in some meat sectors, but not all sectors.[26] Following the entry into force of a 2016 French decree on mandatory origin labelling regarding milk and meat used as an ingredient (discussed further in section 'EU harmonised rules on origin labelling for foodstuffs'), businesses have reported significant drops in meat and milk imports from Belgium and Germany to France.[27]

Moreover, what results from the application of rules over origin can be surprising or even misleading for consumers. According to the Union Customs Code, 'goods the production of which involves more than one country or territory shall be deemed to originate in the country or territory where they underwent their last, substantial, economically justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture'.[28] This means, for instance, that a foodstuff processed in a given country originates from that country even though all of its ingredients might come from other places. This is not necessarily what consumers have in mind.

A recent case before the Court of Justice of the European Union provides a good illustration thereof.[29] Proceedings had been brought against a company selling mushrooms, accusing it of falsely claiming that its production was of German origin. The process of production was complex, involving different stages taking place in three different countries over the course of a month and a half. Only at the end of this process were cultivation boxes transported to Germany for the mushrooms to be harvested. The raw materials were not of German origin, and most of the production process happened outside Germany. Yet the applicable EU rules clearly indicated that only the harvesting mattered in determining the legal origin of the goods, so the company had every right to refer to their German origin.[30]

Mandatory origin labelling in the EU legal framework

National rules on origin labelling and the free movement of goods

EU law constrains Member States in their ability to promote or favour domestic production. This can be seen in various fields, such as public procurement, state aid, and internal market rules. The Court of Justice, for instance, has always been careful not to authorise 'buy national' campaigns whereby Member States could openly promote domestic production to the detriment of others.[31]

In order to ensure the free movement of goods within the EU internal market, Article 34 of the Treaty on the Functioning of the European Union (TFEU) prohibits all quantitative restrictions on imports between Member States and all measures having equivalent effect, the latter entailing that 'all trading rules enacted by Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-community

26 European Commission, 'Evaluation support study', 47.

27 See the presentations by Food Drink Europe, CLITRAVI, and the European Dairy Association, n. 24 and 25.

28 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ L 269, 10 October 2013, 1–101, Article 60(2).

29 Case C-686/17, *Zentrale zur Bekämpfung unlauteren Wettbewerbs Frankfurt am Main*, EU:C:2019:659.

30 Case C-686/17, *Zentrale*, para. 56.

31 Case 249/81, *Commission v Ireland*, EU:C:1982:402. On the promotion of agricultural products, see: European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020, OJ C 204, 1 July 2014, 1–97, section 1.3.2.

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trade are to be considered as measures having an effect equivalent to quantitative restrictions'.[32] Throughout the years, the Court of Justice has had to rule on the legality of various national labelling schemes linked to origin under Article 34 TFEU. It has found that these constituted prohibited measures that could not be justified by any public policy requirement.

According to the Court, 'the purpose of indications of origin or origin-marking is to enable consumers to distinguish between domestic and imported products [which] enables them to assert any prejudices which they may have against foreign products'.[33] This requirement not only constitutes an additional burden that must be complied with by goods lawfully produced in another Member State; 'it also has the effect of slowing down economic interpenetration in the [European Union]'.[34] The Court considers that 'it is unnecessary for a purchaser to know whether or not a product is of a particular origin, unless such origin implies a certain quality, basic materials or process of manufacture or a particular place in the folklore or tradition of the region in question'.[35]

A particularly clear example of the Court's strong reluctance to accept the legality of national measures requiring the indication of origin on products can be seen with the *Commission v Ireland (Irish souvenirs)* case.[36] There, the ruling at stake was a prohibition on the sale of imported products sold as 'souvenirs of Ireland' unless they bore an indication of their country of origin or the word 'foreign'. Ireland made the reasonable argument that it was necessary for buyers to know that an item sold as a souvenir from the country was actually manufactured elsewhere, in order not to be misled. The Court rejected that argument, considering that 'the essential characteristic of the souvenirs in question is that they constitute a pictorial reminder of the place visited' and not that they are manufactured in the country of origin.[37]

32 Case 8/74, *Dassonville*, EU:C:1974:82, para. 5.

33 Case 207/83, *Commission v United Kingdom (Origin marking)*, EU:C:1985:161, para. 17. See also: Case C-95/14, *UNIC/Uni.co.pel,* EU:C:2015:492, para. 44.

34 Case 207/83, *Commission v United Kingdom (Origin marking)*, EU:C:1985:161, para. 17.

35 Case 113/80, *Commission v Ireland (Irish souvenirs),* EU:C:1981:139, para. 13.

36 Case 113/80, *Commission v Ireland.*

37 Case 113/80, *Commission v Ireland,* para. 15.

The Court's opposition towards this type of national measure is firmly grounded in a vision of the internal market as a dynamic place where consumer conceptions and habits evolve.[38] Member States' rules therefore must not 'crystallize given consumer habits so as to consolidate an advantage acquired by national industries'.[39] The Court is suspicious of Member States' attempts to favour domestic production by 'marking' imported goods and fears that consumers may use that information to shun foreign products.

In the same vein, the Court has also repeatedly barred Member States from introducing 'quality labels' that are only accessible to national products and thus seek to promote national products over imported products. In *Commission v Germany*, for instance,[40] Germany had reserved some renowned wine appellations to wine produced with a minimum percentage of German grapes. The Court considered that 'by compelling the products of the other Member States to employ appellations which are unknown or less esteemed by the consumer, the legislation [...] is calculated to favour the disposal of the domestic product on the German market to the detriment of the products of other Member States'.[41]

To conclude on this point, it is useful to quote the Court once again:

In a market which, as far as possible, must present the features of a single market, entitlement to a designation of quality for a product can – except in the case of the rules applicable to registered designations of origin and indications of origin – only depend upon the intrinsic objective characteristics governing the quality of the product compared with a similar product of inferior quality, and not on the geographical locality where a particular production stage took place[42]

It must be noted that national rules reserving the use of certain denominations on the basis of the origin of products can be defended for reasons pertaining to the protection of industrial and commercial property.[43] These are now protected by EU secondary law as EU quality schemes ('protected designations of origin' [PDO] and 'protected geographical indications' [PGI] for food and wine, and 'geographical indications' [GI] for aromatised wines and spirit drinks).[44] Specific designations can benefit from this protection whenever a product's characteristics are deemed to be essentially due to its geographical origin.

EU harmonised rules on origin labelling for foodstuffs

In order to eliminate barriers to trade and to facilitate the free movement of foodstuffs within the Union, food labelling rules are largely harmonised at EU level. Suspicion towards origin labelling requirements has found its way into EU legislation on food labelling. Aside from rules applicable to certain specific categories of products, such as bovine meat,[45] fruits and vegetables,[46] or honey,[47] foodstuffs are generally not required to be labelled with origin information, and Member States are prevented from adopting rules making that information mandatory.

Regulation 1169/2011, the main horizontal instrument governing the provision of food information to consumers, foresees mandatary origin labelling in three cases:[48] (i) where failure to indicate this might mislead the consumer as to the true country of origin or place of provenance of the food, (ii) for certain types of meat (swine, sheep, goat, and poultry),[49] and (iii) where the country of origin or the place of provenance of a food is given and where it is not the same as that of its primary ingredient.[50]

38 Case 178/84, *Commission v Germany,* EU:C:1987:126, para. 32.

39 Case 170/78, *Commission v United Kingdom,* EU:C:1980:53, para. 14.

40 Case 12/74, *Commission v Germany,* EU:C:1975:23.

41 Case 12/74, *Commission v Germany*, para. 14; see also: Case C-325/00, *Commission v Germany*, EU:C:2002:633, para. 23; Case 249/81, Ireland, para. 25.

42 Case 13/78, Case 13/78, Eggers, EU:C:1978:182, para. 24.

43 Case 12/74, *Commission v Germany*, para 15; Case C-3/91, *Exportur*, EU:C:1992:420, para. 23–30; Case C-325/00, *Germany*, para. 27.

44 Regulation (EU) No 1151/2012 of 21 November 2012 on quality schemes for agricultural products and foodstuffs, OJ L 343, 14 December 2012, 1. See also: Regulation (EU) No 1308/2013 of 17 December 2013 establishing a common organisation of the markets in agricultural products, OJ L 347, 20 December 2013, 671; Regulation (EC) No 110/2008 of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks, OJ L 39, 13 February 2008, 16; Regulation (EU) No 251/2014 of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, OJ L 84, 20 March 2014, 14.

45 Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products, OJ L 204, 11 August 2000, 1–10.

46 Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors, OJ L 157, 15 June 2011, 1–163.

47 Council Directive 2001/110/EC of 20 December 2001 relating to honey, OJ L 10, 12 January 2002, 47–52.

48 Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers, OJ L 304, 22 November 2011, 18, Article 26(2) and (3). The origin that must be indicated can be the 'country of origin' or the 'place of provenance'; for the definition of these terms, see Article 2(2)(g).

49 See the Commission Implementing Regulation (EU) No 1337/2013 of 13 December 2013 laying down rules for the application of Regulation (EU) No 1169/2011 as regards the indication of the country of origin or place of provenance for fresh, chilled and frozen meat of swine, sheep, goats and poultry, OJ L 335, 14 December 2013, 19.

50 The primary ingredient is defined in Article 2(2)(q). For further details, see: Commission Implementing Regulation (EU) 2018/775 of 28 May 2018 laying down rules for the application of Article 26(3) of Regulation (EU) No 1169/2011, as regards the rules for indicating the country of origin or place of provenance of the primary ingredient of a food, OJ L 131, 29 May 2018, 8; Commission Notice on the application of the provisions of Article 26(3) of Regulation (EU) No 1169/2011, OJ C 32, 31 January 2020, 1.

Outside these three cases, economic operators can give this information voluntarily, provided that the origin is determined according to EU rules and is given in a manner that does not mislead consumers.[51] Member States are prevented from imposing origin labelling requirements on foods, save for situations where this is justified for public policy reasons, including the protection of public health, the protection of consumers, and the prevention of fraud.[52] In such cases, Member States must show that 'there is a proven link between certain qualities of the food and its origin or provenance', and these measures must be reported to the Commission, accompanied by 'evidence that the majority of consumers attach significant value to the provision of that information'.[53] Importantly, such measures can only be adopted for categories of foods and not as general obligations applicable to all foodstuffs.

Regulation 1169/2011 mentions a number of categories of products as potential candidates for an EU mandatory indication of origin: types of meat not yet covered by any specific EU instrument and meat used as an ingredient, milk and milk used as an ingredient in dairy products, unprocessed foods, single ingredient products, and ingredients that represent more than 50 per cent of a food.[54] The Commission was charged to submit reports regarding the extension of mandatory origin labelling to these categories of products, taking into account 'the need for the consumer to be informed, the feasibility of providing the mandatory indication of the country of origin or place of provenance and an analysis of the costs and benefits of the introduction of such measures, including the legal impact on the internal market and the impact on international trade', and possibly accompanying them with proposals to modify the relevant Union provisions. These have all been published, but no modification of the legal framework has been formally proposed by the Commission until now.[55] Faced with the complexity of the issue and the difficulty in clearly establishing the added value that the extension of mandatory origin labelling to these categories of products would bring for the EU, the Commission has so far preferred to rely on the voluntary provision of origin information by food business operators.

Member States have in recent years made increased use of the derogation contained in Regulation 1169/2011 allowing them to adopt mandatory origin labelling schemes at the national level.[56] These rules concern mostly milk and meat used as an ingredient. Lithuania introduced mandatory origin labelling on milk in 2015.[57] In 2017 and 2018, Italy adopted two decrees imposing new origin labelling obligations on pasta, rice and certain tomato products.[58]

In March 2021, after a challenge was brought by the dairy giant Lactalis, the Conseil d'État, France's highest administrative court, annulled the provisions of a French decree on the mandatory origin labelling of milk.[59] This followed a judgment from the European Court of Justice which clearly established that the French rule did not respect the conditions set in Regulation 1169/2011, outlined above.[60]

The ruling of the French higher court was followed by an outcry from French milk producers, calling it an 'unacceptable step backwards', a 'decision that goes against the grain of history' and 'the recognition of the work of French dairy farmers'.[61] The French consumer organisation UFC Que Choisir was equally vocal in its criticism of the decision, focusing its grievance on the alleged positive role of origin labelling to combat fraud (citing the 2013 horsemeat scandal) and to reduce the impact of diets on the environment.[62] Economic patriotism, food safety, the environment: the arguments put forward are here again unconvincing. Lactalis, meanwhile, welcomed the ruling, stating that its legal challenge was 'motivated by the desire not to undermine the free movement of goods through a proliferation of origin decrees in Europe', which would ultimately hurt exports of French dairy products.[63]

51 See: Article 36 of Regulation 1169/2011.

52 Article 39(1) of Regulation 1169/2011.

53 Article 39(2) of Regulation 1169/2011.

54 Article 26(5) and (6) of Regulation 1169/2011.

55 See: reports n. 7.

56 Tarja Lanineen (2018), 'Mandatory origin-labelling schemes in Member States', EPRS Briefing, September. See also the various country presentations available at https://ec.europa.eu/food/horizontal-topics/expert-groups/advisory-groups-action-platforms/advisory-group-food-chain-and-6_en.

57 Lanineen, 'Mandatory origin-labelling schemes', 5–6.

58 Lanineen, 'Mandatory origin-labelling schemes', 5. For further details, see: https://www.mise.gov.it/index.php/it/198-notizie-stampa/2040925-firmata-proroga-per-origine-obbligatoria-per-pasta-riso-e-derivati-del-pomodoro.

59 Conseil d'État, Société *Groupe Lactalis*, n° 404651, 428432 and 441239.

60 Case C-485/18, Groupe Lactalis, EU:C:2020:763.

61 Magdalena Pistorius (2021), 'French dairy farmers sour after milk origin labelling scrapped', Euractiv, 26 March, https://www.euractiv.com/section/agriculture-food/news/french-dairy-farmers-sour-after-milk-origin-labelling-scrapped/.

62 See the arguments on food safety and environment, for instance, of French consumer organisation UFC Que Choisir (2021), 'Origine du lait Une annulation bien indigeste', 16 March, https://www.quechoisir.org/billet-du-president-origine-du-lait-une-annulation-bien-indigeste-n89286/.

63 UFC Que Choisir, 'Origine du lait'.

Towards an extended mandatory indication of origin at the EU level?

A cornerstone of the European Green Deal, the Farm to Fork Strategy, is the European Commission's action plan for building a fairer, healthier, and more environmentally friendly food system. As part of this plan, the Commission is considering the extension of mandatory indications of origin on new categories of food products in order to 'empower consumers to make informed, healthy and sustainable food choices'.[64] It remains unclear at this stage whether the Commission believes that origin information is likely to play a key role in driving the switch to more sustainable diets or if this reform is simply a way to enhance food transparency.

The Commission does, however, seem to be willing to act with caution, recognising that 'locally produced foods might also be produced in a less environmentally-friendly way'[65] and that such reforms could have adverse effects on the functioning of the single market.[66] A limited number of foods have so far been identified as benefitting from this extended mandatory indication of origin: milk and milk used as an ingredient, meat used as an ingredient, rabbit and game meat, rice, durum wheat used in pasta, potatoes, and tomatoes used in certain tomato products.[67]

In its Presidency Conclusions of 15 December 2020, the Council of the European Union took a line broadly similar to that of the Commission, stressing the importance of origin information for consumers but also emphasising that origin labelling should not result in trade barriers within the internal market and should be clear and easily understandable so as not to mislead consumers. It also underlined the need for an assessment of the costs and benefits of an extension of the mandatory indication of origin to other products, including their sustainability aspects.[68] In a 2016 resolution, the European Parliament had already called on the Commission to extend the mandatory indication of origin to other products.[69] Both institutions, Council and Parliament, also consider milk, and milk and meat used as an ingredient, to be priorities for such a reform.

It is likely that Member States will adopt different positions on this legislative file, a conclusion that can be drawn from previous experience with origin labelling reform at the EU level. In February 2013, the Commission presented a proposal for a new regulation on product safety, introducing mandatory origin marking for industrial products, but the text did not apply to foodstuffs.[70] The origin country would have been determined according to the non-preferential rules of origin set out in the Union Customs Code. For products originating from EU Member States, manufacturers would have been given free rein to indicate origin from the Union as a whole or from a particular Member State. The European Parliament gave it a green light and adopted its first reading position in 2014, but the Council never managed to reach an agreement. Despite the presentation of a compromise proposal,[71] a number of Member States remained firmly opposed to this new mandatory indication of origin, seeing it as a 'slippery slope' towards a generalisation of 'Made in' labelling for all products.[72] The Commission formally withdrew the proposal in 2020.[73]

An 'EU/non-EU' mandatory labelling scheme may appear to be a good alternative to a country-specific labelling obligation, as it would not influence intra-EU trading opportunities, would be simpler to navigate for food operators, and could even represent – in the eyes of some – a way to promote the consumption of products of EU origin, thereby fostering 'European economic patriotism'. However, such an alternative would do little to alleviate most of the concerns already mentioned about origin labelling and would not be considered sufficiently precise by consumers. Some non-EU countries, such as Switzerland and Norway, are practically bound by the same set of rules applicable to EU countries with regard to the single market, and consuming food from such nearby countries does not raise any particular concern from an environmental point of view. Moreover, it is clear that consumers would not be satisfied with information on origin that is not at least at the country level.[74]

64 European Commission (2020b), 'Farm to Fork Strategy', 13, https://ec.europa.eu/food/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf.

65 Inception Impact Assessment, Ref. Ares (2020)7905364, 23 December 2020, 5.

66 European Union, 'Farm to Fork Strategy', 13.

67 Inception Impact Assessment, 5.

68 Council of the European Union, 'Presidency Conclusions on front-of-pack nutrition labelling, nutrient profiles and origin labelling', 15 December 2020. The Presidency was, however, in a position to conclude that 23 delegations (BE/BG/DK/EE/IE/ES/FR/HR/CY/LV/LT/LU/HU/MT/NL/AT/PL/PT/RO/SI/SK/FI/SE) supported the text in its entirety as annexed to this document, while three delegations (CZ/EL/IT) did not.

69 European Parliament resolution of 12 May 2016 on mandatory indication of the country of origin or place of provenance for certain foods, OJ C 76, 28 February 2018, 49–53, para 22.

70 Proposal for a Regulation of the European Parliament and of the Council on consumer product safety and repealing Council Directive 87/357/EEC and Directive 2001/95/EC, Article 7.

71 Council of the European Union (2016), 'Letter and compromise proposal related to the Proposal for a Regulation of the European Parliament and of the Council on consumer product safety and repealing Council Directive 87/357/EEC and Directive 2001/95/EC', 7738/16, http://data.consilium.europa.eu/doc/document/ST-7738-2016-INIT/en/pdf.

72 Council of the European Union, 'Letter and compromise proposal', 3.

73 Withdrawal of Commission proposals 2020/C 321/03, OJ C 321, 29.9.2020, 37–40.

74 See, in that regard: BEUC, 'Where does my food come from?'.

Conclusion

Origin labelling pits two legitimate and powerful interests against each other. On the one hand, the EU strives to attain a high level of consumer protection, which requires that consumers be provided with the information that matters to them. There can be good or bad reasons for people to base their consumption choices on the origin of products, but this should not mean they are prevented from doing so solely because one objects to these choices. On the other hand, a European market fragmented along national lines, where consumers may actively favour their own country's products with the support of their governments, is not an appealing picture. This would not only go against the very idea of a single market but also, in the long term, could diminish consumers' choices and commercial opportunities. Moreover, it is highly doubtful that extended origin labelling information on foodstuffs would meaningfully contribute to any of the key objectives pursued by the Farm to Fork Strategy.

The Commission should therefore only propose to extend current rules on mandatory indication of origin to new categories of products where consumer interest is particularly strong and no adverse consequences to the proper functioning of the single market are foreseen. Informing consumers as to the sustainability of their choices would be better served by a general sustainable labelling framework covering the broader environmental impact of food than by relying on a sole origin criterion.

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