

Europe in a Post-Covid19 World: An Exchange between Think Tank Directors and Policy Planners

Relazione di attività

Il progetto “Europe in a Post_Covid19 World: An Exchange between Think Tank Directors and Policy Planners” è stato svolto dallo IAI in collaborazione con la Deutsche Gesellschaft für Auswärtige Politik (DGAP) di Berlino, Institut Français des Relations Internationales (IFRI) e Chatham House di Londra. I quattro think tank hanno organizzato quattro video-conferenze in cui hanno discusso con i direttori delle unità di *policy planning* dei ministeri degli esteri di Francia, Germania, Italia e Regno Unito le principali implicazioni internazionali della pandemia di covid-19. Esperti di altri centri di ricerca e funzionari dei ministeri degli esteri di altri paesi sono stati invitati a partecipare alle varie video-conferenze in base allo specifico expertise o focus geografico delle stesse.

Ognuno dei quattro think tank si è assunto la responsabilità di organizzare una delle video-conferenze, dedicate rispettivamente all’Asia-Pacifico (9 luglio), l’area del Mediterraneo (10 settembre), la Russia e l’Europa orientale (29 ottobre), e le relazioni transatlantiche (5 novembre). Lo IAI ha contribuito a ‘estrarre’ le principali conclusioni del dibattito in ogni conferenza, e ha direttamente organizzato l’ultima, producendo anche un rapporto dell’evento.

La conferenza sull’Asia-Pacifico ha fatto registrare un generale consenso sul potenziale di cooperazione inespresso tra Europa e stati dell’Asia orientale sulla gestione dei rapporti con la Cina e di questioni transnazionali come il covid. Gli esperti e i funzionari dei paesi dell’Asia orientale hanno mostrato grande preoccupazione circa le ambizioni regionali della Cina. Ciò è dovuto in particolare alla percepita inazione da parte degli USA sotto l’Amministrazione Trump, che nonostante un atteggiamento antagonistico verso Pechino non offriva garanzie di affidabilità. La partnership con l’Europa è considerata essenziale dai paesi dell’Asia orientale.

La conferenza sul Mediterraneo si è concentrata sulle tensioni con la Turchia. I partecipanti hanno rilevato come quest’ultime siano meno legate a questioni territoriali (Cipro) e allo sfruttamento di risorse energetiche nel Mediterraneo orientale quanto invece riflettano l’ambizione della Turchia a giocare un ruolo di primo piano nella geopolitica dell’area. I partecipanti hanno lamentato il fatto che le tensioni con la Turchia abbiano offuscato il problema della crescente influenza della Russia nel Mediterraneo Orientale e hanno espresso la necessità di nuovi meccanismi multilaterali di gestione delle relazioni politiche, economiche e militari degli attori locali, Europa compresa.

La conferenza sulla Russia e l’Europa orientale ha registrato un generale scetticismo circa la possibilità di creare un’architettura di sicurezza comune con la Russia. I partecipanti hanno segnalato come l’avvelenamento del dissidente russo Alexei Navalny abbia compromesso i rapporti tra Russia e Germania, e che l’area dell’Europa orientale è destinata a restare oggetto di continue tensioni con Mosca nel futuro prossimo. I partecipanti hanno insistito sulla necessità di tenere gli USA ancorati all’Europa, in previsione dell’ulteriore impoverimento delle relazioni tra UE e Russia anche sul piano economico (quest’ultimo un effetto dell’ambizione dell’UE di ridurre la dipendenza dai combustibili fossili, di cui la Russia è ancora la principale fornitrice).

Infine, la conferenza sulle relazioni transatlantiche, organizzata dallo IAI, ha raggiunto le seguenti conclusioni:

- La pandemia e le elezioni presidenziali di novembre 2020 non hanno dato indicazioni precise riguardo alla direzione futura di due dicotomie che attraversano le società europee e americana, e cioè quella tra nazionalismo/populismo e internazionalismo liberale e tra democrazia e autoritarismo. I partecipanti hanno riconosciuto che la pandemia e la sconfitta di Trump hanno indebolito ma non sconfitto il populismo nazionalista. Quest’ultimo anzi può risorgere e prosperare di nuovo, soprattutto se la risposta alla crisi dovuta alla pandemia sarà insufficiente a mitigare le sperequazioni sociali e le difficoltà economiche.

- Il sostegno popolare alla cooperazione internazionale è però aumentato su entrambe le sponde dell'Atlantico, in particolare nell'UE a seguito dell'accordo sul fondo di rilancio (Next Generation EU). Non per questo sono però diminuite le sfide. Al contrario, la natura tecnocratica della governance europea contrasta sempre più con la domanda del pubblico di un maggior coinvolgimento nei processi decisionali dell'UE, svincolati dalle rigide regole di prudenza fiscale.
- La crescente polarizzazione della società e della politica degli USA si riflette anche nel collasso di un consenso bipartisan circa il ruolo internazionale degli USA stessi. Ciò nonostante è comunque l'Europa a essere più vulnerabile ai rischi di disgregazione legati alla crisi socio-economica creata dalla pandemia. L'ambizione europea a una autonomia strategica non verrà meno, tuttavia verrà contenuta dalla tendenza degli europei ad affidarsi nuovamente agli USA ora che sono guidati da un presidente dichiaratamente atlantista come Biden.
- La vittoria di Biden rende possibile una rinnovata collaborazione transatlantica su questioni come il riscaldamento climatico, la salute globale, le sfide della digitalizzazione e il rilancio della NATO. Tuttavia può portare anche a nuove sfide sul fronte commerciale e sulle relazioni con Russia e Cina. E' nell'interesse dell'Europa rafforzare le sue capacità di politica estera e di sicurezza, non certo per 'disconnettersi' dagli USA ma per riequilibrare la relazione con Washington. Una maggiore volontà a impegnarsi nel vicinato europeo è funzionale al perseguimento di questo obiettivo.
- La vittoria di Biden non porterà a un cambiamento nella politica USA verso la Cina. Al contrario, vista l'enfasi posta dal Partito Democratico sulla democrazia, le chance di una relazione sino-americana ancora più antagonista sono maggiori sotto Biden che sotto Trump. Ciò metterà pressione sull'Europa perché si allinei con Washington, a discapito dei suoi ingenti interessi economici in Cina. La capacità dell'Europa di ritagliarsi una sua posizione separata, pur nell'ambito della partnership con gli USA, sarà una cartina da tornasole per verificare la sua capacità di perseguire un'effettiva autonomia strategica.

L'agenda e il rapporto della conferenza organizzata dallo IAI sono allegati a questa relazione. Durante la conferenza sono stati presentati anche alcuni paper di ricerca, che sono stati successivamente diffusi sui canali di comunicazione dello IAI (i paper sono scaricabili qui: <https://www.iai.it/it/ricerche/transatlantic-security-symposium-12-ed>).

Allegato A: Agenda e lista dei partecipanti della video-conferenza transatlantica organizzata dallo IAI

Think Tanks and MoFA Policy Planners virtual discussion on US-European Relations after the US-Election in a Post-Covid19 World

Thursday, 5 November 2020, 5 – 7 pm (CET)

AGENDA

5 – 5.05 pm Welcome by Dr. Daniela Schwarzer, Director, German Council on Foreign Relations (DGAP)

5.05 – 5.10 pm Introduction by Dr. Nathalie Tocci, Director, Istituto Affari Internazionali (IAI) and Chair of the Webinar

5.10 – 6.05 pm Session 1

Speakers

Hans Kundnani, Chatham House

Dr. Anthony Gregory, Brown University

Eric André Martin, Institut Français des Relations Internationales (IFRI)

Prof. Barbara Keys, Durham University

Guiding questions

- *How has the Covid19 crisis impacted the relationship between state and society in Europe and America? What balance – if any – between public safety and personal freedoms and between state interventionism and market economy are political leaders and parties across the Atlantic striving for?*
- *Has Covid19 fuelled a public demand for a more cooperative foreign policy or for national-only solutions? How are political parties and leaders articulating a vision of their country's foreign policy as a consequence of the Covid19 pandemic?*
- *How will the result of the US elections affect the above?*

Reactions by policy planners and think tank directors

6.05 – 7 pm Session 2

Speakers

Dr. Riccardo Alcaro, Istituto Affari Internazionali (IAI)

Dr. Emma Ashford, Atlantic Council of the United States (ACUS)

Dr. Claudia Schmucker, Deutsche Gesellschaft für Auswärtige Politik (DGAP)

Susan Corke, German Marshall Fund of the United States (GMF)

Guiding questions

- *How has the pandemic affected the ability of the US and European countries to project power abroad, interact with other international players, and exert influence in multilateral fora?*
- *Has the Covid19 crisis paved the way to increased geopolitical competition? Will Covid19 usher in a new era of multilateral engagement in which Western powers will have to re-negotiate their status and role?*

- *How will the result of the US elections affect the above?*

Reactions by policy planners and think tank directors

7 pm Close

List of participants

- Dr. Riccardo Alcaro, Research Coordinator and Head, Global Actors Programme, IAI, Italy
- Luca Argenta, Scientific Advisor, Friedrich Ebert Stiftung, Rome Office, Italy
- Dr. Emma Ashford, Senior Fellow, New American Engagement Initiative, ACUS, USA
- Armando Barucco, Head of Policy Planning Unit, Ministry of Foreign Affairs, Italy
- Marzia Benini, US Embassy to Italy
- Dr. Benedetta Berti-Alberti, Head of Policy Planning, North Atlantic Treaty Organisation (NATO)
- Susan Corke, Senior Fellow and Director, Transatlantic Democracy Working Group, GMF, USA
- Hervé Delphin, Head of Division, Strategic Planning, European External Action Service (EEAS), EU
- Dr. Anthony Gregory, Research Associate, Political Theory, Brown University, USA
- Sebastian Groth, Head of Policy Planning Unit, Ministry of Foreign Affairs, Germany
- Dr. Thomas Gomart, Director, Ifri, France
- Prof. Barbara Keys, Professor, Department of History, Durham University, UK
- Hans Kundnani, Senior Research Fellow, Europe Programme, Chatham House
- ~~Manuel Lafont Rapnouil, Head of Policy Planning Staff, Ministry of Foreign Affairs, France~~
 - o Represented by: Maya Kandel, Center for Analysis, Forecasting and Strategy (CAPS), Ministry of Foreign Affairs, France
- Eric-André Martin, Secretary General, Study Committee on Franco-German Relations, IFRI, France
- Dr. Robin Niblett, Director & CEO, Chatham House, UK
 - o might not be able to stay for the entire discussion
- Nicolò Russo Perez, Head, Governance & International Relations, Compagnia di San Paolo, Italy
- Liane Saunders, Head of Policy Planning Unit, Ministry of Foreign Affairs, UK
- Katrin aus dem Siepen, Director of Political Service, German Embassy, Paris, France
- Dr. Claudia Schmucker, Head, Program Geo-Economics, Germany
- Dr. Daniela Schwarzer, Director & CEO, DGAP, Germany
- Dr. Nathalie Tocci, Director, IAI, Italy

Allegato B : Rapporto della conferenza

IAI, along with DGAP, brought together around 20 experts and officials from Europe and the United States – and international organisations such as the EU and NATO. An agenda and list of participants are attached to this report.

Contents

Leading Questions of the Discussion

- How has the Covid-19 crisis impacted the relationship between state and society in Europe and America? What balance – if any – between public safety and personal freedoms and between state interventionism and market economy are political leaders and parties across the Atlantic striving for?
- Has Covid-19 fuelled a public demand for a more cooperative foreign policy or for national-only solutions? How are political parties and leaders articulating a vision of their country's foreign policy as a consequence of the Covid-19 pandemic?
- How has the pandemic affected the ability of the US and European countries to project power abroad, interact with other international players, and exert influence in multilateral fora?
- Has the Covid-19 crisis paved the way to increased geopolitical competition? Will Covid-19 usher in a new era of multilateral engagement in which Western powers will have to re-negotiate their status and role?
- How will the US elections affect the above?

Five Key Findings of the Discussion

1. COVID-19 and the 2020 US elections have not given a decisive answer to ongoing debates about the balance between nationalism/populism and liberal internationalism, democracy and authoritarianism. Populism has been weakened, but Trumpism and nationalist rhetoric are alive and well and may emerge with a vengeance depending on the socio-economic impact of the pandemic and the effectiveness of government action in mitigating social hardship and inequality, both in Europe and the US.
2. Popular support for international cooperation has increased on both sides of the Atlantic but such sentiments are contrasted with growing trade protectionism and unilateralist tendencies by certain governments and the Trump administration. Increased state intervention in the economy, particularly in Europe, has provided renewed momentum to EU integration and solidarity, but may create long-term challenges as the technocratic nature of the EU jars with popular demand for greater political involvement and its fiscal rules may constrain states' intervention in national economies. Popular support will depend on the pace of the recovery and government efficiency in overseeing reforms and protecting the most vulnerable sections of society.
3. The economic implications of the pandemic will have a greater impact on EU foreign projection, compared to the US. Yet, the growing polarization of US society and politics, which reflects the crumbling of foreign policy consensus within the US, will continue to pose challenges to the US. Europe's ambition for strategic autonomy in foreign and security policy is unlikely to dissipate, not least in light of Biden's small margin of victory and a prospective Republican majority in the Senate.
4. The Biden victory will allow renewed transatlantic cooperation on certain issues (climate change, WHO, digitalization, NATO) but may lead to challenges on others (WTO, China, Russia). It is in Europe's interest to enhance its foreign and security capabilities, not to de-

couple from the US but rather to rebalance the transatlantic relationship. Increased willingness for burden and risk sharing in Europe's neighbourhood will be important to this objective.

5. Biden's victory will not bring about fundamental change to US policy towards China, and may in fact lead to a more confrontational approach due to the Democratic party's focus on democratic principles. Increased US-China tensions will translate into difficult pressures on Europe, due to the economic implications that call for a de-coupling from China may imply for Europe. Europe's success or failure in convincing the US to modify certain principles and policies, by taking into consideration European interests, will likely define the future of Europe's ambition for strategic autonomy.

How has COVID-19 Impacted State-Society & State-Market Relations in Europe and the US?

The long-term, multidimensional impact of the COVID-19 on society, politics and the economy remains to be seen. However, a number of trends and challenges can already be identified.

The pandemic has led to increased state interventionism in the economy as well as society, particularly in Europe, reversing previous trends that had seen sustained increase of the private sector over the public. In the US, the balance between state and federal levels has progressively worsened; after an initial sense of collective mission in the spring, when the first wave hit, by the summer this collectivism dissipated, being replaced by protests and culture wars that have significantly hampered the US's national response to the pandemic.

Compared to the 2008 crisis, responses have diverged significantly, as at the time the EU failed to coordinate a EU-wide recovery while the US increased state intervention through stimulus packages. During the 2020 pandemic, the roles were overturned, with Europe gradually developing more united responses and the US, under the Trump administration, relegating broad responsibilities to the state level. While Europe initially struggled to devise common responses, optimism followed the unveiling of the EU's Recovery Fund and suspension of fiscal rules, but challenges remain on the horizon and there is a danger of a new wave of populism due to the socio-economic impact of the pandemic and increasing inequality. Moreover, the suspension of fiscal rules will make it hard to return to pre-pandemic regulations, posing a question mark on the future fiscal responsibility within the Eurozone, which in the long run may add further strain to the integration process. The increasing role of the public sector within European economies and domestic politics is likely to have an impact also in foreign policy, .

The second wave of the pandemic will add further stress to social contracts, given the general social fatigue with lockdown measures and their economic costs. As the Italian case shows, the first wave was a successful example of growing citizen trust in institutions, with support for the government and local representatives increasing. The socio-economic impact of the crisis and the restrictive measures introduced with the second wave will however test this popular support, as they have not been accompanied by the same general acceptance by the public. Indeed, placing too much focus on the pandemic may distract from the deeper pre-existing challenges of a political, social and economic nature. While there is broad agreement across Europe about the need for EU-level interventions to mitigate the pandemic, striking the correct balance between the national-supranational dimension will be important for the future of populism in Europe.

Strengthening the technological component of EU wide policies may help to engender cooperation as well as better accountability for effective governance. While it is true that there is a link between technology and populism, it is also true that there is a link between technology and efficiency. To strengthen the social contract, improving efficiency in providing social goods is key and there is room for increased transatlantic cooperation in the technological and digitalisation realm, helping to establish benchmarks and regulations that could then be expanded to other regions and countries, particularly among democratic states.

The incoming Biden presidency's governance margin will be constrained by domestic challenges. Moreover, the balance between executive and legislative branch of government in the US will continue to be problematic, with the Biden White House likely being forced resort to executive orders, in this

respect replicating what has been a hallmark of the Obama and Trump administrations, a trend that may increase polarization and fragmentation in US politics and society.

Has Covid-19 fuelled a public demand for a more cooperative foreign policy or for national-only solutions and how are political parties and leaders articulating their respective foreign policy visions?

The pandemic has weakened the perception and legitimacy of US and Chinese global leadership. Europe is caught in-between these two global actors, and the way that Europe will respond to the new global geopolitical challenge of US-Chinese competition, while handling the pandemic, will likely define the EU's future, and particularly its ambition for strategic autonomy.

During the initial wave of the pandemic, both Europe and the US were momentarily traversed by resurgent nationalism and national-first solutions, but as the pandemic progressed these similarities eroded. In general, popular support for cooperative approaches remains high on both sides of the Atlantic, as reflected by recent public opinion polls in both the US and Europe. Governmental responses have varied, as Trump continued to pursue unilateralist policies while European member states moved to agree on a recovery plan and other unprecedented measures in the economic realm. The US's handling of the emergency, and particularly Trump's unilateral withdrawal from the WHO, have not led to significant calls for enhanced transatlantic cooperation on COVID-19, albeit the Biden's victory may well lead to renewed EU and US cooperation in multilateral forums, particularly on climate change and the WHO.

While the incoming Biden administration will be significantly constrained in foreign policy due to the likely Republican majority in the Senate (pending the January runoffs in Georgia) as well as pressures coming from the progressive left of the Democratic party, the election results do provide renewed grounding for transatlantic cooperation. The EU's ambition for strategic autonomy is unlikely to dissipate, and indeed Biden's small margin of victory will serve to keep this ambition alive in Europe. As a result, strategic drift in the EU-US relationship is likely to diminish but not cease, particularly as Europe seeks to adapt to growing US-China competition. Indeed, US policy towards China will likely be one dimension of continuity between Trump and Biden. The Biden administration may actually pursue a more confrontational policy with Beijing due to its focus on democratic values and issues such as Hong Kong, a dimension that will add further pressures on Europe to take sides.

How has the pandemic affected the ability of the US and European countries to project power abroad, interact with other international players, and exert influence in multilateral fora?

The pandemic is likely to have a marginal impact on the US's ability to project power abroad. Much will depend on the pace of the recovery, with estimates of economic loss in the US range between 10-30 trillion USD. The risk, however, is that the pandemic may lead to a bifurcated economic recovery, increasing inequality as some sectors recover and others disappear due to the pandemic. This would imply not a V or a U-shaped recovery (similar to the 2008 crisis), but rather a K shaped curve, whereby those who do jobs that can be done remotely would rebound while service and retail industry workers would suffer, which would have significant long-term effects on the social contract and the US economy. To mitigate these risks, the development and effective distribution of a vaccine will be crucial, as well as renewed stimulus interventions, which however may be challenging given the likely Republican majority in the Senate. On the whole, it is unlikely that the economic costs of the pandemic lead to a decline in US military spending, but in the event of a K-shaped recovery, societal fragmentation, culture wars and tribalism will likely increase.

In Europe, the prospect of a K-shaped recovery is also present, and here much will depend on the ability of national governments to support the economy via an appropriate use of EU funds and resources, employing the crisis as an opportunity to modernise the economy while improving social safety nets and services, while enhancing digitalisation and the green economy in the process.

With regards to foreign projection, Europe is likely to be more directly impacted than the US. The EU was already struggling to improve its foreign and security capabilities before the pandemic and COVID-19 will further exacerbate the challenge. The social and economic effects of the pandemic

have already led to diminished funds for its strategic ambitions, as demonstrated by negotiations on the EU's next Multilateral Financial Framework (MFF) or the European Defence Fund (EDF).

Looking ahead, the development of a vaccine, cooperation in its distribution and the extent to which states implement protectionist trade policies will likely define the pace of Europe's recovery. The Biden victory will no doubt lead to improved transatlantic relations, and potentially increased coordination in multilateral fora like the G7 – under US presidency this year, with the meeting postponed due to COVID-19 – and Italy's presidency of the G20 – albeit the efficiency of these forums depends on the individual commitments of their members, which has been lacking recently. Transatlantic cooperation has long been a cornerstone of EU policy,

Yet, the quicker economic recovery of China, compared to both Europe and the US, will also pose challenges to transatlantic power projection and influence, and only through increased EU and US coordination can key multilateral fora, such as the WTO, be strengthened vis-à-vis China. However, transatlantic cooperation will depend on the successful renegotiation of rules and responsibilities, stronger enforcement mechanisms and, on the key issue of multilateral trade, the difficult task of reforming the WTO's dispute settlements system. Other potential areas of cooperation in the WTO could include environmental rules and regulations, given Biden's promise to re-enter the Paris Climate Agreement. Renewed cooperation and coordination within NATO, based on a careful assessment of shared threats and interests, could provide further momentum to transatlantic cooperation and influence, albeit the deep tensions between Turkey, Greece and France remain a challenge. NATO has proven to be able to stand as a positive crisis management mechanism, using its channels and infrastructure to foster solidarity, also in the COVID-19 emergency. Enhancing the Alliance's cooperative mechanisms in the domain of critical infrastructures as well as disaster risk reduction could provide further momentum for EU-US cooperation. Europe needs to play a more active role, however, as renewed transatlantic cooperation will not only depend on increased burden sharing, but risk sharing, particularly on the side of Europe.

Has the Covid-19 crisis paved the way to increased geopolitical competition? Will Covid-19 usher in a new era of multilateral engagement in which Western powers will have to re-negotiate their status and role?

Growing geopolitical and great power competition was a feature of the pre-COVID-19 international system and will continue under present circumstances, including in the wake of Biden's electoral victory. Biden's approach toward international re-engagement may differ from the European way of conceiving multilateralism, however, and the continued relevance of bilateralism (even transactionalism) under a Biden presidency cannot be ruled out. That said, there is some potential for enhanced EU-US cooperation in certain domains, and these could contribute to restoring public confidence in multilateral institutions. Transatlantic cooperation has long been a cornerstone of EU policy and will likely continue for the foreseeable future. Critical will be the US's ability to re-engage the EU at the European, individual member state and NATO level and to coordinate its policies with Europe vis-à-vis China but also in the newest dossiers like e-commerce and cyber threats, and in turn Europe's cohesion and coordination with EU institutions and the US.

On both sides of the Atlantic renewed talk of an alliance of democracies may provide some avenues for increased transatlantic cooperation with other democracies on global issues (climate change, digitalisation, public health, individual freedoms), but the key challenge will be that of demonstrating the efficiency between different models of authoritarian and democratic governance, not only in terms of responses to the pandemic but in providing social goods and opportunities to their populations.

The notion that economic prosperity goes hand in hand with democratic governance has been questioned in light of the handling of the pandemic in Europe and the US. This encapsulates the major systemic challenge confronting the transatlantic relationship looking ahead, and will continue regardless of which party sits in the White House.

Ultimately, in the present COVID-19 world, EU member states should seize on the greater cohesion brought about by their own response to the pandemic and seek a rebalancing of the transatlantic relationship, irrespective of who sits in the Oval Office. The degree in which Europe will

be able to influence US choices on key international issues (among which China, trade, digitalisation and climate change) will tell us how the EU scores on its ambition for strategic autonomy.

Firmato digitalmente da

NATHALIE TOCCI

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