



## Foreign Policy and the Euro: We Have an Idea

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**With the Euro in crisis, EU foreign policy evidently suffers for lack of money and attention. But the way the Eurozone crisis is being discussed is also fundamentally at odds with the idea underpinning the Union's foreign policy – and indeed the Union as such.**

That the financial and economic crisis in Europe and the crisis of the Eurozone in particular do not bode well for the European Union's foreign policy is self-evident.

In times of austerity, first, there simply is less money available for external action. Foreign policy in the narrow sense, or diplomacy, may not seem such a costly policy area. But EU foreign policy adopts a broad, holistic approach, putting to use all of the instruments for external action, from aid and trade to diplomacy and the military, where possible in partnership with other States and regional and multilateral organizations. Consolidating democratization in the countries living an "Arab Spring" will require massive economic investment, in order both to create some short-time benefits that strengthen the hopes of the people and to generate long-term economic

development. This is but the most evident example of an urgent challenge in our own neighbourhood on which the Union cannot but take the lead.

Secondly, there is limited bandwidth available for foreign policy. As the Heads of State and Government struggle to address the Eurozone crisis, devoting summit after summit to this natural priority, foreign policy inevitably loses out. The world does not stand still however, as the crisis in Libya has shown. Crisis in the Eurozone or not, if an external crisis occurs that threatens important European interests or invokes Europe's responsibility, the Union will have to act. Unfortunately, even without the Eurozone crisis, the lack of any collective idea among EU Member States of what their responsibilities in crisis management are would have blocked the Union from intervening in the Libyan case. As it was, because of its great internal divide the EU abdicated not just in the field of crisis management (where an ad hoc coalition under the leadership of Britain and France took to action) but gave up the political leadership as well. To ensure durable peace and stability, the Union as such must now take the lead in revitalizing its southern Neighbourhood Policy. And this is only the

regional challenge. Other vital issues at the global level need our attention as well, from developments in Iran to partnership with the BRICs and reform of the multilateral architecture.

The fundamental decision to maintain the Euro and, by extension, the European project by deepening financial and economic integration has been taken. The long-term trend thus remains ever deeper integration. But, thirdly, the painful and drawn-out decision-making process, which sees many divides still among Europe's leaders, creates the image of a weak Union, paralyzed by dissent and unable to take resolute action. This perception inevitably undermines the credibility of any foreign policy initiative which the Union might now undertake.

### **A Foreign Policy Idea**

The Eurozone crisis also affects EU foreign policy at a less evident but actually much more fundamental level, because the *way* in which the crisis is being discussed and thus potentially addressed basically is at odds with the *idea* underpinning the Union's foreign policy – and actually the Union as such.

The core idea of EU foreign policy has a simple logic to it (Biscop & Coelmont 2011). Only where governments guarantee their citizens security, prosperity, freedom, and equality (because each citizen rightly feels entitled to security, prosperity and freedom in a more or less equal way to his/her fellow citizens) can lasting peace and stability exist – as within the EU. Where governments do not provide their citizens with these core public goods, tensions will arise, instability and repression will follow, and citizens will eventually revolt and regimes implode, violently or peacefully, as most recently demonstrated by the Arab Spring but also e.g. by the fall of the Soviet Union. The

best way therefore to guarantee peace and stability within the EU is to stimulate governments outside the EU to similarly provide for their citizens. The core phrase in the 2003 European Security Strategy expresses it thus:

“The best protection for our security is a world of well-governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order”.

This is no easy task. In its southern neighbourhood e.g. the EU until recently, and in sharp contrast with its approach in the eastern neighbourhood, to a large extent ignored the basic idea of its own Strategy and ended up supporting any regime willing to cooperate on terrorism and illegal migration, regardless of its domestic record. It did so at its peril, for then the Arab Spring erupted in spite of this policy – had the Union remained faithful to its Strategy, it would (partially) have been thanks to its policy. The positive lesson to be learned (or re-learned) from the Arab Spring is that the universal aspiration to equal access to security, prosperity and freedom is felt by people everywhere. In other words, it is the expression of as many universal values.

But what of the EU itself?

### **An Idea in Crisis**

“[The EU's] achievements are the results of a distinctive European approach to foreign and security policy”, states the 2008 Report on the Implementation of the European Security Strategy. It is distinctive indeed, because EU foreign policy reflects the very same values on which the EU itself is based. The internal

social contract binding citizens to the EU and the governments of the Member States requires the latter to provide them with security, prosperity, freedom and equality. As a result, since WWII a distinctive European model of society has emerged: a combination of democracy, the market economy, and government intervention at EU and Member State level to ensure the fair functioning of the market and to provide those public goods which it does not generate. When this social contract is seen to be respected, it generates a sense of purpose and feeling of community. When it is perceived to be threatened however, it is one of the main reasons for citizens' disenchantment with the EU (Verhofstadt 2006), as the Eurozone crisis forcibly demonstrates.

The fundamental idea of EU foreign policy is precisely that its model should not remain distinctive, but that governments across the world forge a similar social contract with their citizens, which need not replicate the European model in every detail (and would indeed do wise to avoid some of its more cumbersome aspects) but which would reflect the very same universal values. This, so goes the strategic narrative of EU foreign policy, is the only durable way of creating peace and stability.

However, the way in which the Eurozone crisis is now being debated within the EU appears to ignore this strategy, this fundamental political idea. Debates and negotiations between Member States and the EU institutions are of course highly political, but only insofar as burden-sharing between Member States is concerned: who has to pay for whom? The real substance of the debate, i.e. *how* to save the Euro, which measures to take, is presented as a technical, even technocratic issue, devoid of political or ideological choices. The medicine is known, it is just a matter of convincing the

unwilling patient to swallow it. Certainly the purpose cannot be doubted: the Euro must be saved.

But is that really true? Of course the Euro must be saved – but not as an end in itself. The Euro also is a political project and a symbol of European integration, but first of all it is but a means – a means to enhance the security, prosperity, freedom and equality of European citizens. If the Euro is saved in such a manner that the prosperity and equality of European citizens are destroyed, the end result will be counterproductive for the European project as such. For the internal social contract will be broken and citizens will no longer feel committed to the Union and the governments that did not respect it – in a Member State like Greece this might already be the case. Great internal instability, possibly for years to come, will be the result.

Thus saving the Euro the wrong way will be as bad for the Union as not saving it at all. It will be equally bad for the position of the EU as an international actor. The strategic narrative of EU foreign policy cannot be maintained once the internal social contract, on the promotion of which it is based, is broken, for it will then no longer be credible, neither inside nor outside the EU. The EU will have lost its “soft power”. For sure, being a model for others to emulate is not sufficient, for too many, swayed by nationalism, radicalism, fundamentalism or just cynicism, simply no longer see Europe as a model. Attractiveness alone does not generate “soft power” – the EU must be seen to act upon its strategy. But for a proactive strategy to be possible, preserving and even deepening the model *within* the Union does constitute an indispensable prerequisite.

If the EU does not manage to maintain its distinctive model of society, its foreign policy

will soon lose its distinctiveness as well, and Europe will become one international actor among others, and a weak one at that. Europe will simply no longer be Europe.

### Conclusion

Of course Europe's leaders must give priority to saving the Euro as the best means of safeguarding the European social model that has been built up since the end of WWII, in parallel with European integration. But counterintuitive though it may seem, now is also the time to promote strategic thinking in European foreign policy. As resources become scarce, setting priorities becomes a must, to ensure that the available means are spent in the most relevant and useful way. As the Eurozone crisis absorbs all attention, leaders and the public must be reminded that meanwhile the challenges abroad do not go away and do not cease to evolve.

Preserving our internal social contract and continuing to promote similar social contracts abroad should be the beacon guiding Europe's leaders throughout. The late Tony Judt (2008: 365) was addressing Kissinger and US foreign policy when he wrote down these lines, originally in 1998, but in an uncanny way they fit the European Union of 2011 faced with the Eurozone crisis and the Arab Spring:

“[...] in a constitutionally ordered state [or Union], where laws are derived from broad principles of right and wrong and where those principles are enshrined in and protected by agreed procedures and practices, it can never be in the long-term interest of the state or its citizens to flout those procedures at home or associate too closely overseas with the enemies of your founding ideals”.

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