

**A BRIC IN THE WORLD:  
EMERGING POWERS, EUROPE,  
AND THE COMING ORDER**



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AND THE COMING ORDER**

THOMAS RENARD



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# Table of Contents

Executive Summary . . . . .	3
Preface. . . . .	5
Introduction . . . . .	7
An Image of the Future in the Mirror of the Past. . . . .	9
The Game Board: Shape and Rules of the New World Order . . .	13
<i>2001: A BRIC Odyssey</i> . . . . .	13
<i>From Economic to Comprehensive Interdependence</i> . . . . .	14
<i>The Coming Asymmetrical Multipolarity</i> . . . . .	16
<i>The Age of Multi-Multilateralism</i> . . . . .	19
The Players: Measuring Power in the New World Order. . . . .	21
<i>The Economics of Power</i> . . . . .	21
<i>Beyond Economics: The Emergence of Power</i> . . . . .	24
“ <i>Softer</i> ” <i>Indicators</i> . . . . .	28
<i>The True Story: BR-I-C</i> . . . . .	29
The EU: The Odd Player . . . . .	31
The EU in the Age of Interpolarity: In Search of a Strategy . . . . .	35
<i>Effective Multilateralism: Towards a Grand Bargain</i> . . . . .	35
<i>Make EU Partnerships Strategic</i> . . . . .	38
Conclusion . . . . .	41



## Executive Summary

The world is changing. It is becoming increasingly multipolar with the emergence of China, India, Brazil, and with the resurgence of Russia – forming the so-called BRIC. The world is also becoming increasingly interdependent, not only economically as recently illustrated with the US financial crisis turning into a global economic crisis, but also regarding the threats and challenges our societies face, such as climate change. This multipolarity in the age of interdependence, or interpolarity as Giovanni Grevi names it, will most likely shape the 21<sup>st</sup> century.

The American unipolar moment has ended. Yet, it seems too early nonetheless to evoke true multipolarity. Indeed, the US remains the dominant power, or the “lonely superpower”, and is likely to maintain its status for years and probably decades to come. America’s decline is not an illusion, but it must be understood in relative terms. US global influence is fading because it contrasts with the rise of the ‘rest’, i.e. the empowerment of other actors at the local, regional and global level.

There is a great uncertainty as regards to who will emerge as a major power and when the US dominance will become definite history. In fact, it is very likely that only few a countries will emerge as central hubs of the system in the 21<sup>st</sup> century, creating a sort of *asymmetrical multipolarity* with a distinction between dominant or central powers, major powers, regional powers and local powers.

Based on the analysis of several indicators, this paper refines the “BRIC dream” into a more realistic BR-I-C scenario in which China appears to be the real story and the only emerging power that can challenge the US in the coming years. India will follow the path of China but its emergence will be slower and in all less impressive. Brazil and Russia are probably the least emergent among the emerging powers, but this is not to say that they are not emerging.

What place will be left for the EU in this coming interpolar order? According to most indicators, Europe has the appearance of a global power. However, there is a natural reluctance to join the words ‘Europe’ and ‘global power’ together. Indeed, the EU is not a power in the classical sense of the term for the very good reason that it is not a state in the classical sense of the term either. But if global power is defined as the capacity to have an influence at the global level, then the EU has certainly *some* global power, for it is a leading voice in many important affairs, such as the fight against climate change. To become a true global power or even a great power, i.e. a major pole in the coming order, the EU will need a more coherent approach and a more integrated strategy.

This will require EU member states to increasingly speak with one voice in foreign policy. On a global scale, all European countries are now small states. They are less and less capable of defending their vital interests on their own against rising powers and are even less capable of achieving major ambitions. Nevertheless, when the capabilities of the 27 member states are joined together, the EU becomes a significant power. There is a strong case for the EU to act together in foreign policy: Divided we fail, united we prevail.

The EU will also need to develop its relations with the emerging poles of the coming order through the use of strategic partnerships. A truly strategic use of the strategic partnerships, i.e. in function of EU foreign policy, must start from a thorough assessment of EU interests in the various regions of the globe and a clearer definition of its objectives towards them. In practice, two types of partners may eventually emerge: those with which the EU establishes cooperation in a comprehensive range of areas – probably at least Russia, China and India, if they would be inclined to such cooperation that is, and of course the US; and those with whom cooperation focuses on a more limited range of issues or regions. In order to promote European unity, strategic partnerships should establish the EU as the unique interlocutor on a series of key issues, hence limiting the margin of manoeuvre of individual Member States.

For the EU to remain relevant in the 21<sup>st</sup> century, it will need to promote effective multilateralism at the global and EU levels, to seal real strategic partnerships, and to develop its leadership capacity in order a) to influence the global agenda, and b) to take the lead in issues of particular importance to the EU. Leadership and effective multilateralism are complementary and mutually reinforcing. They are Europe's best option to enter interolarity as a global power. The EU will not rule the 21<sup>st</sup> century, but it can still become a major pole, and it must certainly avoid to be ruled out.



## Preface

This Egmont Paper is the first product of a new research project about the EU and the BRIC countries, launched by the Institute in February 2009, to look at how the EU positions itself in an increasingly multipolar world. A vast topic, this paper is intended as a scene-setter, analyzing just what the geopolitical changes are and offering some initial recommendations. Forthcoming publications will focus on the EU instrument of “strategic partnership”, assessing how the effectiveness of this tool can be improved, and on the reform of the multilateral architecture, offering suggestions for reform that would enhance both the EU’s presence and the overall strength of “effective multilateralism”.

The EU-BRIC project fits in Egmont’s well established research agenda about the EU as a global actor and is tightly linked to other ongoing projects about European strategy. Indeed, it is not just about “a secure Europe in a better world”, the subtitle of the European Security Strategy: we are also facing the challenge of maintaining a secure Europe in a changing world.

Prof. Dr. Sven BISCOP  
Director  
Security & Global Governance Programme



# Introduction

*“The trouble with our times is that the future is not what it used to be”.*

*Paul Valery*

On 16 June 2009, the heads of state of the four BRIC countries (Brazil, Russia, India and China) held their first official summit in Yekaterinburg, Russia, at the end of which they claimed “a more democratic and just multipolar world order”. Eight years earlier, when the acronym BRIC was coined for the first time, nobody ever imagined that the acronym could turn into a real political forum one day. Eight years earlier, the world still revolved around the US. Times are changing.

Today, the world is increasingly multipolar with the emergence of new actors on the global stage, including the BRIC, the European Union (EU), and various non-state actors, although it is not yet truly multipolar as the US remains the unique global superpower. This rising multipolarity will likely define the 21<sup>st</sup> century, despite many persisting uncertainties about the coming order, especially regarding its shape – true multipolarity or asymmetrical multipolarity – and its rules – competitive or cooperative multipolarity.

A new world order is emerging from where the sun rises, but this might not yet be the Asian century. Indeed, the US will not abandon its superpower status so easily. For Europe, the challenge will be very different as its own relevance on the global stage is at stake. The choice for the EU is simple: ruling or being ruled out of the 21<sup>st</sup> century. Either the EU participates in the shaping of the coming order and becomes one of its major poles, or it will be relegated to the position of a mere spectator of global affairs.

This paper offers a broad analysis of the very important changes affecting our world. It attempts to offer a perspective on the coming order without succumbing to the temptation of difficult and dangerous predictions. It focuses on the emergence of new powers and the advent of a new international structure. More specifically, this paper places the EU at the centre of its argumentation and asks the fundamental questions of what this upcoming multipolarity means for Europe and where the EU fits among the emerging powers.

The first section proposes a brief historical perspective on the current trends shaping the global system. The second section describes these current trends in more detail, focusing on three main aspects: multipolarity, interdependence and multilateralism. The third section identifies the major poles of the coming order,

based on a selective set of indicators. The fourth section analyzes the EU as a potential emerging power while underscoring various important distinctions with the other (emerging) global powers. Finally, the fifth section details the EU's strategy to deal with the current trends and proposes some recommendations for improving it.

Thomas RENARD<sup>1</sup>

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1. Thomas Renard is a Research Fellow in the Security and Global Governance Programme at Egmont – Royal Institute for International Relations. The author warmly thanks Sven Biscop for his kind encouragement and useful suggestions, as well as Rik Coolsaet, Tanguy Struye de Swielande, James Rogers and Alexander Mattelaer for their constructive comments on early drafts of this paper. Finally, the author is grateful to Ludovic Bol for his help.

## An Image of the Future in the Mirror of the Past

It is always hard to predict what History will recall and what it will forget. Many journalists and experts are prompt to celebrate dramatic events that will allegedly mark the advent of a new world. In fact, what seems so important today might be futile to history, and the new world coming might just look like the old one. As once said by British historian Philip Guedalla: “History repeats itself; historians repeat each other”.

To our Western eyes, the economic booming of China and India is unprecedented, but seen from Asia this is a mere return to normality. A glance at the share of global Gross Domestic Product (GDP) of Europe and Asia during the last 2000 years shows that Asia largely dominated the world economy until the Western industrial revolution completely reshuffled the deck (see chart 1). In the words of a prominent Indian scholar: “The past two centuries of Western domination of world history are the exception, not the rule, during two thousand years of global history”<sup>2</sup>. If this was not compelling enough, just think about the following: Between 1405 and 1433, the fleet of Chinese Admiral Zheng He was so impressive with its several hundred 120 meters-long boats adventuring to Eastern Africa transporting goods – including giraffes – that it could have “discovered” Portugal long before Henry the Navigator started exploring beyond the shores of North Africa.<sup>3</sup>

One should admit that historically the rise of emerging powers and the upcoming multipolar order are maybe not so revolutionary. Indeed, other nations have emerged before to shape a new world; different forms of multipolarity have existed throughout History; and globalisation and interdependence today are in many aspects less impressive than at the dawn of World War I.

Keeping this in mind, one should not entirely dismiss the idea that the world is shifting and that there might be something new in the changes happening today.<sup>4</sup> To begin with, the pace of certain changes is quite stunning. For instance, while the costs of transportation fell regularly over decades, the costs of communication have plunged so dramatically (from a \$250 three-minute transatlantic phone call in 1930 to a few cents today) that it fundamentally altered the nature of international trade. This has facilitated the emergence of new actors (states,

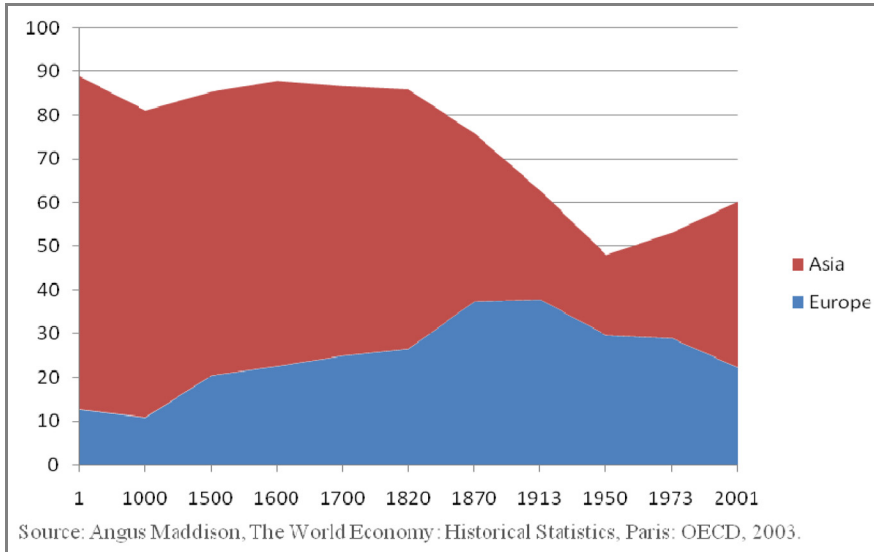
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2. Kishore Mahbubani, *The new Asian hemisphere: the irresistible shift of global power to the East*. New York: PublicAffairs, 2008, p.49.

3. Paul Kennedy, *The Rise and Fall of Great Powers*. New York: Random House, 1987, p.42.

4. See Richard E. Baldwin, Philippe Martin, “Two Waves of Globalisation: Superficial Similarities, Fundamental Differences”, *NBER Working Paper 6904*, Cambridge: National Bureau of Economic Research, January 1999.

Chart 1: Share of Global GDP (1-2001 AD)



such as India whose economy relies heavily on communication services; and non-state actors, such as multinationals or even terrorist groups which increasingly depend on communication technology). Internet and the global media have also developed our awareness of the emergence of these new actors, hence reinforcing this emergence.

The lightning-fast rise of these new powers is yet another remarkable contemporary feature. Compared to the industrial era, emerging powers seem to catch up much more rapidly with developed countries. The double-digit growth rates observed annually in many emerging countries largely outpace the 2-3% growth observed in Europe during the industrial revolution. And emerging countries are not only catching up economically but also in other spheres of power, including in the military realm.

Finally, two other major differences are worth being underlined. First, public opinion is arguably a factor much more important today than it was before in international politics, forcing most governments to take it into account – at least partially – while implementing their global strategies. Second, the international structure is different today, with the existence of *institutionalized* global mechanisms and forums which regulate the international system with more or less success.

It is not the aim of this essay to analyze similarities and dissimilarities between current and past developments in global politics. However, it is important to put this research in a historical perspective as an introduction because there is something misleading in our belief that “everything is new”, just as it is equally misleading to think that “everything remains the same”.





# The Game Board: Shape and Rules of the New World Order

The world is changing. This is an undeniable fact despite all caveats recalled in the previous section. The world is becoming increasingly multipolar with the emergence of China, India, Brazil, and with the resurgence of Russia. The world is also becoming increasingly interdependent, as recently illustrated with the US financial crisis turning into a global economic crisis. The third characteristic of the coming order is the development of a new structure of multilateralism.

## 2001: A BRIC Odyssey

Looking back to the recent past, the year 2001 symbolizes particularly well the definite end of the American “unipolar moment”<sup>5</sup> and the rise of a multipolar order. To begin with, the terrorist attacks of 9/11 profoundly shocked a nation that saw itself as untouchable and revealed to the world its vulnerability. Second, China acceded to the WTO in November 2001 celebrating the entry of the biggest Asian economy in the global economic system and initiating the displacement of the economic pivot towards the East, although it is still deeply rooted in the Atlantic basin.<sup>6</sup> Third, 2001 was the first year of the 21<sup>st</sup> century (and the third millennium) which some already dare to call the “Asian century”<sup>7</sup>. Fourth, the BRIC concept was coined that same year by Goldman Sachs analyst James O’Neill in order to encourage investment in emerging economies, without any idea that his concept would turn into a real diplomatic forum almost eight years later.<sup>8</sup>

Of course, the choice of the year 2001 is only symbolic, a date that historians might one day consider to be a turning point or not. In reality, most changes that are shaping today’s world are long-term trends. On the one hand, comprehensive interdependence has been under way essentially since the end of World War II – after an inter-war period of deglobalization – and today’s level of economic interdependence is no more impressive than on the eve of World War I.<sup>9</sup> On the

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5. Charles Krauthammer, “The Unipolar Moment”, *Foreign Affairs*, vol. 70:1 (1990), pp. 23-33.

6. When China entered the WTO, it was the 9<sup>th</sup> largest global exporter and the 10<sup>th</sup> largest global importer. Since then, it rose to being the 3<sup>rd</sup> largest trading nation overall.

7. See for instance Kishore Mahbubani, *op. cit.*

8. Jim O’Neill, “Building Better Global Economic BRICs”, *Global Economics Paper* 66, New York: Goldman Sachs, 30 November 2001.

9. Richard E. Baldwin, Philippe Martin, *op. cit.*; Jeffrey Frankel, “Globalization of the Economy”, in Joseph Nye and John Donahue (ed.), *Governance in a Globalizing World*. Washington: Brookings Institution Press, 2000.

other hand, the Asian continent did not rise overnight but its entrance into the modern world was by any standard astonishingly fast. In China, for instance, the number of mobile phone subscribers rose from less than 5 million in 1995 to approximately 100 million in 2000, to reach well over 500 million today, with about 200,000 new subscribers each day.<sup>10</sup>

However, modernity is a very relative concept and it can be misleading to assess Asia's modernisation based on an indicator such as the number of mobile phone users. Kishore Mahbubani offers another vision of India's rapid entry into modernity:

*“‘Modernity’ is a strange notion. In the West the more basic aspects of modernity – of modern living – are taken for granted. (...) To understand the destination of ‘modernity’ that [billions] aim for, it is important to understand the ‘premodern’ world that they hope to leave behind, a world I know well because I grew up in it. (...) We had no refrigerator, no telephone, no television. But the real inconvenience we suffered was that we had no flush toilet. (...)*

Each morning, a group of men would come to take away the metal bin in our toilet and replace it with a fresh one. There it would stay for twenty-four hours, filling up over the course of the day. (...) If I were asked to name the date when my life entered the modern world, I would date it to the arrival of the flush toilet.”<sup>11</sup>

## From Economic to Comprehensive Interdependence

Saying that the world is increasingly interdependent does not equal saying that economic interdependence is a new phenomenon. A few statistics illustrate this quite convincingly:<sup>12</sup>

- In 1910 the ratio of total trade to GDP of the UK was of 44%; ninety years later it was just 10% higher, while the US hardly reached a ratio of 25%;
- Capital flows calculated in percentage of GDP are smaller than at the end of the 19<sup>th</sup> century for all major countries;
- The direction of trade has remained remarkably stable, with intra-European trade going from over 60% in 1860 to over 70% in 1996.

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10. Michael Kanellos, “How many new cell phone accounts are opened in China a day?”, *CNET.com*, 31 May 2007.

11. Kishore Mahbubani, *op. cit.*, pp. 14-15.

12. Richard E. Baldwin, Philippe Martin, *op. cit.*

But today's interdependence is not only economic; it is also functional and systemic.<sup>13</sup> Interdependence is functional in the sense that the fates of most actors are intertwined in global institutions with proper competences and enforcing capacities. These include the United Nations (UN), the World Trade Organization (WTO), the International Monetary Fund (IMF), and many more. Functional interdependence is more of a contemporary phenomenon given that the Concert of Nations and the likes did not have a comparable level of institutionalization and legal power.

Systemic interdependence means that the fate of *all* actors depends in the end upon one single and common system: our planet earth. This is to say that we all share a limited amount of systemic resources (especially non-renewable resources), which are necessary for the good functioning of our societies. Resource-sharing sometimes leads to cooperation, but it can also lead to tension and conflict. More importantly, and as opposed to the past, the system is fundamentally endangered today by at least two major factors threatening dark perspectives to all actors equally: climate change and nuclear proliferation.

Together, these three forms of interdependence create a historically unique form of *comprehensive interdependence*, which characterizes the second half of the 20<sup>th</sup> century and will most likely shape the 21<sup>st</sup> century as well. Comprehensive interdependence is global, existential and complex. It is global because it connects actors from the entire world; it is existential because the future of the system and its components is critically threatened (e.g. due to climate change); and it is complex because different types of interdependence (economic, functional, and systemic) co-exist at different levels between different actors.

In the 19<sup>th</sup> century, interdependence was already global, and to a certain extent it was already existential for those countries that relied on their colonies to ensure their survival against powerful neighbours. However, the system itself was not threatened as it is today by climate change or nuclear proliferation. In addition, the three previously identified forms of interdependence never co-existed as they do today, creating a very complex web of interdependent relations. For instance, Europe and Russia are extremely interdependent in terms of energy, while China and America are very interdependent financially with Beijing holding immense reserves of US Treasury bonds; or think about China entering the WTO when Russia is not a member yet; or think about Beijing, Moscow, Washington, London and Paris meeting regularly in the Security Council while other remain excluded. The list could go on indefinitely.

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13. The distinction between integrative, functionalist and systemic interdependence was elaborated by Jaap de Wilde in *Saved from oblivion: interdependence theory in the first half of the 20th century*. Aldershot: Dartmouth Publishing, 1991.

There is at least one fundamental lesson that we should draw from the previous era of interdependence: globalization is not irreversible. After WWI, all countries closed their economies and implemented protectionist measures (such as the infamous 1930 Smoot-Hawley Tariff Act in the US) which led to a three decades-long period of deglobalization. With the current economic crisis, many observers see new signs of deglobalization again.<sup>14</sup> The consequences of such deglobalization are uncertain, but it emphasizes the fact that the level of economic interdependence in the coming order cannot be anticipated with certainty.

## The Coming Asymmetrical Multipolarity

Raising the issue of emerging powers and growing interdependence (economic, functional and systemic) triggers a questioning of the structure of the world system. To be sure, the structure of the world is extremely complex because all actors are inextricably intertwined in multiple layers of the system. Despite this complexity, one can still identify general patterns in the global structure.

To begin with, although some scholars would argue that American hegemony is built to last, there is a broad consensus about the fact that the American “unipolar moment” has come to an end. If one dismisses unipolarity, it seems too early nonetheless to evoke true multipolarity. Indeed, the US remains the dominant power, or the “lonely superpower”<sup>15</sup>, and is likely to maintain its status for years and probably decades to come. The much-debated ‘American decline’ is nothing absolute: the pre-crisis US economy was still growing fast (and it seems to be slowly recovering from the crisis, although a relapse is possible); the US military is more advanced than any potential competitor; and US soft power is unchallenged even in Asia<sup>16</sup>.

America’s decline is not an illusion, but it must be understood in relative terms. US global influence is fading because it contrasts with the rise of the ‘rest’, i.e. the empowerment of other actors at the local, regional and global level. The concept of power is relative: the power of one actor is dependent on the power of other actors. Hence, America is declining not because it is weakening but because the ‘rest’ is getting stronger.

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14. See for instance Joshua Kurlantzick, “The World is Bumpy”, *The New Republic*, 15 July 2009.

15. Samuel P. Huntington, “The Lonely Superpower”, *Foreign Affairs*, vol. 78:2 (1999), pp. 35-49.

16. Christopher B. Whitney, David Shambaugh, “Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion”, *Asia Soft Power Survey 2008*, Chicago: The Chicago Council on Global Affairs, April 2009.

The expression ‘rise of the rest’ obscures profound differences within the ‘rest’ however. This heterogeneous group is composed of sub-state and non-state actors (militias, NGOs, multinational corporations, etc.), state actors and supranational actors (regional organizations). These actors are asymmetrically endowed and their ambitions vary accordingly. The ‘rest’ is not necessarily against the West either. Some elements of the ‘rest’ emerge *from* the West (some NGOs), others are trying to rise *with* the West (Brazil, perhaps China), while a last group is more antagonistic or even *against* the West (Islamist militias, perhaps Russia). However, these distinctions are not so clear-cut and lines can be blurred many times.

Several scholars have been struggling to coin a new term which would encapsulate all these changes in the structure of the system. Samuel Huntington described the world as a uni-multipolar structure with one superpower (America) and several major powers in which “the settlement of key international issues requires action by the single superpower but always with some combination of other major states”<sup>17</sup>. The advantage of this term is that it emphasizes US dominance; the problem is that it fails to take into account two major elements of our system: non-state actors and interdependence.

More recently, two other scholars have coined new terms describing the world not as it is, but as it is becoming. The first one is Richard Haass for whom the main characteristic of the 21<sup>st</sup> century will be nonpolarity, defined as “a world dominated not by one or two or even several states but rather by dozens of actors possessing and exercising various kinds of power”<sup>18</sup>. Haass, contrary to Huntington, puts too much emphasis on non-state actors, arguing that they enjoy more power than they actually do. Who could seriously believe that a non-state actor could potentially become a “centre with meaningful power”<sup>19</sup>, i.e. with the capacity to significantly affect the system?

For the second scholar, Giovanni Grevi, the world is becoming “interpolar”, which he defines as “multipolarity in the age of interdependence”<sup>20</sup>. This concept adequately encapsulates the two major characteristics of the new world order in the making, and realistically places states at the centre of the system although insisting that non-state actors can cause critical blows to the system (think 9/11 or the financial crisis). The main problem is that Grevi does not explain in what this interpolarity is fundamentally different from 19<sup>th</sup> century

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17. Samuel P. Huntington, *op. cit.*, p. 36.

18. Richard N. Haass, “The Age of Nonpolarity: What Will Follow US Dominance”, *Foreign Affairs*, vol. 87:3 (2008), p. 44.

19. Richard N. Haass, *op. cit.*, p. 44.

20. Giovanni Grevi, “The Interpolar World: A New Scenario”, *Occasional Paper* 79, Paris: EU Institute for Security Studies, June 2009, p. 9.

interpolarity. He sees three dimensions of interdependence: economy, energy and environment. However, the two first dimensions were already strongly developed two centuries ago. And where he sees an “inherent”<sup>21</sup> demand for multilateral cooperation in interolarity, the pre-WWI order tells us that multilateralism is maybe not so “inherent” or at least that there might be strong resistance to it.

Instead of trying to coin a new term, this essay considers that “interolarity” depicts the coming world order reasonably well, provided we further develop the concept. As already underscored previously, what really distinguishes upcoming interolarity from 19<sup>th</sup> century interolarity is systemic and functional interdependence. History should also draw our attention to the fact that interolarity is not necessarily a peaceful structure. Another difference with 19<sup>th</sup> century interolarity is the actors: they include empowered non-state actors, and a *sui generis* actor (the EU) could even emerge as a major pole of the coming interolar structure.

If we are heading towards interolarity, the current structure is still one of fading uni-multipolarity in the age of comprehensive interdependence. There is a great uncertainty with regard to who will emerge as a major power and when US dominance will become definite history. In fact, it is very likely that only a few countries will emerge as central hubs of the system in the 21<sup>st</sup> century, creating a sort of *asymmetrical multipolarity* with a distinction between dominant or central powers, major powers, regional powers and local powers.

Finally, if the world is becoming increasingly multipolar, it will not necessarily be more multilateral. A multipolar order can either be cooperative, when states agree to share global power and to resolve global matters together, or competitive, when states struggle for global leadership and are tempted to deal with some matters unilaterally. Historically, shifts of power have led to both scenarios. It is very likely that at least for some time competitive and cooperative multipolarity will coexist: America will continue to act unilaterally when it deems it necessary for as long as it can; and emerging powers will continue to simultaneously dismiss and resort to multilateral organisations depending on the context. In the end, one form of multipolarity might come to overshadow the other. Multilateralism is no destiny, but it surely is a sensible destination.

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21. Giovanni Grevi, *op. cit.*, p. 31.

## The Age of Multi-Multilateralism

In the current transition from uni-multipolarity to multipolarity, we observe a proliferation of different expressions of multilateralism. A fair amount of new international organizations and political forums have been created in the last decade, including the most famous Group of 20 (G-20) which was founded in 1999; the Shanghai Cooperation Organization (SCO) which was established in 2001; and the BRIC which held its first summit in June 2009.

There are many more new international organizations, most of which are largely unknown to a Western audience. For instance, how many people have ever heard of the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC)? This organization created in 1997 comprises 18 member states and a secretariat based in Mauritius. Its objective is to promote growth in the Indian Ocean region. Many probably also ignore the existence of the IBSA Dialogue Forum (India, Brazil and South Africa), which was formalized in 2003.

Most of these organizations remain little known because they actually do little. Hence, one could legitimately wonder why they were created in the first place. The primary reason for this proliferation of formal and informal groups is probably very mundane: as countries such as China, India or Brazil are emerging rapidly they are willing to raise their international status by taking the lead in new “non-Western” international organizations and to gather media attention through summit diplomacy. In other words, now that they managed their way to the main stage, they want their share of glitter and spotlight.

In a more pragmatic fashion, emerging powers intend to multiply their economic gains through international cooperation, especially in the context of sector-specific agreements. For instance, the multiplication of meetings between China and Russia (including within the SCO or BRIC) has facilitated the signing of major energy deals. Allegedly, China also joined the SCO eyeing the extensive resources of Central Asia. Sector-specific organizations (such as the G-20 or the IOR-ARC) are particularly popular among emerging powers because they do not involve any loss of sovereignty and gently leave aside potentially tricky issues.

Some emerging powers also see the creation of new multilateral institutions as an alternative to the existing “Western” organizations, which they regard as illegitimate. This vision is particularly developed in Russia where the SCO is seen as a counterweight to NATO (although this vision is not shared by Beijing) and the BRIC as a forum to undermine American economic dominance (a vision that Moscow defends more actively and aggressively than the BIC countries,

notably arguing for the creation of a new currency to replace the dollar as the world's primary reserve currency).

However, emerging powers do not systematically or even preferably sideline “Western” international organizations. Indeed, they see increased participation in reformed global institutions as a manner to gain global power. This ambition appeared clearly during the debate about the reform of the International Financial Institutions (IFI), and it was emphasized in the first-ever BRIC communiqué which called for “urgent action” with regard to voice and representation in the IFIs.<sup>22</sup> Demands for a bigger say in global political forums – essentially the UN Security Council – are also likely to grow with rising multipolarity.

Interpolarity is not inherently multilateral, but the trend seems to be a new form of variable geometry, in which formal and informal forums coexist and overlap. The new global order ushers in the age of *multi-multilateralism*.

Multi-multilateralism is defined by the strengthening of an asymmetrical and dynamic cooperation process in which (1) countries are becoming members of a variety of overlapping institutions, creating a new mosaic of multilateral interactions; (2) states meet continuously in multiple forums hence increasing the density of international relations; (3) formal institutions (e.g. the UN) cohabit with informal forums (e.g. G-20) in a moving and overlapping configuration.

Emerging countries will attempt to gain a greater say in global institutions but they will only abide by the rules if they can recognize themselves in these organizations, i.e. if they are no longer perceived as Western tools. In the meantime, informal multilateralism is likely to become the most convenient way to deal with new and ongoing crises because they can better adapt to the new world order and are less constraining for its members. Informal multilateralism is a good method to integrate rising powers in the “Concert of (great) Nations” faster than via the classic, more rigid institutions.

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22. “BRIC Countries Joint-Communiqué”, *Reuters*, 14 March 2009.



# The Players: Measuring Power in the New World Order

The rise of a multipolar order implies the emergence of new poles. But who are the real emerging powers? And what is an emerging power anyway? Part of the answer came from Jim O'Neill, economist at Goldman Sachs, who coined the now famous BRIC acronym which became tightly associated – not to say synonymous – with emerging countries. Other acronyms followed: BRICS (BRIC+South Africa); BRICSAM (BRIC+South Africa+ASEAN countries+Mexico); and BIC or RIC (depending on which country is seen as the weakest link in the BRIC). And yet, these acronyms tell us only part of the story.

## The Economics of Power

Goldman Sachs' predictions are purely economic. Indeed, in economic terms, the BRICs are rising: in 1995 they cumulated approximately 7% of global GDP; ten years later their share was just reaching a two-digit number; and in 2009 their share was rising up to 15.5% of global GDP, although they already represent over 20% of global GDP at Purchasing Power Parity (see charts 2 & 3).

Chart 2: GDP at PPP 1990-2014 (in billion US\$)

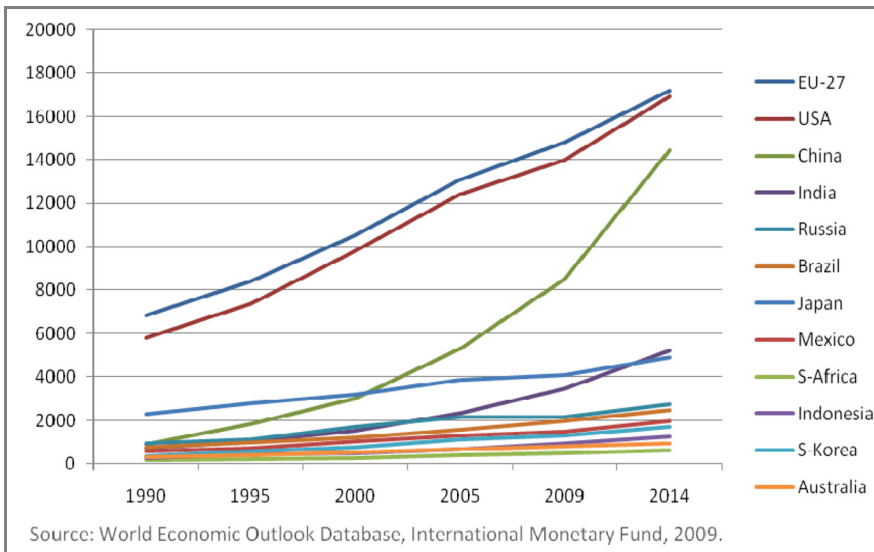
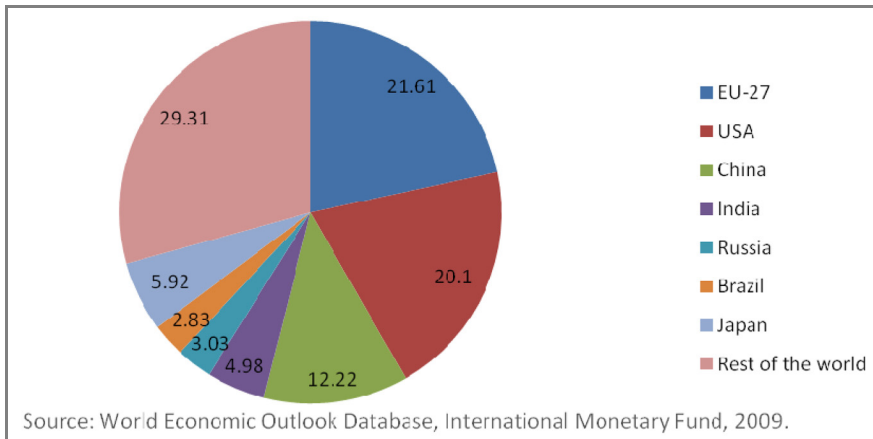


Chart 3: Share of Global GDP at PPP in 2009 (in %)



Next year, China should top Japan and continue to catch up with the US. According to Jim O’Neill, and with all the caution necessary when handling predictions, the BRIC economies together will be larger in dollar terms than the G-7 by 2027 despite – or maybe thanks to – the economic crisis.<sup>23</sup> By 2050, the nominal GDP<sup>24</sup> of China could be twice as big as that of America, while India could rise up to equal levels with the US. In terms of real GDP however, China will only reach equal levels with the EU by 2040, just behind the US, while other emerging economies will still lag behind (see chart 4). As for GDP per capita, expressing the purchasing power of individuals, G-7 members will continue to dominate the BRIC for many years, essentially because developed economies will benefit from the opening of new markets.<sup>25</sup>

Beyond the BRICs, several economies have the potential to emerge in the coming decades. Based on nominal GDP, Mexico, Indonesia and South Korea in particular could catch up with most G-7 members by 2050, although only Mexico and South Korea will be able to rival them in terms of GDP per capita. Nevertheless, while these countries will catch up with the G-7, BRIC economies will further deepen the gap with all their followers.

23. Only when using nominal GDP.

24. Nominal GDP is calculated at current exchange rates, which means that numbers are increased by the level of inflation. Real GDP, on the contrary, is calculated at constant prices.

25. Jim O’Neill, “The New Shopping superpower”, *Newsweek*, 30 March 2009; Jim O’Neill, “Les BRIC, Nouvelles Grandes Puissances dans le Futur?”, *La Revue Internationale et Stratégique*, n°72 (2008/2009), pp. 231-243; author’s interview with an economist.

Chart 4a: Share of Global 2009 Real GDP (in %)

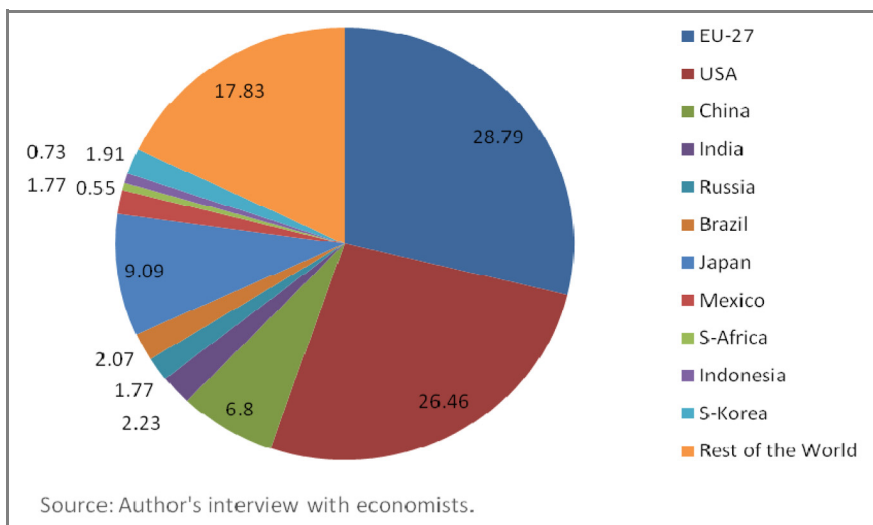
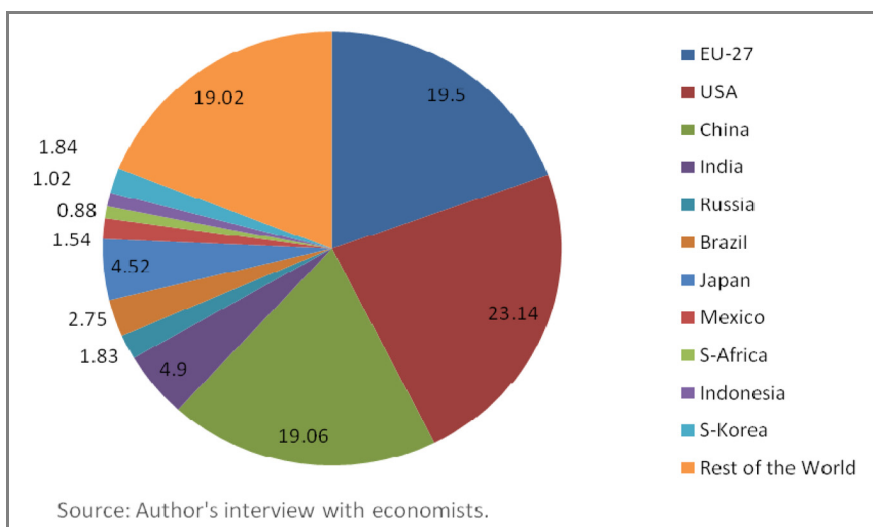


Chart 4b: Share of Global 2040 Real GDP (in %)



Another major difference between the emergence of the BRICs and the rise of the next economies (Mexico, South Korea, Indonesia, Turkey, Vietnam, etc.) is that the BRICs have had a much greater impact on the global economy. Indeed, between 2000 and 2007, BRIC members contributed 27% of global growth – more than the US – essentially thanks to China. In a similar period, South Korea, Mexico and Indonesia only contributed to 5.5% of global growth and the impact of their emergence (even including other economies such as Turkey) is

likely to be a smaller story than the emergence of BRICs because they are already more urbanized and integrated into the world economy.<sup>26</sup>

## Beyond Economics: The Emergence of Power

There is a fundamental distinction between emerging economy and emerging power, for economy is only one albeit important aspect among other dimensions of national power. Historically, as brilliantly demonstrated by Paul Kennedy, economic growth has many times allowed states to increase their global influence, essentially because they could use their surpluses to build up their military forces, which in turn allowed them to reinforce and further their global influence.<sup>27</sup> Economic emergence is therefore tightly related to power emergence – and it can reasonably be seen as a necessary precondition – but it is by no means a sufficient condition for global power.

As explained in a 2005 RAND paper, “state power can be conceived at three levels: (1) resources or capabilities, or power-in-being; (2) how that power is converted through national processes; (3) and power in outcomes, or which state prevails in particular circumstances”<sup>28</sup>. The third level is naturally perceived as the most important by policy-makers, but it is also the most elusive. The second level is also very difficult to measure and to objectify. In the end, the first level, i.e. the state as a “capability container”, is the most convenient basis for measuring national power, although indicators remain purely indicative – not deterministic – and should be seen in light of the two other levels.

Traditionally, when opening the “capability container”, we can identify seven major dimensions of power, divided between natural determinants (geography, population and resources) and social determinants (economy, military, diplomacy and culture):

1. *Geography*: What is the size of the territory? How does the geographical situation influence foreign policy?
2. *Population*: What is the size of the population? Its structure?
3. *Resources*: What are the resources of the state? How useful are these resources?
4. *Economy*: How developed is the economy? How resilient is it? How integrated is it in the global economy? What is the leverage over other states?

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26. Dominic Wilson, Anna Stupnytska, “The N-11: More than an Acronym”, in Jim O’Neill (ed.), *BRICs and Beyond*. London: Goldman Sachs, 2007, pp. 129-150.

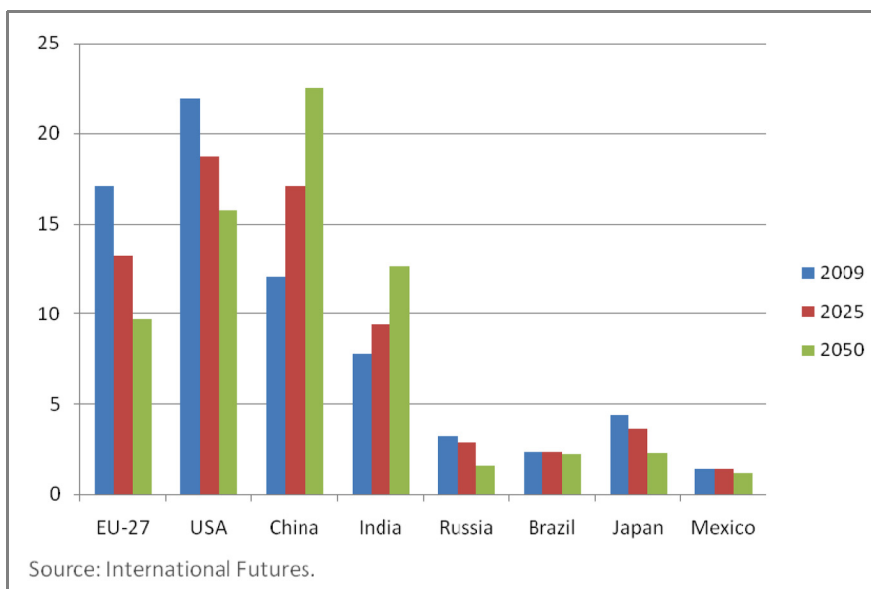
27. Paul Kennedy, *op. cit.*

28. Gregory F. Treverton, Seth G. Jones, *Measuring National Power*. Santa Monica: RAND Corporation, 2005, p. 1.

5. *Military*: How big are the armed forces? How efficient are they relative to others?
6. *Diplomacy*: What is the diplomatic position of the state on the international stage? What is its influence within international forums? As how strong/weak is it perceived by other countries?
7. *Identity*: How strong is the sense of national identity? How global is the culture of the state? What is its general image abroad?

It is not the aim of this essay to analyze thoroughly all these dimensions and rank the powers – although such an exercise would certainly be very interesting. The International Futures Model, for instance, developed by Barry Hugues, calculates power as a function of population, GDP, technology, and conventional and nuclear military expenditure.<sup>29</sup> This model allows power comparisons and is particularly interesting because it is used by the US National Intelligence Council and therefore shapes to a certain extent the American perception of power distribution. However, such a mathematical, futuristic model should be read with extreme caution.

Chart 5: Share of Global Hard Power (in %)



Without going as far as developing a mathematical model, it is important to underscore that it is a combination of all the seven above-mentioned dimensions that create global power. It should also be emphasized that power must always

29. Accessible online at: <<http://www.ifs.du.edu>>

be measured in relative terms. Absolute numbers have no meaning if they are not compared with other actors. In the next few paragraphs, we will just quickly touch upon some of these dimensions, through some specific indicators.

In terms of geography, a very common indicator used to measure power is the size of the country. In this regard, the US, the BRIC and the EU all deserve to be considered as great powers as they rank in the top-10, along with Canada and Australia. Of course, much more could be said about geography, including the climate, borders or strategic positioning on the map.

In terms of demographics, China and India clearly dominate the charts with over one billion inhabitants each. The EU and the US come at third and fourth place, but their ageing populations will very soon create major challenges that will require a difficult adaptation. China will also face difficulties in a not so distant future due to its one-child policy. Russia, for its part, is already experiencing a decline in the size of its population, with potentially disastrous consequences.

Military indicators are sometimes regarded as obsolete tools for measuring power in a world where major wars are deemed to be “improbable”<sup>30</sup>. This optimism is not without precedent, and one can easily recall the post-WWI era, for instance, when people were convinced that they had fought “*la der’ des der*” or “the war to end all wars”. But who can honestly predict war and peace in the next 20 years? “Strategic surprises” are a constant factor in history.<sup>31</sup> Moreover, tensions are not lacking between emerging powers, e.g. between China and Russia or between China and India. Hence, military indicators can and should still be used as a measure of power.

Before reviewing the statistics, we cannot but underscore that the size of the armed forces is a mere indicator but not a determinant of the strength of a country. History has seen many armies defeated by smaller forces that had better commanders, the technological advantage, or better morale. The use of other indicators, such as the number of warships or submarines, could have perhaps been more useful but lay beyond the scope of this paper.<sup>32</sup>

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30. See for instance the European Security Strategy: *A Secure Europe in a Better World – European Security Strategy*. Brussels, 12 December 2003, p. 3.

31. Colin S. Gray, “The 21<sup>st</sup> Century Security Environment and the Future of War”, *Parameters*, vol. 38:4 (2008), pp. 14-26; Corentin Brustlein, “La Surprise Stratégique: De la Notion aux Implications”, *Focus Stratégique* 10, Paris: Institut Français des Relations Internationales, October 2008.

32. For a comparison of naval capabilities, see James Rogers, “From Suez to Shanghai: The European Union and Eurasian Maritime Security”, *Occasional Paper 77*, Paris: EU Institute for Security Studies, March 2009.

The US is the world's largest military spender by far. In 2008, its military expenditure amounted to approximately US\$550 billion, which is almost equal to the sum of military expenditure by all the other countries taken together. The EU comes in second position with half the US budget, although these numbers are misleading for reasons explained in the next chapter. Among the BRIC, China and Russia clearly lead the game, although Brazil and India have both doubled their budget since 1990. Australia and particularly Japan are two other significant military spenders.

China has the largest army with active armed forces of over 2 million. The EU and the US share the second rank with similar numbers, although as for military expenditure statistics of the EU are flawed. India comes in fourth position, while Russia has seen the most spectacular reduction in its armed forces, cutting by four its effectives between 1990 and 2008. With a fifth of Brazil's budget, it is remarkable that Mexico has a comparable army in size.

**Table 1: Defence Expenditure (in US\$) and Number in Active Armed Forces (1990-2008)**

	1990	1995	2000	2005	2008	
EU-27	272,224	232,720	236,845	246,214	252,005	Defence expend.
	3,310,850	2,823,250	2,325,689	1,875,711	1,596,275	Number in active armed forces
USA	457,641	357,376	342,167	503,353	548,531	Defence expend.
	2,117,900	1,547,300	1,365,800	1,473,960	1,539,587	Number in active armed forces
Brazil	8,031	11,720	12,910	13,381	15,477	Defence expend.
	324,200	295,000	287,600	302,909	326,435	Number in active armed forces
Russia	171,322	21,680	19,138	28,488	38,238	Defence expend.
	3,988,000	1,520,000	1,004,100	1,037,000	1,027,000	Number in active armed forces
India	12,036	12,550	17,697	22,891	24,716	Defence expend.
	1,262,000	1,145,000	1,303,000	1,325,000	1,281,200	Number in active armed forces
China	13,147	14,987	23,767	44,911	63,643	Defence expend.
	3,030,000	2,930,000	2,470,000	2,255,000	2,185,000	Number in active armed forces
Japan	39,515	42,472	43,803	44,165	42,751	Defence expend.
	249,000	239,500	236,700	239,900	230,300	Number in active armed forces
South Korea	12,519	15,477	16,652	20,554	23,773	Defence expend.
	750,000	633,000	683,000	687,700	687,700	Number in active armed forces
Australia	9,392	9,994	11,025	13,292	15,321	Defence expend.
	68,100	56,100	50,600	52,872	54,747	Number in active armed forces

	1990	1995	2000	2005	2008	
Mexico	2,033	2,807	3,344	3,123	3,938	Defence expend.
	148,500	175,000	192,770	192,770	255,506	Number in active armed forces
South-Africa	5,392	3,437	2,884	3,979	3,953	Defence expend.
	77,400	136,900	63,389	55,750	62,082	Number in active armed forces
Indonesia	2,135	2,613	2,242	3,571	3,824	Defence expend.
	283,000	274,000	297,000	302,000	302,000	Number in active armed forces

Source: IISS Military Balance (1991-2009); SIPRI Yearbook (1991-2009).

## “Softer” Indicators

There are still many other indicators that could be used to measure the various dimensions of power, e.g. quantity of natural resources, level of urbanization or level of technological advancement. However, we will just quickly mention here a few non-traditional indicators of power, to begin with soft power, defined as the “power of attraction”. The US is traditionally described as the master of soft power, which has taken many forms, from Voice of America to Coca-Cola and Hollywood. Besides, the US is still dominating this realm of power across the globe, including in Asia where it largely dominates Chinese and Indian soft power.<sup>33</sup> Europe is also often described as a champion of soft power for its attractive social model or its developed art scene and cultural industry<sup>34</sup>. Nevertheless, it is interesting to point out that Asia has deployed many efforts to develop and promote its soft power in recent years, with relative success. To take just two examples, Bollywood movies are increasingly popular well beyond Asia, including in Africa, and made a remarkable breakthrough in the West with the much acclaimed *Slumdog Millionaire*; while China, on the other hand, managed to keep several billion people still and breathless during four hours at the opening ceremony of the Olympic games in the summer of 2008.

Another non-traditional indicator is the perception of power. Indeed, power is not only about objective indicators, but it is also determined by how actors perceive themselves and are perceived by others. Not surprisingly, a 2006 world-wide poll showed that the US was largely seen as the main world power today.<sup>35</sup> China came in a good second position, while the EU managed to get a reasonable score essentially thanks to European respondents. Expectations for world

33. Christopher B. Whitney, David Shambaugh, *op. cit.*

34. Although one might prefer to talk about cultural manufactory as opposed to the American industry.

35. “World Powers in the 21<sup>st</sup> Century”, Berlin: Bertelsmann Stiftung, 2 June 2006.



powers in 2020 showed that people perceive a strong American decline together with a rise of China, India and to a lesser extent Brazil, whereas the EU is perceived to be declining by all respondents except Europeans.

Finally, a last indicator is the subjective well-being which consists of people expressing their life satisfaction. The 2008 Gallup World Survey<sup>36</sup> indicates that people are very happy in the US and Europe, while they are less happy in Brazil and Russia, and very unhappy in India and China. However, future expectations show that people expect to be as happy in emerging countries as in developed countries, indicating strong confidence in their capacity to take advantage of their country's emergence.

## The True Story: BR-I-C

On the basis of several basic indicators, this section suggests that the acronym BRIC might hide the bigger story: China. Indeed, the Asian dragon is the only economy that can really challenge developed countries in the relatively short term, for it is projected to become as rich as the EU in the next 30 years. The economic crisis has given Beijing the opportunity to demonstrate its economic resilience, and the country could still reach its 8% growth target this year despite the worldwide recession. More than anything else, the crisis has empowered China which is now seen as a key and a mature global economic player (China is certainly a leader in the making of the G-20 and smartly resisted Russian invitations to unequivocally abandon the dollar). The crisis also emboldened China, whose official rhetoric has become more assertive.<sup>37</sup>

To support its rising global status, Beijing can rely on impressive military forces (although more in quantity than in quality) and its real defence budget could be more than double the official figures, according to US Department of Defence estimates.<sup>38</sup> In short, as indicated by the recent talks about a potential G-2 between Beijing and Washington, China is already perceived as a great power. Hence, this paper argues that China should be considered as *the* emerging power.

Behind the dragon comes the elephant. India is undeniably an emerging economy, with a forecasted growth rate of more than 6 percent for the next several

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36. Gallup World Survey, quoted in *OECD Factbook 2009*. Paris: OECD, 2009, pp. 254-255.

37. Thomas Renard, "The Coming Order: Strategic and Geopolitical Impacts of the Economic Crisis", *World Politics Review*, vol. 1:3 (2009), pp. 47-50.

38. "Military Power of the People's Republic of China 2009", *Annual Report to Congress*, Washington: Office of the Secretary of Defense, March 2009.

decades. It is already the second biggest economy within the BRIC at purchasing power parity, and it could deepen the gap with Brazil and Russia in the years to come. Moreover, India will not face a demographic challenge any time soon, as opposed to Russia and – in the longer term – China. As for military power, with a smaller defence budget, India can still rely on a very large army, although it requires adaptation to contemporary threats and challenges, and a very powerful navy. Thus, India will follow the path of China but its emergence will be slower and all in all less impressive.

Brazil and Russia are probably the least emergent among the emerging powers, but this is not to say that they are not emerging. After all, the Russian economy had an average annual growth of approximately 7 percent since 2000, and it is likely to maintain a superior growth to any Western country for the next decades, despite its economic, political and demographic challenges. Moreover, Moscow can still rely on its regional influence and its diplomatic assertiveness to maintain great power status. Brasilia, on the other hand, has not yet entered the small club of great powers, but it is nevertheless emerging economically, developing as the regional leader in Latin America, and building an interesting profile as a leader of the developing world – when China is leaning towards the developed world – and proponent of reformed multilateralism.

Behind the BRIC, several countries could emerge in the long-term. Mainly, the economies of Mexico and Indonesia should be followed with interest. South Korea and Japan will remain powerful economies. South Africa is likely to confirm its status of economic leader on the African continent. However, none of these countries can pretend to become a major pole in the coming order during this first half of the century.

The next section will focus on the EU as a potential emerging power.

## The EU: The Odd Player

The EU can genuinely be qualified as a global actor, given that it has an established presence all across the globe. European companies opened branches in Asia, Africa and South America; the European Commission has a delegation in 130 different countries; European civil and military forces are deployed in multiple missions on several continents; European literature is translated and read in many languages; and jerseys of European soccer teams sell like hot cakes outside Europe. However, there is a difference between being a global actor and being a global power. The former requires mere global presence; the latter requires significant global influence. And there is a further distinction between global power and great power, which is a matter of reach.

According to most indicators used in the previous section (with the notable exception of power perception), the EU has the appearance of a global power. The cumulated economies of the 27 member states represent the biggest global economy and are likely to remain so for at least the next five years, and probably well beyond. In terms of population, the EU comes first after the giants China and India; and as for military forces (budget and number of active forces), the EU stands on the podium.

Of course, there is something misleading in all these statistics. Europe might be one big common market, but it can certainly not be compared to any other national economy for many reasons, including the fact that eleven member states still use their own currencies and that all member states still hold most economic tools (e.g. taxes, employment) allowing them to steer their national economies relatively independently from their neighbours. Additionally, when it comes to bilateral negotiations with third countries, member states often sideline the EU in order to obtain various benefits, including economic deals. This is the case with China for instance: when Chinese officials take off from Brussels, it is generally to land in Berlin, Paris or London in order to sign additional or even conflicting deals. This is the case with Russia as well: Berlin and Rome have their own policies towards Moscow, often in contradiction with Brussels' agenda. As a result, despite ranking first in the economic charts, the EU very often fails to use this incredibly powerful tool to further a common foreign policy.

The EU can even less be considered an integrated military actor. To begin with, there is not one army, but 27 armies that occasionally collaborate under the European flag. And yet, even when they collaborate, EU contingents are much less flexible than other armies, for instance in terms of deployability: of the EU

1.6 million active men and women in uniform, less than a third are in fact deployable (below the NATO 40% target).<sup>39</sup> Besides, EU military bodies per se are limited to the EU Military Committee and the EU Military Staff, while the EU battlegroups could be described as semi-EU structures (as they are organized on a rotating non-permanent basis). EU operations are dependent on national capabilities and goodwill. It is thus not possible to simply compare EU statistics with other countries.

In the defence industry, European unity seems to be even more distant. The European Defence Agency (EDA) has for main task to encourage the development of a common defence market and the creation of a common defence technological and industrial base. Indeed, despite several “European” projects such as the *Eurofighter* warplane (developed by the UK, Germany, Italy and Spain) or the *NH90* helicopter (developed by Italy, France, Germany and the Netherlands), each member state continues to invest separately in Research & Development (R&D) and to develop its own armament programmes. To illustrate this problem, it suffices to say that member states are simultaneously developing 23 armoured vehicles, of which only one is a multinational effort (the *BOXER* developed by Germany and the Netherlands).<sup>40</sup>

Thus, the reluctance to join the words ‘Europe’ and ‘global power’ together is only natural. Indeed, the EU is not a power in the classical sense of the term for the very good reason that it is not a state in the classical sense of the term either. It has been developing many state-like characteristics during the last decades, and that process is likely to continue, and yet it cannot be considered a super-state. Nevertheless, if global power is defined as the capacity to have an influence at the global level, the EU certainly has *some* global power, for it is a leading voice in many important affairs, such as the fight against climate change. To become a true global power or even a great power, i.e. a major pole in the coming order, the EU will need a more coherent approach and a more integrated strategy.

The EU is a strange animal to be sure, a supranational body filled with 27 national souls. Too often, the EU thinks national and eventually – when needed – it acts European. The problem is therefore less a matter of capabilities (as important as they are) than a matter of intentions: “Of the three features that according to Hyde-Price mark a great power, i.e. the scale of its resources, ‘a

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39. *Defence Data of EDA Participating Member States in 2007*. Brussels: European Defence Agency, 11 December 2008.

40. Axel Fischer, Tuija Nurmi, “European Armoured Vehicles: Current Programmes”, *Report submitted on behalf of the Technological and Aerospace Committee* (Document A/2034), Paris: Assembly of the Western European Union, 3 June 2009.

sense of responsibility for milieu-shaping, system-management and providing collective goods', and the willingness to act, it is the latter which is often missing in the EU"<sup>41</sup>. In fact, what the EU lacks to become a great power is a *grand strategy* that would determine the long-term overall foreign policy objectives to be achieved and the basic categories of instruments to be applied to that end.<sup>42</sup> In all likelihood, this strange European animal will be animated by national souls for a very long time. But we can yet implant in it a European brain.

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41. Adrian Hyde-Price, *European Security in the Twenty-first Century. The Challenge of Multipolarity*. London: Routledge, 2007, quoted in Sven Biscop, "The ABC of European Union Strategy: Ambition, Benchmark, Culture", *Egmont Paper 16*, Brussels: Egmont Institute, October 2007, p. 25.

42. See Sven Biscop, Jolyon Howorth and Bastian Giegerich, "Europe: A Time for Strategy", *Egmont Paper 27*, Brussels: Egmont Institute, January 2009.



## The EU in the Age of Interpolarity: In Search of a Strategy

At the dawn of an inter polar era, it appears crucial to assess the opportunities but also the challenges ahead for the EU. Will the coming order be favourable to the EU or will it seal the end of the “European world”, i.e. a world dominated and shaped by Western interests and values? What place can or should the EU claim in an inter polar world? How can the EU still shape the coming order?

In many regards, the power of Europe is fading. Europe has been the central continent for the last few centuries, controlling the world and its destiny. And yet, today, Europe has lost its centrality and it seems to be at great pain to defend its interests, even in its own backyard. This is not to say however that Europe has no power at all or that it has given up on all of its ambitions. In fact, the EU might well be seen as an emerging power, although a very singular one.

In short, Europe is not at the centre of the world anymore, but the EU has a chance yet to emerge as a major pole in the coming order, provided it develops an adequate strategy. As very nicely put by Chinese scholar Wang Yiwei: “Europe is a rising power on a declining continent”<sup>43</sup>.

### Effective Multilateralism: Towards a Grand Bargain

On a global scale, all European countries are now small states. European member states are less and less capable of defending their vital interests on their own against rising powers and are even less capable of achieving major ambitions. Even Europe’s biggest economy has now little leverage over other major countries. Nevertheless, when the capabilities of the 27 member states are joined together, the EU becomes a significant power. There is a strong case for the EU to act together in foreign policy: divided we fail, united we prevail.

And yet, in spite of its significant (potential) power, the EU opted for a non-conventional approach to international affairs. Indeed, the 2003 European Security Strategy (ESS) explicitly promotes effective multilateralism as the European approach to inter polarity: “In a world of global threats, global markets and global media, our security and prosperity increasingly depend on an effective multilateral system. The development of a stronger international society, well functioning international institutions and a rule-based international order

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43. Conference in Brussels, 7 May 2009.

is our objective. (...) We want international organisations, regimes and treaties to be effective in confronting threats to international peace and security, and must therefore be ready to act when their rules are broken.”<sup>44</sup>

The concept of “effective multilateralism” correctly puts the emphasis on two desired outcomes of the coming order. First: multilateralism. Despite the development of multi-multilateralism, there is no certainty that multilateralism will prevail in interolarity, as tensions between great powers could lead either to confrontational or to peaceful balancing strategies. The rapid rise of new powers could also destabilize the entire system, as historically illustrated by the rise of Germany and Japan in the 20<sup>th</sup> century.

Europe’s preference for multilateralism is based on its own experience of two destructive world wars followed by a successful pacification and reconstruction of the continent through multilateralism. In fact, the European project worked so perfectly that we are now well beyond the initial objectives. Now in its adolescence, the EU must overcome its identity crisis, choose its path and decide what kind of actor it wishes to become, i.e. to integrate further or not. But Europe’s preference for multilateralism has also a more pragmatic driver: given the decline of their global influence, European countries can only hope to remain relevant thanks to multilateralism, embodied by the EU on the one hand – in this case integration can be seen as a necessity more than as a choice – and by other international forums on the other hand.

Looking into the future, member states have strong incentives to remain multilateral. Their irrelevance will only be increasing, and even the power of the EU as a global actor will be fundamentally challenged by emerging actors. “The EU would have nothing to gain and everything to lose if it operated in a world governed by unstable power games in which it was one among various competing power players. If it is to have its say in world politics today the EU needs to work within a system governed by rules and norms. The EU needs a world governed by an encompassing and effective multilateral system if it is to exert its influence.”<sup>45</sup>

Second: effectiveness. Criticisms about multilateralism are old and well-known. In 1923, Ferdinand Tuohy, Paris correspondent of *The New York World*, wrote

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44. *A Secure Europe in a Better World – European Security Strategy*, op. cit., p. 9.

45. Alvaro de Vasconcelos, “Multilateralising Multipolarity”, in Giovanni Grevi and Alvaro de Vasconcelos (ed.), “Partnerships for Effective Multilateralism: EU Relations with Brazil, China, India and Russia”, *Chaillot Paper* 109, Paris: EU Institute for Security Studies, May 2008, p. 24.



a little mocking song<sup>46</sup> about the League of Nations that still finds an echo today:

*Yes, we'll have no decisions,  
We'll have no decisions today  
Our League of Nations Exists on foundations  
Of dodging, debates and delay.  
So with Europe dissolving  
We sit resolving  
That yes, we'll have no decisions,  
We'll have no decisions today*

Multilateralism is often deemed to be slow and ineffective. To be sure, many criticisms of the problems of multilateral cooperation are sound. But the challenge of all governments is to make multilateralism work, not to merely dismiss it. In the age of interolarity, many issues require a multilateral effort and simply cannot be solved unilaterally or without coordination, for states have neither the necessary means nor the power. These challenges directly or indirectly affect all actors and potentially endanger the system itself. They include – but are not limited to – climate change, nuclear proliferation, migration, pandemics, economic crisis, food crisis, and global poverty. Therefore, ensuring the effectiveness of multilateralism is not only a European preference. It is a shared necessity.

Europe's call for effective multilateralism also has something to do with internal coherence. If the EU does not act on one strategy, does not talk with one voice, how could it use multilateral forums effectively? EU members have quantitatively a lot of weight within international organisations. At the UN, for instance, Europe holds two permanent seats and one third of all seats in the Security Council, and it counts one eighth of the seats in the General Assembly. And yet, despite this large (over-)representation, the EU too often fails to significantly influence debates, not least due to a lack of coherence between member states.<sup>47</sup> If the EU were to act more coherently at the UN and in other multilateral forums, it would undeniably empower Europe, and it could also make these international forums more effective and therefore more relevant. In other words, global effective multilateralism is linked to the internal effectiveness of the EU's external representation.

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46. This song was a parody of the 1922 major hit novelty song “Yes! We have no bananas”.

47. Richard Gowan, “The European Security Strategy's Global Objective: Effective Multilateralism”, in Sven Biscop and Jan Joel Andersson (ed.), *The EU and the European Security Strategy: Forging a Global Europe*. London: Routledge, 2008, pp. 42-61.

Last but not least, effective multilateralism concerns the reform of the multilateral system. The EU is clearly overrepresented in current international forums, while emerging powers express growing demands for a greater voice. This inevitably creates frictions, but it could also create an avenue for a *grand bargain*: More voices for emerging powers in exchange for major advances in relevant global issues and key bilateral affairs. The EU has no reason to fear such grand bargain for a) current multilateral forums were created on Western models and are therefore promoting Western values and b) European member states can easily compensate their relative (or absolute) loss of influence by pooling their voices. A grand bargain could strengthen effective multilateralism, consolidate EU coherence, and bring solutions to several key issues.

But what if effective multilateralism fails? After all, the Copenhagen summit is likely to deceive European expectations; and European dissensions over Russia or China are likely to last. So what is Europe's second-best alternative to effective multilateralism? When there is a consensus among EU member states (e.g. climate change), Europe should assert itself as a global leader – when possible – and show the road to follow. Simultaneously, it should develop a more realistic approach, using alternatively the stick and the carrot in a more assertive fashion in order to achieve a desired outcome. In contrast, when there is no consensus among European countries (e.g. in discussions with China or Russia) they should at least subscribe to a rule of transparency and automatically inform the EU, at an early stage, of all important bilateral arrangements with strategic partners, so as to allow for debate in the EU institutions and de-conflicting of potentially competing interests.

## Make EU Partnerships Strategic

In order to remain relevant in the 21<sup>st</sup> century, the EU will need to develop its relationships with other global powers. Given that the main characteristic of inter-polarity is the near impossibility to act alone in global affairs, the power of each actor depends on its relations with other global actors, and its capacity to influence them. In this regard, the future of the EU does not look particularly bright.

Of course, Europe has excellent relations with the US, but the relationship sometimes looks more asymmetrical than one might hope. With regard to China, Europe's approach is divided and lacks a clear strategy, which results in a weakened position vis-à-vis Beijing. The relation with Russia is essentially centred on energy issues and Europe displays even more fundamental divisions than in the case of China. As for India, the EU can just not convince New Delhi that it is

more than a mere economic market. The list could go on. In short, Europe's relations with other powers have been characterized either by asymmetry, division, or near irrelevance.

In order to develop its relations with key actors, the EU has launched a series of strategic partnerships, although these have largely failed to be seen as anything close to strategic.<sup>48</sup> A first and major problem is the lack of understanding of the concept itself. It has never been defined and is consequently seen and interpreted differently by many actors within the EU, without mentioning those outside the EU. Similarly, the objectives of the strategic partnerships are ill-defined. Apart from installing various annual meetings and summits, it is not clear what the creation of a strategic partnership entails: which common objectives and especially joint actions are to be pursued in which policy areas? Who takes the lead in these partnerships on the EU side? Often it appears as if the existence of a partnership is more important than its content and its potential for the EU and for the bilateral relationship. Of course, strategic partnerships are a well-understood means to insert a new dynamic into a relationship that is deemed to be important. They also aim at providing a "comprehensive, coherent, and coordinated long-term framework"<sup>49</sup> to the relationship. But the role of these partnerships in the context of effective multilateralism remains unclear.

Another major problem relates to the countries that qualify for a strategic partnership. There are few established criteria, except that partnerships can be signed with "third countries, and international, regional or global organisations which share the principles [of democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law]"<sup>50</sup> and that "the strategic partner status is specifically intended to derive from the capacity of a country to exert a significant influence on global issues"<sup>51</sup>. At this point, the EU has or is negotiating nine strategic partnerships with other States (Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, and the United States), and two with international organizations (the African Union and NATO). It seems quite obvious that not each of these is equally strategic. Most of these countries undeniably exercise regional leadership or are a significant player for one specific global issue. This makes them strategic as regards one region, or one issue. But is this a sufficient condition to make them a strategic partner? Can Mexico and

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48. Sven Biscop and Thomas Renard, "The EU's Strategic Partnerships with the BRICs: Where is the Strategy?", Brussels: Bureau of European Policy Advisers, September 2009.

49. "Towards an EU-South Africa Strategic Partnership", *COM(2006) 347*, Brussels, 28 June 2006.

50. Lisbon Treaty, Article 22.

51. "Towards an EU-Mexico Strategic Partnership", *COM(2008) 447*, Brussels, 15 July 2008.

South Africa really be put on an identical level with China, Russia and the United States?

The danger is to overstretch the concept, on the one hand, leading to an amalgam between important relationships and strategic relationships. Such overstretch creates confusion within the EU, but also in the eyes of its partners and in the way they interpret Europe's ambitions. On the other hand, there is an equal – and tightly related – risk of diluting the symbolic but also real importance of the concept with each new partnership. “Strategic partnership” has become a very fashionable term, emptied of its real substance.

A truly strategic use of the strategic partnerships, i.e. in function of EU foreign policy, must start from a thorough assessment of EU interests in the various regions of the globe and a clearer definition of its objectives towards them. In practice, two types of partners may eventually emerge: those with which the EU establishes cooperation in a comprehensive range of areas – probably at least Russia, China and India, if they would be inclined to such cooperation that is, and of course the US; and those with whom cooperation focuses on a more limited range of issues or regions. In order to promote European unity, strategic partnerships should establish the EU as the unique interlocutor on a series of key issues, hence limiting the margin of manoeuvre of individual Member States.

Without strategy, the strategic partnerships will quickly become irrelevant. With a strategy, they can potentially become very effective instruments of a united European foreign policy.

## Conclusion

The rules of the great game for global power are changing. The US cannot play alone anymore. President Obama has already recognized China as a new major player, notably when he declared that “the relationship between the United States and China will shape the 21<sup>st</sup> century” during a visit to Beijing last July. In other words, both countries are likely to become the central powers of the coming order. Russia and Europe are trying to stay in the game, while Brazil and India are trying to step in. They all have the potential to become major or middle powers, provided they avoid being “game over”.

More players in the game also means that the way of playing is different. The attractiveness of unilateralism is declining because ever less issues can be dealt with unilaterally in the age of inter-polarity. More likely, the coming order will witness a growing share of multilateralism, although under many different aspects. Today’s multi-multilateralism is characterized by the coexistence of formal and informal; global and regional; general and issue-specific forums. This complex network of multilateral forums is a natural mirror of the broader trends affecting the system and its flexibility alone allowed it to integrate emerging powers in the global system so rapidly. Multi-multilateralism is nonetheless doomed to be replaced by a reformed global multilateral structure if it is to satisfy the growing aspirations of the emerging players and to tackle global challenges effectively. In other words, multi-multilateralism is a transitory phase towards either reformed multilateralism or the end of multilateralism as we know it.

Although the EU arguably favours a multilateral approach to international relations, multilateralism might not always be favourable to the EU. Indeed, the EU advocates systemic and rule-based multilateralism and might therefore rapidly find itself in a relatively uncomfortable position in a multi-multilateral order. To begin with, the failure to negotiate a reform of the global multilateral system could push the emerging powers away from Western-inspired forums and encourage them to create alternative institutions. Conversely, organising a grand bargain with the emerging powers could offer an unprecedented opportunity to solve major issues. Finally, the formation of bilateral or multilateral alliances excluding the EU could be potentially damaging; a G-2 between China and America e.g. would slowly but inevitably make the US lean towards Asia, away from Europe.

For the EU to remain relevant in the 21<sup>st</sup> century, it will need to promote effective multilateralism at the global and EU levels, to seal real strategic partner-

ships, and to develop its leadership capacity in order a) to influence the global agenda, and b) to take the lead in issues of particular importance to the EU. Leadership and effective multilateralism are complementary and mutually reinforcing. They are Europe's best option to enter interpolarity as a global power. The EU will not rule the 21<sup>st</sup> century, but it can still become a major pole, and it must certainly avoid to be ruled out.