

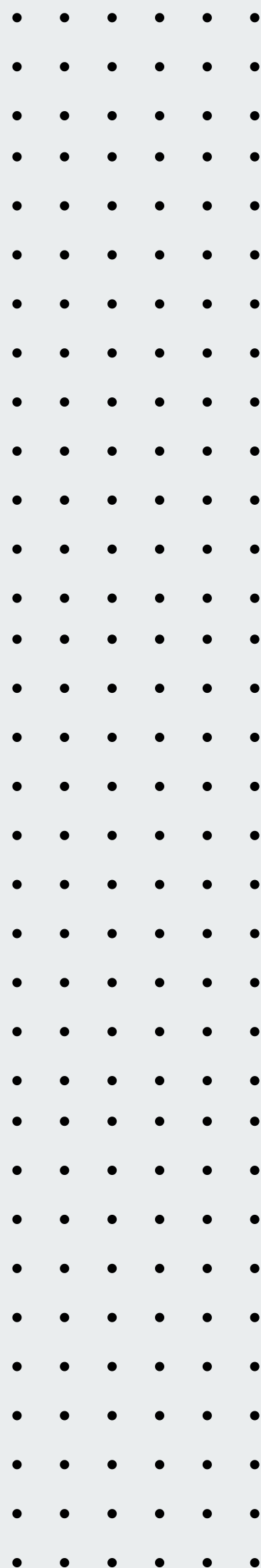
 Policy Paper

FINDING TRANSATLANTIC UNITY IN TIMES OF CONFLICT 2022 TRANSATLANTIC POLICY FORUM IN REVIEW

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February 2023



Introduction

On November 21-22, 2022, the fifth edition of the Transatlantic Policy Forum took place against the backdrop of a strategic and military contestation on a scale that threatens the norms and values of the post-Cold War international system.

It was hosted by EUROPEUM Institute for European Policy in partnership with the Atlantic Council, the Ministry of Foreign Affairs of the Czech Republic, and supported by the International Visegrad Fund and Friedrich Naumann Foundation.

The Forum engaged a range of transatlantic experts and discussed the response of the transatlantic partnership to Russia's escalation of its war of aggression against Ukraine, growing challenges from China, and the potential emergence of military action in the Indo-Pacific. The rise of these geopolitical challenges re-consolidated the alliance between the United States (US) and the European Union (EU). The Biden administration successfully proved the US's commitment to European security while the EU initiated a process of formulating its own defense and security capabilities.

However, the transatlantic policy response to the multitude of threats facing the rules-based system of international security remains problematic despite the renewed strategic purpose of the EU and the US to defend its values and practices.

This policy paper builds upon those ideas and those deliberated at the Forum. It aims to provide a debrief and analysis of the discussions that were held, respecting the Chatham House Rule and, therefore, preserving the anonymity of participants. The aim of this analysis is to highlight and develop the main findings among the participants. The Forum provided a wide range of inputs and interesting takeaways, including recommendations and a transatlantic "To-Do list", which outlines action points and suggestions for the transatlantic partnership to take forward.

Why a win for Ukraine is a win for the Transatlantic Partnership

Russia's escalation of its war of aggression against Ukraine on February 24th, 2022, has shattered the post-Cold War European security architecture. Through maintaining its military, economic, and diplomatic support for Ukraine and, crucially, ensuring a Ukrainian victory, the transatlantic partnership has the potential to reconstruct a sustainable and resilient security order in Europe.

The Russian invasion of Ukraine is not only a direct military threat to the sovereignty and territorial integrity of a single European state. It is a hard-power manifestation of a systemic effort perpetrated by Moscow to rewrite the foundations on which the system of international security has been built since the end of the Cold War. The affirmation made in the Paris Charter of 1990, which commits the signatories to refrain from the threat or use of force against the territorial integrity or political independence of any state, faces the danger of being replaced with the deliberate imposition of spheres of influence.

The Forum began its discussion on the establishment of a new European security architecture by stating the importance of fact-based policymaking in response to the Russian invasion. It was noted that, since the end of the Cold War, the Euro-Atlantic region had become too reliant on the current security order, which compromised its resilience against hostile states. The new security situation has vindicated the caution that countries in Central and Eastern Europe, particularly Poland and the Baltic States, have been expressing about Russia and the regional security challenge it presents since their accession into NATO and the EU, first with Georgia in 2008, Crimea in 2014, and today in Ukraine.

The debate shifted to the future of the emerging European security order. While the EU does not have the same military power as NATO and remains reliant on the

capabilities of the US, Brussels has taken active strides in establishing its own security capabilities through mechanisms such as the Permanent Structured Cooperation (PESCO), and other internal security structures, such as the European Defense Fund (EDF) and the Coordinated Annual Review on Defense (CARD). One mechanism that was acknowledged was the European Peace Facility (EPF), which provided quick military equipment to the war efforts in Ukraine through the ministries of defense of the EU Member States. This mobilization of support and ability to fund lethal weapons represented a radical shift for EU security policy.

It was stated that the transatlantic alliance faced a moment of transition marked by fragility and contestation. The structures of defense and deterrence under NATO, the UN, and the EU have not been enough to maintain international peace and security. The transatlantic space must think collectively in order to address hard as well as soft competition in the emerging multipolar system. This is critical to ensuring that the post-Cold War European security order remains resilient to the challenges it faces.

While it is important to think collectively on building resilience, many experts countered whether the security order that the Euro-Atlantic area has become accustomed to is 'dead' and insisted that it is facing a 'strategic awakening' - one that needs to adjust to new strategic competition and double down on resilience and the ability to react accordingly to current and future challenges. As the two largest economies in the EU, France and Germany have the responsibility of working in tandem with each other in order to realize the potential of the EU's strategic capability as well as engaging with fellow EU member states in Central and Eastern Europe on the security threat Russia poses.

The Forum raised the issue of conflating Russia with the strategic threat of China. While it is undoubtedly the case that Moscow poses a security challenge, there is a risk in using confrontation as the guiding principle of East-West relations. Unlike

China, Russia is a declining, post-imperial power 'permeated by a sense of defeat, loss, and grievance as a result of the collapse of the Soviet Union in 1991. It is ¹ important to note that the end of the Cold War was accompanied with the end of Russia's great power status as well as the fall of communism since the frontiers of the Russian Empire (1550-1914) coincided with those of the Soviet Union (1922-1991)².

The war in Ukraine (2014-) has been driven in large part by failure to prepare for Russia's demise as a great power in 1991 and settle the complex issues that emerged from the process of Soviet disintegration. For example, it was unclear how the hostility and suspicion that characterized East-West relations during the Cold War would give way to a new partnership in a US-led unipolar world order, or how Russia would define its post-communist and post-imperial identity, or what international and regional structures and institutions in the post-Cold War security system would Russia be prepared to accept. Instead of addressing these geopolitical realities, a new type of East-West confrontation emerged in which Moscow has become an unpredictable actor, unafraid of asserting itself outside the borders of the Russian Federation.

The political scientist, Benedict Anderson, defined a nation as an 'imagined political community' in the sense that a citizen can have a prescriptive image of their community (e.g. its history and cultural roots) without knowing other members of the same community³. When it came to constructing Russia's post-

¹ Arutunyan, A. (2022) *Hybrid Warriors - Proxies, Freelancers, and Moscow's Struggle for Ukraine*, C. Hurst & Co. (Publishers) Ltd.

² Milosevic, M. (2021) *Russia's Westpolitik and the European Union*, Center for Strategic and International Studies.

³ Edwards, A. (2022) What to believe in Putin's 'Imagined Community', Newlines Institute for Strategy and Policy.

Soviet national identity, Putin has been effective at exploiting Russia's painful experiences of the Second World War, its resistance against Nazi Germany, and the deep attachment of the Russian Orthodox Church and the Orthodox State of Kievan Rus that many Russians feel to portray the West as an existential threat. This false perception has allowed Putin to determine Russia's political development after the fall of the Soviet Union at the expense of building genuine constitutionalism.

The contrasting nature of the threat posed by Russia and China makes transatlantic policy based on confrontation problematic and heightens the risk of further escalation in the war against Ukraine as a result. The US and the EU have proven themselves to be efficient security actors in their response to the full-scale invasion. The crisis has been met with an unprecedented display of unity across the transatlantic space in solidarity with Ukraine as it resists Russia's illegal act of aggression. The success of the Ukrainian counteroffensive in Kharkiv in the northeast and Kherson in the south has changed the military situation on the ground to Kyiv's advantage. For the first time since the invasion started in February, Russian forces appear to be heading inexorably towards defeat.

The transatlantic policy response to the Russian invasion should now aim to complement its support for Kyiv with ensuring that a Ukrainian military victory does not translate into entrenching Putin's imposed interpretation of Russia's historical experience and prolonging the conflict in Ukraine even further. Creating the conditions in which a democratically secure Russia could emerge after the war ends is critical to strengthening the resilience of not only Ukraine's sovereignty and territorial integrity, but the entire European security architecture. Brussels is well-placed to execute this process. In contrast to NATO, which is a military-political alliance that was designed to contain the threat of the Soviet Union during the Cold War, the EU is a normative power. The successful postwar process of

European integration should be utilized further in consolidating Russia as an actor that respects the sovereignty and territorial integrity of its neighbors in recognition of international law.

Strengthening the Indo-Pacific Partnership

The Forum began discussing the role of the Indo-Pacific in the context of geo-strategic regions that the US and EU should align closer on. The discussion started with the diverging views between the transatlantic allies which remain despite movement towards convergence. Therefore, the EU should look to partner rather than align with the US in the Indo-Pacific region. Four areas were pointed out for reasons to do so. First, Europe has economic interests in the region. Second, the Indo-Pacific plays a critical role in the process of achieving climate neutrality. Third, the changing security situation in the Korean Peninsula, the Taiwan Strait, and the South China Sea. Finally, the strategic rivalry between the US and China.

The Forum highlighted that the EU should push for a stronger multilateral order in the Indo-Pacific and have the capability to maintain regional stability in partnership with Washington. The discussion acknowledged that there is a need for reciprocal policy exchange. The transatlantic community needs to convince the Indo-Pacific local populations that the US and EU should increase their presence. Experts pointed out that many Indo-Pacific regions don't want to have to choose between the US-EU and China as they must keep close relations if they are ever to tackle eminent challenges such as climate change etc. Policy from the US and EU should therefore contain suitable language if transatlantic cooperation is to be successful in the region.

As a key regional security format in the Indo-Pacific, the Quadrilateral Security Dialogue (QSD), commonly known as the QUAD, is a strategic security dialogue between Australia, India, Japan, and the United States that is maintained by talks between member countries. QUAD (which comprises Australia, India, Japan, and

the United States, and has expanded to include New Zealand, South Korea, and Vietnam as participants in the dialogue under QUAD+), was cited as an instrument in which the EU could institutionalize its engagement in the region. Re-established in 2017 as a security-orientated forum, QUAD offers a potential pathway for the EU to define their involvement in Indo-Pacific defense and security matters. The EU can build upon the French-led naval exercise in the Bay of Bengal last year alongside India and QUAD participants. China's growing assertiveness in the Indo-Pacific is also an area where the UK and the EU could begin to formalize their defense and security cooperation despite Britain's departure from the bloc. The UK prime minister, Rishi Sunak, signaled a shift in relations between London and Beijing as he recognized China as a 'systemic challenge to our values and interest' and called the deepening UK-China economic ties over the last ten years 'naive'.

The risk of regional instability in the Indo-Pacific has also elevated the strategic importance of EU cooperation with the Association of Southeast Asian Nations (ASEAN). The significant economic potential and strategic importance of Southeast Asia makes the region a vital partner for the EU as Brussels seeks to advance its geopolitical interests in the Indo-Pacific. In 2020, the EU and ASEAN concluded a strategic partnership with a commitment to hold regular high-level summits. Developing cooperation between the EU and ASEAN will remain critical as the Indo-Pacific grows increasingly volatile as a result of the strategic competition between the US and China. The EU and ASEAN are in a strong position to do so. Both of these organizations are regional blocs that are committed to building an inclusive, multilateral rules-based international order. The EU's specialized knowledge in cybersecurity offers a good starting point for Brussels to develop its Indo-Pacific strategy with ASEAN.

Infrastructure development is a policy area where the EU and the US could build a strong partnership in the Indo-Pacific. The EU's strategic response to China's Belt

and Road Initiative, the Global Gateway, plans to develop the societies and economies of the EU's partners in the region and increase the competitiveness of the private sector in the EU by delivering sustainable and high-quality projects. While the impact of the EU's new strategy remains to be seen, it does offer a blueprint on how the EU intends to approach the increasingly competitive Indo-Pacific region. The EU's engagement in the form of the Global Gateway strategy also allows partner countries in the region to avoid the situation of having to choose between the US and China.

The Forum noted that the EU's task is to act with urgency towards China. Taking a more creative approach towards diplomacy was highlighted as an approach to take in the Indo-Pacific (e.g. how the EU and the US can best utilize the upcoming Japanese presidency of the G7 in 2023 and develop the QUAD regional security forum). In light of the emerging Russia-China nexus and the potential ramifications for the security of the Indo-Pacific as a result of the Ukraine conflict, the session concluded with noting the importance of building transatlantic dialogue in order to define priorities according to the respective capabilities of the EU and the US and aligning their perceptions of the regional threat China poses.

India was mentioned as a crucial actor in strengthening the Indo-Pacific partnership. The emergence of China as an economic and military force has increased the strategic importance of the Indo-Pacific region in Indian foreign policy. India recognised that playing a leading role in the region was essential to balancing a rising China. India's partnerships with Indo-Pacific nations inform a key part of New Delhi's response to the growing regional assertiveness of Beijing. The EU should look to capitalize on the flexibility that its Indo-Pacific offers in terms of forming coalitions with like-minded partners, such as India.

Securing our energy and economic future

The Forum moved onto a discussion on how transatlantic policy can strengthen economic and energy resilience in the Euro-Atlantic area. It was stated that the control over natural resources has played an important role in informing geopolitical interests since the Industrial Revolution. The discussion began with noting that an autocratic hydrocarbon belt has emerged around the periphery of Europe and left the continent vulnerable as energy supplicants to the US, the Gulf States, and Russia.

In light of this new reality and its implications for European energy security, the Forum cited the decarbonization agenda as a security agenda. The over-reliance of European consumers on Russian oil and gas hindered its response to Moscow as a security threat. Europe will need to find ways to become more resilient and diversified in terms of its energy security. Germany's new agreement with the UAE on the supply of Liquefied Natural Gas (LNG) is a recent example of an EU member state looking to secure non-Russian energy imports since the invasion of Ukraine began in February.

The Forum noted that there is still a disconnection between energy supply and production. European LNG terminals remain underdeveloped. The concerning development of war fatigue in the US was raised at the session along with a plea for Europe to do more in terms of Ukraine's postwar reconstruction process, including in the fields of civilian and energy infrastructures.

However, the decarbonization agenda faces significant hurdles within the EU. EU member states, such as Poland, say that the EU's Emissions Trading System (the EU's cornerstone policy to reach climate neutrality in a cost-effective way) risks inflationary pressure and fuel poverty because of Russia's weaponization of European energy supplies following its invasion of Ukraine. The Polish Prime Minister, Mateusz Morawiecki, has argued recently that the EU should introduce a

mechanism to stabilize prices permanently⁴. To achieve coordinated EU policy, member states will need to find a way to balance energy security considerations with the necessity to achieve net zero by 2050.

Maintaining unity among disunity

The final session of the Forum began with a statement that Russia and China should both be worried at the resilience of transatlantic unity in response to the Russian invasion of Ukraine. It was noted that the example of leadership set by the President of Ukraine, Volodymyr Zelenskyy, has been critical in maintaining that unity.

However, there were concerns over whether unity across the transatlantic community could be sustainable. The Forum noted the disappointment at Hungary's decision to veto sanctions against Russia and the division between Budapest and Warsaw within the Visegrad 4 grouping on the issue of Russia's security threat. Discussion turned to the state of public opinion across Europe towards Russia after its full-scale invasion of Ukraine. It was stated that there was initial widespread support for Ukraine amongst the public, but governments will need to do more to maintain the high level of support as the war continues.

The session examined Germany's re-orientated policy direction towards Russia, known as its *Zeitenwende* ('turning point'). There is the issue of whether the overhaul of German foreign policy in response to the emerging security situation in Eastern Europe has translated into effective policy action. Germany's shift in direction was commended, but it was noted that German engagement in Ukraine should not be taken for granted. With parliamentary elections looming in Poland,

⁴ Morawiecki, M. (2022) 'Polish PM: The green transition cannot come at the cost of European security', Financial Times. Available at: <https://www.ft.com/content/3d592adc-b0b0-4098-8616-9d615c9fcde5>

the Polish government has started to use the skepticism towards Germany's policy change on Russia for domestic political purposes.

The session then dedicated time to review the Czech Presidency of the European Union, which began in June and concluded in December 2022. Building on the success of the European Peace Facility (EPF), which has provided the EU's military support to Ukraine, the Czech presidency presided over the agreement to increase the EPF budget to allow for uninterrupted funding of the Ukrainian military effort against Russia's unprovoked attack. An EU financial assistance package to Ukraine worth up to €18bn has also been secured for 2023 in addition to the existing macro-financial assistance package of €6bn in 2022. On defense and security, the Czech presidency made significant steps towards strengthening EU-NATO cooperation and implementing the Strategic Compass. For example, the Czech presidency adopted the EDIRPA regulation to expand the spectrum of options for common procurement of military equipment.

The Forum acknowledged that the bloc failed to prepare adequately enough for the emergence of a multipolar world order after the end of the Cold War, and that there has been divergence amongst the EU-27 on several policy issues. For instance, there is concern with Hungary's decision to block the EU micro-financial assistance package to Ukraine. Nonetheless, the Russian invasion of Ukraine has seen the emergence of the EU as an efficient geopolitical actor. It was stated that this has been because Putin single-handedly exposed the European project to the forces it had been created to overcome in imperialism and fascism. Since 2004-5, Russia has been the most significant challenge facing the European system of liberal democracy.

In January 2023, Sweden took over the EU presidency from the Czech Republic. Stockholm hopes it can make further progress on improving the EU's geopolitical capabilities. Under the framework of the Trio Programme, which coordinated the

EU presidency agendas of France, the Czech Republic, and Sweden, the EU plans to enhance its relations with strategic partners, including transatlantic allies. Furthermore, Sweden intends to use its EU presidency to continue with the implementation of the Strategic Compass as it takes over from the Czech Republic.

The point was made that Germany is ready to take a leadership role within the process of Ukraine's postwar reconstruction despite concerns over whether its *Zeitenwende* has been effective. In addition, although Hungary's limited support for Ukraine is a concern, the Czech Presidency recognised that it is in the EU's interests to work with Budapest. The EU enlargement process is a policy area where convergence could be possible. Hungary has been a long-standing proponent of the EU accession of the six Western Balkans countries. For Budapest, EU enlargement plays a part in informing the EU's strategy on managing the issue in irregular migration flows into southeastern Europe. The European integration process in the Western Balkans is also key to EU efforts to counter Russia's expanding influence in the region.

The final session concluded with a recognition that the US national security establishment is starting to see the EU as an efficient security actor and more needs to be done to demonstrate to the US what the EU is capable of in terms of defense and security. There was acknowledgement that preserving the renewed transatlantic unity will be challenging in the months ahead especially with a looming economic recession and energy crisis on the horizon. It remains to be seen how US re-engagement in Europe would work in practice as preparations are made for Ukraine's postwar reconstruction. Planning and financial reconstruction, micro-financial assistance, and arms shipments should be institutionalized under the EU and most importantly, have Ukraine and Central and Eastern Europe involved to ensure future security guarantees for the region against any further or future Russian threats.

The Forum concluded with its annual transatlantic to-do list which identifies key areas for the transatlantic partnership to address over the next year.

1. China and Russia represent the most significant challengers to the rules-based order and seek to undermine the democratic values that bind the transatlantic partnership. Maintaining and strengthening the role of a values-based policy remains important today than ever.
2. Energy dependence and economic instability remain key challenges facing Europe and therefore the transatlantic alliance. Work on diversifying energy chains and coordinating on supply chain risk mitigation needs to be a priority for the EU.
3. The outcome of the Russian invasion of Ukraine will have implications for the security of the Indo-Pacific region. In this context, multilateral institutions have an important role to play in putting transatlantic values into practice. The EU and the US should work together to strengthen their strategic purpose while respecting their differing interests.
4. As the EU and US can navigate the shifts occurring in the geopolitical space, the opportunity to align closer on the Indo-pacific region can help bolster both economic but democratic resilience.
5. The growing role of middle powers in reshaping the geopolitical landscape need to be addressed. For example, the global south and the abstention of countries from the region against the UN vote in condemning Russia's aggression towards Ukraine.
6. Bolster transatlantic trade and economy by revisiting trade negotiations and agreements through multilateral framework.

7. Continue to build European security capabilities; agree on strategic division of labour between NATO and EU and further invest in European joint capacity building.
8. Looking ahead to the future of multilateralism and addressing the stalled EU and NATO enlargement process e.g. in the Western Balkans and Ukraine.
9. The EU-US need to begin a concrete strategy towards Russia beyond Putin. What kind of Russia does the transatlantic community want to see after a Ukrainian victory?
10. Explore how to help reconstruct Ukraine post-conflict via a Marshall Plan. One that encourages investment and long-term structural planning by Member States to both support Ukraine but also to increase their cooperation and interoperability – while not duplicating or competing with NATO.

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