

The European Union in a COVID World

by Riccardo Alcaro and Nathalie Tocci

ABSTRACT

The world on which COVID-19 has unleashed its destructive force is a place in which multilateralism-minded Europeans are ill at ease. Geopolitical rivalry, transatlantic estrangement and a nationalist tide all bear heavily on Europe's integration project, given its liberal premises. The risk that the pandemic would tip the European Union beyond a breaking point, however, has not materialised. On the contrary, COVID-19 has spawned a new integration drive, with the contours of a "transfer" union emerging for the first time in EU history. However, unless the EU turns the emergency measures into something more permanent, it will struggle to navigate the agitated waters of a pandemic world. A main variable determining Europe's ability to weather the storm is the state of the transatlantic relationship, which is expected to rebound under Joe Biden. However, the EU should resist the temptation to fall back in its comfort zone of followership and seize America's re-investment in transatlantic relations as an opportunity to take greater responsibility for its future.

European Union | Coronavirus | Economy | CFSP | CSDP | Transatlantic relations | US foreign policy | China | Multilateralism

keywords

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Introduction

It has become conventional wisdom that the outbreak of the COVID-19 pandemic has worked as a great accelerator of history. The pandemic, so the argument goes, has catalysed major pre-existing trends, causing them to spin and interweave faster. The result is that the more volatile and competitive international system that (some) experts were expecting over the next decade is already here. A corollary of this argument is that, in a “COVID world”, those who benefit the most from the endurance of multilateral regimes and norms will end up amongst the losers.

With their in-built bias towards multilateral cooperation and reliance on open trade and rules-based arrangements, the European Union (EU) and its member states feature on top of the list. Their predicament has undoubtedly become more precarious. The list of challenges that EU member states face while they are overly absorbed with protecting their citizens and economies from the effects of the pandemic is daunting. They span a dysfunctional transatlantic alliance, an increasingly zero-sum competition between the United States (US) and China, a higher level of conflict in Europe’s surrounding regions and weaker multilateral institutions.

Nevertheless, the argument that the European Union’s international position is structurally weaker than it was before COVID-19 is not as straightforward as it looks at first sight. EU institutions – the Commission, the Central Bank and the Council – have all taken steps that go far beyond lowest common denominator measures, premised as they are on an unprecedented degree of fiscal flexibility and solidarity. While these measures are contingent on the COVID emergency, they may contain the seeds of more permanent arrangements. Critical in this regard is the extent to which efforts aimed at countering the health and economic burden of COVID-19 will nurture, and be nurtured by, a stronger resolve to make the Union politically and strategically more cohesive.

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1. The EU's predicament in a COVID world

European interests have been negatively affected by several trends the pandemic has exacerbated. Tellingly, most of such trends concern Europe's relationship with the United States, directly and indirectly.

1.1 A more troubled transatlantic relationship

The last time they had faced a systemic crisis of global proportions – the Great Recession of 2008 – US and European policymakers had intensified policy coordination, or at least consultation, at all levels. This time around, nothing of the sort happened. When the pandemic broke out, the transatlantic relationship exercised no degree of mitigation of the public health emergency and only a marginal one of the subsequent economic crisis thanks to (somewhat loose) policy convergence between the Federal Reserve and the European Central Bank (ECB). Even communication was wanting, such as in March 2020, when EU governments found out from the media that their citizens had been banned from entering the United States. More worryingly, European authorities had to compete with US ones in securing medical supplies and stocks of anti-viral meds, and failed to win Washington's support for any joint initiative on a COVID vaccine. Such a lack of coordination fit in the narrative of the pandemic as an accelerator of pre-existing trends. When the coronavirus hit, Europeans had been watching with dismay the transatlantic order fray for some time already.

European allies were a main target of US President Donald Trump's bitter tirades against those who "take advantage of the United States". The (soon-to-be) former US president did not limit himself to rhetoric, as he presided over a downgrading of the US commitment to Europe in economic, security and strategic terms.

Under Trump, US and EU officials moved from negotiating ambitious (too ambitious, as it turned out) grand economic schemes such as the Transatlantic Trade and Investment Partnership to much narrower talks over ways to avoid escalation in tariff disputes. EU regulators also struggled – so far to no effect – to protect companies and banks from the extra-territorial reach of US "secondary" sanctions, which now cover most or selected sectors of the European Union's trade with such countries as Iran and Russia (and others). Meanwhile, Trump wasted no occasion to lambast NATO European allies for spending too little on defence. This was ostensibly the motivation behind his July 2020 decision to significantly scale down US military presence in Germany, the main offender in this regard. Yet the point Trump made was larger than that, as it extended to questioning the very notion that the transatlantic partnership, in spite of its asymmetries, generated fundamental advantages for the United States as well.

Trump's hostility towards Europe and especially the European Union, whose trade power he worried about and supranational nature he despised, may not command

much support in the United States. Yet, concerns about European free-riding on US security guarantees were not Trump's alone, and the view that the relationship needs revisiting is widespread amongst friendlier constituencies too.

1.2 A more acute US-China rivalry

Nothing is likely to put the US–European relationship in sharper focus than another, hugely consequential trend amplified by the COVID-19 pandemic: the US–China antagonism. Since the coronavirus found its way from China to the world, Washington's confrontation with Beijing has grown in both intensity and scope.

Especially in the early stages of the pandemic, China sought to gain international goodwill through much-publicised transfers of medical equipment and offers of health management know-how (all spiced with a good dose of disinformation), causing great concerns in Washington. American pre-existing concerns about trade deficits, unfair economic practices and the political use of foreign investments and technology transfers have since expanded into a more fundamental political-ideological contest. Such issues as China's systematic repression of the Uighur minority in Xinjiang and crackdown on Hong Kong protesters, its uncompromising (and menacing) approach to Taiwan and relentless military projection into the South China Sea are being constructed not as separate issues of contention, but as manifestations of a structurally conflictual relationship between democratic America and autocratic China. Regardless of who sits in the White House, the United States will request – indeed expect – partner countries, including European ones, to support its pushback against China.

For Europeans, taking sides in the US–China contest involves hard trade-offs. Decisions on, for instance, limiting the rollout of Chinese-made 5G systems into European telecom networks, screening Chinese investments, or condemning Beijing's abysmal record on democratic and minority rights involve now greater risks of retaliation from either great power that may feel that Europe is falling short of expectations.

The intensification of the US–China rivalry brought about by COVID-19 indeed complicates Europe's cost-benefit analysis. The massive volume of EU-China economic interactions clearly raises the costs of Chinese potential reprisals, especially at a time in which European economies have been shattered by lockdowns and other restrictions enacted to curb COVID-19 infections. While the European Union shares most American concerns, the unilateral confrontation of China favoured by the Trump administration diminished the benefits for Europe of full alignment with Washington. The European Union's push for establishing a high-level transatlantic dialogue on China, agreed in the last stages of Trump's single term, was a very wise choice in these terms, yet it remained a first and belated step, to be picked up and developed during Joe Biden's presidency.

1.3 A more volatile neighbourhood

The descent of US–China relations into outright antagonism fits neatly in the more chaotic world drawn by COVID-19. The European Union has been experiencing something resembling chaos with growing regularity, as basically the entire arc of its neighbourhood has been undergoing severe turbulence for years. Power politics is increasingly the game in town in the former Soviet space, the Mediterranean and the Middle East. Crucially, in each of these theatres the degree of conflict is partly reflected in and inversely proportional to the extent of transatlantic convergence.

Consider Eastern Europe, where a modicum of US–European coordination is still visible. US and EU support remains vital for the economic and military sustainability of Ukraine, which remains stuck in a low-intensity conflict with Russia. EU and US officials have adopted a somewhat similar narrative of the protests in Belarus, as a popular demand for democratic representation and accountable government rather than a new iteration of the Western-Russian confrontation, which may have limited the potential for instability there (at least for some time).

Where transatlantic convergence has been minimal or absent, multipolar competition has prevailed. Russia and Turkey have exploited transatlantic misalignment – a combination of US lacklustre involvement and European disunity and inaction – to forcefully assert themselves in areas adjacent to their borders and beyond. This is as true for Syria’s civil war as it is for the recently emerged East Mediterranean complex, a multi-level theatre linking ostensibly separate issues such as Libya’s civil conflict with sovereignty disputes between Greece and Turkey as well as Cyprus (including regarding access to offshore energy reserves). Moscow and Ankara are also the key players in the newly erupted Nagorno-Karabakh conflict, as they are ready to play the hard power card there, having occupied the scene amidst Western passivity.

Similar patterns affect the Middle East too, with the key difference that here the United States is not only very much involved in the geopolitics of the region, but it is also often at loggerheads with Europe. The deep transatlantic divide over the Iran nuclear deal – which President Trump abandoned against European wishes – is the main case in point. But it is also telling that Europe was a side-note at best in the Trump administration’s other major initiatives towards the region, namely the Trump Plan for the Israeli-Palestinian conflict, the endorsement of Jerusalem as Israel’s capital and Israeli annexation of the Syrian Golan Heights, as well as the Abraham accords normalising Israel’s relations with the United Arab Emirates and Bahrain. The region’s geopolitics has increasingly revolved around competing power blocs – Israel and most Arab countries (Saudi Arabia, Jordan and Egypt should be added to the list) versus Iran and its allies in Iraq, Syria, Lebanon and Yemen – with the United States under the Trump administration clearly siding with the former, and Russia and Turkey playing on multiple tables. Clearly, the room for governance mechanisms based on international law, multilateralism and regional cooperation – the options that EU member states favour – has shrunk considerably.

1.4 A weaker multilateral order

The point of the above digression over the increased level of conflict in Europe's neighbouring regions is to integrate the picture of the European Union's predicament in a COVID world. As recalled above, the pandemic has not only amplified pre-existing trends but also interwoven them in greater fashion. The poor state of transatlantic relations, the more acute US–China rivalry and the greater role of power politics in regional contexts are not only connected but mutually reinforce one another more than was the case before. This nexus is clearly visible when we look at a last trend that the pandemic has exacerbated, namely the decline of multilateral institutions. Here, US–China great power competition has created a dynamic that may not just weaken international governance but short-circuit it altogether.

The US record in multilateral endeavours under Trump was one of unmistakable disengagement and contestation. Since 2017, the United States has disavowed the Paris Accords on climate change and left arms control and confidence-building agreements (ostensibly with the goal of negotiating better ones, which however have yet to materialise) like the Iran nuclear deal, the US–Russian Intermediate-range Nuclear Forces Treaty and the Open Skies Treaty (presumably under Biden we will instead see a renewal of the US-Russian New Start deal limiting strategic nuclear warheads and their delivery systems). Washington stalled the adjudication capacity of the World Trade Organisation (WTO), abandoned the UN Human Rights Council and sanctioned the International Criminal Court chief prosecutor and one of her main aides. The United States also refrained from engaging in any effort to generate multilateral cooperation within established informal platforms such as the G20 or even the theoretically more like-minded G7.

This trend only hardened with the outbreak of the COVID-19 pandemic. Not only was the United States utterly uninterested in global health and economic governance, but it doubled down on the delegitimation of multilateral institutions, recast as part of its broader contest with China. The main victim was the very multilateral body that most countries in the world looked to during a pandemic, the World Health Organisation (WHO), from which the Trump administration declared withdrawal on the charge that it failed to call out China for initially downgrading the severity of the COVID infection. For its part, China has taken advantage of US disengagement by bidding for (and often winning) leading positions in multilateral bodies. Beijing has especially targeted such agencies as the International Standards Organisation and the International Telecommunication Union – both headed now by Chinese officials – to make sure that global technology standards reflect Chinese ones.

Seen from Europe, this is a vicious cycle in which multilateral institutions are simultaneously undermined from without (by the United States) and within (by China): the more disengaged the United States is, the more power China gets; and the more this happens, the more unilateralist US arguments become self-fulfilling prophecies. The outcome may well be a dysfunctional multilateral order or – to the extent it does function – an order that more closely reflects China's model

of authoritarian capitalism and standards on technologies key to future global balances, such as digital telecommunications or artificial intelligence.

The glitch in such a grim prediction is that it assumes Europe (or anyone else who is not the United States or China) to be a passive bystander – or that the United States, and even China, may not correct course. While EU countries have undoubtedly found out that their international leverage is fairly limited in an age of transatlantic estrangement and Chinese (and Russian, Turkish) growing assertiveness, they have nonetheless put up a fair amount of resistance to the trends that affect them most negatively. In fact, as all the trends discussed above precede the outbreak of COVID-19, Europeans have been pondering how to deal with them for years already.

1.5 The EU's autonomy conundrum

Even before the transatlantic relationship took a turn for the worse under Trump, EU governments endorsed the notion that “strategic autonomy” was key to the pursuit of their most vital interests, namely the security of the Union, the resilience of and reconciliation in the neighbourhood, cooperative regional arrangements and a well-functioning rules-based international system. While critics have often dismissed “strategic autonomy” as a void notion that means different things to different people, the term does in fact point to an emerging intra-EU consensus on the need to move ahead in military cooperation, strengthen the Union’s “economic sovereignty” and keep investing in multilateral endeavours, regional and global alike.

It is against this backdrop that EU governments have upgraded institutional arrangements overseeing the joint development of military capabilities, taken steps to strengthen the international role of the euro and reduce EU vulnerability to extra-territorial sanctions, and fought to keep multilateral regimes such as the WTO, the Paris Accords and the Iran nuclear deal in place even in the face of US opposition. In a similar vein, the European Union has thrown its weight behind one of the few multilateral initiatives meant to address the pandemic, the COVAX alliance supporting early production and fair distribution of a COVID-19 vaccine.

With the COVID-19 pandemic aggravating pre-existing dynamics that ran counter to EU interests, the need for strategic autonomy would seem to have shifted from pressing to urgent. But the pandemic has not just affected the world around the Union, but the one inside it too. In fact, one corollary of the “COVID-19-as-accelerator-of-history” argument has been that the pandemic would accelerate the centrifugal dynamics that have shattered the pro-EU consensus across Europe. After all, the emergence of a nationalist, anti-EU agenda has been a dominant trend in European politics in the last years, as painfully attested by the 2016 plebiscite that sanctioned Britain’s exit from the European Union.

Expectations that COVID-19 would bring about further disarticulation were thus not misplaced. And yet, the application of the “COVID as accelerator” argument, smooth as it has been on global trends, eventually finds a rub, of all places, in

European integration. The latter has so far been the exception to the rule positing interstate competition as the invariable outcome of the pandemic.

2. The EU's response to COVID-19

2.1 *A slow start, and then a sprint*

Admittedly, it was a slow start. In the first weeks of the pandemic, the European Union dithered and national reflexes prevailed. In March and April 2020, we observed the unedifying spectacle of an uncoordinated erection of borders and restrictions to the export of medical equipment between member states. We also heard the deafening silence and watched the first false steps by European institutions, the most egregious of which was ECB President Christine Lagarde's off-script remark about the Bank not being in the business of shielding Eurozone members from rising yield differences, as Italy was sinking in the depths of the first wave of the pandemic.

Luckily, that moment passed. In fact, for European standards, which do not excel in speed, the Union got its act together relatively quickly. The response took different forms, starting in late April and with a crescendo peaking in July 2020.

It began with a good dose of solidarity in the health emergency itself, notably through the transport of COVID-19 patients from Italy and Spain to intensive care units in Germany or the activation of the European civil protection mechanism, which deflated the propaganda effect of China's mask diplomacy.

The economic response came next. It first took the form of an over-trillion euros worth injection of liquidity through the ECB's temporary asset purchase programme and the suspension of the Stability and Growth Pact's ceilings on deficits, debts and inflation rates. After much haggling within the Eurogroup, an agreement was found to reform the European Stability Mechanism, depriving it of its infamous fiscal conditionality and making up to 2 per cent of a member state's GDP available to cover the direct and indirect expenses generated by the health crisis. Agreement was reached also to channel 250 billion euro through the European Investment Bank as well as 100 billion euro in a new European employment insurance scheme. Most significantly, the European Council agreed in July on a 750-billion-euro Next Generation EU fund, tilted towards grants over loans. The fund, while meant as an extraordinary response to the pandemic, will be embedded in the most ambitious Multiannual Financial Framework (the seven-year budget of the Union) in the history of the European project, featuring also own EU resources.

2.2 *A Delorian moment*

European leaders collectively understood that they could not afford to fail in their response to COVID-19. The pandemic has represented the deepest challenge to

post-World War II Europe. As for other world regions, the gravity of the situation is given by the nature and scale of the health emergency and the social and economic repercussions that this has unleashed upon member states. In this respect, the European Union is in the same proverbial boat as the rest of the world. However, two specificities add to the complexity of the threat facing it.

First is the risk of undoing the very essence of the European project. For a Union that hinges on free flow of goods, services, capitals and labour, the pandemic and the first reflexes of uncoordinated national closures posed an existential risk to the integrity of the single market. Second, and perhaps more seriously, is the political threat represented by an inadequate response to COVID-19. The European Union has lived through its worst decade to date. Coming on the heels of a patched-up constitutional crisis (only partly resolved by the adoption of the Lisbon Treaty in 2007), the Union navigated two successive crises in the last ten years: those of the Eurozone and of migration. In the first, the European Union scraped through doing the bare minimum to save its monetary union. In the second, it grossly failed to move forward on a common migration and asylum policy. In both crises, the magic word that went dramatically missing, at least in the eyes of large swathes of public opinion, was solidarity, contributing to a surge of Euroscepticism that interlocked with the growth of nationalist populism across Europe (and beyond). Had that magic word gone missing again in the pandemic, the Union may not have survived the blow.

Explicitly or implicitly, all this must have been front and centre of leaders' minds when they agreed to make the bold move of agreeing upon the Next Generation EU fund in the summer of 2020. Some described it as the Union's Hamiltonian moment, as it recalled the first US Secretary of the Treasury Alexander Hamilton's push for federalising the debt of US states. In reality, it was more of a "Delorian" moment – after Jacques Delors, the European Commission president who in the early 1990s capitalised on Franco-German support to bring forward the common currency project. The ambitious plan of Commission President Ursula von der Leyen was accepted by member states thanks to a renewed push coming from Berlin and Paris acting in unison. While this has not resulted in member states agreeing to mutualise their national debt – nor will this be the inevitable end-point of their journey together – the European Union's response to the pandemic could be historic in at least three ways.

First, *content*. When the von der Leyen Commission took office, three priorities stood out amongst the rest: the green, the digital and the global (or, as President von der Leyen put it, the "geopolitical") agendas. Until COVID-19, these were little more than slogans: programmatic ideas with scant content attached to them. Now the European response to the pandemic is allowing the Commission to put flesh onto its bones: 37 per cent of the 750-billion-euro Next Generation EU package will go to the European Green Deal and 20 per cent to digital programmes. In other words, the European Union is intent in making the post-pandemic economic recovery a green and digital one.

Second, *process*. Perhaps the single most important reason why the Hamiltonian moment analogy jars with European reality is that European integration is, by definition, a process (which is a further reason why our categorisation of it as a “Delorian” moment better captures reality). True, there have been milestones along that journey, the completion of the single market for goods and the monetary union prime amongst which. However, even these are processes rather than moments, as they remain unfinished businesses to this day. We are yet to see the full extension of the single market to key areas such as services, digital or energy, not to mention the completion of the monetary union and integration of it with a fiscal one. The Eurozone crisis put in place the first bricks in the edifice of a banking union, but did not spawn any significant shift towards a fiscal union. When the Eurozone storm passed, the momentum was lost and the last five years have seen precious little by way of Eurozone reform. The guidelines of the 2012 so-called Four Presidents report, charting the way from a monetary to a fiscal and political union, have remained dead letter. COVID-19 resurrected that agenda. Next Generation EU, while not representing a mutualisation of past debt, does entail a mutualisation of future pandemic-generated debt, thus strengthening the glue that binds Europeans into an indissoluble community of fate.

Third, *outcome*. We cannot know now whether Next Generation EU and the other measures adopted by the Commission and the ECB will enable the Union to recover rapidly, effectively and equitably in a green and digital way. Neither do we know now whether and how much this will accelerate European integration. Much will depend on whether the Union’s response to the pandemic will succeed in reversing the socio-economic divergence between member states that has risked tearing the Eurozone apart. If, and it is a big if, the outcome of the Union’s pandemic response points towards intra-European convergence, it is not unreasonable to assume that politics will follow. Specifically, Euroscepticism – a dominant feature of European life in the past decade – may also abate. Whereas the European project must work on its input legitimacy through a more granular involvement of European citizens in EU life, output legitimacy will remain key. Only if the European project delivers tangibly to citizens will they reconnect to its rationale for a cooperative, integrated Europe as a whole.

The current context is conducive to such change. All the nationalist-populist noise aside, European publics seem to be aware that exiting the crisis requires a European response. The national level is simply too small to respond meaningfully to the transnational nature and the sheer magnitude of this crisis. Similarly, they seem to appreciate the value of competence, expertise and science over and above radical demagoguery. Elections will tell whether this trend is corroborated and consolidated, but one only needs to think of the remarkable uptick in German Chancellor Angela Merkel’s approval ratings to make the point. Across the Atlantic, Trump’s handling of the pandemic may not have been the main cause of his defeat, but it most certainly did not help him in securing a second term.

3. The fate of strategic autonomy

However, in this admittedly rosy scenario, risks loom, and revolve around the European Union's global role. As said, whereas the EU response to the pandemic offers the potential to substantiate two of its three key priorities – the green and the digital – the third, "global" (or "geopolitical") leg could languish.

The global agenda had been spearheaded by the previous EU political-institutional cycle, which made the first timid yet historic steps towards a security and defence union and heralded the notion of strategic autonomy in the 2016 EU Global Strategy. The plans were ambitious. Taken together, the pre-pandemic expectations were for a 13.5-billion-euro European Defence Fund, a 6.5-billion-euro Military Mobility Fund and a 10-billion-euro European Peace Facility, on top of the 86-billion-euro development and neighbourhood funds collapsed into a single framework, the Neighbourhood, Development and International Cooperation Instrument. Whereas the European Council agreed to an ambitious Next Generation EU and Multi-Annual Financial Framework, foreign and security policy took a severe beating, boiling down to a far more modest 13.5 billion euro in total – adding up the defence fund, military mobility and peace facility.

Whether the push for a global Europe will pick up again or subside for good will also be affected by the trajectory of transatlantic relations under Trump's successor, Barack Obama's former Vice-President Joe Biden. The European preference before the election was crystal clear (with some notable exceptions in countries run by populist leaders such as Slovenia's Janez Janša): there was nothing that suggested that a second Trump administration would make European life easier. Beyond the content of a Trump administration's goals, it was the approach to world affairs in general and transatlantic relations in particular that chided with the essence of European integration. A second Trump administration would have continued to despise multilateralism and favour transactionalism, sought leverage through coercion rather than partnership, and felt more at ease with authoritarian leaders rather than liberal democratic ones.

As recalled above, the European Union epitomises everything that Trump detested: it is the most radical experiment of multilateralism in the history of humankind, it exerts influence through rules and partnership, and it is and can only be liberal democratic in nature. Whereas Europe is not immune to authoritarianism, nationalism or even fascism, the European Union as such can only be a liberal democratic project because of its very nature. In other words, under a second Trump administration, Europeans would have continued to lack their first and foremost partner of choice and be treated by the latter as an adversary.

A Biden administration offers the opportunity for a transatlantic reset, but it will not be a panacea. Europeans are certainly not as starry-eyed as they were back in 2008 when Obama first won the presidency. The United States' strategic priorities will continue to drive it eastwards and in the crystallising of the US–

China confrontation, the European predicament under President Biden may be even more complex than under Trump. Partly, this is for reasons that Europeans genuinely share: a Biden administration's concern with human rights abuses in and around China, from Hong Kong to Taiwan and beyond, will inevitably mean greater scope for US–China friction, not less. A Biden administration will not sway to the sirens of transactional deal-making between strongmen, which Trump was so fond of. Moreover, the drive towards a decoupling of the United States and Chinese economies may be just as strong regardless of who sits in the White House. And it is worth repeating that, while the methods of persuasion would differ, any US president will expect Europeans to follow suit. In other words, saying no to Biden may in many ways be harder than saying no to Trump, precisely because there is genuine transatlantic partnership on offer.

This said, Biden's victory means the possibility of a profound transatlantic reset in the eyes of Europeans, the value of which makes all else pale in comparison. With a Biden administration, Europeans will be galvanised to make multilateralism great again. As Europeans hold the presidencies of three key multilateral formats in 2021 – the G7 (Britain), G20 (Italy) and COP26 (Britain and Italy together) – they will seek to work across the Atlantic to encourage a green economic recovery to COVID-19. They will reach out to Washington on the reform of the WHO and the WTO. Achieving meaningful reform in both will not be easy, but with a partner on the other side of the Atlantic it will at least be possible. Europeans will seek to facilitate the US re-entry into the nuclear deal with Iran. Here too, easier said than done, given that the damage of the last four years has left indelible marks on the trust in and thus effectiveness of multilateral diplomacy. But a meaningful attempt to reengage Iran on the containment of its nuclear programme will undoubtedly be made. They will also work alongside the United States on broader non-proliferation, beginning in the European space. From pandemic response to trade, security and climate, Europeans and Americans will be back in business. And this cannot but be an unambiguous positive.

The most serious risk that Europeans face under a Biden presidency is of a different nature, and it is of entirely European making. COVID-19 has already and perhaps inevitably led Europeans to change their lenses. Whereas the last five years were marked by an instinct to look outwards and think security, the coming five years will be driven by an instinct to (again) look inwards and think socio-economic. Already before COVID-19 struck Europeans had been watching the world in and around them crumble, from the wars and fragilities in its surrounding regions to the threat of terrorism in their cities, from the resurgence of great power rivalry on the world stage to the anxiety of uncontrolled migration. The liberal international order that had served Europeans so well was fraying, and its ultimate promoter and defender – the United States of America – was missing in action. It was a cold shower, but one which woke Europeans from their seventy years long sleep. Hence, despite (or perhaps even because) the European Union was unable to get its act together internally, be it on the economy or on migration, it began making timid steps on security and defence. It is no surprise that the debate on European strategic autonomy surged in those years.

However, the momentum for European strategic autonomy has already sapped, as evidenced by the fate of the funds destined for EU security and defence, or the European passivity in addressing conflicts, from Libya to Nagorno-Karabakh. Had Trump been re-elected this trend could have reversed, as Europeans would have had to stare back at an ugly reality of protracted transatlantic estrangement and take unavoidable countermeasures. With Biden's victory, there will be a temptation in several (most?) European countries to stick heads in the sand, putting global ambitions to a rest wrapped in a chimera of a comfortable return to a past long gone.

Were this to happen, Europeans will only have themselves to blame. That the good old days of the international liberal order underpinned by US hegemony are over is only too painful to see – in fact, they have been gone for many years already. That Europeans must assume greater responsibility in dealing with the consequences of the profound transformation of the international system is even clearer. In fact, protecting themselves as liberal democracies and promoting liberal democratic values in the world will only be harder in the post-COVID, non-liberal international system, in which liberal and illiberal powers will clash and coexist. On top, no one else will do it for them. Rather than expecting the United States to take on responsibilities that belong to them alone, Europeans should use the possibility of a revamped transatlantic bond under Biden's administration to work together towards a strengthened rules-based system in the wider world.

Conclusions

The world on which COVID-19 unleashed its destructive force in early 2020 was already a place in which the European Union and its multilateral vision of the world were ill at ease. Growing geopolitical rivalry, increasingly fragmented regions along its borders, and a rising nationalist tide all bore heavily on Europe's integration project, premised as it is on liberal practices such as pooled sovereignty, multilateral cooperation and rules-based international regimes. Adding to Europe's isolation was an unprecedented degree of estrangement with a United States, its most vital ally and partner, run by a president avowedly sceptical of long-term alliances and openly scornful of European integration.

COVID-19 aggravated these trends, thus further complicating Europe's predicament. In particular, Europeans felt the strategic costs of President Trump's lack of interest in the transatlantic partnership rise. The relapse of US-China relations into a systemic rivalry complicated their cost-benefit calculus, while also perversely undermining the functioning of multilateral institutions both from within and without.

The risk that the pandemic could have stretched intra-EU ties to the breaking point, however, has not materialised. On the contrary, COVID-19 has spawned an integration drive that would have been unthinkable just a few days before the coronavirus reached European soil. Rules have fallen through and taboos have

been broken. The ECB has expanded its once controversial purchase of public and private securities. The totemic 3 per cent ceiling on Eurozone countries' fiscal deficits has been set aside without a single complaint. The "transfer union", once a nightmarish prospect for self-styled frugal member states, has not only come about, but it also involves a European Commission's much-expanded power to borrow on financial markets. It is not unreasonable to assume that in the otherwise horrific legacy of the pandemic, there could also be a more cohesive European Union. This may result in a greater capacity by EU institutions to advance ambitious digital and climate agendas, both internally and internationally.

However, the fact that the integration drive has been forced upon EU governments by an entirely exogenous factor should not be underestimated. The measures adopted by EU institutions make up a response contingent on the duration of the COVID-induced crisis. The scaling down of the foreign and defence policy segments of the next budget lays bare the absence of an EU-wide consensus on empowering the Union with the amount of resources needed to make "strategic autonomy" more than an aspirational goal. Unless EU leaders act in line with the old functionalist logic according to which each step in integration carries the next with it and turns the emergency measures into something more permanent, they will struggle to navigate the agitated waters of a COVID world.

There is a widespread assumption that a main variable affecting the future trajectory of the European Union will be, as it has been for seventy years, the state of the transatlantic relationship. This is certainly correct, although we should not fall into the trap of assuming that European states can only be receivers of whatever policy emanates from Washington. In fact, the challenges facing EU leaders will not abate just because they will have a more forthcoming partner in the White House. In these terms, an administration run by an old-fashioned Atlanticist as Biden could even be a mixed blessing because Europeans will be tempted to interpret America's re-investment in the transatlantic bond as a return to the old leader-follower relationship. This pattern may still apply to certain – indeed fundamental – dimensions, beginning with the US nuclear umbrella and commitment to deterring attacks on European allies. But on other, increasingly pressing dimensions, European followership has become unsustainable in a world shattered by the pandemic, most notably due to the higher costs that full alignment with Washington may entail in their relations with China or their approach to their troubled neighbourhood.

In a COVID world, EU member states should seize on the greater cohesion brought about by their own response to the pandemic and seek a rebalancing of the transatlantic relationship. The key to this effort resides less in what the occupant of the White House thinks of Europe than it does in Europe's capacity to influence American choices – on China, Russia, the Middle East and the multilateral order.

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