

GLOBALIZATION, INTERDEPENDENCE AND THE EU'S STRATEGIC PARTNERS*

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Introduction

Dear friends,

First of all I would like to congratulate the Academy for Cultural Diplomacy for organizing this Conference. It is indeed a great honor and privilege to be with you for a second consecutive year.

Last November we celebrated here the 20th anniversary of the fall of the Berlin Wall, a landmark point in modern history. Neither Germany, the EU nor the whole world would be the same after the 9th of November 1989.

20 years later, the international scene seems more peaceful but also much more complex. From the bilateral Cold War Era to the unilateral “moment” of US predominance, a turbulent international change with the emergence of new centers of power across the globe is currently taking place.

The quest for a leading role within the new multilateral international system is the EU's ultimate challenge. “The European Union must be an effective global actor, ready to share in the responsibility for global security and take the lead in the definition of joint responses in common challenges”, as the EU leaders declared last September in Brussels.

Globalisation and Interdependence

The EU started off as a project of enhancing the interdependence of a group of countries so as to discourage them from ever going to war again. The great benefits from cooperation were soon made evident and cooperation and interdependence multiplied, and so did the number of members. In less than sixty years, the EU has expanded from a six-member cooperation in the coal and steel sector into a twenty-seven member union of states that cooperate and collectively decide on a number of issues in a very wide range of sectors.

However, during the past few decades, the world itself has become more and more integrated and interdependent, not only economically but also in the sense that global problems have now come to light - or if they have always existed, at least now we are much more aware of them and their global implications. Specifically because they are global, they require global

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cooperation in order to be put right. Climate change, the economic and financial crisis, pandemics, fight against poverty, nuclear proliferation, the rise of terrorism and piracy in international waters are only some cases in point.

All these challenges require a concerted international response, especially the economic and financial crisis has dramatically shown the extent to which the well-being, security and quality of life of Europeans and indeed for the citizens of the entire world depend on external developments.

We are all now on the same boat of globalization and we have to find common answers to all these problems.

A Changing International Environment

The economic and financial crisis, beyond its direct consequences, has consolidated in the clearest way a change undergoing since the beginning of the 21st century:

The global economic and geopolitical map is radically changing.

The "triad" of US, EU and Japan is relatively losing its importance vis-à-vis new economic and political powers becoming global actors, especially the so called BRIC countries, namely Brazil, Russia, India and China.

Indeed, the influence of the emerging economies on world affairs is steadily growing. They have great economic potential accounting for 25% of the world economy, comprising 42% of the global population and 26% of world landmass.

An interesting study by Notre Europe, a Paris-based think tank, that this trend is ascending, particularly in Asia's favour. It is expected that in 2025, the OECD countries will produce no more than the 40% of the world's GDP from the 55% they produce today. The IMF expects that already by 2013 the combined GDP of the emerging and developing economies will surpass for the first time in history the combined GDP of the advanced world.

On the demographic map, the change is even more impressive. In 15 years from now, one out of two inhabitants will be Asian. In the same year, the US and Europe will represent not more than 9% of the world's population.

These clearly demonstrate that the world's gravity center is steadily shifting from the West towards the East. Indeed the epicentre for peace and security in the world has shifted from the North Atlantic as it used to be during the Second World War and the Cold War to somewhere in the Indian Ocean with a range touching from Somalia, Soudan, the Middle East, Iraq, Iran, Afghanistan, Pakistan India and South East Asia.

Simply inconceivable some years ago, the Western predominance is fading with an incredible fast pace. The new emerging powers, especially China and India, are now as important as the traditional developed countries of the West for addressing the planet's political, economic and ecologic stability.

But multipolarity is not a merit by its own. It will not automatically lead to perpetual peace and stability. It might also lead to new balances of terror and even conflicts if the principles of collectiveness, cooperation and consensus are not shared by all parties. In this respect, it is important to stress that no one should see the emerging powers as a homogenous block. On the one hand, they might have common interests, such as the expansion of the "South-South trade", the continuous influx of foreign direct investment, investing in other economies and their demand for a greater voice and larger role in international institutions. On the other hand, there is a growing rivalry among them in certain global economic and political affairs due to their different national interests.

In this respect, the Copenhagen Summit on climate change was a negative example in every sense. The big participants put forth these specific interests and hence revealed their particular and utterly diverging visions of globalization and multipolarity. On the contrary, the EU and Japan, which are defending ambitious and demanding positions towards climate change have been marginalized.

The EU's Strategic Partners

Copenhagen is a lesson for all to learn from, specifically for the Europeans, as it marks an alarming sign of the new era:

If the EU aspires to play a leading role in the new globalized interdependent world, it should upgrade its effectiveness in its external relations with its traditional allies and with the new emerging powers.

To engage with these global actors, the EU has created a new instrument: Strategic Partnerships. Strategic Partnership is a political term to describe importance and the breadth of the relationship. The EU has established strategic partnerships with the US, the Russian Federation, Japan and Canada, India, China, Brazil and Mexico.

For all the reasons I underlined above, the emergence of Asia is of global significance. Getting EU relations right with this diverse and dynamic region is one of the major challenges facing Europe. We are deepening our strategic partnerships with China, India and Japan and negotiations are well underway on new partnership and free trade agreements with South Korea and south-east Asian countries. Regular and wide-ranging dialogues take place, leading increasingly to cooperation and convergence on global issues, regional security questions as well as regulatory policy and other economic issues. Asia

comprises high-income industrialized partners and dynamic emerging economies but is also home to two thirds of the world's poorest citizens.

EU-China Relations

The rise of P.R.C and its integration into the international system is arguably the most important trend in global politics. China has recently become the world's second economy removing Japan and replacing Germany as first world exporter.

In fact if we combine, as we should from now on, the economy of the EU then the EU is the first economy in the world, with the US second and China third.

Today, the EU is China's largest trade partner, with China being the EU's second largest partner. In 2009, the EU still imported 215 billion Euro worth of goods from China, remaining Europe's biggest source of manufactured imports. Europe's trade deficit (including services) in 2009 was 128 billion Euros. But the deficit still reflects the considerable problems EU businesses have in accessing the Chinese market. Intellectual property rights infringement remains a huge problem for European businesses in China. Almost 54% of all counterfeit goods seized at European borders in 2008 came from China.

The EU endeavors to broaden and deepen the dialogue with China, both bilaterally and on the world stage. We support China's transition to an open society based on the rule of law and respect for human rights. We encourage the ongoing integration of China into the world economy and trading system, support the process of economic and social reforms, and raise the EU's profile in China to aid mutual understanding.

The European Parliament is holding regular contacts with representatives of the Chinese government and the Chinese Communist Party.

In this framework, I paid a 5-day visit to Beijing and Shanghai last week with the European People's Party Group Presidency, and we had a series of meetings with Chinese officials on all matters of mutual interest and cooperation.

In order to effectively master the great challenges of our time, a close cooperation with China is an absolute necessity. While China deserves to benefit from economic growth and increasing wealth, as one of the world's major economies and the most populous country, it also has to fulfill its obligation to its own people and to the world as a whole. More improvements in terms of respect for human rights, a moratorium on the death penalty, combat against climate change and democratization are thus needed. We salute the ongoing rapprochement with Taiwan but China must play a more active role in the peaceful resolutions of the situation in countries like North Korea, Burma and Sudan. Additionally, China should play a more constructive role in the framework of the negotiations about the Iranian nuclear programme.

EU-India Relations

India is another important strategic partner of the EU in the region. Being the largest democracy worldwide and an economic heavyweight, and about 60 years after its independence from Great Britain in 1947, India has become a true global player.

The growth of the country has been largely linked to the era of globalization and the increased relevance of the IT sector. India nowadays is a key player in all global issues, such as climate change, the Doha Round, combat against terrorism, and financial regulation. It has been a strong supporter of multilateralism and is aspiring a permanent seat in the UN Security Council. Its relations with its neighbours China and Pakistan are historically charged. As a consequence India has always had a large military, and since 1974 a nuclear power, without having ratified, until today, the Non Proliferation Treaty.

Despite its recent growth India still faces many challenges, such as caste discrimination, poverty, illiteracy, corruption and malnutrition.

The EU and the Republic of India benefit from a longstanding relationship which includes a broad political dialogue, which evolves through annual summits, regular ministerial and expert level meetings.

India became one of EU's "Strategic Partners" in 2004. An effort is made to realize the full potential of this partnership in key areas of interest for India and the EU, such as trade relations, actions against climate change and the reform of the UN and the international financial institutions.

EU-Japan Relations

Japan, being one of the strongest economic performers worldwide and one of the major Asian democracies, is indeed one of the key global players and a regional heavy weight in Asia.

Since its defeat in World War II Japan has followed a consecutive path of democratization, economic development and support for human rights. Due to the very complicated geopolitical situation after World War II, Japan's relations with its neighbours continue to be historically challenged. As the only country to have suffered from nuclear attacks, Japan has a special moral interest in the abolishing and reducing nuclear arms worldwide. In this context Japan is a strong supporter of multilateralism and is striving to gain a permanent seat in the UN Security Council. Japan is now the world's third largest national economy. In 2007, Japan was the EU's fifth-largest trading partner.

Japan was identified as a strategic partner of the EU in the European Security Strategy of 2003. Bilateral relations are based on four main objectives for cooperation: promoting peace and security, cooperating for greater prosperity,

assuming global responsibility and the bringing together of people and cultures.

EU-Russia Relations

After the difficult years following the disintegration of the Soviet Union, Russia has regained its position as a global player. Russia's richness in natural resources, notably gas, has significantly strengthened its geo-political significance. Given its strength, Russia is trying to regain lost influence in its neighbourhood. We should also be reminded that the events in Georgia have brought clouds and suspicions between the EU and Russia, in particular among the member states of the EU which were in the past under Soviet Union control. A recent rapprochement between Poland and Russia, an implicit admission by Russia that it gained a little in the Georgia adventure and the sought assistance for the necessary modernisation from the EU, creates new opportunities of hope. Nevertheless, Russia has engaged in multiple rounds of disarmament together with the US. Despite its recent progress, Russia continues to face severe challenges such as global recession, corruption, demographic change, and poverty. Additionally, Russia continues to be the target of separatist terrorist attacks.

Given its geostrategic importance, it is the largest neighbour of the EU, Russia is naturally a strategic partner of the European family. Key issues on the agenda are energy security, respect for human rights and the combat against terrorism. Since 2003, the EU and Russia have further reinforced their cooperation by identifying four "common spaces" of long-term cooperation. Additionally, due to its historic role, Russia continues to be a key partner when it comes to the future of the Caucasus and in particular the Western Balkans.

One serious issue is the security of energy supply. This issue became very serious following the turning off the tap of the pipelines of natural gas, twice in Ukraine. As a result of many countries in central and eastern Europe remained without central heating in the middle of a very cold winter. The lessons to be drawn are the following:

The diversification of the routes of energy supply: southern corridor, northern stream, southern stream.

The solidarity of Member States by creating a network of interconnectess between the different routes of supply.

And mainly an agreement with Russia that energy supply should never be used as a geostrategic weapon and that Russia will be guaranteed a security of demand and Europe should be guaranteed of a security of supply.

Given the close historical, cultural and economic ties with Russia, the joint partnership has vast opportunities and needs to be further deepened since a

true EU-Russian partnership would greatly strengthen the European voice in the world.

It is obvious that Russia still has a long way to go, particularly in terms of respect for human rights, democratization and the rule of law. It is in the interest of both sides that the EU supports and encourages such a reform process in Russia.

EU-Brazil Relations

As a key regional and global actor, Brazil is since 2007 another strategic partner of the EU. Since both the EU and Brazil have identical views on the promotion of democracy, the rule of law, human rights and the market economy, Brazil is one of the key partners for the EU to deal and address the imminent global issues such as globalization, climate change and energy security. Relations should still be further intensified in order to establish a truly far-reaching partnership.

The first ever EU-Brazil summit was held in Lisbon in July 2007. The last one took place in July 2010. Central topics of the new partnership include effective multilateralism, climate change, sustainable energy, the fight against poverty, the Mercosur's integration process and Latin America's stability and prosperity. One very important topic in the context of discussions about climate change is the deforestation of the Amazon. We all know the important role the Amazon plays in absorbing CO2 emissions. Encouragement, economic assistance and alternative economic activities must be agreed with Brazil to curtail if not stop the process of deforestation.

This new relationship places Brazil, the Mercosur region and South America high on the EU's political map.

EU-US Relations

Dear friends,

I left the EU-US strategic partnership last.

Following the Iraq crisis and the transatlantic divisions it caused, divisions which also existed within the Union, relations between the EU and the US are now in a much more open and relaxed phase. This is also due to the conciliatory spirit brought about by the Obama presidency.

While the EU remains the first commercial power in the world and the US continues to be the first commercial partner of the EU, our cooperation is much more than that. It is a core element of the international system, as it is based on common values, historic ties and strategic interest which with regard to other strategic partners is not always the case.

The transatlantic partnership, from an Alliance of Necessity in the Cold War Era has evolved to an Alliance of Choice. The common threat from the Soviet Union during the Cold War had created some automaticity in the EU-US relations.

The emergence of a multipolar world dictates the need for a new definition of modalities for cooperation between the two sides for all existing bilateral and global issues.

The important question is: Will the EU and the US seek to defend the western interests in a multipolar world or will they defend a universal power-sharing among the emerging powers and thus a systematic designation of the collective interest of them all?

Future developments will answer this question. But for the time being, "the present circumstances call for fresh impetus to be given to the transatlantic relationship and for renewed reflection on ways of creating a true partnership based on our respective strengths and specificities", as the EU leaders stressed last September in Brussels. Based on a good understanding of our mutual interests and respective contributions, the transatlantic partnership should concentrate on maximizing the potential benefits of our economic relationship, on working more closely on major international issues and on confronting global economic and security challenges together in a concerted manner. In this connection, the EU-NATO cooperation should be further advanced, in accordance with the UN Charter, the principle of full inclusiveness of all member countries and with due respect to the decision-making autonomy of both organizations. The new strategic concept of NATO for the next decade, which is expected to be approved at the forthcoming NATO summit, will take into account this new reality.

Without downplaying the differences in their approaches, the EU and the US have everything to gain by a partnership that allows them to address all issues in order to spread stability around the world.

Conclusion

Dear friends,

In the new Era of Globalization, Interdependence and Multipolarity, the EU has to be on the forefront.

In accordance with the Lisbon Treaty and in line with the European Security Strategy, the European Union and its member states must act more strategically so as to bring Europe's true weight to bear internationally. This requires a clear definition of its strategic interests and objectives at a given moment and focused reflection on the means to pursue them more assertively.

The EU, as a normative power, can draw on its firmly-rooted belief in effective multilateralism, especially the role of the UN, universal values, an open world economy and on its unique range of instruments.

The EU strategic partnerships with key players in the world provide such an instrument for pursuing European objectives and interests. This will only work if these partnerships are based on mutual interests, benefits, and the recognition that all actors have rights as well as duties.

If handled correctly, the strategic partnerships could be proven to be indeed efficient instruments of a united European Foreign Policy. This is the ultimate prerequisite for an EU that aspires to be an effective and constructive protagonist of the Globalized, Interdependent and Multipolar World.

Thank you.