



# FUTURE OF EUROPE OBSERVER

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In this issue of the Future of Europe Observer, ZEI Master-Fellows from all continents share their perceptions of the European Union Global Strategy and analyze the multidimensional role of the EU's external action across the globe.

## The EU Global Strategy: Power of Perceptions



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Source: European External Action Service

With the publication of its first Global Strategy in June 2016, the European Union has made yet another step towards moving to the center stage of international affairs. The gap between expectation and performance remains high. Yet, perceptions around the world have begun to take the EU more seriously; requiring action, where passivity has been the usual EU stance and criticizing Europe whenever its action are clashing with its rhetoric.

traditional transatlantic relationship. Their focus is also on the opportunities of economic diplomacy arising for an EU engaging with other regional and global partners. The troubled EU neighborhoods hope for the promotion of resilience, often torn between expectation, hope and frustration as far as the EU performance is concerned. And finally, ZEI Fellows show that Europe remains an internal construction site when it comes to turning its ambition into action. This "Future of Europe Observer" features a group of serious young scholars committed to enhancing better understanding between the EU and their many different home regions. ZEI is proud of their dedication and achievement.

The "Class of 2017", currently studying for a Master of European Studies at the Center for European Integration Studies (ZEI) is another impressive group of young international graduate students who have come to the University of Bonn to gain the best possible knowledge about governance and regulation in the European Union. For this "Future of Europe Observer", ZEI Fellows of our center's "Class of 2017" have analyzed how the EU may manage uncertainties arising on so many different horizons, not the least in the

### Future of Europe Observer

accompanies the debate on governance and regulation in the European Union. Authors are ZEI Scholars, Master of European Studies Fellows and Alumni.

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# I. The EU Global Strategy: Perceptions in Europe

## Germany's Perspective on the EU Global Strategy

If we want to compare the EU's Global Strategy with Germany's aims and strategy in Foreign Security Policy, we have to search for similar publications. Is it a coincidence that in July 2016, only one month after the EU's strategy was presented, the Federal Government's new White Paper for Security Policy and the Future of the German Bundeswehr was introduced? The White Paper is an essential guide for security policy decisions and actions for the years to come. Similar to the EU's strategy, this paper will lead to further debates and concretisations through other documents.

Germany's White Paper states that an integration of European Forces is needed. Like the EU's paper it does not name a common EU army. Both include as long-term aims the further development of the "Common Security and Defence Policy" (CSDP) and with it the goal of a "Common European Security and Defence Union".

**"EU foreign policy is not a solo performance: it is an orchestra which plays from the same score. Our diversity is a tremendous asset provided we stand united and work in a coordinated way."**  
(EU Global Strategy p. 47)

The German paper includes several similarities with the EU's strategy, for example the harmonisation of capability development. Both papers state that the confrontational politics of Russia could lead to a real challenge. But at the same time they are interested in a long-

## Romania's View on the EU Global Strategy

When the European Commission issued the EU Global Strategy, Romania launched their National Plan of Defense, mainly to ensure that the Romanian state is compliant with EU security principles.

The multidimensional EU approach, which includes human rights; transparency and democracy; efficient implementation of EU legal instruments; and cooperation between various security players, underlines the External Action Service's claim for conceptual guidance in foreign policy. However, the influence of national governments will remain at the operational level of foreign policy. It is likely though that the supranational level can make concrete legislative interventions which eventually determine the EU's foreign policy agenda (e.g. in the Security Union) as a whole.

Romania intends to be an active player in the EU's strategic decisions. Given that the country will have the EU Council semester Presidency in 2019, it is important for EU partners to trust

term relationship with Russia in fields where it is needed.

Furthermore, both strategies want to maintain a rule based order, speak about sustainable improvement of the conditions for human cohabitation and striving for the fulfilment of international human rights. The promotion of the responsible dealing with finite resources and scarce commodities is also a common aim. Sometimes the strategies are so similar that the cooperation between EU and Germany is absolutely obvious. As the EU, Germany wants to invest in international agreements and a more intensive cooperation with NATO and the UN.

While the EU's strategy primarily concentrates on the neighbourhood in the East and South, Germany's regional focus is not visible.

As we can see the EU's Global Strategy and Germany's White Paper for Security Policy go hand in hand. Their introduction at the same time was

not just a coincidence. It was meant to show that Germany stands right behind the EU's strategy.

*Michèle-Agnes Schlautmann-Siegers is a ZEI Master Fellow "Class of 2017".*

Romania's external political decisions. Therefore, consolidating the relationship with the Republic of Moldova will increase the influence in areas which represent a major interest to the state security, for example in the Black Sea region and in issues related to the neighborhood in general.

Another important aspect is the country's specific location, which represents a bridge between the Eastern and the Western world. This geographical position represents a geopolitical point of interest for NATO. Historically, Romania was involved in all NATO's missions since its accession to the alliance in 2004, and has promoted NATO for its stability role and as a factor for regional cooperation. Similarly, with regard to the EU Global Strategy, Romania believes that trans-Atlantic boundaries, based on democracy, freedom and security should not stop at the country's Eastern border, showing an active support for the Republic of Moldova and the Balkan countries in their efforts for EU integration, but also Georgia in its intention to join NATO.

Romania as an EU member state will continue to support the principles set out by the EU in respect of global governance – even though

domestic implementation might be a challenge.

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## The EU Global Strategy and Latvia

Latvia faces two major threats to its security: Kremlin propaganda and Cyber Security. Coordinated fake news-campaigns led by the Russian government within the audio-visual space are designed to promote a negative attitude towards the EU, containing falsified information in favor of Russian foreign policy. To give an example, a TV show broadcasted by Rossiya RTR included such statements as “Western countries support fascism in Ukraine”. As around 27 % of Latvia’s population is of Russian origin and an overwhelming majority of citizens possess knowledge of Russian, Latvia recognizes the high need to fight the increasing influence of the state-controlled Russian media. Latvian authorities have taken numerous measures to limit the broadcasting of Russian media, such as banning several TV channels, closing down various websites and creating alternative information sources for the Russian speaking population. However, both the effect of such measures and Latvia’s capacity are rather limited. For that reason, the EU Action Plan on Strategic Communications serves as a great aid to the Baltic country in limiting Russian propaganda, educating Latvian society and making the media environment more diversified.

Furthermore, given that around 75 % of Latvia’s inhabitants are using the Internet, 90 % of all transactions in Latvia’s biggest banks and ¼ of state services are available electronically, making cyberspace more secure is of crucial importance. To achieve this, Latvia has adopted a number of measures: It has been actively working on implementing the EU Network and Information Security Directive; elaborated its own defence strategy for 2014-2018, which also highlights the key priorities in cyber security policy; created a national Information Technology Security Incident Response Institution CERT.LV, offering support to public institutions and the private sector in averting security incidents; worked on raising media awareness at primary and secondary school education level, as the younger generation is the most exposed. Currently, Latvia is also developing a common Baltic university study programme that prepares qualified experts in the cyber-security field. All in all, Latvia is eager to be recognized as a country that in the words of the Cyber Security Strategy “takes care of the security of ICT at a national and international level”.

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## II. The EU and the US: Connecting with an Indispensable Partner

### Proactive EU Action in the ‘Trumpian’ Era

In a young, rapidly globalizing twenty-first century, the quality of life for most human beings in terms of access to opportunity and material consumption has never been higher. Yet growing wealth disparities and a polarizing class gap between globally-minded elites and more locally-minded citizens, who do not reap the same benefits of globalization as their globally-minded counterparts, have given rise to revived nationalist sentiments, grass-root waves of populism, and potent anti-globalization mantras as evident with the Brexit vote and the election of Donald Trump in 2016. These recent critical junctures in modern history are undeniable reflections of the growing income inequality and class divisions across the globe, which have subsequently shaped the outcome of the 2016 US election and will indeed shape upcoming national European elections in the near future. With US foreign policy likely to fall to the back of the queue under the Trump administration, the EU needs to be at the forefront of its global agenda to fill the potential vacuum the US will expose if it

decides on an ‘a la carte’ global agenda, rather than the comprehensive one it has abided by since 2015 in the US National Security Strategy document.

A ‘post-American world’ will ultimately leave Europe and the rest of the world vulnerable as the global order is likely to return to a theatre of great power politics, with namely the US, Russia, and China in its limelight. The EU must therefore take precautionary action by expanding the scope of its CSDP and EEAS while striking a balance with its member states under the appropriate Union competences by consolidating a common European value system, and implementing a legitimate EU military force that will cushion Europe should traditional security buffers such as NATO and US military assurance become less reliable under Trump’s grip of the world.

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## The EU and the Trump Administration

In light of recent global events, it is vital to keep at the forefront of our minds the need for a global strategy. The EU and the United States are key international players that are often given much attention in times of crisis. Therefore, it is essential for both powers to work alongside each other harmoniously with the ultimate hope of a more prosperous EU-US union and integrated world.

Since post war times, relations between Europe and the US have remained friendly, strong and loyal, however, there is no denying that American and European viewpoints on how key issues should be handled are drifting further apart as time goes on. The “strategic culture” has changed drastically. Although many Europeans and Americans may share a number of the same values or beliefs, the main difference is seen in the way power is viewed and ultimately, pursued.

Bearing in mind the outcome of the US presidential election, it seems safe to assume that US foreign policy will soon be

adopting a new strategy when it comes to foreign policy. Something the EU must brace itself for.

At the moment, the world is faced with a number of obstacles; through elections and referendums, it is becoming ever more clear that the US and countries within the EU are becoming more divided due to a sense of loss of national identity and a rising fear of outsiders, topics that have been widely tapped into by politicians throughout Europe and the US.

“The EU will invest further in strong bonds across the Atlantic, both north and south. A solid transatlantic partnership helps us strengthen resilience, address conflicts, and contribute to effective global governance.”

(EU Global Strategy p. 36)

However, the thought that one is stronger than many has never in history proven itself to be true. There is an absolute truth in the belief that there is indeed strength in numbers. In terms of the economy, fighting terrorism and reducing climate change, in order to remain successful, the US needs Europe just as much as Europe

needs the US; when one is strong, the other is strong.

*Ashley Goossen is a ZEI Master Fellow “Class of 2017”.*

## III. Convergence without Conditionality? EU Candidate Countries and their Expectations of the Global Strategy

### The Western Balkans and the EU

In the preface of the EU’s Global Strategy, Federica Mogherini states that “the European Union has always prided itself on its soft power”. Joseph Nye, who introduced the concept of soft power, explains that “soft power can rest on such resources as the attraction of one’s ideas or on the ability to set the political agenda in a way that shapes the preferences others express”. In the Western Balkans, the attractiveness of the EU’s core values, norms, principles is at times questioned on specific occasions, though not in their substance. Even today, when the EU is facing several crises which have been affecting the everyday functioning of this supranational union, the EU uses its own soft power to achieve a dominant position on the international stage. The strength of the EU’s soft power is particularly visible in the Western Balkans. Countries belonging to the Western Balkans region, which include Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo (as defined by UNSCR 1244), have set

EU membership as a strategic common goal in the years to come. The influence of the EU in the Western Balkans is illustrated by their interest to become member states of the EU. On their path towards the EU, the Western Balkans countries have to fulfill the Copenhagen criteria in order to become a part of this supranational union. It should be indicated that the pace of the accession process depends on the willingness of the Western Balkans countries to adopt standards and to live the values of the EU. Time will show if there has been significant progress on their respective EU paths in the period ahead. Nevertheless, the EU is likely to continue its support for the European path of the Western Balkans countries. Despite Juncker’s pledge that there will be no enlargement until 2019, the notion that a membership perspectives serve as the most powerful instrument for a democratic, economic and peaceful development of the Western Balkans region as well as support for common European interests, remains.

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## EU Global Strategy: Montenegro's Perception of the EU's Hard Power

Unexpected recent events in international relations, globally and within the EU, have cast light on key aspects of the EU Global Strategy—the new strategic EU foreign policy document. Moreover, it has evoked a rethinking on the future of the EU's defense and security capabilities to prevent further crises. Even though the EU High Representative of CFSP Federica Mogherini has set forth a sequence of strategic goals aiming towards further involvement of each member state in order to create an autonomous defense policy, in practice real hard power and organization has not yet been visible. Until now, NATO remains the primary defense and security system.

After the inauguration of President Donald Trump, the political future of NATO is unclear, especially with regard to a new enlargement to Montenegro. It would be very facile to conclude here that Montenegro's defense policy finds itself in a very similar position to the EU - without real hard power capabilities to independently defend itself against external threats.

Furthermore, Montenegro possesses only around two thousand active soldiers and less than 1.5 % of its GDP is spent on defense,

making its dependence on external help clear.

One key obstacle to strengthened EU-Montenegro-NATO relations is the Russian conviction that Montenegro's alignment with NATO represents a direct threat to Russia's security and global power status.

Forthcoming elections in France and Germany, as well as Brexit, create an atmosphere of unpredictability with which Montenegro and the EU must come to grips with, for their mutual interests. In the end, Montenegro might set a great example of cooperative behavior at the international level, as it has shown its willingness to persist on the path to EU and NATO integration. The example of Montenegro

proves that sacrificing a bit of self-interest for better conditions in neighboring countries is a recipe for mutual success. Other EU member states should try to act in this manner in order to resolve crises. This way, the EU would come out even stronger and gain momentum for a greater role in global affairs.

**“A credible enlargement policy represents a strategic investment in Europe's security and prosperity, and has already contributed greatly to peace in formerly war-torn areas.”**

(EU Global Strategy p. 24)

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## The EU Global Strategy's New Vision: A Prospect for Common Action with Turkey?

As a candidate country since 1999, a party of an Association agreement since 1963 and a member of a customs union since 1996, Turkey will be affected by new policies laid down in the Global Strategy regarding EU foreign relations, security and defence. Turkey is explicitly referred to in the Global Strategy under the titles of ‘Counter-Terrorism’, ‘Enlargement Policy’ and ‘A Peaceful and Prosperous Mediterranean, Middle East and Africa’.

With regard to counter-terrorism, Turkey is one of the partners to share best practices and develop joint programmes with. Besides counter-terrorism, regional security, refugee issues, education, energy and transport are other fields where the EU and Turkey will develop further dialogue and cooperation. Moreover, modernisation of the customs union and visa liberalisation processes are also mentioned as cooperation areas in the Global Strategy. In fact, the issues raised in the Global Strategy with regard to EU-Turkey relations do not bring forward any new proposals, rather reiterating

on-going concerns and the known facts once again. In the coming period, if the EU-Turkey relations are to be dealt with according to the two new concepts of the Global Strategy, namely the principle pragmatism and resilience, more realistic and reformist steps need to be taken by parties.

Principled pragmatism means a realistic assessment of the current strategic environment and giving up of idealistic aspirations to advance a better world, and should be borne in mind when understanding the concerns and current problems of the other party. Moreover, societal resilience should be promoted with different tools in order to increase the public support towards EU-Turkey relations, not only focusing on EU membership but also the transformative power of it. This may pave the way for a joint action between Turkey and EU.

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## IV. Approximation without Accession? Perceptions from the EU Neighborhood

### Building Resilience: The Perception from Tunisia

Reaching „resilience“ in the EU’s neighborhood is a main priority of the EU’s 2016 Global Strategy, namely in „peaceful and stable democracies“ like „Tunisia“ (EUGS). However, in order to achieve this priority, two issues need to be addressed. The first issue is the harmonization of the EU’s previous policies with new resilience-targeted measures. The idea is that the former exacerbates fragilities within neighboring countries, thus having a counter-productive effect on the latter. For instance, EU actual efforts to assist Tunisia in its resilience-building process, through the discussion of new trade agreements, need to be consolidated by the review of the Union’s ‘old’ over-protectivist Common Agricultural Policy (CAP) either generally or partially (through preferential agreements). This concern is expressed officially by the Tunisian government in the joint Tunisia-EU report on the negotiation of the Deep and Comprehensive Free Trade Area. It is worth noting that positive steps to balance the CAP have been made. For instance, CAP will “eliminate the protection scheme for EU sugar producers” in 2017. However,

**“It is in the interests of our citizens to invest in the resilience of states and societies to the east stretching into Central Asia, and south down to Central Africa. A resilient society featuring democracy, trust in institutions, and sustainable development lies at the heart of a resilient state.”**  
(EU Global Strategy p. 23)

more steps towards harmonization are yet to come.

The second issue is the differentiation of the Tunisian context from the North African/Arab contexts. Tunisia’s contemporary and ancient history, both single it out. In Tunisia, which has its historical roots back to Carthage (3000 years), slavery was abolished in 1846 (before France and the U.S.), women suffrage was adopted and polygamy was abolished in 1956. To what extent does such a country fit within a category that includes others where physical punishment and gender inequalities are legal? Designing the same EU policies for such a heterogeneous category as the “Arab World” would result in inefficient results. Thus, in the Tunisian context, a fastidious implementation of the EUGS’s notion of a ‘tailor-made partnership’ could be the answer.

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### The Global Strategy’s Concept of Resilience: The Perception from Moldova

The main concept brought forward by the EU Global Strategy (EUGS) for Moldova is: resilience building. It’s worth mentioning that the concept was not introduced just in regards to Moldova, but to the Union’s Eastern Partnership as a whole. The main question relates to the novelty of this concept for the Republic of Moldova. One may be tempted to say that the concept is new, but it is definitely worth questioning if the substance of the concept is new as well. Looking at the Moldova-EU relations starting from the early 90’s, we can conclude that all the elements which are entailed in the resilience- building concept aren’t new. Resilience building was always a substantial part of the EU-Moldova dialogue and cooperation. Nevertheless, the EUGS brought a new perspective into this concept, specifically, societal resilience, which is crucial for the Republic of Moldova, since the recent developments in the country proved that societal resilience is the element which the country lacks in order to continue its development towards true democracy. The final question and the most important one relates

to how efficient such a priority in regards to the Republic of Moldova is. The concept of resilience building is so vast, that it may be difficult to track and evaluate. The measurability of such an objective is seen as a big impediment to making sure that it will be taken seriously. Having a resilient country means having at least a low level of corruption, democratic institutions and a functioning electoral system. This is quite a big objective, isn’t it? The main issue with such an objective is its dimension, basically, it is so large that it can be easily neglected.

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## Expectations towards the Global Strategy in Ukraine

Adopted in June 2010, the Ukrainian law about “fundamentals of domestic and foreign policy” proclaimed the need for “ensuring the integration of Ukraine into the European political, economic, legal space with the purpose the membership in the European Union”. Over time it has become increasingly clear that integration into the EU is not only about economic and socio-political aspects, integration and security components of the EU Common security and defence policy of the EU are also of great importance.

It is important to note that the list of threats in the Ukrainian national security strategy are mostly the same as the list of threats to the EU: international terrorism, illegal migration and inter-state conflicts. Obviously, the proximity of approaches between Ukraine and the EU regarding the identification of strategic interests and perceived threats creates a favorable environment for the development of mutually beneficial cooperation.

The priority directions of cooperation between Ukraine and the EU is the formal extension of the military-political dialogue between the leadership of the Armed Forces of Ukraine and the EU and training for multinational peacekeeping operations.

The deepening of relations between Ukraine and the European Union in the field of the Common Security and Defense Policy would contribute not only to the implementation of priorities of Ukraine’s foreign policy and implementation of the Association Agreement between Ukraine and the European Union, but would also give the opportunity to increase operational and combat capabilities of the Armed Forces of Ukraine to ensure the territorial integrity of Ukraine and the settlement of the crisis in Eastern Ukraine.

Based on the vast experience of cooperation with NATO and with individual EU members, Ukraine maintains good prospects for the further development of cooperation with the EU in the security sphere. However, Ukraine still has a lot of work to do to ensure compliance with EU standards, by improving the efficiency of state management in the sphere of defense and security, increasing resources for the institutions of the security sector and defense, and the acceleration of reforming these structures, especially law enforcement.

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## The Conflict in Nagorno-Karabakh and the Global Strategy’s “Integrated Approach”

There are many principles such as sovereignty, territorial integrity, the right of nations for self-determination and diversity of energy sources which are enshrined in the Global Strategy for the European Union’s Foreign and Security Policy which bind the EU to the Artsakh (Nagorno-Karabakh) conflict.

Unfortunately, the EU could not participate effectively in the conflict settlement processes of the OSCE Minsk Group -which is mandated with the resolution of the Nagorno-Karabakh conflict - mainly because of the EU’s pattern of participation within the mentioned group which is rather indirect and takes a secondary role to France’s role.

A clash of the principles of the right to national self-determination and of territorial integrity is another problem which has made the intervention of the EU in this conflict complicated. re integrated approach from the EU is desired by the two conflict parties. In this regard, the EU’s direct participation through the High Representative of the Union for Foreign and Se-

curity Policy, Federica Mogherini, could enhance the Union’s role in the OSCE Minsk Group.

Furthermore, the EU’s proposal of integration for both the Republic of Armenia and the Republic of Azerbaijan, and promoting the recognition process of the Armenian genocide by Turkey, can be assumed as effective policies for the EU to address the conflict.

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## The Challenges of Migration Policy

Migration is a growing and permanent part of Europe's future. Europe is now facing a migration crisis far beyond what anyone could have predicted 5 years ago. This has forced the EU to adopt new policies and strategies to address the situation. The EU has achieved a tremendous amount, from budget support to collaboration with third countries. According to The Migration Policy Institute (2015), there are two different types of migration in Europe today. First of all, the refugee who is leaving their country because of war or persecution. On the other hand, the economic migrant who is leaving his home country searching for work and a better life. With the mass movement through Europe, these two types of migrants are mixed together, creating many challenges for the EU. Both of these groups face different rules and procedures when

entering a European country.

It is of great importance that the next generation of migrants are more integrated socially, politically and culturally. In some member states this was not done successfully and effectively enough in the past. EU member states have different views on how these migrants should be integrated, and the best way of reaching their various goals. Some EU countries up to now have had no experience with immigrants and have no strategies available. Therefore, the EU must work together and focus on immigration, as it will be a permanent part of the future of the EU.

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## V. Connecting and Competing with Global and Regional Partners

### The Gulf Cooperation Council (GCC): Spotlight on the UK despite the EU's Global Strategy

Compared to other trading blocs, the EU's GDP growth in 2016 is picking up relatively slowly (EU28: 1.9 %; Eurozone: 1.7%). Unfortunately, the Euro has been a failure for Spain, Portugal, Cyprus & Greece- with Germany and The Netherlands being one of the few Eurozone winners.

The main argument is that if the UK leaves the EU, the bulk of trade deals will cease along with it. The GCC (Gulf Cooperation Council) and the UK have always shared a special relationship. To increase Foreign Direct Investments (FDI) into the UK, the UK has approved for electronic visa waivers for certain nationals of GCC countries as for example the United Arab Emirates, Qatar and Oman. Total investments made by gulf investors in Britain are estimated to be about USD 200bn, of which USD 45bn (23% of total) could be in real estate (CNBC Arabiya).

As of April 2016, Qatar's total investments in Britain were around 30 billion pounds (USD 44bn) (Financial Times). Qatar Investment Authority (QIA), apart from owning landmark properties such as the Shard skyscraper, the Harrods department store, the Olympic village and complexes in Canary Wharf financial district, also holds a stake worth USD 5.3bn in

direct equities which trade on the London Stock Exchange.

Kuwait Investment Authority (KIA) is also a major investor through its London-based Kuwait Investment Office. In 2013, it said the fund had more than doubled its investment in Britain over the previous 10 years to more than USD 24bn. Like Qatar, Kuwait owns London landmarks such as the 13-acre More One development (bought for USD 2.7bn) on the south bank of river Thames which houses the headquarters of the mayor, as well as buildings in Canary Wharf. It has also focused on infrastructure investments since 2013. Investors from the UAE accounted for more than 20 percent of buy-to-let property sales in the UK in 2015 (Chertons).

With the stalled free trade agreement (FTA) between the GCC and the EU, the GCC will shift its focus away from the EU and more to the UK. The FTA between the GCC and EFTA, which entered into force in July 2014, has pointed towards this direction.

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**"This cooperation is a fundamental rationale for the EU's own peace and development in the 21st century. This is why we will promote and support cooperative regional orders worldwide, including in the most divided areas."**

(EU Global Strategy p. 32)



## Building EU Digital Capabilities within the Global Strategy

No doubt the Digital Single Market was established to improve digital access to goods and services, to create the best environment for businesses and to drive economic growth. Even though this strategy is not free from hurdles, one can record some milestones, including that since 2007 roaming charges in Europe have decreased and will finally be eliminated on the 15th of June 2017. Also, in February 2017 EU negotiators agreed on new rules allowing the portability of online content services across borders in Europe. However, there is a need to enhance the data economy by way of localization of data, liability and standardization; Value Added Tax (VAT) harmonization and e-privacy on the protection of personal data.

According to the European Commission, in 2016, 64% of Europeans have used the internet daily to play or download music, films, images and games from their mobile - even though 72% of citizens still worry that too much personal data is requested during registration. The digitalization of the European economy is indicative of the adaptation to a rapidly globalizing economy. Europe did not create Google, Microsoft,

Apple or Facebook but can improve and maintain its strategies to attract global players.

In terms of external digital capabilities, cyber security is the most pressing issue, the European Union Global Strategy states the need to increase measures in collaboration with the US and NATO to tackle cyber threats within member states. What is more, in an era of hacking accusations, fake news, leaks and propaganda, more substantial measures are necessary to better protect and inform citizens.

Businesses are held back by regulatory fragmentation and barriers which make it harder for them to scale up and operate within the internal market. Establishing the right frameworks and ensuring follow up with member states will build progressive digital capabilities in the EU. Nevertheless, this strategy requires political will from member states to tap into the fourth industrial revolution in the digital world.

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## India's FTA Talks with the EU

The EU-India strategic partnership was created in 2004. It was an attempt to gradually deepen and institutionalize diplomatic relations and cooperation between the two entities. In 2006 both partners endorsed a proposal to prepare for the negotiations of a Free Trade Agreement (FTA) negotiations which started in 2007 and are still ongoing. Often described as a wish list that brings us nowhere a FTA, emphasizes shared values and interests, but fails to define concrete actions, timelines, or deliverables. Both the EU and India have different expectations and are unclear about what they wish to get out of the partnership. EU Commissioner Katainen has said that EU considers India to be a very attractive destination for investment but the absence of a FTA may dampen the enthusiasm.

### The shifting significance of the EU for India

The EU-India summit took place in Brussels on March 30, 2016, and successfully managed to set the road-map for the EU-India Strategic Partnership for the next five years with both sides adopting joint declarations these areas: - Counter terrorism - to step up cooperation to counter radicalization and violent extremism; - a common Agenda on Migration and Mobili-

ty to control and organize migration; - India-EU water partnership for cooperation on environment issues, including on the Clean Ganga and Clean India flagship programmes; - Maritime Security - especially in the Indian Ocean region, which is of increasing importance for both the EU and India; - Science and Technology Cooperation: Research and innovation is one area where EU-India collaboration has expanded significantly since 2001 when the first Science and Technology (S&T) agreement was signed and extended in 2009; - Climate Change: On the eve of birth anniversary of Mahatma Gandhi, India ratified the Paris agreement on climate change by depositing the instrument of ratification with the United Nations on October 2, 2016.

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## Chances for Cooperation between Taiwan and the EU in Regional Security and Trade

Due to the intricacy of cross-Strait relations and the consistent adherence of the “one China” policy, none of the Member States of the EU have formal diplomatic relations with Taiwan, however, those countries maintain good economic relations and informal cooperation with Taiwan, hence, there are some incentives for the EU to pursue a more progressive trade policy towards Taiwan in accordance with the EU’s global strategy in 2016.

First of all, a further trade cooperation with Taiwan, where the economy is dynamic, transparent, and prominent in high production quality and protection of intellectual rights, would trigger more growth and jobs in Europe. Moreover, keeping Taiwan from losing its competition in the European single market would benefit the consumers, especially when the EU has already signed the Free Trade Agreement with Korea.

Aside from these economic attractions, the pursuit of further EU-Taiwan trade relations would

show the EU’s affirmation and support for Taiwan’s democratic system, respect for human rights, and rule of law. Furthermore, the EU’s negotiations with China for the Comprehensive EU-China Investment Agreement (CIA) which is still in progress and the EU’s greater desire to engage with China are approaches for further concessions of China for the EU’s bilateral deal with Taiwan.

Moreover, concerning the reshaped political landscape in both Taiwan and the US with its unpredictable regional policy, it would be detrimental for any third party with business interests and trade relations with Taiwan if there is only the US being as the order keeper to maintain the status quo of the cross-Strait relations. Hence, it is time for the EU to size up its security role in East Asia.

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## Connecting ASEAN with the EU through Cooperation

The partnership between the EU and the ASEAN has been established since 1972 and both actors remain important players of the regional integration. The commitment of the EU to support ASEAN integration is not only translated by the €170 million funding within 2014-2020 EU budget period but also by numerous commitments such as connectivity and economic cooperation, political and security cooperation, energy and environment, and socio-cultural cooperation while promoting the values of human rights and particularly of women rights across the ASEAN.

In the field of connectivity, the absorption of the budget is expected to be €85 million, which helps the ASEAN developing its goals such as region-to-region free trade agreements (FTA) and people-to-people connectivity. Currently, the EU has FTAs with several Asian countries including Singapore and Vietnam. Meanwhile in the ASEAN, tariff barriers between member states are gradually reduced in order to achieve a complete free movement of goods. However, a sustainable internal market requires well-developed strategies on infrastructure, digital innovation, seamless logistic, regulatory excellence, and people mobility.

Even impeccable strategies need a strong commitment to be realized. Moreover several world events triggered governments to increase spending in

defense sector. The ASEAN is likely to follow this path by increasing the security cooperation and particularly the maritime cooperation, which are fields where many organized crimes such as drugs, terrorism, and human trafficking take place.

In regard to similar security challenges with the EU, the ASEAN community finds common ground with the EU Global Strategy when it comes to building resilience against external threats, thereby moving a shared policy agenda forward. With a high degree of uncertainty coming from this more and more globalized world and events such as an increased populism across the world, ASEAN remains politically stable, albeit it grows slower. The EU-ASEAN cooperation in soft aspects such as increasing ASEAN people awareness on women rights and youth participation in ASEAN affairs is considered successful and is projecting a positive sentiment towards more integration. This shows that ASEAN is a promising political partner whose potential needs to further be developed.

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## Cooperation between New Zealand and the EU after the Brexit-vote

With the Brexit vote in June 2016 to leave the European Union (EU), populism has culminated in disintegration, symbolising a shift in European politics away from supranationalism and towards a more dominant nationalistic focus. This shift is also evidenced in the priorities of the Global Strategy, where a strong EU survival focus is a clear.

With its vast distance from an increasingly inward-facing Europe, and as its 50th largest global trading partner, it may be difficult for New Zealand (NZ) to remain on the agenda. This concern is also highlighted by the fact that NZ is a Commonwealth country with the United Kingdom remaining NZ's strongest European ally politically, economically, and socially.

To the threats surrounding Brexit, and an increasingly inward-focusing EU, it will be important for NZ to stay connected with Europe. This can be done in a number of areas:

Firstly, to continue progressing with the Free Trade Agreement (FTA), for which the negotiations were launched in October 2015. While a scoping exercise on the FTA is carried out, it is important that

NZ continues to highlight that such a trade liberalization agreement would result in mutual benefits for both sides.

Secondly, with NZ's geographic position and role in an increasingly geopolitically important region, a closer integration between the two in the Pacific would be in the EU's best long-term interests, economically, environmentally, politically and culturally.

Thirdly, NZ should continue its strong sectoral cooperation with the EU and its member states in the areas of foreign and security policy, science and innovation, education, environmental and climate change protection.

While this relationship will face upcoming challenges yet, the strong cooperation, bond, and shared sense of direction between the two partners, indicates that NZ and the EU will continue to address issues of global importance together for many more years to come.

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## Expectations of Mercosur towards the EU Global Strategy

Mercosur as a regional group it is very different from the European Union. One of the main differences is that more than holistic goals, it is concentrated in economic and commercial objectives. Mercosur is much less developed than the European Union regarding the topics of interest, the tasks, the credibility, and the achievements. We can assume that this is also related to the distant ripening period, cultural differences, lack of political energy, or many other reasons, but most of all because of the inevitable impulse of each country to negotiate for itself, and the difficulty to think and act like a community.

Realities and problems are different, on one side the South American Union is searching for better trade agreements as its main objective, because they believe that this is the basis to move onto social goals. However, if they do not have the resources to grow, the rest is not possible.

Another explanation to the differences that can be observed is the diverse procedure of policy-making decisions. Europe works with a strong multilate-

ralism, in an alliance form, always helping the smaller members of the chain, even though it involves a higher expense for the bigger links. The situation in Mercosur is just the opposite, the smaller members complain because they do not have the same weight and protagonist performance when the decision time comes.

All these divergences lead to a Mercosur which is institutionally weaker and yet is eager to get the best Free Trade Agreement possible, particularly with the EU.

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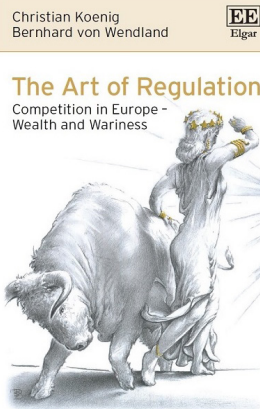
## From the ZEI Directors' Pen

### New Book Release

#### The Art of Regulation: Competition in Europe - Wealth and Wariness

By Christian Koenig

Increasingly, EU market regulation measures have been introduced in the pursuit of economic justice and welfare. This book illustrates how regulation can help to prevent the abuse of dominance, in particular the abuse of public capital by the state.

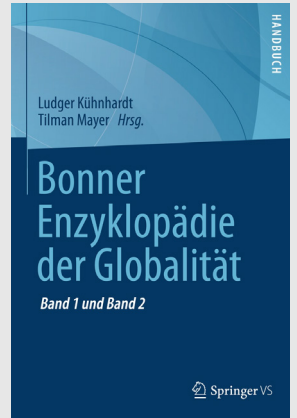


### New Book Release

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By Ludger Kühnhardt  
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