

The Future of Europe from the US and Asian Point of View

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Sylvie Kauffmann

This panel is about the future of Europe seen from the US and Asia. I will say a few words about how we in Europe see the US and China. We see these two giants as two rival superpowers engaging in a new great power conflict. There is an even darker image, which is that some member states of the EU are being used as pawns in this competition, which could destroy the whole international order on which the EU is based. Listening to the previous panels, everyone loves the EU, but somehow, they all try to divide us – maybe they would like to have several EUs.

Kishore Mahbubani is from Singapore and is probably the most famous Singaporean diplomat. John Allen does not necessarily agree with every decision the US President makes. However, both are astute observers and practitioners in security issues and diplomacy, and we are eager to hear your views on the EU from Asia and the US. Each will make short preliminary remarks, and then we will engage in a discussion about this very interesting topic.

View from the US

EU

John Allen

Ifri is a towering think tank in the world, and one for which Brookings has great respect. It is great to be back in France, and I have great affection for its military, with which I have served on many occasions.

Firstly, there is often the view of the US Government regarding Europe, and then there is the view of Americans, and it is important to recognize a difference. There have been some difficulties with this administration

regarding understanding Europe as a whole and the strength of the EU as an entity. We do not view the EU as being the number one foe of America, as it was once described; in fact, we see the EU and Europe more broadly as an essential relationship for the US going forward.

Relationships

The Brookings Institution talks about the US relationship with China as probably being the consequential relationship for the US in the 21st century. The relationship with India is probably the indispensable relationship. We have to reconcile the relationship with Russia; it is an adversarial and hostile one now, and we will have to find a way forward with that. However, it is clear that the essential relationship for the US going forward is the relationship with Europe – the transatlantic relationship and alliance.

Therefore, we are concerned about the health of the EU at any given time, and recognize the battering it has taken as a result not just of US policy but also of Brexit, which has had an effect on the morale of the institution. However, we hope the institution comes through intact and sound.

Russia

We are very concerned about Russia with respect to Europe, and the Russian influence campaign which has reached all the way into the US, as the recent investigation revealed. Therefore, we are very concerned about the aggregate long-term effects of the Russian strategic influence campaign on Europe.

China

We are very interested and attentive to the emerging role of China in Europe. One thing I will say is that if you want to turn China into an enemy, treat it as an enemy. I do not believe that China is the enemy of the US, although some do, and the way we talk about a relationship with China at Brookings is in the context of four Cs. Seek opportunities to Cooperate – there are enormous opportunities for the US and the community of nations to cooperate with China at this time. Expect that we will Compete, and from that seek opportunity, managing the next C, which is Confrontation. Above all, prevent Conflict.

We have had these conversations with the Chinese, and there are many opportunities for constructive relationships with China on a variety of areas – medical research, advanced technologies, supercomputing, AI,

biotechnology, space, and climate. There are many areas for cooperation, but we also have to recognize that Chinese interests will extend beyond East Asia. The Belt and Road Initiative is a hugely consequential state undertaking that will reach into Europe, and the question Europe has to answer, is whether that activity is part of an overarching strategic undertaking or simply an attempt to create constructive economic and political equilibrium with one of the most powerful multilateral organizations in the world, the EU.

The jury is out, but we have to be open-minded on this, and the EU has done some constructive thinking on it of late.

Africa

One of the most consequential areas will be Africa, and while some worry that Africa is a potential migration problem for Europe, there are enormous opportunities for cooperation between the US, China and Europe on seeking opportunity in Africa by the middle of the century. The Chinese are deeply engaged there. They do not do it the way we do in terms of development and foreign assistance, and we need to find common ground there, but Africa has enormous opportunity. The US, Europe and China have a rare opportunity to combine their capabilities and interests to the betterment of those 54 countries.

Sylvie Kauffmann

John Allen said that the jury was still out on the role of China in Europe, but also that if you want it as an enemy, you treat it as one. There is a magazine, which is widely distributed today, where you wrote a very interesting article, and you said that China is not a threat – this is all about US paranoia. Is the EU also paranoid about China?

View from Asia

Kishore Mahbubani

Unlike John, I did study some French, but it was in 1973 in Phnom Penh in Cambodia, when the city was being shelled every day. I vividly remember the glass flying when a bomb dropped near my house; those were exciting days. French was a very exciting language for me then, but 46 years have gone by without the opportunity to use it.

You raised some very big questions. Firstly, we need to be clear about the global context we are operating in. The factual answer is that the 21st century will be the Asian century, which is the norm, because from 1 AD

to 1820, the two largest economies were those of China and India. It is only in the last 200 years that North America and Europe took off, so the past 200 years of Western domination of world history have been an aberration. All aberrations come to an end, so it is perfectly natural to see the return of China, India and the rest of Asia. This is a normal development.

What is abnormal is the speed with which it is happening. Regarding China, its GNP in 1980 was less than 10% of that of the US, but by 2014 it had become bigger in purchasing power. US GNP was eight times that of China in 2000, and today it is 1.5 times, so you can see how rapidly this is happening.

Adaptation

Therefore, the question is what adjustments you need to make to adapt to this new era. You cannot carry on as before. A simple analogy is that, if you have a group of passengers who are used to being in first class all the time, and a group of passengers are in economy class all the time, and it happens that the economy passengers have become richer and more prosperous than those in first class, but the first-class passengers will not leave, that explains why the Asians are calling for changes in some key dimensions.

For example, why is it that, so many years after the IMF was created, its head must be European? Why so many years after the World Bank was created must its head be American? This has to change. The good news here is that the new first-class arrivals want to work with the West. The rest of the world is actually very grateful to the West for sharing its wisdom with it. Why has the rest of the world succeeded?

I came from a very poor family in a very poor country. How have I gone from six of us living in a one-room flat to living in a six-room house? What happened? It was Western education. It catapulted me from extreme poverty to a position where I can speak at Ifri. Thank you, Western education. However, once the world changes, the paradox is that the West is finding it very difficult to adjust.

China

Regarding China, how would I recommend dealing with China? Be Machiavellian. It is not a very good thing to say in polite company. The best way to constrain China as it emerges and continues to get stronger is to do so with multilateral rules, norms, institutions and processes.

Europe's historic destiny today is to be the number one defender of multilateralism. When the Trump administration undermines the UN, Europe should say that we need it, and that it serves Western interests. The UN will constrain China in the long run, but for whatever reason, Europe has become very weak and divided. It has become internally obsessed.

Why are you wasting all this time on Brexit? It is an inconsequential issue. There are far more fundamental changes happening in the world. How often do your leaders sit down and talk frankly among themselves, saying that the world of 2030 and 2040 will be very different? How do we adjust strategically? What changes do we need to make?

Africa

I agree with John – the number one challenge for Europe will be Africa, because in 1950 the European population was twice that of Africa, but today it is more than twice that of Europe, and by 2100 it will be more than 10 times that of Europe. You have a vested interest in the economic development of Africa. Europe should take the lead and work with China and the US, and create a tripartite partnership for working together on Africa. It is a very simple, common-sense idea. Name one European leader who has proposed it. There is none.

Brexit

Sylvie Kauffmann

You mentioned Brexit. Is this an inconsequential issue for us and for the US in terms of security? Does it weaken Europe? Does the US still have this so-called special relationship?

John Allen

It is one of the biggest issues we face right now. What will the UK look like as it exits the EU? What impact will it have on the economy? What willingness will the UK have to maintain the relationship with Europe that, though it was troubled, made Europe stronger and gave it a far greater economic, political and security capacity than without the British? They are departing with one of the largest economies and militaries in Europe out of the EU, which in some senses causes Europe to move towards a defense initiative of its own. What cost will that be to NATO? Britain and the US are still in NATO, along with Canada, and the aggregation of all those states, and the common values we hold, are very important. The potential for incoherence in the European narrative because of Brexit worries us a lot.

We do not know what the bilateral relationship will look like. We still call it the special relationship, but it will be troubled for some time. The EU is probably pretty solid still – we hope that it is – but the question is whether there will be another exit from the EU. Multilateralism is the way of the future, and we will need multilateral organizations that can define themselves through common interests. NATO has never been solely about the West; it has always been a much bigger community of nations with shared values and commitments to democracy, the rule of law and human rights. We should be seeking to create those relationships in multilateral ways that can engage China.

Americans often think that we can pursue a strategy of containment for China and that is a failed strategy. We need to find a way forward, but in a very precise multilateral way. We watch what is happening in the EU because in many respects it is an enormously powerful multilateral organization that can be the basis for a larger organization going forward.

European Defense

Sylvie Kauffmann

Talking about this European model and the current environment, with President Trump and a China whose initiatives do not always look so friendly, along with this effort of building a European defense, I would like to ask both of you, firstly, whether the US can accommodate a European defense, and whether it sees this expression of strategic autonomy as dangerous, and secondly, whether it is possible as a realistic endeavor.

John Allen

There was a moment early in the administration as to whether the US would stay in NATO, and then that it might stay in NATO and not honor Article V in some circumstances. The entire narrative is about Article V, and it has only been invoked once in the 70 years of its existence, when the US was attacked on 11 September 2001. Americans should remember that. NATO is not against anyone; it is for the defense of Europe. The defense of Europe has had a logic and a narrative which has been a platform for the political unity and economic integration in the EU, and they are not the same, but there are overlaps. That security platform, with North America unbreakably engaged with Europe, has created a platform for the transatlantic relationship and the emergence of the EU. When the EU decides that there needs to be a separate defense mechanism, my instant response is to ask what the cost is to NATO.

We do not see it as a threat; the US should never feel threatened by Europe, but the question becomes do we lose our focus and attention on NATO by trying to build a parallel structure. However, given the rhetoric from Washington, it is understandable that Europeans might be concerned that the US might not act in the event of a real crisis. Therefore, America is unlikely to oppose a separate defense arrangement, but the question is what the cost is to NATO.

Kishore Mahbubani

I will make two contradictory points. Firstly, we are living through a time of tremendous transition, and at a time of great transition it is good for some institutions and processes to remain in place, because they give confidence. Therefore, it is good for NATO to continue, because it gives confidence to the members. For example, in East Asia the US has a strong defense alliance with Japan, which creates stability and predictability, and also prevents Japan from becoming a nuclear power, which is good for the region. Therefore, at one level keep what is working; do not throw it away.

China

Secondly, and here is my contradictory point, if you are trying to figure out how to deal with China, the big question is what strategy China will adopt as it moves towards becoming the number one power in the world. The Chinese studied the collapse of the Soviet Union and learned many lessons from it. One of the biggest lessons was that the cardinal mistake the Soviet leaders made was to pay all their attention to the defense budget rather than to the economy, so the Chinese are concentrating on developing their economy and not their defense budget.

Their defense budget is the fastest growing in the world but it is constant as a percentage of GNP. At the same time, reading Kissinger's book on China, he states that it is an ancient Chinese belief that the best way to win a battle is not to fight it. Therefore, the Chinese do not believe that you have to use military weapons to gain the advantage. Something I am very puzzled by is the fact that the US has about 6,500 nuclear weapons, Russia has about 6,000, but China has only 300. Why does an economy which is two-thirds, or more, the size of the US economy have less than 10% of its nuclear capacity? What signal does that give you? It indicates that there will be no war. The geopolitical contest will be determined, in the long run, by what is called the comprehensive correlation of forces.

Taking the Belt and Road Initiative as an example, China is partly driven by economics and also by a very careful long-term strategy of

creating interdependence with the Chinese economy, and once you have done so, you have to listen to China. Unlike what has happened in European or American election cycles, they are not focused on the next two or three years, but rather the next 20, 30 and 40 years, and they have that time horizon. Therefore, if you want to focus on the defense question, you have to ask yourself what the Chinese military strategy involves and how we combat it.

Sylvie Kauffmann

Unfortunately, this is not a panel about China; otherwise I could ask you many questions, including about Chinese strategy in the South China Sea, but this would take us too far from Europe. The EU and China held another summit that seems to have brought some results. Recently, the EU has seemed to get its act together and called China a systemic rival. What do you think of this approach? Is it the correct approach, or would China still feel threatened by this?

Kishore Mahbubani

I will give you some shocking news. China does not feel threatened by Europe. Frankly, from the point of view of Chinese long-term strategic planning, Europe is a great opportunity in economic terms, because Europe is a great growth partner, and if you are looking for a potential partner in Africa, it makes sense to partner with Europe. The Chinese also understand nuances in an amazing way, and they understand that, despite the very close transatlantic alliance between the US and Europe, Europe sees the world differently from Washington DC, and they understand these differences. Europe, from their point of view, keeps pushing for multilateral rules and processes, which is not necessarily bad for China.

For example, the number one challenge we face in the world today is climate change, and Europe has clearly been the leader in dealing with it. The Chinese could have backtracked from the Paris Agreements when President Trump walked away. They could have said that the greenhouse gas emissions were created by the Western industrial revolution and refused to pay the price if the US would not do so. However, they very wisely decided that China would also be affected. India, by the way, did not back away either.

Looking at global issues like climate change, Europe is a very important partner, so they would rather work with Europe on these kinds of global issues. They also see Europe as a potential ally in the WTO. Therefore,

there are issues on which they see that Europe can be a partner, and even if you call them a systemic rival, they will ignore those words.

Sylvie Kauffmann

We see the US reengaging in some parts of Europe where China is very active, such as Central Europe. There is the 16+1 Framework, where we see China being quite aggressive. Is this a concern?

John Allen

Yes, it is. Sun Tsu, the great Chinese general, said that the greatest general wins battles without having to fight. The BRI and development activities in Africa and South America create economic relationships, which can then create economic dependency, which then creates a limitation on political discretion. Regarding whether we should expect a military conflagration with the Chinese, this is much less likely than that we will wake up one morning to see many of our partners, after an extended period of time of economic engagement, with far less political discretion as individual members within multilateral organizations, and thus those organizations are weakened from within. That is a very logical strategy to pursue.

This is what concerns us, and this is why the jury is still out as we watch Chinese activity in Europe. It can in fact be the legitimate intent to create a political and economic equilibrium with a very powerful trading partner, but it could be the leading edge of a very long-term strategy to create economic and eventually political dependencies at a bilateral level, which in the end reduces the cohesion, coherence and trajectory of the EU, winning without having to fight. We need to watch this very closely, so I applaud the EU's skepticism in this regard and their approach to the relationship with China.

Russia

Sylvie Kauffmann

We have not mentioned Russia. What is your view of how the EU should deal with Russia? How do you see Russia's attitude towards or in Europe?

John Allen

We know what Russia's attitude is toward Europe in many respects. Russia sees the EU as potentially a greater threat than NATO – a coherent, massive European market, a large population base, democracies that stand for common values that we can all agree on. Creating the political

circumstances that cause drifts in liberal democracy towards illiberalism and starting to break down the cohesion – which the EU worries about as some states drift toward illiberal democracy – has the outcome of dissipating the cohesion of the EU. That is something we worry about a lot. NATO has the right mentality in seeing Russia as an adversary and taking the necessary steps to defend Europe from it. However, NATO is only as strong as the political will of its members, and if that begins to drift or become inchoate, there is a problem and that works to Russia's advantage.

Kishore Mahbubani

A Russian strategic planner thinking about the long-term threat to Russia no longer worries about Napoleon or Hitler invading Moscow, but rather about the rise of China. Russia has the longest border with China, and China used to be more or less as powerful as the Soviet Union. Today, China is so much more powerful than Russia. The number one nightmare for Russian planners today is China. I do not know when or how it will happen, but in the long run Russia will move towards Europe, and possibly even the US, to balance China.

