

Building a New World Order

The EU and the Emerging Powers, The BRICs

*Expert Seminar, 8-9 October,
Fondation Universitaire, Rue d'Egmont 11, 1000 Brussels*

A new global order is in the making. As the American “unipolar moment” is fading away and new powers are emerging onto the global stage, it is time to have a close look at this transition from unipolarity to multipolarity.

The emerging powers are best known under the acronym BRIC (Brazil, Russia, India, and China) coined by Goldman Sachs economist James O’Neill in 2001. This apparent “block” hides very different levels of power and divergent ambitions. One of the goals of this seminar is to highlight these differences, but also the specific concerns and opportunities that these emerging powers create for the European Union.

The key objective of the seminar is to determine whether and how the EU can grasp the opportunities revealed by this global shift of power, in order to assert itself as a global actor and gain more weight in the international arena.

The seminar will bring together prominent experts from across the globe, representing the academic and policy-making worlds:

- Panel 1 will scrutinize the shift in the global balance of power: Who are the emerging powers? What makes them “emergent”? What is the global structure of power today, and what will it be tomorrow?
- Panel 2 will focus on the global challenges which lay at the centre of the relationship between the EU and the BRICs: How to deal with energy security? How to get China on board to fight climate change? How to prevent nuclear proliferation?
- Panel 3 will analyze more thoroughly the international behaviour of the emerging powers: What are their regional and global ambitions? How do they interact with each other?
- Panel 4 will evaluate the opportunities created by the global shift of power for the EU to emerge as a global actor: How can the EU become a relevant power? How can the relationships between the EU and the BRICs be instrumentalized in this regard? What will be the impact on global governance?

Participation by invitation only. The seminar will take place under the Chatham House Rule. The seminar language will be English.

Programme – Day 1

13.30–14.00 *Registration*

14.00–14.30 **Welcome & Introduction**

- Prof. Dr. Sven Biscop, Egmont
- Dr. Werner Fasslabend, AIES

14.30–16.00 **Panel 1: The Coming World Order**

Chair: Dr. Franco Algieri, AIES

- Thomas Renard, Egmont: The global structure of power
- Prof. Dr. Tanguy Struye, UCL: How emergent are emerging powers
- Prof. Dr. John Vogler, Keele University (*tbc*): Is the EU an emerging power?

16.00–16.30 *Coffee break*

16.30–18.00 **Panel 2: Global Challenges for the EU and BRICs**

Chair: Prof. Dr. Tanguy Struye, UCL

- Sami Andoura, Notre Europe: Energy security: EU and Russia
- Dr. Gudrun Wacker, SWP Berlin: Climate change: EU and China
- Dr. Deba Mohanty, EUISS: Nuclear proliferation: EU and India

19.30–22.00 *Dinner for speakers and organizers*

Programme – Day 2

09.30–11.00 **Panel 3: Great Ambitions for Emerging Powers**

Chair: Prof. Dr. Gustaaf Geeraerts, BICCS

- Jonathan Holslag, BICCS: Chinindia
- Dr. Fraser Cameron, EU-Russia Centre: Russia-China
- Prof. Dr. Amine Ait-Chalaal, UCL: Brazil, a regional leader and a global actor?

11.00–11.30 *Coffee break*

11.30–13.00 **Panel 4: The EU as an Emerging Power**

Chair: David Rennie, EU Correspondent, The Economist

- James O'Neill, Goldman Sachs: The BRIC concept
- Karine Lisbonne-de Vergeron, Global Policy Institute: Is EU a global actor in the eyes of BRICs?
- Dr. Gerhard Sabathil, European Commission: EU in a multipolar world

13.00–13.15 **Conclusion**

- Prof. Dr. Sven Biscop, Egmont

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Expert Seminar
8-9 OCTOBER, FONDATION UNIVERSITAIRE

Seminar Report

As the world shifts away from American dominance, new states are emerging as powers, namely Brazil, Russia, India, and China. Eight years ago, these four states were grouped together as the ‘BRICs’ – their progress and the impact of their increasing strength on the EU was the focus of this seminar. The main topics of the seminar were the coming world order, global challenges for the EU and BRICs, great ambitions of emerging powers, and the EU as an emerging power. Each of these topics were discussed at length by panels of experts. Differences between the BRIC states, the EU’s relationship with each of them, and the method of measuring and assessing great power status were also discussed in great detail.

The first panel focussed on the global balance of power, asking how emergent emerging powers are, what the global structure of power is, and how to define the EU: is it too an emerging power? The current world order was described most often as ‘uni-multipolar’, a term credited to Samuel Huntington. In other words, the world is transitioning from a unipolar world, in which the US dominated, to a multipolar world. Power, it was agreed, has multiple dimensions. A strong economy alone does not constitute a world power. After all, the EU is an economic giant, but lacks military strength and global influence, not having real clout beyond the region. Thus, in the orthodox perception of power, the EU cannot be considered a great power.

The BRICs also fail the great power test, though China is considerably ahead of the other three states. While the BRICs are marked by rapidly emerging economies, most lack global influence and impressive military strength. Given the exceptional behaviour of China in these fields, it was suggested that eventual hegemonic war between the US and China is a vague but existing possibility. More likely, it was agreed, is the emergence of a multipolar order. If the EU is to succeed in gaining global influence, this world order need also be multilateral, with international organizations seen as legitimate forums for interstate dialogue. The outlook for the

EU seemed grim, but is best viewed as a challenge, with panellists tending to agree that the EU lacks a global outlook, is incapable of becoming a great power in the traditional sense, and arguably, may already be in decline.

Global challenges for the EU and BRICs were addressed by the second panel. Specifically, the EU's relationship to each state on the following issues was discussed: Russia and energy security, China and climate change, and India and nuclear proliferation. A common theme across these bilateral relations was that Strategic Partnerships between the EU and BRICs all seemed to lack real strategy and direction.

As regards EU-Russia relations, energy dominates. Europe is not immune from the growing global energy resources imbalance, with the EU's oil import dependence on Russia predicted to surpass 90% by 2030. Paradoxically, Russia has proved capable of dividing member states on energy issues, but has also pushed the EU to develop an energy policy and enhance the ENP. The EU should strive for diversification and energy governance, but its approach towards Russia should be holistic, not solely focussing on energy.

The EU has struggled to convince China to agree to a cap on greenhouse gas emissions, of which they are the world's biggest emitter. While it is evident that efforts are being made to introduce laws and regulations on renewable energies, there is little local awareness of the issue. Since 2001, emission rates have been growing faster than the economy. This is in part due to rapid industrialization and urbanization, and wide use of coal plants. However, it was also recognized that China is essentially the world's factory, and thus is held responsible for emissions on products that are consumed elsewhere. China has yet to commit to emissions cuts, largely because they are thought to be waiting for the US to commit first.

Nuclear proliferation in India also has elements of US influence. India developed its nuclear weapons in the 80s, and by the early 1990s was ready to test them. Strong pressure from the US caused India to postpone the tests, which were conducted towards the end of the decade. Indian officials and scientists disagree over whether or not the tests were successful. Despite possessing nuclear weapons, India supports efforts for disarmament towards non-proliferation, but all of its efforts in this area seem to be in response to US leadership, rather than European influence.

The third panel addressed BRIC ambitions and relations amongst each other, as well as the implications for the EU. Sino-Indian relations have improved over the past half-century to this current decade, which features annual summits. Nevertheless, the two states find themselves competing for American and Japanese investment, job markets for their rapidly growing populations, and military presence in the continent. Attitudes towards China amongst Indian officials and experts are negative and suspicious, and Chinese opinion towards India is expected to be heading in this direction.

Key aims among the Russian elite are to enhance Russian power and influence, and maintain their control of strategic sectors such as energy. The EU falls low on the list

of powers that Russia wants to engage with. Nevertheless, its outdated military, demographic issues, huge rich/poor divide, and unattractive society mean that the richer and more attractive EU should be the more confident in relations with Russia, whose brightest citizens tend to relocate to the West.

China's main aims also include boosting power and influence, preserving the Communist regime, and dealing with major powers, among which the EU is also low on the list. The major problem in Sino-EU relations is the asymmetry of political systems: the powerful unity and absolute control of the CCP matches poorly with the intricate multi-dimensional post-modern EU system, in which sovereignty is shared and leadership and unity over foreign policy are lacking.

As far as Russia and China are concerned, they can be thought of as an axis of convenience, as described by Bobo Lo, not void of mutual suspicion and potential for conflict.

As in their fellow BRIC states, Brazilian officials want their state to be an international power. Its huge population, vast territory, and diversified economy allow it to claim Latin America's largest GDP. Brazil seeks a multipolar system, valuing and engaging in many international fora, to give voice to the South, but more importantly, to its national interests.

In the final panel, attention turned to the EU and its prospects, in light of the increasing power and economic strength of the BRICs. Projections suggest that by 2050, China will have the world's largest economy, followed by the US, India, and then the EU-5. Quantitative analysis also suggests that China could be as big as the US as early as 2027. Ability to withstand an economic crisis was seen as a good test for the BRICs. Excepting Russia, they have emerged well from the crisis, whereas the EU suffered in economic and symbolic terms.

Russia is getting closer to the EU than ever before, though there is friction among the administration over whether or not EU relations and the strategic partnership should be strengthened. Brazil is becoming increasingly more confident on the world stage, and its relation with the EU is likely to be the most pragmatic and least problematic. India and the EU share the notion of unity and diversity, but Indians also have a fascination with the US. Like India, China sees the world primarily in economic terms, and the EU is its most important trading partner. Both of these states follow Russia's divide and rule approach, exploiting rivalries between member states via bilateral relations.

Undoubtedly, the EU is economically a global actor. Politically, however, this is not the case. Populations are getting older, coherence is lacking, military power is weak, and collectively member states tend to be timid rather than confident of their successful model of integration. Led by China, the BRICs forge ahead with their growing economies, giving the EU much to consider. Firstly, strategic partnerships lack strategy and content. Greater cultural understanding is needed to promote good relations and build stronger partnerships with the BRICs. Secondly, the EU needs to be more confident in its own model, especially when dealing with states such as Russia that are much weaker and poorer, yet manage to divide member states and

prevent unity. Actions need to be taken at a quicker and more confident face, and must be undertaken with solidarity across member states. Finally, the EU must decide what it is aiming for. It may not rule the century, but its economic strength and leadership in areas such as environment policy mean that it can still have considerable influence, if all of its assets are used appropriately, and if member states find the will to genuinely unite.

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