

Strengthening EU-ASEAN partnership, an urgent necessity

With its ten member states, this association, founded in 1967, now has a population of 650 million inhabitants, more than the 450 million of the European Union. In 2018, the combined GDP of the ASEAN has been \$3 trillion, compared with \$16 trillion for the European Union. The gap remains significant, but the economic growth experienced by the region has been very rapid in recent years: in 2000, the combined GDP of the 10 ASEAN member countries represented only \$600 billion, so it has grown five times in less than 20 years...

A very rapid economic growth

The ASEAN countries have benefited in particular from the growing desire of many economic actors, whether Chinese or Western, to find places outside China, but in its vicinity, to set up production facilities or to find subcontractors in sectors such as textiles, electronics or automobile equipment.



Less integration than in the European Union

The degree of integration of ASEAN is, however, hardly comparable for the moment with that of the European Union: unanimity remains the basic rule in all domains for decision making and the means available to the organisation's central bodies are still very limited. However, this could change under the impact of both the current crisis and the growing strategic rivalry between the United States and China.

“The shock of the COVID-19 crisis remains very strong in the ASEAN region. Especially since the social protection systems are still limited in those countries.”

The health crisis as such has been quite well managed by the ASEAN countries. However, the current economic crisis is expected to lead this year to a recession estimated at 2.6% of GDP in the region and unemployment is rising rapidly. Important sectors such as textiles, international tourism and automotive equipment sub-contracting are severely affected. The recession is indeed less severe than in Europe, but in a region where GDP grew by an average of 5.3 per cent per year between 2000 and 2018, the shock remains very strong. Especially since the social protection systems are still limited in those countries. 11 million people are at risk of falling into poverty this year in the ASEAN.

“Europe has mobilised over €800 million through the Team Europe initiative to help the ASEAN region to cope with the COVID-19 crisis, more than any other partner of the region.”

Like in Europe, responses to the health crisis have started mainly on a national basis within ASEAN. However, in April ASEAN leaders announced the setting up of a COVID-19 Response Fund, an ASEAN Regional Reserve of Medical Supplies for Public Health Emergencies as well as consular assistance to ASEAN nationals. The European Union has not remained inactive to help the region to face that crisis. In ASEAN alone, we mobilised over €800 million through the Team Europe initiative, more than any other partner of the region.

Vaccine security, a battleground for influence in the region

The only viable exit strategy of the health crisis is a vaccine and that is the reason why vaccine security has become a new battleground for influence in the region. In August, China inked a deal with Indonesia for the supply of 40 million doses of vaccine from November 2020. Some days later, the Chinese Premier told the leaders of Cambodia, Laos, Myanmar, Thailand and Vietnam that China would provide them priority access to COVID-19 vaccines. Philippines' leader Duterte also claims that Beijing promised him an early vaccine. In parallel, a new US-ASEAN Health Futures initiative was launched last April focusing on joint research and health capacity, but the ASEAN disapproved of Washington's decision to withdraw from the World Health Organisation.

For our part, we chose a multilateral response: the EU is mobilising €400 million in guarantees to support the COVAX initiative for a global supply of vaccines for citizens across the world, in poor and rich countries. We have proposed during our meeting that experts from EU and ASEAN get together to see how best we can cooperate on vaccine security.

Reboot the economy

The second priority for ASEAN, as for Europe, is of course to reboot the economy. US-China tensions and the pandemic will have long-term repercussions for ASEAN. US-China decoupling in high-tech and telecommunications, banking and finance could force Southeast Asian countries to make tough choices. Meanwhile the disruptions of the global value chain heavily hit manufacturing in ASEAN countries, forcing them to reflect on their positioning. On the other hand, countries such as Thailand, Vietnam, Indonesia, and the Philippines are hoping to benefit from the diversification away from China. Japan effectively encourages this trend, heavily subsidising domestic manufacturers to transfer their overseas production bases from China to Southeast Asia.

“Having been the number one source of Foreign direct investment (FDI) in ASEAN over many years, the EU is committed to stepping up our economic partnership to speed up recovery.”

Having been the number one source of Foreign direct investment (FDI) in ASEAN over many years, the EU is committed to stepping up our economic partnership. That means first to pursue our trade agenda: the free trade agreements between the EU and Singapore and Vietnam have entered into force last year and despite the impact of Covid-19, Singapore was able to export 12% more to us in the first six months after that. The EU is negotiating agreements with other ASEAN countries and we should pursue these with renewed urgency.

Building up on our numerous EU-ASEAN programmes

In parallel, we will build on our numerous EU-ASEAN programmes to facilitate trade and integration to speed up economic recovery. The launching of the EU-supported ASEAN Customs Transit System later this year is one example. We look also forward to finalise an Air Transport Agreement with ASEAN as soon as possible. The agreement would be the first of its kind, creating the world's biggest aviation market for over one billion people.

The EU cumulatively contributes also 50% of the €1.2 billion ASEAN Catalytic Green Finance Facility. An immediate common objective should be to establish an EU-ASEAN energy dialogue to tap into the potential of sustainable connectivity and the green recovery.

But the focus of ASEAN countries is not only on COVID-19 and recovery. Nowhere is the US-China rivalry more striking than in the South China Sea. Over the past few months, China challenged the territorial waters of its neighbours and intensified military activity.

“Around 40% of the EU's foreign trade goes through the South China Sea. The EU cannot allow countries to undermine international law and maritime security in that area.”

The EU cannot allow countries to unilaterally undermine international law and maritime security in the South China Sea. Any disruption or instability affects trade flows for everyone: around 40% of the EU's foreign trade goes through the South China Sea.

“The EU looks forward to the conclusion of the talks on a substantive and legally binding Code of Conduct in the South China Sea between ASEAN and his neighbours.”

All parties should refrain from the threat or use of force and from any provocative actions. Instead, they should resolve disputes through peaceful

means, such as the dispute settlement mechanisms under the United Nations Convention on the Law of the Sea (UNCLOS). We look forward to the conclusion of the talks on an effective, substantive and legally binding Code of Conduct in the South China Sea between ASEAN and his neighbours, which should not prejudice the interests of third parties.

Asian security is closely linked to European security

Asian security is closely linked to European security. That's why, for example, we are working with our ASEAN partners to deploy counterterrorism advisors in several of our European Union Delegations across Asia. Last year, the EU signed also an agreement on Vietnam's participation in our European military and civilian missions, which are deployed from the Indian Ocean to Africa. I hope it will be the first of many with our friends in ASEAN, because our missions do not only serve European interests. They serve the interest of peace and security in some of the most troubled parts of the world.

The US-China economic and geopolitical rivalry is making ASEAN increasingly uncomfortable. ASEAN does not want to be forced to align to any one partner. Instead, ASEAN swears by its own "centrality" which has long allowed the organisation to be the platform of choice for economic and security diplomacy. ASEAN adopted last year an "Outlook on the Indo-Pacific" built around four pillars – maritime security, connectivity, the Sustainable Development Goals, and economic cooperation – to assert the position of the association as the conduit for cooperation in the whole region. The EU will have also to work more in depth on his own Indo-Pacific policy in the near future. The German government recently adopted Indo-Pacific Guidelines, a useful contribution for that purpose.

The significance of the Regional Comprehensive Economic Partnership Agreement (RCEP)

In this context, the planned signature of the Regional Comprehensive Economic Partnership Agreement (RCEP), negotiated since 2012 with China, Japan, Korea, Australia and New Zealand at the ASEAN Summit next November has much gained in significance. Despite India dropping out the agreement, the signing of RCEP will be for ASEAN a major statement in favour of its own "centrality" and of an open multilateral trade system.

To summarise, while others choose to undercut multilateralism, ASEAN – like the EU – wants to ensure that trading systems and security are governed by rules and based on international agreements, not on the idea that "might makes right". And neither ASEAN nor the EU are ready to become part of any "sphere of influence."

"ASEAN will always find in the EU a trustworthy, reliable and predictable partner. We have only a

clear and public agenda: to defend the rules-based international system. ”

Therefore [I gave to my counterparts and to the public in the region the strong message](#) that they will always find in the European Union a trustworthy, reliable and predictable partner. We have no hidden agenda, only a clear and public one: to defend the rules-based international system. And we share with ASEAN the special responsibility to uphold the global, multilateral order.

The EU-ASEAN partnership is no longer a luxury but a necessity.

[Iran/US: Statement by High Representative Josep Borrell, Coordin](#)



I take note of the US announcement of 19 September regarding the so-called UN sanctions “snapback mechanism” under the UN Security Council resolution 2231.

As recalled in my statement of 20 August, as well as in the Chair’s statement following the JCPOA Joint Commission on 1 September 2020, the US unilaterally ceased participation in the JCPOA by presidential Memorandum on 8 May 2018 and has subsequently not participated in any JCPOA-related activities. It cannot, therefore, be considered to be a JCPOA participant State and cannot initiate the process of reinstating UN sanctions under the UN Security Council resolution 2231. Consequently, sanctions lifting commitments under the JCPOA continue to apply.

As coordinator of the JCPOA Joint Commission I will continue to do everything possible to ensure the preservation and full implementation of the JCPOA by all. The JCPOA remains a key pillar of the global non-proliferation architecture, contributing to regional and global security as it addresses Iran’s nuclear programme in a comprehensive manner. I call on all to do their

utmost to preserve the agreement and to refrain from any action that could be perceived as an escalation in the current situation.

[Luis de Guindos: Interview with La Razón](#)



INTERVIEW

Interview with Luis de Guindos, Vice-President of the ECB, conducted by Jesús Rivasés on 14 September 2020

20 September 2020

Are we already living in a new economic world?

At the moment we are suffering the effects of a pandemic. The world was not ready for the type of lockdown that occurred in the vast majority of economies, and the fallout has been severe: the GDP contraction has been unprecedented and the way we do many things has changed. The hope is that, as the pandemic subsides, we return to some sort of normality. There are structural factors that may change, such as our global value chains. From now on, more importance on proximity, not just profitability and cost efficiency, may be placed. The pandemic will also result in more debt, both public and private. These are issues which, once a solution to the pandemic has been found, will still exist and will affect day-to-day economic decisions.

Should the European Union continue to offer stimulus and/or prolong the suspension of the Stability and Growth Pact?

When there is such a sharp decline in GDP and private sector income, as there has been during the pandemic, the public sector has to intervene temporarily to halt the slump. This was unavoidable, and both the fiscal and monetary stimulus should continue for as long as we feel the effects of the pandemic.

Is the ECB prepared to maintain its low interest rate policy and asset purchase programmes for as long as required?

The ECB's response to the pandemic was, first and foremost, to provide banks with liquidity on very favourable terms to enable them to continue lending to businesses and households. We then expanded our asset purchase programme through the pandemic emergency purchase programme (PEPP) to stabilise financial markets. This avoided fragmentation in the sovereign debt markets. Last of all, some banking supervision rules were adapted to ensure that credit could continue to flow.

Nevertheless, the first line of defence is fiscal policy, both national and pan-European, with the latter embodied by the recovery fund approved by the European Council. The response, from both a fiscal and a monetary perspective, has been completely different from the previous crisis. This time around it has been fast and powerful, enabling us to avoid an even bigger contraction in euro area GDP than the one recorded in the first half of the year. It will also help contribute to the economic recovery.

Is there any possibility that the PEPP, which for the time being is temporary, will be made permanent?

It is a temporary emergency programme which is serving its purpose.

But temporary things sometimes have a habit of becoming permanent...

For now, the PEPP will run until the middle of next year. It has a total envelope of €1.35 trillion, a substantial amount of which has still not been used. The programme is very flexible; it is serving its purpose and there is still room for manoeuvre. It averted a sharp increase in spreads and enabled financial markets to remain calm. Thanks to that, we have avoided having to deal with a debt crisis on top of the public health and economic crisis, and this has been crucial. Looking ahead, the ECB stands ready to adjust all of its instruments as appropriate. For the moment, we believe that the programme is performing well, also from the point of view of pursuing our primary objective – our inflation aim.

To what extent could the ECB expand its balance sheet?

I would phrase it differently: the ECB has to act for as long as its price stability objective is not met.

Will the ECB keep inflation as its primary objective?

It is the EU Treaty that says that the ECB's primary objective is price

stability. What has changed over time is the definition of price stability. To begin with, it was below 2%, and in 2003 it was clarified that would mean "below, but close to, 2%". Here at the ECB we are now engaged in a strategy review that will evaluate, among other things, whether the current definition of price stability is fit for purpose.

Would you advocate for the ECB to follow the example of the Federal Reserve (Fed) and consider employment as well as inflation?

The ECB's mandate is price stability. The Fed has a dual mandate – price stability and employment. That being said, when the ECB calculates its inflation projections, it also takes into account economic variables such as economic growth and employment. But our primary mandate, which we do not set for ourselves but is set out for us in the Treaty, is defined in terms of price stability.

Are you worried that the Fed's new policy will leave the door open to higher inflation, and that that door will be impossible to close?

Our inflation projections indicate that the risk is inflation being very low, not very high. After the pandemic, in theory there is the possibility of value chains being less efficient and less global, and that this will cause inflation to increase. But we also take this into account when we make our projections, and even then inflation is projected to reach 1.3% in 2022, which is clearly below the ECB's definition of price stability.

Do you see a euro/dollar currency war on the horizon?

There are certainly tensions around trade and low economic growth but, from the point of view of international economic governance, it would be suicidal to enter into any sort of dispute about exchange rates.

Should the ECB intervene to prevent the appreciation of the euro?

Setting the exchange rate is not an ECB objective. Our objective is price stability. However, when I said earlier that we monitor a very broad range of economic variables, that includes the exchange rate, because it affects medium-term inflation expectations. We keep it in mind, but we do not target the exchange rate because that is not our mandate.

But will the ECB monitor developments in the exchange rate, just in case?

We will monitor it, we will analyse it, it will be an input for the models we use to calculate our inflation projections, but our ultimate objective in doing so is not to influence the exchange rate. Rather, we do it because of the impact the exchange rate has on inflation.

In the case of the euro and the dollar, to use Mario Draghi's words, will the ECB do whatever it takes?

Those words were used in reference to a different issue, not the exchange rate. I'll say it again: we do not target the exchange rate. It is an important variable, as the appreciation of the euro has an impact on our

inflation projections, and these projections influence our monetary policy. Not because of the exchange rate itself, but because of its ramifications for inflation in the medium term.

Would some euro area countries have gone bankrupt without the ECB's intervention?

In this crisis, the protective umbrella of all the European institutions, not just the ECB, has been crucial, especially for the most vulnerable countries. Our action has averted a debt crisis and the newly created €750 billion recovery fund has some very innovative elements, such as joint debt issuance and non-repayable grants, and is focused on the most vulnerable, most affected countries. In these countries, which include Spain, the actions of the European institutions – the ECB, the European Council and the European Commission – have undoubtedly limited the impact of a severe crisis and are driving the path to recovery, which we have to make the most of in the future.

In other words, the European institutions saved Spain.

The European institutions have acted as an extremely important protective umbrella. Without them, the crisis would have been worse because we would have had a debt crisis on top of the public health and economic crisis, but we managed to avoid that. This time, the European institutions have responded – they have been the main source of support to minimise the impact of the crisis.

Is Spain now doing its homework?

I don't discuss national political issues. There was a very severe drop in GDP in the first half of the year, of up to 23%. This was all down to the lockdown and Spain's production structure – the tourism and services sectors are very important. We expect a significant rebound in activity in Europe in the third quarter, just like what happened in May and June. And in Spain the recovery should be stronger, because the fall was also more severe. Ideally, we would avoid an uneven recovery across euro area countries, and this is why the recovery fund is so important, because it focuses on the countries that are considered to be most vulnerable.

That's the ideal scenario, but is a stronger recovery in Spain to be expected?

With a drop [in GDP] of almost 23% in the first quarter, a very strong rebound is the most likely scenario in the third quarter, simply as a result of easing the lockdown.

How is a Government like Spain's, with ministers from a far-left party like Unidas Podemos, seen by the ECB?

The ECB doesn't make political comments of that kind. Personally, I usually say that the Spanish economy always surprises on the upside. Spain, like other vulnerable countries, has had lots of support from the EU institutions. Unlike what happened during the previous crisis, in terms of both purchases

of Spanish public debt and what the recovery fund is going to provide, Europe is giving Spain its full support. And that's extremely important. It's not the only thing though, because the right economic policy must of course then be implemented.

Are you confident that the Spanish Government will implement the right economic policy?

It's not about whether I'm confident or not. The only thing I want is for the right policies to be implemented. European institutions have provided vital support to tackle a terrible crisis. That has made it possible for the Spanish economy – both the public sector and the private sector – to continue to obtain funding at very favourable terms and it has prevented a debt crisis coming on top of the public health and economic crisis.

How many more bank mergers are needed in Europe?

Bank consolidation is one of the tools that can be used to address the low profitability of European banks, which have also been hit particularly hard by the pandemic and the economic crisis. There was already overcapacity, low profitability and inadequate cost structures before the pandemic and, in that environment, consolidation is a tool that can help. However, the ECB does not get involved in designing or determining any kind of specific [consolidation] operation.

Days before the merger between Caixabank and Bankia was announced, you said that you thought mergers were urgent and that they could happen quickly. Do you now anticipate cross-border mergers in the relatively near future?

The ECB calls in general terms for consolidation to be used as a helpful tool so that banks' low profitability problems can at least be contained. It's not about anticipating or not anticipating. The ECB – also in its role as supervisor – has identified that there is a vulnerability, a drop in profitability, and that consolidation can be an appropriate tool to try to change that situation. Low bank profitability is not a trivial matter and it has implications for how strong banks are. Of course, in a single European banking market, cross-border consolidation is one of the tools we call for [banks to use] to achieve the necessary improvement in profitability.

Does the ECB see that big cross-border merger on the horizon?

It's not about us seeing it or not. We make recommendations for the banking sector overall, but it must be the banks themselves that make the decisions.

Will there be more mergers this year?

That's not up to me. The ECB has repeatedly said that consolidation can play an important role, but it doesn't dictate which banks should merge, neither domestically nor across borders.

Does the ECB plan to launch its own cryptocurrency?

We would be talking about a digital euro, if anything. An internal high-level

taskforce at the ECB is analysing it, just like at other central banks. It's an important issue for financial stability and monetary policy. There's an underlying trend here, because the European economy is going to be increasingly digital, especially after the pandemic. At this stage we cannot say with any certainty whether there will be a digital euro or not, but it's another element of an overall unstoppable trend. In any case, it would always be necessary to put in place the system that is most beneficial to euro area citizens.

Does the ECB have more power than governments?

The ECB's power is a delegated power. Governments signed a treaty and we have to comply with that treaty. We are legally accountable to the European Court of Justice and institutionally accountable to the European Parliament.

So aren't you and Christine Lagarde the two most powerful people in Europe?

I don't think that's the best way of describing it. What's important is that we do our job well – and it's not an easy one – at a very difficult time. And not just President Lagarde and me, but all of the Executive Board and the Governing Council too. We have a mandate and we will be judged based on how we fulfil that mandate, which was set by political authorities.

Sorry, but you are independent and you have the power to create and destroy money, which nobody else has.

We are independent and we decide which instruments are the most appropriate for us to fulfil our mandate, but that mandate is given to us. We are also accountable to the European Parliament in terms of how we use those instruments.

But who else in Europe can create and destroy money like you can?

That's what happens with any central bank. By definition, central banks set monetary policy. That's their role. And they do it independently because that is what has historically served citizens best. But it's not a role that goes unchecked, as there is a mandate that we must respect. And that's why the European Parliament, the European Court of Justice and, on a more operational level, the European Court of Auditors, also exercise their powers of oversight in relation to the ECB.

**[The EU in the multilateral system:
Speech by the High Representa](#)**



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Thank you professor [of International Relations] Telò, thank you caro Mario.

In fact, to give an answer in ten minutes to all this array of issues that you have presented here and in your book is an impossible mission, but I will try to do my best.

I am very happy to be here with all of you on the eve of this United Nations General Assembly. Congratulations for your book. Let us try to answer in quite a telegraphic and structured way, if I can.

First, why is multilateralism still an answer to the problems that require collective action?

Second, why is it in crisis? Well, it has always been in crisis, but today is, maybe, a different crisis, and it is not just the responsibility of the actions of Mr [Donald] Trump [President of the United States]. There is something more than that.

Third and foremost, which are – from the European Union's point of view – the things that we have to do, as you are questioning, to renew this multilateralism, since we cannot longer continue doing things that were imagined 20 years ago.

Well, the world has been presenting enormous challenges to all of us. The role of Europe in the world has changed, other countries share the most important part of the world's economy. Interdependency brings a sense of vulnerability, but also immense opportunities. There is war and aggression at our borders and our democratic rules and order are being challenged.

But despite all of that, I do not think the world we live in is in a more threatening situation or that the relations are more complex than in the past. Remember the times of MAD [Mutually Assured Destruction].

But things are completely different, and in spite of being different, the role of multilateralism is still the same: to establish a level playing field

between states regardless of their position in the international system. The most important interest of multilateralism is to set up stable norms and standards, applicable to all actors.

Secondly, multilateralism is needed to guarantee protection of global public goods, against the risk of pure market-driven or national approaches. The coronavirus is a good occasion to test the international solidarity and the capacity to act in a multilateral way. And we, Europeans, have done a lot from the point of view of avoiding vaccine nationalism and to consider the vaccine as a public good that can only be provided through a multilateral approach.

Thirdly, you were questioning which are the structural causes of this crisis. Well, clearly one is the emergence of a multipolar world. More and more players and less and less consensus among them.

It is what is called multipolarity without multilateralism. Many players, less consensus. Several actors willing to be hegemonic, naturally they tend to disagree and they have the temptation to get free from multilateral disciplines and look for bilateral deals in which they have more leverage. That is why the United States is leaving the multilateralism approach and trying to do it alone, one by one. Because then its power is bigger.

This deep crisis is reflected in many ways. First, blocking multilateral decisions in very important fora. Second, unilateral withdrawal from institutions and agreements – such as the Americans withdrawing from the Paris Accord, the JCPOA [Joint Comprehensive Plan of Action], the Open Skies Agreement, and the World Health Organisation. Third, refusing to accept international arbitration – China and the South China Sea or Turkey in the Eastern Mediterranean. Forth, practicing selective multilateralism – China defends the World Trade Organization, but on human rights it seeks on the contrary to change the body language of United Nations institutions. And fifth, to go to bilateralism when it is good for them – China and American trade agreement poses a problem for Europeans, because it excludes us from the benefits of the agreement.

There is a second structural source of a retreat from multilateralism is the return of empires. The return of the political sovereignism advocated by a growing number of states – the United States, but also China, Russia and Turkey. They want to revise the multilateral system in one way or another but retreating from the liberal vision of the world as it developed after the Second World War. This is the expression of populism and it is clear that all populist leaders are anti multilateralists.

The third structural factor is the increasing complexity of problems, making universal solutions more difficult, even illusory. It is no longer possible to negotiate among 140 states on complex issues to try to get an agreement by unanimity. This is one of the lessons of the failure of the Doha Round.

In this framework, what is the European answer? We, Europeans – well, the European Union, more than Europeans – we are multilateral by essence. We are

naturally favourable to multilateralism. We have always considered multilateralism as a way of tempering power politics. In fact, the European Union was based on the refusal of the very idea of power. And our financial contribution to the multilateral system is considerable. Maybe we punch below our weight but in terms of multilateral engagement, we finance above our might.

In my opinion, we Europeans need to work at three levels of action.

First, we have to continue with the affirmation of universal principles and rules. We must continue defending them in the face of the rise of cultural or political relativism. It is obvious that there is today an attempt by a good number of countries to re-establish a relativism of rights under the excuse of respect for diversity. This is why we need to invest politically in all fora related to human rights, including when these rights are challenged through new technologies, and you know what I am talking about.

The second level of action of the European Union must be to put together like-minded states, those who share common interests and preferences in the way to organise the international system. But we cannot bring together everyone for everything, so we have to start bringing together those who, on the geostrategic level, are today worried about the Sino-American rivalry and the risk it poses to third countries and especially to us. It is important that we join forces and formulate common proposals in all sectors where there is no solid multilateral agreement: artificial intelligence, cyber, disinformation, or Internet data. In all these areas of the future, whether it be cyber or artificial intelligence, there is a regulatory vacuum and this vacuum has to be filled; otherwise, everyone will defend its narrow interests, imposing its standards.

Let us take the example of data. There are three competing visions in the world today: an American vision that is basically in favour of regulation by the market, so it will push for international regulation to be as light as possible – ‘Let the market do it.’ A Chinese vision that wants regulation by the State. China will push for global regulation where everyone remains in control at home, and we know how dangerous it can be. And, finally, a European vision that wants data to be protected for the benefit of citizens in Europe and around the world. This brings us to a battle of standards that has only just begun. Multilateralism is a good instrument to protect our humanist and liberal vision. We, Europeans, we have been norm setters because we have been technological leaders. If we lose the leadership of technologies, we will not be able to continue being the norm setters.

Finally, the third level of action to rehabilitate multilateralism consists in organising global regulation subject by subject. In all relevant issues it is necessary to create ad hoc coalitions on a basis that is not multilateral but plurilateral. It is the case today in the framework of the World Trade Organization. And it is clear that these new modalities of multilateralism presuppose political commitment and good faith, which is not always the case.

We, Europeans, we have to work in two tracks. We have to develop our leadership, developing new partnerships and at the same time to increase our

strategic autonomy. To project the most effective role in the world we need to promote multilateralism and at the same time to strengthen our strategic autonomy. These are the two sides of the same coin. We have to be in a cooperative approach, the best guarantee for a peaceful and safe future for all, but at the same time we have to assess a good understanding of what is our interest, which does not always coincide with the US' interest. We share with them the same political system, the same economic system, but in the big confrontation that is coming between the US and China we have to look for our own way.

There is a French-German initiative, Alliance for Multilateralism. It is an important step in the right direction. I am committed to continue working on that and by the end of the year or next spring I hope we will be able to present a communication on how the European Union can strengthen the multilateral system, and to deliver more for the people who need it most. If it is not the case, multilateralism will lose legitimacy because unilateralism and power politics will win the game. We have always been a major driving force for multilateralism but now we must pursue this objective with a greater sense of urgency, greater unity and greater ambition

I am sure that for this communication and for this endeavour, your book and your work will be of most help.

Thank you.

Link to the video: <https://www.youtube.com/watch?v=dZPDZiqZURA>

[The EU in the multilateral system](#)



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But despite all of that, I do not think the world we live in is in a more threatening situation or that the relations are more complex than in the past. Remember the times of MAD [Mutually Assured Destruction].

But things are completely different, and in spite of being different, the role of multilateralism is still the same: to establish a level playing field between states regardless of their position in the international system. The most important interest of multilateralism is to set up stable norms and standards, applicable to all actors.

Secondly, multilateralism is needed to guarantee protection of global public goods, against the risk of pure market-driven or national approaches. The coronavirus is a good occasion to test the international solidarity and the capacity to act in a multilateral way. And we, Europeans, have done a lot from the point of view of avoiding vaccine nationalism and to consider the vaccine as a public good that can only be provided through a multilateral approach.

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It is what is called multipolarity without multilateralism. Many players, less consensus. Several actors willing to be hegemonic, naturally they tend to disagree and they have the temptation to get free from multilateral disciplines and look for bilateral deals in which they have more leverage. That is why the United States is leaving the multilateralism

approach and trying to do it alone, one by one. Because then its power is bigger.

This deep crisis is reflected in many ways. First, blocking multilateral decisions in very important fora. Second, unilateral withdrawal from institutions and agreements – such as the Americans withdrawing from the Paris Accord, the JCPOA [Joint Comprehensive Plan of Action], the Open Skies Agreement, and the World Health Organisation. Third, refusing to accept international arbitration – China and the South China Sea or Turkey in the Eastern Mediterranean. Forth, practicing selective multilateralism – China defends the World Trade Organization, but on human rights it seeks on the contrary to change the body language of United Nations institutions. And fifth, to go to bilateralism when it is good for them – China and American trade agreement poses a problem for Europeans, because it excludes us from the benefits of the agreement.

There is a second structural source of a retreat from multilateralism is the return of empires. The return of the political sovereignism advocated by a growing number of states – the United States, but also China, Russia and Turkey. They want to revise the multilateral system in one way or another but retreating from the liberal vision of the world as it developed after the Second World War. This is the expression of populism and it is clear that all populist leaders are anti multilateralists.

The third structural factor is the increasing complexity of problems, making universal solutions more difficult, even illusory. It is no longer possible to negotiate among 140 states on complex issues to try to get an agreement by unanimity. This is one of the lessons of the failure of the Doha Round.

In this framework, what is the European answer? We, Europeans – well, the European Union, more than Europeans – we are multilateral by essence. We are naturally favourable to multilateralism. We have always considered multilateralism as a way of tempering power politics. In fact, the European Union was based on the refusal of the very idea of power. And our financial contribution to the multilateral system is considerable. Maybe we punch below our weight but in terms of multilateral engagement, we finance above our might.

In my opinion, we Europeans need to work at three levels of action.

First, we have to continue with the affirmation of universal principles and rules. We must continue defending them in the face of the rise of cultural or political relativism. It is obvious that there is today an attempt by a good number of countries to re-establish a relativism of rights under the excuse of respect for diversity. This is why we need to invest politically in all fora related to human rights, including when these rights are challenged through new technologies, and you know what I am talking about.

The second level of action of the European Union must be to put together like-minded states, those who share common interests and preferences in the way to organise the international system. But we cannot bring together everyone for everything, so we have to start bringing together those who, on

the geostrategic level, are today worried about the Sino-American rivalry and the risk it poses to third countries and especially to us. It is important that we join forces and formulate common proposals in all sectors where there is no solid multilateral agreement: artificial intelligence, cyber, disinformation, or Internet data. In all these areas of the future, whether it be cyber or artificial intelligence, there is a regulatory vacuum and this vacuum has to be filled; otherwise, everyone will defend its narrow interests, imposing its standards.

Let us take the example of data. There are three competing visions in the world today: an American vision that is basically in favour of regulation by the market, so it will push for international regulation to be as light as possible – ‘Let the market do it.’ A Chinese vision that wants regulation by the State. China will push for global regulation where everyone remains in control at home, and we know how dangerous it can be. And, finally, a European vision that wants data to be protected for the benefit of citizens in Europe and around the world. This brings us to a battle of standards that has only just begun. Multilateralism is a good instrument to protect our humanist and liberal vision. We, Europeans, we have been norm setters because we have been technological leaders. If we lose the leadership of technologies, we will not be able to continue being the norm setters.

Finally, the third level of action to rehabilitate multilateralism consists in organising global regulation subject by subject. In all relevant issues it is necessary to create ad hoc coalitions on a basis that is not multilateral but plurilateral. It is the case today in the framework of the World Trade Organization. And it is clear that these new modalities of multilateralism presuppose political commitment and good faith, which is not always the case.

We, Europeans, we have to work in two tracks. We have to develop our leadership, developing new partnerships and at the same time to increase our strategic autonomy. To project the most effective role in the world we need to promote multilateralism and at the same time to strengthen our strategic autonomy. These are the two sides of the same coin. We have to be in a cooperative approach, the best guarantee for a peaceful and safe future for all, but at the same time we have to assess a good understanding of what is our interest, which does not always coincide with the US’ interest. We share with them the same political system, the same economic system, but in the big confrontation that is coming between the US and China we have to look for our own way.

There is a French-German initiative, Alliance for Multilateralism. It is an important step in the right direction. I am committed to continue working on that and by the end of the year or next spring I hope we will be able to present a communication on how the European Union can strengthen the multilateral system, and to deliver more for the people who need it most. If it is not the case, multilateralism will lose legitimacy because unilateralism and power politics will win the game. We have always been a major driving force for multilateralism but now we must pursue this objective with a greater sense of urgency, greater unity and greater ambition

I am sure that for this communication and for this endeavour, your book and

your work will be of most help.

Thank you.

Link to the video: <https://www.youtube.com/watch?v=dZPDZiqZURA>