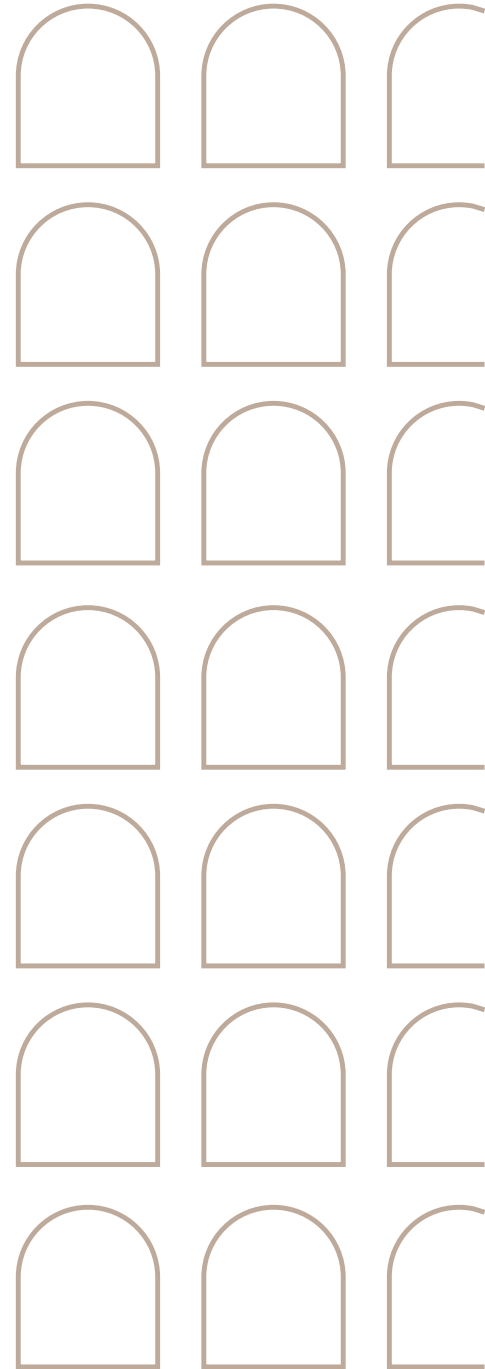


STG Policy Papers

POLICY BRIEF

GOVERNANCE AMID COMPETITION: REFLECTING ON SPAIN'S 2023 EU COUNCIL PRESIDENCY

Author:
Álvaro Imbernón



EXECUTIVE SUMMARY

Spain's Presidency of the EU Council during the second semester of 2023 has come at a time of multiple crises (Russian aggression against Ukraine, energy, and global food crises) that play out against the backdrop of a worsening state of global governance, growing strategic and economic competition, technological disruption, and climate change. Faced with the challenge of adapting to a more geopolitical environment while protecting the rules-based international order on which the EU's governance rests, Europe must prepare for the worst while aiming for the best. Internal unity, social cohesion, alliances, and partnerships, including through new formats such as the European Political Community (EPC), are critical for reducing vulnerabilities and multiplying the EU's effectiveness as a global actor. As the EU adapts, however, it must also seek to lay the groundwork for better world governance in the future.

Author:

Álvaro Imbernón | Director of the Strategy and Foresight Division,
Spanish Ministry of Foreign Affairs, European Union and Cooperation

This text from guest author Álvaro Imbernón is an outcome of the seminar 'An enlarged Europe as a civilization of consent. Can Europe be a laboratory for a new planetary politics?' organised by the Berggruen Institute Europe as a side event to the European Political Community Summit in Granada (3-5 October 2023).

Views expressed in this publication reflect the opinion of individual authors and not those of the European University Institute

1. INTRODUCTION: EUROPE AS AN ENDURING MODEL

The case for the EU as a model of transnational governance hardly needs making. When we look at the way European governments and societies interact today, compared to other parts of the world and to our own past, it is easy to put some of our everyday worries about the EU's challenges into a broader, more reassuring perspective. The EU is not perfect, but it delivers when it comes to its most basic (and most important) promise: to serve as a system for peacefully and productively ordering the behaviour of most European nations towards one another. An achievement that is easy to take for granted but is nonetheless exceptional.

For the past seventy years, the EU has succeeded at this task through a wholly original mix of rules, institutions, and channels for creating solidarity and avoiding most of the traditional shortcomings of previous historical attempts at building systems of international governance. Perhaps it is thanks to the balance between the intergovernmental and supranational elements in institutions and decision-making processes: Luuk van Middelaar's Europe of states, citizens, and offices. Perhaps it is also because we are a community of law, with common legislation binding and enforceable in court, yet simultaneously the product of consensus.

It is easy to be satisfied with this achievement and, simultaneously, to feel daunted by the EU's challenges in an increasingly geopolitical world. Certain ingrained habits in our collective psyche might explain this very European coexistence of —often exaggerated—optimism and pessimism. But perhaps it is also the product of holding the EU to two different, often irreconcilable standards.

On the one hand, we expect the EU to keep functioning as a novel kind of regional system that overcomes the limitations of a Westphalian regional order, preserving state sovereignty while avoiding the pitfalls of classic multilateral organizations, where consensus often trumps effectiveness. On the other hand, we increasingly expect the EU to tool up as a member of an increasingly fraught international community, handling the traditional levers of great-power politics and measuring up to more centralised polities.

In other words, we are asking the EU to be Kantian at home and Hobbesian abroad to use familiar terminology. Of course, it is not written that this combination should prove impossible. However, achieving this will require the EU to walk a path without a rulebook since our experience and constitutional nature differ significantly from others. Key to this journey is our unity and ability to adapt together to a more fragmented world.

2. LEARNING FROM RECENT MISTAKES

Jean Monnet famously wrote that Europe would be built through crises and would be the sum of their solutions. We have had ample opportunity to reflect on those words over the past four years, a time that some have labeled a state of permacrisis. Like the rest of the world, Europe has faced two major and overlapping crises: a pandemic and a war, with outcrops in the shape of an energy crisis, a global food crisis, an influx of people fleeing the war, as well as rising inflation — all that against the backdrop of climate change, technological disruption, and strategic competition. One might be forgiven for expecting a fair share of Europe-building in return.

And that's precisely what has happened. Learning from the mistakes of our reaction to the financial crisis, we have shifted from national responses to European solutions, some unthinkable only years before.

We have witnessed this during the pandemic, with the joint purchase of vaccines and the recovery plan, and with our common response to Russia's war of aggression against Ukraine. In coordination with international partners, the European Union has adopted twelve packages of restrictive measures against Russia's war machine, the most comprehensive in its history. We have provided Ukraine with crucial military, financial, and humanitarian assistance, and Spain has proudly been at the center of these efforts. Spain has provided the most extensive package of humanitarian aid in our history, and we are the [fifth EU country in terms of displaced Ukrainians](#) who have been welcomed and benefited from the rights and benefits granted by the European Temporary Protection Directive.

There is a common denominator to all these efforts: our unity. Russia hoped its invasion would be met by a divided Europe, but nothing could have been farther from the truth. Indeed, over the last couple of years, our reaction to crises has moved from division and bickering to unity and solidarity. However, we cannot become complacent. As the lack of unity in the face of the Gaza tragedy or the rise of Eurosceptic forces has shown, the Union needs to continue delivering, adapting to a more disordered and fragmented world.

3. A WORLD IN TRANSITION

In the 1990s and at the beginning of the millennium, many thought we were heading towards an international context closer to what the European Union represents (pooled sovereignty, positive

interdependence, peaceful conflict management, economic openness, relevance of rules, multiple identities). But nowadays, the outlook is much bleaker. Today, we live in a world in geopolitical transition marked by three fundamental changes.

First, we face an international arena increasingly marked by strategic competition between great powers, with the focus shifting to the Indo-Pacific at the same time as insecurity in Europe's eastern and southern neighborhoods intensifies. The flip side of this competition is, paradoxically, a distraction of the great powers from their global responsibilities, leaving vacuums for increasingly assertive regional powers and placing multilateralism in a situation of questioning and tension. All of this is exacerbated by an increase in the number and intensity of conflicts, plus a growing erosion, even defiance, of the principles of the UN Charter. At the same time, the effectiveness of multilateral institutions is reduced, and the relevance of the misnamed Global South and transactional diplomacy grows.

Second, the international economy is increasingly gravitating towards economic security, and risk mitigation approaches at the expense of the efficiency maximisation that globalisation has sought in recent decades. These are times of instrumentalization of interdependencies, fragmentation of investment flows, and proliferation of sanctions and restrictions, with new technologies as the preferred terrain of geo-economic competition. All this against the backdrop of the climate emergency and the new dependencies created by the ecological transition.

Finally, our societies, emerging from a period of unprecedented prosperity, nevertheless show a growing disaffection with the distribution of the wealth created

by globalisation. Inequality at the national level, demographic challenges, and growing distrust of the ambivalent role of technology expose societies to feelings of disaffection that ultra-nationalism knows how to exploit and put at the service of its divisive objectives. The erosion of democracy, the rise of disinformation, and the return of identity politics introduce tensions between national politics and global cooperation, seriously threatening the freedom of governments to negotiate global solutions to the most existential problems that affect us all.

In short, and as President Sánchez stressed on the occasion of the assessment of the Spanish presidency of the EU Council, the international order is changing, and Europe has to change with it.

4. A PRESIDENCY TO ADVANCE AND PRESERVE UNITY

During the second semester of 2023, Spain took up the EU Council's rotating presidency after 13 years since our previous presidency. From its four priorities – strategic openness, green transition, social and economic justice, and European unity-- it is easy to glean that one of the overarching themes of Spain's presidency has been to contribute to this process of adaptation of the EU to the world's new economic and strategic realities.

A characteristic feature of this Presidency has been the frenetic activity at the legislative level. We have reached agreements on 71 files, such as the reform of the electricity market, the New Pact on Migration and Asylum, the reform of the fiscal rules, and the Artificial Intelligence Act. In addition, the declaration adopted by the heads of state and government at the informal European Council of Granada has provided a roadmap for making progress in critical debates on the future of the Union,

such as competitiveness and advance toward more solid defense capabilities.

The Granada Declaration makes a double commitment to the enlargement of the Union, always based on merit and the need to update, through reforms, critical aspects for European integration, such as the decision-making process, the composition of the institutions, or the budget. This debate is essential as the last European Council of our semester adopted a historic decision to give the green light to open accession negotiations with Ukraine and Moldova (also with Bosnia and Herzegovina when certain conditions are met) and grant candidate status to Georgia.

5. PREPARING FOR THE FUTURE

The EU is overly dependent on others in areas such as energy, healthcare, digital technologies, and food. A substantial reduction of our vulnerabilities and dependencies is necessary, albeit without seeking unattainable and misguided notions of self-sufficiency. Along these lines, the Spanish presidency managed to close dossiers such as the Critical Raw Materials Act, the AI Act, the Digital Identity Regulation, the post-Cotonou framework, the Act in Support of Ammunition Production (ASAP), the reinforcement of the European defense industry (EDIRPA), as well as the signing of association agreements with Chile, Kenya, and New Zealand. The objective is to foster the development of strategic industries and technologies, increase and diversify our trade relations, and strengthen the resilience of our supply chains to protect us against coercion by third parties and unfair competition while at the same time preserving the integrity of the single market.

This importance of alliances is why Strategic Openness has been another of our Presidency's priorities, and the subject of

the informal EU Council celebrated in Granada. In addition, the debate in Granada was preceded by the publication of the report '[Resilient EU 2030](#)', coordinated by Spain together with experts and representatives of the other Member States as a reflection on how to adapt the EU to this new situation of geopolitical competition and less economic openness.

Equating autonomy with alliances may have sounded paradoxical a few years ago. However, Open Strategic Autonomy is about being strategic rather than more autonomous. This means [working together whenever possible and alone only where strictly necessary](#). Joint action is a multiplier of our action's effectiveness and, therefore, indispensable for our taking a more strategic approach.

This is also clear from an economic point of view. To reduce strategic vulnerabilities, the answer is not to close our economies but to diversify them further, avoiding being too dependent on unreliable suppliers and ensuring reciprocity. In what might have sounded like another paradox before the COVID-19 pandemic, the path to becoming more autonomous is to become dependent on more, not fewer, partners, thus spreading risks and rethinking our long-term needs.

Multilateralism remains the best tool for channeling this collective action. Even if current multilateral institutions face severe challenges, they are still standing. Many of our partners, especially in the "Plural South," want to make them work in a more inclusive way. Our primary focus should be a work of preservation and adaptation.

At the same time, we should be willing to work in newer, more flexible formats wherever there is an opportunity. The European Political Community is a prime example. Mini-lateral solutions can be sub-optimal, but they are often better than no

solution at all. As the EU's experience shows, the sum of small solutions and concrete achievements can add up to a working, more effective system than one created with the stroke of a pen.

Latin America must also be a part of the EU's new strategic awareness, and our Presidency has worked hard to put it back on the Brussels agenda. The [EU-CELAC summit in July 2023](#), the first in eight years, showed the complementarity and compatibility between the EU and Latin America and the Caribbean in achieving strategic goals. Our two continents share not only a profound cultural and historical substratum but also democratic values and an economic complementarity that make us natural partners. As Minister Albares often says: Latin America is the most Euro-compatible region on the planet.

With the EU-CELAC summit, a greater institutionalisation of the bi-regional relationship has been achieved, with a roadmap until the next summit in Colombia in 2025. Progress was also made in the Digital Alliance, Global Gateway projects, and critical raw materials and energy agreements.

6. EUROPE, CLOSER

Unity begins at home. Polarisation, ultranationalism, and disinformation can turn our societies inward-looking and our governments isolationist, creating domestic pressure to disengage with international issues that are, nonetheless, vital to our security and interests. This growing link between domestic and international politics is one of the reasons for our Presidency's motto: "Europe, closer." We must keep the European project close to our citizens to be accurately perceived as a provider of European solutions to shared problems.

Since entering the European Communities in 1986, Spain has been at the centre of efforts to build Europe as a social and rights amplifier. Spain promoted the concept of European citizenship in the Maastricht Treaty and has ever since continued to promote political and civil rights, like the right to vote and be voted for in municipal elections in the country of residence, the right to consular protection from a fellow member state, or the right to address the EU's institutions as a citizen. Commissioner Manolo Marín promoted the Erasmus program one year after our accession, enabling generations of Europeans to benefit from a shared educational area.

During our Presidency, we have focused on strengthening the European Pillar of Social Rights in various areas such as childhood, disabilities, occupational health, posted workers, minimum wages, and social security coordination. Social and territorial cohesion and the fight against the demographic challenge have been some of Spain's traditional flagships in the EU and have remained so during our Presidency.

Linked to this, making progress on the ecological transition and environmental adaptation has featured as another priority of the Spanish Presidency. We have advanced on the reform of the electricity market and have managed to close relevant dossiers such as the Gas and Hydrogen package, the Due Diligence Directive, the Nature Restoration Act, and the Industrial Emissions Directive, as well as a set of regulations that will help us have more durable, repairable, and recyclable products.

7. CONCLUSIONS: PREPARE FOR THE WORST, AIM FOR THE BEST

Over the past few years of permacrisis, we have shown that our defense of democracy and the rules-based order can create more

solid alliances than those of powers whose worldview is based on pursuing untrammelled power. Indeed, the experience of recent years has shown how mistaken the myth is that autocracies are role models in managing the economy, dealing with crises such as the COVID-19 pandemic, or building strong alliances.

Principles, alliances, and rules are essential to prepare the EU for a more geopolitical and uncertain future while considering its specificity as a power. Principles create more robust alliances than those based on transient self-interest. Alliances, in turn, act as multipliers of individual action through the scale and complementarity of different domains across different international organizations. Finally, collective action demands rules to govern the behavior of states toward one another, creating a degree of certainty in expectations of others' future behaviour.

We must keep adapting the EU to the coming world: a world transitioning from rules to power, from economic efficiency to resilience, and from a widespread belief in social progress to uncertainty about the future and nostalgia – a feeling that ultranationalists can expertly manipulate. It is the best way to overcome the fears on the European horizon, such as fast aging, deindustrialization, missing the train of the technological future, or being less relevant on the world stage, and not leaving the field open to those who favor isolationism and inward-looking policies.

The paradox is that we are in a world of worsening global governance at a time of ever more existential global challenges. This makes for especially high-stakes and complex dilemmas. We must learn to think for ourselves while striving harder than ever to work with others so that we do not drag each other down into the same abyss --

environmental, technological, nuclear, or otherwise.

To remain a player in a world that increasingly hinges on geopolitics, we must learn to play by the rules of power, albeit an arduous, gradual, and long-term task. But, given our history, it would be foolish to forget that the greatest power comes from writing the rules. As the EU adapts to a world it was not built for, it must also work towards the world that could be. As the EU's founders did seventy years ago, it is up to us to conceive politics not just as the art of the possible but as the art of making possible what is necessary. And, as we prepare for the worst, we keep aiming for the best.

The Florence School of Transnational Governance (STG) delivers teaching and high-level training in the methods, knowledge, skills and practice of governance beyond the State. Based within the European University Institute (EUI) in Florence, the School brings the worlds of academia and policy-making together in an effort to navigate a context, both inside and outside Europe, where policy-making increasingly transcends national borders.

The School offers Executive Training Seminars for experienced professionals and a Policy Leaders Fellowship for early- and mid-career innovators. The School also hosts expert Policy Dialogues and distinguished lectures from transnational leaders (to include the STG's Leaders Beyond the State series which recorded the experiences of former European Institution presidents, and the Giorgio La Pira Lecture series which focuses on building bridges between Africa and Europe). In September 2020, the School launched its Master-of-Arts in Transnational Governance (MTnG), which will educate and train a new breed of policy leader able to navigate the unprecedented issues our world will face during the next decade and beyond.

The STG Policy Papers Collection aims to further the EUI School of Transnational Governance's goal in creating a bridge between academia and policy and provide actionable knowledge for policy-making. The collection includes Policy Points (providing information at-a-glance), Policy Briefs (concise summaries of issues and recommended policy options), and Policy Analyses (in-depth analysis of particular issues). The contributions provide topical and policy-oriented perspectives on a diverse range of issues relevant to transnational governance. They are authored by STG staff and guest authors invited to contribute on particular topics.

Florence School of Transnational Governance

European University Institute

Via Camillo Cavour 65, Firenze, FI 50129

Email: stg.publications@eui.eu

www.eui.eu/stg



**Co-funded by
the European Union**

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor EACEA can be held responsible for them. This work is licensed under the [Creative Commons Attribution 4.0 \(CC-BY 4.0\)](https://creativecommons.org/licenses/by/4.0/) International license which governs the terms of access and reuse for this work. If cited or quoted, reference should be made to the full name of the author(s), editor(s), the title, the series and number, the year and the publisher.

DOI: 10.2870/227092
ISBN: 978-92-9466-501-0
ISSN: 2600-271X
QM-BA-24-005-EN-N