



**EUROPEAN  
COUNCIL  
ON FOREIGN  
RELATIONS**  
[ecfr.eu](http://ecfr.eu)

**EUROPEAN  
FOREIGN POLICY  
SCORECARD  
2012**

# EUROPEAN FOREIGN POLICY SCORECARD 2012

## **STEERING GROUP**

Vaira Vīķe-Freiberga and Antonio Vitorino (co-chairs)  
Lluís Bassets, Charles Clarke, Marta Dassù, Karin Forseke, Teresa Gouveia, Heather Grabbe, Jean-Marie Guéhenno, István Gyamarti, Jaap de Hoop Scheffer, Wolfgang Ischinger, Sylvie Kauffmann, Gerald Knaus, Nils Muiznieks, Kalypso Nicolaidis, Ruprecht Polenz, Albert Rohan, Nicolò Russo Perez, Aleksander Smolar, Paweł Świeboda, Teija Tiilikainen.

## **ECFR DIRECTOR**

Mark Leonard

## **ECFR RESEARCH TEAM**

Justin Vaisse and Hans Kundhani (project leaders)  
Ben Judah, Jana Kobzova and Nicu Popescu (Russia) Jonas Parello-Plesner (China), Daniel Korski, Daniele Marchesi and Daniel Levy (Middle East and North Africa), Justin Vaisse (United States), Dimitar Bechev (Wider Europe), Richard Gowan (Multilateral Issues and Crisis Management).

## **RESEARCHERS IN MEMBER STATES**

Verena Knaus (Austria), Hans Diels (Belgium), Marin Lessenski (Bulgaria), Philippos Sawides (Cyprus), David Kral (Czech Republic), Emma Knudsen (Denmark), Andres Kasekamp (Estonia), Kaisa Korhonen (Finland), Emmanuelle Gilles (France), Hannah Dönges (Germany), George Tzogopoulos (Greece), Zsuzsanna Végh (Hungary), Ben Tonra (Ireland), Ruth Hanau Santini (Italy), Inese Loce (Latvia), Vytyis Jurkonis (Lithuania), Hans Diels (Luxemburg), Cetta Mainwaring (Malta), Paul and Saskia van Genugten (Netherlands), Marcin Terlikowski (Poland), Livia Franco (Portugal), Irina Angelescu (Romania), Sabina Kajnc (Slovenia), Teodor Gyelnik (Slovakia), Laia Mestres (Spain), Jan Joel Andersson (Sweden), Matthew Jameson (United Kingdom).

# Introduction

2011 may come to be seen as a turning point for the European Union. As its leaders failed to reassure the rest of the world about the sustainability of their common currency and the future of the European project, the continent seemed to be losing its agency: where it was once seen as a critical part of the solution to international problems, it has now become a problem to be dealt with by others. In spite of some foreign-policy successes such as Libya and the deal on climate change in Durban, the euro crisis seriously constrained Europe's ability to react to the revolutions in the Middle East and North Africa – arguably the most important geopolitical event in its neighbourhood since the fall of the Berlin Wall. In the introduction to last year's Scorecard, we wrote that Europe was distracted by the crisis. This year, Europe was diminished by it. It remains to be seen whether 2011 will turn out to be a decisive moment in the long-term decline of the EU or the beginning of a fight back.

## From solution to problem

In 2011, the euro crisis began to threaten not only Europe itself but also the entire global economy. European leaders repeatedly failed to take the decisive action necessary to reassure the markets that it was committed to the single currency. While it became clear that Germany – the largest and most important member state in the eurozone – wanted to prevent a collapse of the euro, it remained opposed to what it perceived as a “transfer union” and, fearing moral hazard, opposed the idea of Eurobonds and that of the ECB as a lender of last resort. As contagion moved from the periphery to the centre, economists around the world began to discuss not just whether the euro would survive but how to limit the turmoil its collapse would cause.

As a result of this role reversal from solution to problem, Europe’s relationships with great powers around the world changed. In economic terms, it went from being a subject to an object. In 2010, Europe struggled to have an impact, particularly in its neighbourhood. But in 2011, Europe was forced to seek the help of other powers. It was the object of IMF intervention and went cap in hand to China and Russia to ask them to contribute to the bailout of eurozone economies. At the board of the IMF, where Europeans already had to make room for emerging powers in 2010, Europeans were no longer in a position to lecture other countries. For the US – the EU’s closest ally – Europe went from being an underperforming partner in solving global challenges to being one of those challenges itself.

Against this background, there was little progress in developing the much-vaunted “strategic partnerships” with the world’s new powers. Last year, we wrote that the EU was beginning to develop a new approach to China based on reciprocity, but this risked being undermined by member states’ bilateral tendencies. The cancellation of the EU–China summit in November looked like a symbol of a strengthening of these tendencies in 2011. Cash-strapped member states sought investment rather than a share of the Chinese market and even the big three prioritised their own business deals with China and left the difficult job of developing a joint approach to China to the EU institutions. Europeans had some successes with China – for example, its acquiescence to military action against Libya and to action on climate change – but these pale in comparison to the significance of the shift in the balance of power that took place in 2011.

### *European performance on the six issues in 2011*

	Score (out of 20)		Score Grade	
	2010	2011	2010	2011
Multilateral issues and crisis management	14/11	<b>13</b>	B+/B-	<b>B</b>
Relations with the United States	11	<b>11</b>	B-	<b>B-</b>
Relations with the Middle East and North Africa	-	<b>10</b>	-	<b>C+</b>
Relations with Russia	9.5	<b>10</b>	C+	<b>C+</b>
Relations with Wider Europe	9.5	<b>9.5</b>	C+	<b>C+</b>
Relations with China	9	<b>8.5</b>	C+	<b>C</b>

While it is impossible to quantify the decrease of Europe's soft power that accompanied this loss of standing in international relations, there is little doubt that, by the end of 2011, it had become significantly less attractive as a model of governance for the rest of the world than it was even a year before. The long-term evolution towards shared sovereignty in the form of "ever greater union" that began with the European project in the 1950s seemed to have stalled – and perhaps even reversed – as member states pursued their own narrowly defined national interests. As a continent that once stood for prosperity and generous social compacts now looked to be heading towards a decade of austerity – hardly appealing for emerging powers whose rates of growth far surpass those of Europe – tensions between member states re-emerged and are likely to increase unless and until the euro crisis is solved. An additional blow to Europe's image in the world came from the erosion of democracy that took place under Prime Minister Viktor Orbán in Hungary. The EU's weak response hardly inspires confidence in its transformative power and is an ominous sign for the future evolution of other member states.

As a conflicted and divided Europe drifted towards economic stagnation and political gridlock, so the model for which the EU stands – that of an expanding and ever more effective multilateralism as a solution to the problems of a globalised world – was also discredited in the eyes of others. Emerging powers such as Brazil and China understandably wondered why they should pay to help rescue a continent which is proving unable to get its act together even though it has the resources to do so – let alone why they should listen to its lectures about regionalism and good governance. Elsewhere in the world, for example in Latin America and South-East Asia, advocates of regional integration projects are now less likely to look to Europe for inspiration. Thus, the euro crisis has had collateral damage for the concept of regional integration in general. In short, the idea of Europe is less powerful than it was 12 months ago.

## The Arab Awakening

Perhaps partly as a result of this decline in the image of Europe, few of the post-revolutionary political forces in Egypt and Tunisia seemed focused on getting its help. The Arab Awakening expressed a desire for emancipation from outside and, in particular, Western influence. But this may have also reflected the degraded perception of Europe in the region – perhaps exacerbated by the cosy relationships many of Europe's leaders had with autocratic rulers in the region: French Foreign Minister Michèle Alliot-Marie offered Tunisian President Zine El Abidine Ben Ali

French police know-how on riot control, Italian Prime Minister Silvio Berlusconi made statements supportive of Libyan leader Muammar Gaddafi until the second half of February, and British Prime Minister David Cameron gave a speech on democracy in the Kuwaiti parliament accompanied by a business delegation that included arms dealers.

Member states and the EU institutions managed to recover to some extent and avoided making major mistakes in a fast-moving revolutionary situation that took everyone by surprise. In particular, after adapting cautiously and pragmatically to the fall of regimes they had long supported, European leaders did their best to support political transitions in Egypt and Tunisia, help the revolutionaries in Libya and put pressure on Syria. The EU's High Representative Catherine Ashton persuaded northern, southern and eastern member states to sign up to a common strategy in May based on greater incentives ("money, markets, mobility"); the principle of "more for more"; and a determination to engage with civil society and to build "deep democracy" – that is, building respect for the rule of law, freedom of speech, an independent judiciary and an impartial bureaucracy. The EU also prepared to work with the new Islamist parties that have emerged as electorally victorious across the region, in the hope of avoiding repeating mistakes such as the refusal to talk to Hamas following its election victory in 2006.

However, largely because of the euro crisis, member states have so far failed to deliver much of the "money, markets, mobility" they promised. In terms of money, the EU came up with €5.8 billion of direct funding, and although extra resources were found in creative ways, the bulk of it was in the form of loans through the EIB and the EBRD rather than rapid budget relief, direct aid or debt cancellation. (The British government offered £110 million from an overall development budget of £7.8 billion and many other member states offered even less.) Because of fears of public opinion and the risks of a populist backlash, mobility was reduced to visa facilitation for more students rather than a more broadly targeted opening of Europe's borders to the south. Although the EU began negotiating deep free trade areas with Egypt, Tunisia, Morocco and Jordan, the prospect of more open markets also remained distant as southern member states fearing competition continue to oppose liberalisation of the agricultural sector.

Supporters of the current approach can claim that many politicians and officials have apologised to people in the region and that the new focus on civil society and conditionality is important to turn away from the previous focus on ruling families. But European leaders have failed to rise to the difficult conceptual challenge of inventing a new long-term relationship with their southern neighbours. For

understandable reasons, the EU's approach to North Africa has to a large extent been shaped by its experiences in Central and Eastern Europe, where it promoted reforms in exchange for market and institutional access to the EU after the revolutions in 1989. Although few people see a direct parallel between 1989 and 2011, the European Commission's strategy for responding to post-revolutionary North Africa is partly based on a similar approach of exchanging reform for association with the EU – a form of “enlargement-lite”, as accession is clearly not on the cards.

The approach that was enshrined in the ENP – in which the EU signs action plans for reform with the countries on its periphery, monitors their performance and rewards their success with extra money, markets or mobility – could struggle to have an impact in post-revolutionary North Africa. In Central and Eastern Europe, the EU was able to have a dramatic impact for three reasons: first, it was the main economic and political power in the region; second, most of the countries were desperate to adopt EU norms and values as an affirmation of their European identity; and third, the EU's promise of membership, when it was made, provided them an extra incentive to go through the painful process of transition.

However, none of these conditions apply in the Southern Neighbourhood. Firstly, the Middle East and North Africa is now increasingly multipolar and Europe must compete with other players such as China, the GCC and Turkey. These other players may not offer the funds the EU does, and may not care whether the North African states build their democracies or not, but that hardly matters. Secondly, there is little desire from southern Mediterranean countries to adopt European standards. Many of the countries in the region, especially Egypt and Algeria, are fiercely protective of their independence and want to emancipate themselves from foreign and, in particular, Western influence rather than sign up to European norms – which in any case look less appealing since the euro crisis.

Thirdly, and most importantly, against the background of the euro crisis, Europe does not believe it can afford the more generous approach it took in Central and Eastern Europe after 1989. The argument that engagement with North Africa will, in fact, also benefit Europe by giving the EU an economic edge – just as Spain, Portugal and Greece did in the 1980s and Eastern Europe did in the 1990s – has fallen on deaf ears. The focus on “conditionality” could work if the EU were willing to offer big carrots. But making the relatively modest amounts of money offered to North African states dependent on lengthy and sometimes unprioritised action plans – whilst understandable in terms of re-assuring European taxpayers that their money will not be wasted – seems unlikely to change the political calculus

of actors in the south. It may therefore be time to review the EU's approach and develop a foreign policy towards these countries based on achieving a smaller number of political goals rather than placing so much emphasis on regulatory convergence.

## “Following from the front”

Despite the euro crisis, Europeans did have some foreign-policy successes in 2011. Perhaps most remarkable of all was the military intervention in Libya, which – although it was undertaken by some member states in an ad hoc coalition and then placed under NATO command – was perceived around the world as a European-led war. After all, it was Nicolas Sarkozy and David Cameron who convinced the Obama administration to undertake the military intervention, which supported Libyan insurgents and effectively enabled them to remove Muammar Gaddafi from power. Some elsewhere in the world were surprised – and impressed – that a continent struggling with a financial crisis was able to respond quickly enough and to maintain an operation that lasted six months. Against the background of what US Defence Secretary Robert Gates called the “demilitarization” of Europe, many doubted that the political will existed any more to mount such a humanitarian intervention.

The split within Europe on Libya – Germany sided with the BRICS countries rather than its Western allies by abstaining on UNSC Resolution 1973, which authorised military action to protect civilians – ruled out the possibility of a CSDP mission (a EUFOR–Libya mission was approved but never activated). In this sense, this episode was a setback for the EU as a foreign-policy actor. However, after the operation was placed under NATO command in early April, no fewer than 11 European countries took an active part, with Belgium, Denmark and Norway making particular contributions. But, in order to wage the war within the constraints of the UN mandate to protect civilians, Europeans still had to rely on US military assets such as refuelling, targeting and jamming capabilities. Given the dramatic cuts in defence budgets announced for the next few years, this capability deficit is unlikely to improve and may even get worse.

Thus, although the Libya operation earned the respect of some emerging powers as much as it irritated them, it also highlighted Europe's limitations. It has been suggested that, by letting Paris and London front the operation, the US “led from behind” in Libya, although the Obama administration rejected the expression. Conversely, it might be said that, because of its divisions and inadequate military

capabilities, Europe “followed from the front” – that is, although it committed resources and was on the frontline, it still found itself dependent on the US in a larger geopolitical context in which Washington is trying to shift its focus away from the Middle East and towards the Pacific. Europe’s lack of real strength and influence in the region was highlighted by the inability of Europeans to make a difference on the Middle East peace process – despite having exceptional leverage in 2011 since their vote at the UN was potentially pivotal and Washington was both discredited and boxed in.

Meanwhile, the EU had some surprising successes in the Eastern Neighbourhood – above all, Russian accession to the WTO and progress on trade and energy talks with Eastern Partnership countries. But much of the improvement in relations with Russia during the past few years is a result of the US “reset”, of which Europe has been a collateral beneficiary. Despite greater unity than in the past, the EU failed to make progress in other areas – for example, the “partnerships for modernisation”, the rule of law, democracy and human rights in Russia, Belarus and Ukraine, and the conflict in Transnistria. With the return of Vladimir Putin to the presidency in 2012, Russia may become more of a problem for Europeans. This may also make it more difficult to make progress in the Eastern Neighbourhood.

Europeans also had some genuine successes in multilateral institutions of which it can be proud. Europeans and Americans managed to rally majorities of UN member states to censure Libya and Syria, and the G8 was turned into a forum of support for the Arab Awakening, even though announced budgets were not as large as many had hoped. They also supported an assertive UN mandate in Côte d’Ivoire, enforced by French troops, to install the democratically elected president, Alassane Ouattara. The EU took an even clearer leadership role on climate change at the Durban conference in December. While the agreement certainly fell short of EU objectives and disappointed those who wanted more decisive action, the universal commitment to a legally binding deal on climate change by 2015, to take effect starting in 2020, was a victory for EU diplomacy. But declining budgets in development aid and support for multilateral agencies in the near future will weaken both the European reach in the multilateral system and harm the system itself.

## Most successful policies in 2011

2011 policies		Unity (out of 5) Resources (out of 5) Outcome (out of 10) Total (out of 20)	2010 policies		Unity (out of 5) Resources (out of 5) Outcome (out of 10) Total (out of 20)
13	Trade liberalisation with Russia	5-3-8 16 A-	28	Relations with the US on terrorism, information sharing and data protection	5-5-8-18 A
37	Relations with the US on Iran and proliferation	4-5-7 16 A-	37	Relations with the US on Iran and proliferation	5-5-8 18 A
73	Climate change	5-4-7 16 A-	43	Visa liberalisation with the Western Balkans	4-5-9 18 A
12	Relations with China on climate change	4-4-7 15 B+	80	European policy in the World Trade Organization	5-4-8 17 A-
38	Relations with the US on climate change	4-4-7 15 B+	76	European policy on Iran and proliferation in the multilateral context	5-5-7 17 A-
40	Rule of law, democracy and human rights in the Western Balkans	4-4-7 15 B+	05	Agreement with China on standards and norms, consumer protection	5-4-7 16 A-
41	Kosovo	3-4-8 15 B+	23	Relations with Russia on Iran and proliferation	4-4-8 16 A-
48	Relations with the Eastern Neighbourhood on trade and energy	5-4-6 15 B+	57	Response to the earthquake in Haiti	4-4-8 16 A-
57	The Libyan uprising	3-5-7 15 B+	09	Relations with China on Iran and proliferation	5-4-6 15 B+
71	European policy on human rights at the UN	4-4-7 15 B+	60	Stabilisation of the Georgian border	5-4-6 15 B+
72	European policy on the ICC and international tribunals	4-4-7 15 B+	73	European policy on the ICC and ad hoc tribunals	4-4-7 15 B+
78	West Africa	4-4-7 15 B+	75	European policy on climate change in the multilateral context	4-4-7 15 B+
			77	European policy on the NPT review conference	4-4-7 15 B+

## Least successful policies in 2011

2011 policies	Unity (out of 5) Resources (out of 5) Outcome (out of 10) Total (out of 20)	2010 policies	Unity (out of 5) Resources (out of 5) Outcome (out of 10) Total (out of 20)
06 Rule of law and human rights in China	2-1-2 5 D+	06 Rule of law and human rights in China	2-2-1 5 D+
07 Relations with China on the Dalai Lama and Tibet	2-1-2 5 D+	07 Relations with China on the Dalai Lama and Tibet	2-1-2 5 D+
43 Bilateral relations with Turkey	2-2-1 5 D+	44 Bilateral relations with Turkey	2-2-1 5 D+
45 Relations with Turkey on the Cyprus question	3-1-1 5 D+	46 Relations with Turkey on the Cyprus question	3-1-1 5 D+
16 Media freedom in Russia	3-2-1 6 C-	17 Media freedom in Russia	3-2-1 6 C-
17 Stability and human rights in the North Caucasus	4-1-1 6 C-	18 Stability and human rights in the North Caucasus	4-1-1 6 C-
25 Relations with Russia at the G20	1-3-2 6 C-	26 Relations with Russia at the G20	2-2-2 6 C-
31 Relations with the US on NATO, arms control and Russia	2-2-2 6 C-	61 Crisis management in Kyrgyzstan	4-1-1 6 C-
35 Relations with the US on the Middle East peace process	2-2-2 6 C-		
52 Resolution of the Nagorno-Karabakh dispute	2-2-2 6 C-		

## The renationalisation of European foreign policy

Despite individual successes for the EU, however, the overall trend in 2011 was towards a renationalisation of European foreign policy on the model of the developments that occurred throughout the year around the eurozone crisis. This is particularly problematic because, as many (but not all) member states cut their defence, foreign affairs or development aid budgets, there is a greater need than ever for co-operation. In last year's Scorecard we described how, instead of the expected shift of power to Brussels following the Lisbon Treaty, there was a shift to the capitals of member states. In 2011, this trend intensified. European foreign policy tends to be most effective when there is an alliance between big countries and small ones. But in 2011 the big member states often went their own way and did little for EU policy.

Throughout the year, the UK led a diplomatic guerrilla campaign to block the EEAS, the EU's new diplomatic service, from speaking on behalf of the EU at the UN or the OSCE, even where precedents existed. France launched a unilateral diplomatic offensive against Turkey on the question of the Armenian genocide, thus further poisoning its relations with Ankara and making EU–Turkey co-operation more difficult. Germany blocked a larger use of the EIB funds for financial aid to the MENA region, thus reducing Europe's capacity to support the Arab Awakening. Italy under Silvio Berlusconi supported an exemption of the Russian South Stream project from the EU's Third Energy Package, thereby undermining the Nabucco pipeline designed to increase the diversification of European energy sources.

More generally, European foreign policymaking was dominated by the European Council and what Jaap de Hoop Scheffer has called “selective diplomacy” – that is, informal meetings where the host decides who is included and who isn't. This approach, which sidelines other EU institutions such as the High Representative and the European Commission and reduces the influence of the smaller member states, is not good for European cohesion or for building a coherent foreign policy. It leads, as in the case of Libya, to action by European “coalitions of the willing” – in other words, an approach whereby member states “opt in” rather than “opt out” after a serious debate in the relevant EU institutions.

The findings of this year's Scorecard illustrate this renationalisation of European foreign policy. First, in our exploration of the position of member states on 30 of the 80 components, we found many “slackers” in each case – an average of three per component (see full tables at the end of the Scorecard). “Slackers” are countries that fail to pull their weight in support of European policies, impede or even try to block the development of these policies. While it is not possible to compare this result to 2010, the number of “slackers” seems surprisingly high. Second, the average score for unity in 2011 was low, and here it is possible to compare results to 2010. The table below shows that whereas Europeans scored 5 out of 5 on ten components in 2010, they did so on only seven components in 2011.

*Most united EU responses in 2011*

<b>2011 policies</b>	<b>Unity (out of 5)</b>	<b>2010 policies</b>	<b>Unity (out of 5)</b>
<b>08 Relations with China on proliferation</b>	5	09 Relations with China on Iran and proliferation	<b>5</b>
<b>13 Trade liberalisation with Russia</b>	5	05 Agreement with China on standards and norms, consumer protection	<b>5</b>
<b>22 Relations with Russia on Iran and proliferation</b>	5	76 European policy on Iran and proliferation in the multilateral context	<b>5</b>
<b>34 Relations with the US on the Arab Awakening</b>	5	28 Relations with the US on terrorism, information sharing and data protection	<b>5</b>
<b>48 Relations with the Eastern Neighbourhood on trade and energy</b>	5	49 Relations with the Eastern Neighbourhood on trade and energy	<b>5</b>
<b>70 European policy on the World Trade Organization</b>	5	80 European policy in the World Trade Organization	<b>5</b>
<b>73 Climate change</b>	5	38 Relations with the US on climate change	<b>5</b>
		37 Relations with the US on Iran and proliferation	<b>5</b>
		60 Stabilisation of the Georgian border	<b>5</b>
		64 Stabilisation and state building in Iraq	<b>5</b>

Partly as a result of this renationalisation, 2011 was not a good year for the CSDP either: for the third successive year, no new crisis-management operation was launched. Catherine Ashton was criticised for showing less interest in security and defence policy than her predecessor, Javier Solana. But Brussels cannot be blamed for the diminishing readiness of member states to support even ongoing operations, with Bosnia and anti-piracy patrols notably under-strength – or indeed for the policy divisions that ensured that the EU was almost entirely absent from the Libya crisis. During its EU presidency, Poland made efforts to advance CSDP agendas but became mired in a worthy but ill-judged attempt to force the creation of an EU operational headquarters that ran into the predictable British veto. Meanwhile, member states discussed “pooling and sharing” but in practice cut their defence budgets and capabilities without any co-operation or consultation with partners (or, for that matter, with allies in NATO).

The performance of Ashton and the EEAS – in the second full year of their existence since the Lisbon Treaty, following a first year during which much time was spent fighting turf wars with the European Commission – should be seen in this context. Further progress was made in recruiting staff for the new diplomatic service’s 140 delegations around the world, but there is still a long way to go in order to bring it up to full strength (the EEAS is particularly badly under-represented in the BRICS countries and the Gulf). In a non-paper in December, the foreign ministers of 12 member states implicitly criticised Ashton for her chairing of monthly meetings with them as well as her neglect of security policy. Others criticised her for failing to provide strategic direction. Ashton acknowledged in a report to the EU institutions at the end of December that there had been problems in setting up the EEAS but said its success “depends on the sustained political support and collective commitment from Member States and the EU institutions”.

Like all 27 member states, Ashton and the EEAS were initially wrong-footed by the revolution in Tunisia but quickly learned from the failure and led European condemnation of President Hosni Mubarak in Egypt. She also played a key part, together with the E3, in negotiations with Iran, and began the first direct talks between Serbia and Kosovo – an issue that divides member states. But the failure of Ashton to meet her critics’ perhaps unrealistically inflated expectations for European foreign policy illustrates both the precariousness of the EU against the background of the euro crisis and the difficulties she faces under the terms of the Lisbon Treaty. In order to make a difference, she must be proactive. But when member states are divided (as they were on Libya and the Palestinian statehood bid) or fail to commit resources (as they did in response to the revolutions in Egypt and Tunisia), her scope for action is severely limited.

## A German Europe?

There has been much discussion of how the Europe that is emerging from the euro crisis is a German one. In 2011, against the background of the crisis, there seemed to be not just a shift of power towards national capitals in general but towards one national capital in particular: Berlin. At times, as Germany was forced to concede to French proposals to solve the euro crisis, it seemed that the Franco-German tandem that drove European integration before enlargement had re-emerged. But, in the last few years, the economic inequality between France and Germany has grown. Even before Standard & Poor’s downgraded France’s AAA rating in January 2012, Germany was perceived as the new dominant power within the eurozone.

However, the picture of European foreign policy that emerges from this second edition of the Scorecard is more complicated. There has certainly been a change in Germany's role. While in the past Germany often deferred to France and the UK on foreign-policy issues, we identified it as a "leader" in more cases than any other member state in 2011. However, while Germany certainly amassed power because of its centrality to the euro crisis, the answer to the famous Kissinger question is not necessarily: "Call the Chancellor". Sometimes, Germany did exert decisive leadership on foreign affairs. For example, together with Poland, it led the EU's attempt to develop a co-ordinated approach to Russia and flexed its muscles on Serbia. But on other issues – for example, Libya – Germany did not so much lead as use its newfound margin of manoeuvre to follow its own preferences in the face of others in the EU.

Specifically, Germany seems to be emerging as a "geo-economic power" – that is, one that uses economic means to pursue its foreign-policy goals, which are themselves often economic rather than political. In particular, German foreign policy is increasingly driven by the needs of its export industry, which provides half of German GDP. In 2011, it imposed its economic preferences on others in the eurozone but was not prepared to use military force as a foreign-policy tool – even where this meant breaking with its Western allies. Germany's response to the Arab Awakening illustrated this contrast between economic assertiveness and military abstinence: shortly after declining to take part in the military intervention to support the revolution in Libya, it agreed to sell 200 main battle tanks to Saudi Arabia, which had only a few weeks earlier sent troops to Bahrain to put down pro-democracy protests there.

### *Top "leaders" and "slackers" among EU member states*

<b>LEADERS</b>	On no. of components	<b>SLACKERS</b>	On no. of components
Germany	<b>19</b>	Cyprus	<b>7</b>
France	<b>18</b>	Greece	<b>7</b>
United Kingdom	<b>17</b>	Italy	<b>6</b>
Sweden	<b>11</b>	Netherlands	<b>6</b>
Poland	<b>8</b>	France	<b>5</b>
Italy	<b>7</b>	Poland	<b>5</b>
Netherlands	<b>7</b>	Romania	<b>5</b>
Czech Republic	<b>6</b>	Spain	<b>5</b>
Denmark	<b>6</b>	Belgium	<b>4</b>
Finland	<b>5</b>	Germany	<b>4</b>
		Latvia	<b>4</b>

Meanwhile, even as France experienced a loss of power relative to Germany on economic issues, it continued to play a decisive role in European foreign policy in 2011. Paris made up for its initial faux pas on the Arab Awakening by leading the Libya operation and by turning against the Bashar al-Assad regime in Syria. It also provided support for the UN in Côte d'Ivoire, led attempts to impose stronger sanctions against Iran, steered the G20 towards support for the eurozone and retained European directorship of the IMF. But France's unilateral approach often antagonised its European partners. For example, Nicolas Sarkozy preempted a common European position on the Palestinian statehood bid at the UN in September. Paris also squabbled with Italy over refugees from Tunisia, which led to the renegotiation of the Schengen agreement to give member states greater control over their borders. In other words, even when Paris led, it did not always do so in a constructive way.

However, apart from the decisive role it played in Libya alongside the French, the UK has become increasingly passive on foreign-policy issues. Even before it vetoed a plan by eurozone countries to create a "fiscal union" within the European treaties at the European summit in December, it was playing less of a leadership role than it traditionally has on key European foreign-policy issues. It continued to support enlargement, ask for closer links with Turkey and support development in Africa, but it did not launch any creative initiatives to bring other member states along with it or change the terms of the debate within the EU. On other issues such as engaging "strategic partners" such as China and Russia, the UK was often a follower rather than a leader. The difficulties of implementing the defence co-operation agreement signed in 2010 and the collapse in relations following the crucial European summit in December showed how brittle the coalition between France and the UK is. If the eurozone's plan for a "fiscal compact" outside the European treaties succeeds and the UK fails to develop a more creative diplomatic strategy to lead in other areas, London could end up marginalising itself within EU foreign policymaking.

At the same time, other new foreign-policy leaders are also emerging. We identified Sweden as a "leader" on 11 components of European foreign policy – more times than Italy and Spain combined. This suggests that Sweden – the 14th largest member state in terms of population and the eighth in terms of GDP – punches considerably above its weight. This was in part to do with its activist foreign minister (described in a leaked US State Department cable as being "a medium-sized dog with a big dog attitude") and development minister. In response to the Arab Awakening, it increased annual aid to North Africa by SEK 100 million (€11.1 million), proposed an EU democracy support mission to

Tunisia a week after the revolution there and was an early and strong supporter of UN resolutions in support of the uprising in Libya. It played a particularly constructive role on multilateral issues: as well as making disproportionately large aid contributions, including to Japan after the tsunami, it was a forceful voice on human rights.

Poland also emerged as a “leader” on eight components of European foreign policy. It played a particularly constructive role on Russia, where it has largely overcome its differences with Germany and is now at the forefront of efforts to develop a genuinely strategic approach, and on European defence (though it declined to take part in the military intervention in Libya). Admittedly, its leadership role in 2011 was partly a function of the EU presidency that it held in the second half of the year. Like Sweden, it was also in part a consequence of the activism of its prime minister and foreign minister. But it also reflected the strength of the Polish economy, which was expected to grow at over 3 percent in 2012 – better than almost anywhere else in the EU. This, together with its commitment to European action, enabled it to leapfrog larger and older member states to become one of the key leaders of EU foreign policymaking.

Perhaps unsurprisingly, Cyprus and Greece topped the listed of “slackers” in European foreign policy. Cyprus was particularly unhelpful in the Eastern Neighbourhood: as well as still not recognising the independence of Kosovo, its close relationship with Russia acted as a drag (for example, like Italy, it supported an exemption of the Russian South Stream project from the Third Energy Package). Even as it desperately sought a second bailout from other eurozone countries, Greece was also unhelpful in the Wider Europe: it does not recognise Kosovo and blocked membership talks with Macedonia and co-operation with Turkey on regional issues. It also opposed sanctions against Syria.

## From 2010 to 2012: The erosion of the *acquis diplomatique*

Last year, we highlighted the existence of an *acquis diplomatique* – a collection of areas in which Europeans collectively and successfully pursue their foreign-policy interests. The second edition of the Scorecard shows that the *acquis* still exists: in multilateral institutions, in transatlantic relations, on climate change, on issues of “low politics” (trade, in particular) and in the Balkans, Europeans tended to join forces and performed reasonably well. Iran was also once again an issue on which Europeans were (with some exceptions, such as Greece) united around a

clear policy and collectively devoted resources – even though they may not have reached their ultimate objective – that is, to stop Iran enriching uranium – in the short or medium term. Given the context of the financial crisis, their performance on the Arab Awakening was not as dismal as might have been feared.

### *European performance on cross-cutting themes in 2011*

*The following table illustrates cross-cutting themes (in other words, themes that are dealt with in various different “components” within different “issues”) on which the EU did well and badly in 2011. An explanation of each theme is given below.*

	Score (out of 20)		Score Grade	
	2010	2011	2010	2011
Climate change	12	<b>14</b>	B-	<b>B+</b>
Iran and proliferation	16	<b>13</b>	A-	<b>B</b>
Balkans	12	<b>13</b>	B-	<b>B</b>
Trade, standards and norms – “low politics”	13	<b>12.5</b>	B	<b>B</b>
Arab Awakening	-	<b>12</b>	-	<b>B-</b>
Energy policy	10	<b>12</b>	C+	<b>B-</b>
Issues of war and peace – “high politics”	11	<b>11</b>	B-	<b>B-</b>
Visa policy	12	<b>10</b>	B-	<b>C+</b>
Afghanistan	10	<b>10</b>	C+	<b>C+</b>
Human rights	8	<b>9</b>	C	<b>C+</b>
Euro crisis	-	<b>8.5</b>	-	<b>C</b>
Israel/Palestine	9	<b>8.5</b>	C+	<b>C</b>
Protracted conflicts	10	<b>8</b>	C+	<b>C</b>
Turkey	6	<b>6.5</b>	C-	<b>C-</b>

\* The cross-cutting themes in 2011 are the following:

“Climate change” amalgamates components 12, 24, 38, 73.

“Iran and proliferation” amalgamates components 8, 22, 37, 62, 69.

“Trade liberalisation, standards and norms” amalgamates components 4, 13, 28, 29, 70.

“Balkans” amalgamates components 32, 39, 40, 41, 42.

“Arab Awakening” amalgamates components 9, 23, 33, 34, 53, 54, 55, 56, 57, 58, 59, 63, 64.

“Energy policy” amalgamates components 20, 21, 46, 48.

“Issues of war and peace” amalgamates components 8, 9, 19, 22, 23, 31, 32, 33, 34, 35, 36, 37, 41, 42, 50, 51, 52, 57, 59, 61, 62, 65, 69, 77, 78, 79, 80.

“Visa policy” amalgamates components 14, 26, 49.

“Afghanistan” amalgamates components 23, 36, 80.

“Human rights” amalgamates components 6, 7, 15, 16, 17, 40, 44, 47, 53, 71, 72.

“Eurozone crisis” amalgamates components 5, 25, 30, 66, 67.

“Israel/Palestine” amalgamates components 23, 35, 60, 61.

“Protracted conflicts” amalgamates components 19, 50, 51, 52.

“Turkey” amalgamates components 43, 44, 45, 46.

However, the collective performance of Europeans remained mediocre on issues such as human rights, the Eastern Neighbourhood and protracted conflicts – and it was still dismal on Turkey, which continued to drift away from the EU. The combined effect of the financial crisis and the renationalisation of politics in Europe has also started to slowly erode the *acquis diplomatique* where it existed. Relations with China, moving from a C+ to a C, are the most symbolic and worrying illustration of this trend. Worse may be yet to come in 2012. Defence and development aid budget cuts as well as the effects of the centrifugal forces unleashed by the euro crisis will most probably take a further toll on Europe's standing in the world. In order to reverse this trend and regain the ground they have lost, European leaders should re-prioritise foreign policy in order to pursue their collective and long-term interests. A coherent and effective foreign policy is not a luxury or an afterthought of the European project; it is central to its prosperity and future. Hopefully, 2011 will be remembered not as the decisive year in the EU's dissolution and decline but as the year when it began its recovery.

# China

Overall grade

C

Overall grade 2010 **C+**



	2010	2011
<b>TRADE LIBERALISATION AND OVERALL RELATIONSHIP</b>	<b>B-</b>	<b>C+</b>
1 Formats of the Europe–China dialogue	C+	C+
2 Market access and protection of IPR in China	B-	B-
3 Reciprocity in access to public procurement in Europe and China	C+	C
4 Trade and investment disputes with China	B-	B-
5 Co-operation on the euro crisis	–	C-
<b>HUMAN RIGHTS AND GOVERNANCE</b>	<b>C-</b>	<b>D+</b>
6 Rule of law and human rights in China	D+	D+
7 Relations with China on the Dalai Lama and Tibet	D+	D+
<b>CO-OPERATION ON REGIONAL AND GLOBAL ISSUES</b>	<b>C+</b>	<b>B-</b>
8 Relations with China on Iran and proliferation	B+	B-
9 Relations with China on the Arab Awakening	–	B
10 Relations with China on Africa	C+	B-
11 Relations with China on reforming global governance	C-	C-
12 Relations with China on climate change	B	B+

Europe faces a structural disadvantage in dealing with China. The EU is divided between member states with different economic interests and decision-making involves various actors such as the European Commission, the European Parliament and the ECB, not to mention new institutions such as the recently created EFSF. China, on the other hand, is still a unitary actor that can mobilise banks, wealth funds, money and diplomacy to pursue its foreign-policy goals. This asymmetry makes it even more urgent that the EU take steps to co-ordinate its interests more effectively. 2011 was supposed to be the year in which the EU strengthened its approach to China following top-level deliberations on Europe's external partnerships in 2010. But Europe's crisis turned into China's opportunity.

The question at the beginning of the year was whether China would come to the rescue of southern member states hit by the debt crisis and south-eastern member states with current-account deficits and a need for foreign investment. As China's leaders crisscrossed Europe, indebted countries such as Greece, Hungary, Portugal and Spain kept quiet about issues such as human rights in China. But since China does not make its debt purchases public, it is impossible to know exactly how much European sovereign debt it actually bought. Because even rumours of Chinese investment in public bonds could help to restore market

confidence, some European politicians have themselves tended to exaggerate Chinese purchases.

As the crisis evolved, the question became whether China would be a key contributor to an enlarged EFSF. The answer was no – even after French President Nicolas Sarkozy made an emergency phone call to his Chinese counterpart Hu Jintao in October. Europe’s own indecisive crisis resolution influenced China’s calculations, which are made by risk-averse central bankers. The chaos surrounding Greece’s possible referendum on the eve of the G20 summit in Cannes led to very negative comments from China’s public banking community about the risks involved in contributing, and even about paying for “lazy Europeans”.

Rather than contributing to eurozone bailout funds, China prefers to spend on European infrastructure and buying up European companies. Chinese Commerce Minister Chen Deming said he looked forward, thanks to the euro crisis, to a sale of European assets. Here, China sees good opportunities: a Chinese company bought the largest Hungarian chemicals manufacturer in a move towards high technology. At the end of the year, China also saw off German companies to buy Portugal’s former state-owned energy company, which was sold off because of budget cuts. In the UK, the government is already calculating Chinese stakes in new infrastructure into budgets for the years ahead.

The crisis left little scope for the more co-ordinated and strategic approach towards China that Europe was beginning to develop. Council resolutions and pronouncements by top European officials now mention reciprocity, the need to open up China’s closed or controlled public procurement markets and the idea of an investment treaty in order to get better access. Europe has also staked its case on access to raw materials and rare earths more firmly than at any time previously. It is pushing into anti-subsidy actions too – a first with China. But the European Commission mostly fights alone on these issues while member states sweet-talk China. The result is that China also prefers to deal with member states and bypasses Brussels. In fact, as the year drew to a close, there was no date set for either the EU–China summit or the equally important High Level Economic Dialogue, which was postponed in November.

What did force a shift in Chinese foreign policy was the Arab Awakening. The revolutions and their violent fallout in Libya and Syria showed the limits of the “Beijing Consensus”. Together with the US, Europeans in the UNSC were able to nudge China towards resolutions on Libya after the uprising against Muammar Gaddafi began. China voted for sanctions against Gaddafi for abuses that China

would normally see as purely internal affairs. It also endorsed a referral to the ICJ, which China does not recognise, and the suspension of Libya from the UNHRC. The UN-sanctioned operation in Côte d'Ivoire also showed China's pragmatic side. But its dogmatic insistence on non-interference resurfaced on an international response to Syria, although China did condemn the Syrian government for its excessive use of violence.

EU–China co-operation on global governance was again overtaken by events. Europe's short-term objective of finding another European candidate to be head of the IMF after the resignation of Dominique Strauss-Kahn overshadowed negotiations in the IMF on global governance. Similarly, the Libya conflict dominated the French G20 seminar in March on the international monetary system and fire-fighting the euro crisis also dominated the G20 summit in Cannes on financial regulation. On the other hand, the EU was ambitious on climate change and achieved results with China. Although they did not sign the Kyoto Protocol, China and other emerging emitters agreed to sign a binding legal agreement curbing their emissions from 2020 onwards. With the help of the Green Climate Fund, on which Europeans such as Denmark and Germany have already made the first down payments, the EU also successfully delinked China from its usual coalition of developing countries.

Such occasional successes notwithstanding, the EU is still a long way from having a real “strategic partnership” with China. Unity requires a long-term vision. But although diplomatic tools are being sharpened, economic need is preventing them from being used. Against the background of the euro crisis, too many member states are focused instead on short-term solutions. It is of course easier for member states to cut their own deals with China, especially when they feel other EU member states are not being as supportive as they should, than to collectively develop a coherent China policy that is able to secure equal access and fair competition. But in putting short-term need above a long-term vision, Europe risks reducing its supposedly strategic relationship with Beijing to a profit-making opportunity – for China.

## 01 FORMATS OF THE EUROPE-CHINA DIALOGUE

The EU got some of the meetings it wanted with high-level Chinese officials. Meanwhile, against the background of the euro crisis, cash-strapped member states competed with each other for Chinese investment.

	2010	2011
Unity	2/5	2/5
Resources	2/5	2/5
Outcome	5/10	5/10
<b>Total</b>	<b>9/20</b>	<b>9/20</b>

C+

2010 score C+

The EU aims to engage with China through high-level channels and a plethora of sectoral dialogues beneath it. In 2011, a formal system seemed to have been established for high-level EU–China meetings: European Council President Herman Van Rompuy met Hu Jintao; European Commission President José Manuel Barroso met Chinese Premier Wen Jiabao; and High Representative Catherine Ashton met State Councillor Dai Bingguo. But the urgency of the euro crisis undermined last year’s moves towards developing a “strategic partnership” with China. As discussions focused on China’s potential role as a saviour of individual member states, the EU–China summit was postponed. However, Van Rompuy went to China in May – his first visit outside the EU – and met with Hu and Wen and Hu’s likely successor Xi Jinping. In October, Ashton met Dai and Chinese Foreign Minister Yang Jiechi and discussed recent foreign-policy issues such as North Africa, Syria and Iran. She also met with Chinese Defence Minister Liang Guanglie. Thus the EU got most of what it wanted in terms of high-level meetings, although the annual

summit and the equally important High-Level Economic Dialogue were postponed because of emergency meetings on the euro.

Meanwhile, however, member states continued to compete with each other to strengthen their bilateral relationships with China. The UK stepped up its own infrastructure co-operation. Germany, the biggest European stakeholder in the trade relationship between China and the EU, even held a full-scale joint cabinet meeting with China – a meeting that some saw as the “real” EU–China summit. Poland was the last of the big six in Europe to establish a bilateral Strategic Partnership, in December. While paying lip service to the EU institutions, China was happy to do business with member states, particularly indebted ones. In June, following the €12 billion purchase of Borsodchem, a Hungarian chemicals factory, Wen visited Budapest. In his speech, Hungarian Prime Minister Viktor Orbán talked of a “long-lasting alliance” with China.

# Russia

Overall grade

C+

Overall grade 2010

C+



	2010/	2011
<b>TRADE LIBERALISATION AND OVERALL RELATIONSHIP</b>	<b>B-</b>	<b>B</b>
13 Trade liberalisation with Russia	B-	A-
14 Visa liberalisation with Russia	C+	B-
<b>HUMAN RIGHTS AND GOVERNANCE</b>	<b>C-</b>	<b>C-</b>
15 Rule of law and human rights in Russia	C	C-
16 Media freedom in Russia	C-	C-
17 Stability and human rights in the North Caucasus	C-	C-
<b>EUROPEAN SECURITY ISSUES</b>	<b>C+</b>	<b>B-</b>
18 Relations with Russia on the Eastern Partnership	C	C+
19 Relations with Russia on protracted conflicts	C+	C+
20 Relations with Russia on energy issues	C+	B-
21 Diversification of gas supply routes to Europe	B-	B-
<b>CO-OPERATION ON REGIONAL AND GLOBAL ISSUES</b>	<b>B-</b>	<b>C+</b>
22 Relations with Russia on Iran and proliferation	A-	B-
23 Relations with Russia on the Greater Middle East	–	B-
24 Relations with Russia on climate change	C+	C+
25 Relations with Russia at the G20	C-	C-

The EU's "strategic partnership" with Russia is exceptional because of the scale of mutual economic interdependence, the intensity of political competition in the neighbourhood and the internal divisions it has caused in the past. Russia sees the EU as its most important consumer of energy exports and as a trade partner that can help it modernise its economy. The EU, on the other hand, wants to trade with Russia but also to co-operate with it on security issues in the Wider Europe and beyond. In 2011, the EU achieved an impressive degree of unity based on an overriding interest in developing its co-operation with Russia. This unity was symbolised by increasing co-ordination between Germany and Poland, and in particular between foreign ministers Guido Westerwelle and Radoslaw Sikorski, leading some to speak of a "Polish-German tandem" on Russia policy.

However, just as the EU moved to further engage with Russia, in particular on the modernisation drive promoted by President Dmitry Medvedev, both he and the vision he was believed to represent were sidelined. In September, Russian Prime Minister Vladimir Putin's announcement that he was returning to the

presidency ended a period of wishful thinking that had underwritten much of the EU's engagement with Russia. The large-scale electoral fraud to support Putin's United Russia party during parliamentary elections in December made it clear that, even if the government wants to modernise its economy, it is not prepared to cede control of institutions.

The outburst of political activism and demands for clean elections in major cities was initially met with arrests and police brutality, but afterwards large peaceful rallies were held in Moscow and across Russia. These were even broadcast on federal television – a major turnaround following a previous blanket ban on such broadcasts. Yet, despite some conciliatory statements, the Kremlin has not conceded to the demands for new elections or removal of the chairman of the Electoral Commission. The emerging protest movement shows that Putin is returning to a different, more restless Russia than the one he previously governed. This creates risks for the EU in 2012. The Kremlin may try to compensate for internal weakness through a more aggressive foreign policy. While the EU has no choice but to continue to engage with Putin, it will have to sharpen its political approach to get more out of Russia than it did in 2011.

A big EU success in 2011 was Russia's accession to the WTO in a format the EU believes will be mutually economically beneficial. EU diplomacy played a key role in the Georgian-Russian agreement on WTO accession, which opened the way for further EU–Russia trade liberalisation. However, although Russia is now set to join the WTO, the Moscow-led project for a customs union with Belarus and Kazakhstan – which are not WTO members – may disrupt a smooth transition. The EU also made progress on visas. The EU got Russia to agree to a list of conditions to be fulfilled in order to benefit from a visa-free regime; the challenge now will be to get Russia to implement them. There was progress in co-operation on climate change but only in areas that did not clash with Russian economic interests. There has also been progress in co-operation between the EU and Russia in the flagship “Partnerships for Modernisation”, which in theory exchange tools for economic modernisation for more political openness in Russia, although the partnerships have to some extent become vehicles for member states to further their business interests.

This was symptomatic of a wider trend in 2011 as member states pursued economic goals and limited political criticism and condemnation of human rights abuses. Though High Representative Catherine Ashton, the European Parliament and some member states such as the UK and Sweden have not refrained from criticising Russia for human rights violations, there was little follow-up. Most

member states either do not raise sensitive issues in discussions with Moscow or make perfunctory statements. As a result, the EU had little impact on the political and human rights situation. Independent media in Russia came under heavy pressure in the run-up to the December parliamentary elections, which the EU was unable to prevent. Nor did it have much impact in dissuading the Kremlin from putting pressure on citizens to vote for United Russia, preventing some opposition parties from participating in the vote, or falsifying votes. Nor did the EU make its voice heard during the outbreak of mass street protests in the aftermath of the elections.

Moscow's abstention on UNSC Resolution 1973, which authorised military action by NATO in Libya, suggested that Russia might play a co-operative role with the West in dealing with the Arab Awakening. However, by the end of the year, Russia had launched a war of words on NATO involvement in Libya and opposed a UN resolution on Syria. After a success in 2010, Russia also drifted further away from the EU on Iran. There was little progress in co-operation with Russia in resolving protracted conflicts or in co-operation in Afghanistan, Central Asia or the Middle East. In the G20, Russia increasingly aligned with the other BRICS countries, especially China, in criticising the EU for mishandling the euro crisis. The challenge for the EU in 2012 will be to improve delivery on co-operation and either prevent or prepare for a more aggressive Russian foreign policy once Putin returns to the presidency in March.

## 19 RELATIONS WITH RUSSIA ON PROTRACTED CONFLICTS

Protracted conflicts in the South Caucasus are not a priority for the EU. The EU engaged Russia in a dialogue on Transnistria but took no initiative on the conflicts in Georgia or Nagorno-Karabakh.

	2010	2011
Unity	3/5	4/5
Resources	3/5	3/5
Outcome	4/10	3/10
<b>Total</b>	<b>10/20</b>	<b>10/20</b>

C +

2010 score C+

The EU's goal is to meaningfully engage Russia in mediation and resolution of the three protracted conflicts that continue to affect four Eastern Partnership countries – Armenia, Azerbaijan, Georgia and Moldova. The efforts on Transnistria begun by Germany in 2010 have brought progress in terms of re-launching the official talks between all involved parties. However, officials in Berlin see progress as insufficient. The EU's offer of setting up a joint EU–Russia Political and Security Committee in exchange for substantial progress on conflict settlement in Transnistria was apparently not attractive enough to entice the Kremlin.

Meanwhile, the EU has achieved virtually no progress in co-operation with Russia on the other two conflicts in the neighbourhood. While Germany has taken the initiative on Transnistria, there was no high-level engagement by the EU or its member states on the conflicts in either Georgia or Nagorno-Karabakh. While EU member states agree that Russia is both part of the problem and an integral part of the solution of these conflicts, few member states apart

from the Czech Republic, Lithuania (which held the OSCE chairmanship) and Poland made the effort to push Russia to follow through on its commitments such as withdrawal to its pre-2008 war positions in the provinces of South Ossetia and Abkhazia. Other states are only sporadically involved: during his visit to Tbilisi in October 2011, French President Nicolas Sarkozy called on Russia to fulfil its part of the ceasefire agreement and “stop the occupation of South Ossetia and Abkhazia”, but Moscow made no official response.

The EU's monitoring mission in Georgia, whose mandate lasts until September 2012, is still denied access to both South Ossetia and Abkhazia. In October 2011, the Polish and Swedish foreign ministers suggested in a non-paper that the EU should boost co-operation with its eastern neighbours on security issues, including collaboration on CSDP missions. While it is too early to assess the impact of the initiative, Moscow is unlikely to greet it with enthusiasm.

# Middle East and North Africa

Overall grade

# C+

Overall grade 2010 -



	2010	2011
<b>REGIONAL ISSUES</b>	–	<b>B-</b>
53 Rule of law, democracy and human rights in the MENA region	–	C+
54 Reforming financial support to the MENA region	–	B-
<b>NORTH AFRICA</b>	–	<b>B-</b>
55 The Tunisian revolution	–	B+
56 The Egyptian revolution	–	C+
57 The Libyan uprising	–	B+
58 Relations with Algeria and Morocco	–	C+
<b>LEVANT</b>	–	<b>C</b>
59 The Syrian uprising	–	C
60 State building in Palestine	–	C+
61 Middle East peace process and Palestinian statehood	–	C-
<b>PERSIAN GULF</b>	–	<b>C+</b>
62 Iran	–	B-
63 The Yemen uprising	–	B-
64 The Gulf Cooperation Council	–	C+
65 Iraq	–	C+

2011 was a tumultuous year for the Middle East and North Africa (MENA). The Arab Awakening – the spontaneous popular uprising that began in Tunisia and eventually toppled four dictators, and that has forced reform in a number of authoritarian regimes – took the West, including Europe, completely by surprise. Everyone was slow to react. In fact, on 11 January – just a few days before Tunisian President Zine El Abidine Ben Ali fled by plane – the French foreign minister, Michèle Alliot-Marie, offered French knowhow to help Tunisian authorities manage riots. One month later, just before the “day of rage” that sparked the Libyan revolution, European officials were placidly discussing co-operation on migration and borders with the Gaddafi regime in Brussels. Indeed, the most awkward problem for Europe was that years of co-operation with autocratic regimes throughout the region left it lacking credibility in the midst of popular calls for democracy. The EU therefore faced the difficult task of transforming its longstanding policies in order to show meaningful solidarity with the democratic aspirations of people of the region, while safeguarding ongoing European concerns across a set of urgent and complex situations.

At first, it failed. Member states such as France and Italy found it difficult to abandon their former allies and interests. Europe therefore did extremely badly in the first weeks of the crisis – although the US hardly did better. But when Egyptian President Hosni Mubarak also fell in mid-February and the significance of the situation became clear, France, Germany and the UK decided to put their weight behind democratic transition. However, even then, although the EU as a whole made a number of coherent communications and took some strong positions and decisive action – for example, sanctions on Libya and Syria – unity remained precarious.

Europe also failed to commit sufficient resources to make a difference. There is little doubt that the Arab Awakening was a priority for European foreign policy in 2011: Europe used an array of instruments, including active diplomacy, special envoys, sanctions and military action. But its technocratic response fell dramatically short of the “Marshall Plan” for which some initially called. Instead, it mostly reshuffled the EU budget and offered loans by development banks. Member states made symbolic pledges at the Deauville G8 summit in May but failed to actually put much new money on the table. A “Deauville gap” can be said to have emerged between expectations and delivery. The EU’s 3M concept (“money, mobility and markets”) amounted to more differentiation among partners, visa-facilitation negotiations (a first in North Africa) and some tentative progress on trade.

A year after the beginning of the Arab Awakening, the picture in the region is mixed. In Tunisia there has been solid progress towards democracy – although the EU had little to do with it – while in Egypt, Yemen and Libya the situation is still very uncertain. France and the UK did play an important but controversial role in toppling Muammar Gaddafi by sponsoring a UNSC resolution and then pushing its interpretation to the limit during the NATO campaign, and Europe is now positioned to support post-conflict reconciliation and state building. But the EU as such was marginalised, with Germany abstaining on the UNSC resolution authorising military intervention and the French foreign minister supposedly despairing that he could not get his EU colleagues to engage with the issue. In the end, Europe acted first through an ad hoc process and subsequently through NATO.

The EU encouraged reform in Morocco and Jordan and is engaging with Algeria, where substantial reform is elusive but some repositioning has occurred. But other regimes in the region have used widespread repression to maintain stability. The EU helped isolate the Assad regime in Syria, but the killing of civilians has continued on a daily basis and the international community remains divided even if Europe has unified its position. Europeans had even less influence in the Gulf.

There has been some ad hoc co-operation with the Gulf Cooperation Council (GCC) countries, but progress on an FTA remains non-existent and the EU is vulnerable to accusations of double standards. In particular, Europeans looked the other way during the violent suppression of protests in Bahrain. In Yemen, the EU issued strongly worded statements, demanding that President Ali Abdullah Saleh and the Yemeni security forces cease shooting civilians. But the EU's role in the troubled Arab Gulf state is limited, despite having donated large amounts in humanitarian and development assistance.

Iraq, on the other hand, has become more fractious against the backdrop of the US military withdrawal, and the EU remained a marginal player. Finally, there was little progress on wider issues such as the Middle East peace process and the Iranian nuclear threat. With the peace process blocked and Israel increasingly nervous in light of regional developments, Europeans remained as divided as ever and failed to take the initiative. On the other hand, the EU was able to stay united on Iran and adopted new measures, including sanctioning human rights violations. But the nuclear threat remained, as an IAEA report in November indicated. Political agreement for an oil embargo was reached in December and sanctions were adopted in January 2012.

In short, there are improved prospects for democracy in the region, although the transition is far from over. But the EU must be more demanding of itself and will have to dramatically transform its neighbourhood policy if it is to play a meaningful role and work towards regional stability. Firstly, it will have to increase its engagement with a range of actors, including civil society and political forces, especially Islamist parties, which have emerged as the winners in all of the elections held in 2011. Finding a way to engage the region's security establishments will also be key: neither NATO nor the EU have any form of sustained and high-level dialogue with the region's militaries. The unwillingness of Field Marshall Hussein Tantawi, Egypt's de facto ruler, to see even high-level European ministers, illustrates this lacuna.

Secondly, Europeans should build on its co-operation with other actors. While the US is partially disengaging, Turkey, the GCC countries and the Arab League are playing an increasingly important role. Much more impact could have been achieved on Syria and Iran if China and Russia were persuaded to take responsibility. Finally, Europe will have to accept that, as the MENA region becomes more democratic, its direct leverage will probably decrease. The new European approach will have to be based on a partnership with other countries, balancing serious and consistent commitment to democracy and rule of law with careful responses to specific challenges.

## 55 THE TUNISIAN REVOLUTION

Europeans were relatively united and put together a respectable package of financial assistance. But complicity with the Ben Ali regime will hamper their influence in the transition.

	2010	2011
Unity	-	3/5
Resources	-	3/5
Outcome	-	8/10
<b>Total</b>	-	<b>14/20</b>

# B+

2010 score -

As the country that triggered the Arab Awakening, Tunisia is a test case for the whole region. Europe has an interest in supporting the transition and in maintaining influence in whatever new regime is to emerge from the revolution. But the history of complicity with the Ben Ali regime limited Europe's credibility. The rapid escalation of popular demonstrations in late December and January took everybody by surprise, particularly Italy and France, which should have been more aware of the popular mood and political situation. Just a few days before Zine El Abidine Ben Ali finally fled, France's foreign minister, Michèle Alliot-Marie, was still offering him French knowhow on riot control.

After Ben Ali left, the EU was able to coalesce around a common vision, helped by a relatively stable situation in Tunis and solid counterparts in the transitional government. The EU established a task force for Tunisia to co-ordinate support by donors and partners and committed collectively a package of financial assistance for 2011, including €800 million in loans

from the EIB and €160 million in grants from the European Commission (double the initial amount). Similar amounts are in the pipeline for 2012, mainly focusing on economic recovery and rural development. But although this was not an insignificant offer considering the economic crisis, some Tunisian officials called it "ridiculous". The EU also offered electoral assistance, negotiations on "Advanced Status", a DCFTA and a Mobility Partnership for the first time in the Southern Neighbourhood. Humanitarian aid helped buffer the outcome of the Libyan crisis and official visits continued steadily throughout the year.

Although Tunisia held successful elections in October, the transition is far from complete. Poland has offered Tunisia its transition expertise. The main challenge will be to ensure wide ownership of the democratic process and to deliver economic growth. Although political parties seem ready to build a new relationship with the EU, it will take Europeans a lot of time and effort to rebuild trust among the Tunisian people.

## 62 IRAN

Europeans maintained a united front and moved towards adopting an oil embargo – an impressive demonstration of their commitment to put pressure on Iran.

	2010	2011
Unity	-	4/5
Resources	-	3/5
Outcome	-	4/10
<b>Total</b>	-	<b>11/20</b>

# B-

2010 score -

Europe's objective in 2011 was to maintain unified pressure on Iran's nuclear programme in the framework of UNSC Resolution 1929, avoid a regional conflagration, and at the same time leave the door open to serious dialogue. Iran had mixed feelings about the Arab Awakening and was left increasingly isolated by the weakening of its key ally Syria. Iran cracked down internally and the regime was accused by the US of involvement in an alleged plot to kill the Saudi ambassador in Washington. The EU adopted human rights-related targeted sanctions in April and October. After an IAEA report in November pointed to an increased potential for the militarisation of Tehran's nuclear programme, the E3 called for new sanctions. Since Russia and China would have opposed a UNSC resolution, the E3+3 tabled a resolution via the IAEA board, which was adopted by an almost unanimous vote.

In December, shortly after an attack by pro-regime students on the British embassy in Tehran, Europeans united around a new round of sanctions, which targeted 180

people and entities in the trade, financial and energy sectors. All the main players (including France, Germany, Italy, Spain and the Netherlands) showed solidarity with the UK through various diplomatic demarches.

These measures fell short of an oil embargo, due mainly to resistance by Greece, which could not afford to renounce its cheap oil imports from Iran. However, European leaders downplayed this division as technical and temporary and informally pledged to target the Iranian central bank and hit oil exports in early 2012, with the support from Italy and Spain, which also rely on Iranian oil. (An oil embargo and further wide-ranging sanctions were eventually adopted in January 2012 against the background of growing tension about a possible blockade by Iran of the Strait of Hormuz.) The steps Europeans took in 2011 were an impressive demonstration of their commitment to the Iranian problem, particularly in the eyes of the US and Israel, which is increasingly nervous of Iran's nuclear programme.

# Multilateral Issues & Crisis Management

Overall grade

**B**

Overall grade 2010 **B+/B-**



	2010	2011
<b>KEY ELEMENTS OF THE INTERNATIONAL SYSTEM</b>	–	<b>B-</b>
66 European policy in the G8 and G20	C+	C-
67 European policy on reform of the Bretton Woods institutions	C+	B-
68 European policy on UN reform	C+	C+
69 European policy on non-proliferation	A-/B+	B
70 European policy on the World Trade Organization	A-	B
<b>INTERNATIONAL JUSTICE</b>	–	<b>B+</b>
71 European policy on human rights at the UN	C+	B+
72 European policy on the ICC and international tribunals	B+	B+
<b>CLIMATE CHANGE AND DEVELOPMENT</b>	–	<b>B+</b>
73 Climate change	B+	A-
74 Development aid and global health	C+/B	B-
<b>HUMANITARIAN RELIEF</b>	–	<b>B</b>
75 Famine in the Horn of Africa	–	B-
76 Assistance to Japan after the tsunami	–	B
<b>PEACEKEEPING</b>	–	<b>B</b>
77 Sudan and the DRC	B-	B-
78 West Africa	C+	B+
79 Somalia	B	B+
80 Afghanistan	C+	C+

The euro crisis highlighted the EU's reliance on multilateral institutions in 2011. The EU repeatedly turned to the IMF for financial and political support throughout the year. Franco-German efforts to use the G20 summit in November as an opportunity to restore faith in the euro turned into a shambles, in part because of doubts about Greek and Italian policies (see component 66). While the EU previously used multilateral institutions to support and influence others, it has thus increasingly looked to global multilateral institutions to buttress its own unity and economic security. At the same time, the EU continued to attempt to shape events elsewhere in the world through multilateral processes – and was remarkably successful given the circumstances.

In last year's Scorecard, we concluded that the EU had scored some defensive successes including on climate change and the Non-Proliferation Treaty, but that it had not created a sense of new purpose or vision in multilateral activity. In 2011, European interventions had more positive effects across a range of institutions and negotiations. The EU and US persuaded majorities of UN member states to censure Libya and Syria through the UNGA and UNHRC – two forums in which Western influence has been weakening for years. French President Nicolas Sarkozy cleverly recast the May meeting of the G8 as a show of support to the Arab Awakening. European sanctions and French troops enforced the UN's calls for Côte d'Ivoire's elections to be respected. The EU took an even clearer leadership role on climate change – an issue on which the US continues to punch below its weight – and the success of UN talks in making progress towards a legally binding deal on carbon emissions was the result of European diplomatic brinkmanship.

These successes were not unqualified. The EU's stance on the Arab Awakening at the UN was complicated by Germany's refusal to vote in favour of UNSC Resolution 1973 authorising military force in Libya. Critics noted that while a Franco-German duumvirate was leading the effort to save the eurozone, France and the UK continued to treat the UN as their privileged territory and overlooked the wishes of other member states. China and Russia stopped the UNSC acting firmly on Syria. The agreement on climate change reached in Durban in December is a weak one that may be undone as the UN tries to secure a deal by 2015.

However, compared to the EU's experience of incremental retreats in multilateral affairs in recent years, this series of qualified successes should be welcomed. The EU can also take credit for its political and financial investments in a number of imperfect but broadly successful crisis-management operations run by the UN and the AU. UN peacekeepers defied widespread predictions to oversee a fairly smooth independence referendum in South Sudan. AU forces made progress in combating Islamist rebels in Somalia, just as EU and other naval forces got more of a grip on piracy off the country's coast. Although they remain reversible, these advances reinforce the argument made in last year's Scorecard that the EU's better crisis-management efforts sometimes involve indirect support to peace operations run by other organisations rather than direct interventions. By contrast, European NATO forces in Afghanistan appeared to be even more marginalised than in 2010 as the US dominated the fight against the Taliban.

Yet for most Europeans these external crises inevitably took second place to the eurozone's internal turbulence. The IMF – which some EU governments including France had wanted to keep out of the initial rescue of Greece in 2010 – became an accepted actor in the recurrent efforts to save the currency bloc. While American and non-Western officials questioned whether the EU deserved special treatment from the IMF, European finance ministers were still able to secure the appointment of Christine Lagarde when Dominique Strauss-Kahn stumbled into a scandal. The EU and IMF find themselves locked into a pact: European officials need the IMF's backing to bolster market confidence in the defence of the eurozone; meanwhile, the IMF has invested so much in this effort that its own credibility depends on its success.

By contrast, the EU's position in the G20 declined sharply in November. The eurozone countries' attempt to craft a convincing package of reforms before the summit was undermined by Greece, which briefly indicated it might need to put the deal to the referendum, and Italian Prime Minister Silvio Berlusconi appeared to downplay his country's difficulties. The non-European members of the G20 conspicuously failed to sign up to a rescue plan, and the EU's political and financial credibility suffered. The ultimate verdict of the EU's performance in multilateral affairs in 2011 will be decided by the fate of the euro. If the currency survives, the flailing economic diplomacy of the last year will be forgotten and European successes on matters such as climate change and human rights will be emphasised. But if the euro crisis ends badly, the EU's approach to the IMF and the G20 in 2011 will come to look disastrous.

Either way, the EU's current economic situation does seem likely to constrain its performance in multilateral diplomacy in the years ahead. Concerns raised in last year's Scorecard about European commitments to development aid and humanitarian relief persist. For example, the EU's response to the drought and famine in East Africa this year was slower and smaller than its aid to Haiti after the 2010 earthquake. It is also a fair assumption that certain crises that the EU downplayed in 2011 because of its internal problems will come back to haunt it in 2012. There are relatively few signs of progress towards the goal of handing over security duties in Afghanistan in 2014. The question of the Iranian nuclear programme is also likely to come to a head and potentially dominate UN diplomacy. But for now Europeans can congratulate themselves on sustaining and advancing a surprising range of multilateral processes and on helping to stabilise a series of highly vulnerable states – even if they might wish they had been able to stabilise the eurozone instead.

## 73 CLIMATE CHANGE

The EU played the decisive role in making progress towards a legally binding global deal on climate change this year – a significant victory for European diplomacy.

	2010	2011
Unity	4/5	5/5
Resources	4/5	4/5
Outcome	7/10	7/10
<b>Total</b>	<b>15/20</b>	<b>16/20</b>

# A-

2010 score B+

Although the 2010 climate talks in Cancún, Mexico, made some progress in healing divisions left over from the calamitous 2009 summit in Copenhagen, many analysts expected little from climate change talks in Durban in December. Two issues dominated the agenda. First, would developed countries commit to an extension of the Kyoto Protocol, which currently regulates carbon emissions but places no obligations on developing countries including China and India? Second, would the emerging economies commit to a legally binding global deal on carbon emissions to replace Kyoto at some point in the future? Among the signatories to the Kyoto Protocol, EU member states were strongly in favour of extending it as a quid pro quo for securing a broader deal, but Canada, Japan and Russia expressed concerns about the economic disadvantages. With the US outside the Kyoto agreement, this was a multilateral process in which the EU had the potential to play a decisive role.

as France, Germany and the UK, the EU maintained a united front in favour of extending Kyoto. The EU negotiated as a bloc, and its primary negotiator, Climate Change Commissioner Connie Hedegaard, enjoyed a high level of credibility in Durban. However, the three-week talks began badly. It appeared that neither China nor India were ready to commit to any legal deal in the future. The talks overran, but at the last moment Hedegaard and her counterparts agreed a compromise by which Kyoto would be extended while developing countries promised to agree a “legal outcome” by 2015 that would come into force in 2020. Critics accused the EU of accepting a weak agreement, and Canada announced that it would exit Kyoto. But the Europeans – with US backing in the final days – made diplomatic progress where none seemed likely. Although imperfect, the deal was a significant victory for European diplomacy.

Led by Denmark, Poland (which held the EU presidency) and Sweden, as well

## 75 FAMINE IN THE HORN OF AFRICA

The EU's initial response to East Africa's drought and famine was uneven – and while it has pledged over €750 million, the crisis still threatens hundreds of thousands of lives.

	2010	2011
Unity	-	3/5
Resources	-	3/5
Outcome	-	5/10
<b>Total</b>	-	<b>11/20</b>

**B-**

2010 score -

Drought gripped the Horn of Africa in July, resulting in famine in parts of Somalia. By the third quarter of the year, European officials estimated that more than 13 million people were at risk of starvation. Hundreds of thousands of refugees also left Somalia, where food shortages threatened to exacerbate the already-dreadful security situation there – which the EU has tried to improve. The initial European response to the famine was mixed. The UK and the European Commission rapidly pledged significant quantities of aid, and were credited with galvanising the international response to a crisis that initially won little attention, but other member states lagged behind. Figures suggested that the UK had given nearly \$200 million to help in the crisis and the European Commission had given close to \$200 million, while France donated only \$75 million and Germany only \$60 million. The Nordic countries and the Netherlands were also leading donors and Italy focused its humanitarian aid on Somalia.

representing roughly two-thirds of all international assistance, which was channelled through UN organisations and NGOs. This humanitarian assistance did help limit the impact of famine in some regions, although it is worth noting that it is significantly less than the EU pledged after the Haitian earthquake in 2010. Islamist rebels barred or disrupted aid deliveries in areas of Somalia under their control. By contrast, Somali pirates did not interfere with aid shipments, which the EU naval force in the Indian Ocean is tasked with protecting. The drought also reinforced existing concerns about the Horn of Africa. In November, the European Council published its first strategy for the region, which included references to the need to maintain impartial humanitarian aid deliveries. As of December, the EU estimated that a quarter of a million Somalis were still at risk of starvation, and that this crisis could continue into mid-2012. The EU will likely remain engaged in humanitarian aid to the Horn indefinitely.

The overall European response to the crisis eventually passed €750 million,

## 79 SOMALIA

European naval operations and EU-funded African land operations contained the chaos in Somalia but did not solve it.

	2010	2011
Unity	4/5	4/5
Resources	4/5	4/5
Outcome	5/10	6/10
<b>Total</b>	<b>13/20</b>	<b>14/20</b>

# B+

2010 score B

Somalia remained chaotic in 2011, and severe drought and famine struck in the summer. However, the EU also maintained anti-piracy patrols off Somalia while training elements of the national army in Uganda. It also provides funding for an AU force that helps protect the weak government against the Islamist Al-Shabaab movement. The AU won a series of victories in the capital, Mogadishu, in spite of casualties. Al-Shabaab eventually announced a tactical withdrawal from Mogadishu, although analysts ascribed this in part to the effects of famine.

The EU's anti-piracy operation – which operates alongside a NATO mission and ships from other countries – appeared to make progress in limiting attacks in the second half of the year. At the start of the year, the spread of piracy appeared to be inexorable, but reported incidents in November were just one-third of those a year before. One significant factor was closer co-operation between the different international flotillas, with the EU in a co-ordinating role. Nonetheless, a senior European military official stated on the

record in November that the EU was having difficulty identifying enough vessels to sustain the operation. The mission has, however, been mandated to continue to December 2012.

The EU's military training mission for Somalia was also extended into 2012, but this was in part because it had succeeded in training only 1,000 of a planned 2,000 personnel by its original end-date in mid-2011. Success at sea and in training programmes can only complement the creation of order inside Somalia. In October, Kenyan forces entered Somalia to fight the Islamists. In December, Kenya agreed to merge these troops with the AU force. Ethiopian forces also entered the country. There are fears that the conflict will intensify in 2012 as the Islamists face increased pressure. An enlarged AU force will inevitably require increased financial support from the EU.