



The EU's Global Role

Policy Proposals for a New Era

A Third Node of Power



CGD BRIEF | JULY 2024

 MIKAELA GAVAS AND W. GYUDE MOORE

In recent years, a quest for economic security and strategic autonomy has come to define the European Union (EU)'s politics. The need to compete globally for the finite resources required for the green and digital transitions, and rivalries between the US and China for global dominance are all driving this agenda. And while the COVID-19 pandemic and the war in Ukraine highlighted countries' global dependencies, deepening geopolitical tensions have brought national security considerations to the fore. At the same time, the rise of populist parties across Europe is fuelling calls for countries' national interests to play the defining role in development cooperation.

This presents a challenging environment for EU development cooperation. Caught up in this new paradigm, development cooperation is increasingly viewed as a lever of hard power and an instrument of influence which can be used to reinforce Europe's strategic autonomy and economic security. With European interests central to EU development cooperation strategy, the climate of distrust between Europe and its partners is being heightened, given the not-so-distant memory of European vaccine "nationalism" during the COVID-19 pandemic, the different standards some Europeans apply with regards to fossil fuel exploration and the [negative repercussions the Green Deal](#) will have on African countries' growth and development. However, shaping EU development policy in this fashion, with geostrategic interests at its forefront will be more detrimental than helpful for

the EU in the medium to long-term, and carries the risk of fuelling conflicts of interest with partners.

Geo-economic fragmentation and a trust deficit when it comes to governments and societal institutions are threatening our ability to address pressing global challenges. In Africa, this fracturing is evident in the plethora of Africa plus-one summits, for example, the first ever Korea-Africa summit. Instead of using multilateral vehicles to address development cooperation, this new environment has spawned a diversion of resources toward more bilateral initiatives, where the geopolitical returns are direct and attributable.

In this piece, we propose a reset of the EU's international relations narrative and "third way" for the EU to position itself as a global development player.

Why should the EU act now?

In 2019, European Commission President Ursula von der Leyen, set out her aspirations for a "[geopolitical Commission](#)" and chose Addis-Abeba, seat of the headquarters of the African Union, as her first trip outside of the EU, signalling that the EU would make Africa its priority. In 2020, the European Commission published a joint communication titled "[Towards a comprehensive strategy with Africa](#)" proposing partnerships on energy access, digital transformation, migration, and other issues.

However, over the last five years, multiple crises clashed with this ambition, giving rise to broken promises, double standards and bifurcated approaches. The COVID-19 pandemic left EU countries hoarding and then dumping vaccines, while the EU's radically different approach to war in Gaza, and conflict elsewhere in the world, versus war in Ukraine, has led to accusations of double standards and has undermined its credibility on the world stage. Growing inconsistencies between the EU's principles and practices have undermined the credibility of its values that underpin its foundation, both at home and abroad—values of social justice and solidarity; sustainability and inclusiveness; and multilateral action. Some Member States have flouted European standards on democracy and the rule of law, while the growing use of development cooperation in pursuit of European migration and security goals has raised criticisms that the EU is abandoning core development and human rights principles. The idea of a “geopolitical Commission” has turned development cooperation into a self-interest-driven policy area, where actions are closely aligned with and reinforce the EU's economic security objectives.

At the same time, financing needs in African countries have soared. Efforts to fend off the impact of cascading crises have been combined with limited alternative sources of financing. One in five developing countries [spent more on debt repayments](#) in 2022 than they received in external financing. The IMF now assesses that [“incomes in Sub-Saharan Africa are falling further behind the rest of the world amid a “tepid” economic recovery](#). The Fund also warns of risks “from geopolitics, domestic instability and climate change.”

A credible third node of international power could protect the gains of global development.

COVID-19 and Russia's war in Ukraine put an end to cheap borrowing. Interest rates and energy costs have soared. Local currencies have lost value against the dollar. Investors are withdrawing their money from Africa. European donors [spent nearly one in five of their aid dollars at home](#). All of this is posing great risks to the fiscal capacity of developing countries in the short-term and preventing them from investing in their own development in the medium to long-term.

Yet, with economic security as the EU's headline political objectives, securing commodities and access to critical raw materials is the order of the day. The EU has sought to build more resilient and diversified supply chains for critical minerals, due to their growing importance for the green-energy transition, defence systems, and other high-tech applications, as well as their vulnerability to supply shocks. With Africa home to around 30 percent of the world's critical mineral reserves, the EU's renewed emphasis is on needing to reduce its own dependencies, especially on energy and focusing on building strategic corridors with African countries to reinforce Europe's security. Since 2020, the EU has established raw materials partnerships with four African countries, the Democratic Republic of Congo (DRC), Zambia, Rwanda and Namibia and signed a Memorandum of Understanding to support the development of the “Lobito Corridor” along the DRC, Zambia and Angola—a 1,300 kilometre stretch of railway for transporting critical raw materials and strategic minerals.

The [EU's Global Gateway](#)—a EUR300 billion plan to finance infrastructure and connectivity projects worldwide—was billed as way for the EU to realise its ambitions of becoming a geopolitical heavyweight, by offering an alternative to the Chinese Belt and Road Initiative in the global infrastructure landscape. The Global Gateway places strong emphasis on delivering infrastructure to the highest standards of sustainability, governance, and transparency—all in contrast to Chinese finance. However, the plan, which did not include any additional resources from the EU budget, has so far [lacked](#) scale, strategic focus, transparency and accountability, leaving the EU caught in a [“battle of offers.”](#) The European

“development offer” was meant to be distinctive because Europeans believe in the mixed economy—a regulated market economy focused on socialising risks and public services. This was supposed to set Europe apart from other actors, in particular China and the United States, and help forge a vital middle ground between purely market- and state-orientated approaches. But in reality, it has failed to present a third way.

At the same time, Africa has sought economic and military partnerships with a long list of players—including Brazil, China, the Gulf States, India, Türkiye and Russia—rendering the EU an important but by no means the only, nor the preferred partner. In the last decade, China has emerged as the main trading partner of Sub-Saharan African countries, with metals, mineral products and fuel [representing about sixty percent of the region’s exports to China](#). China has also become a major creditor and an important source of foreign direct investment. Next to China, Russia’s influence in Africa, particularly on security matters, has continued to grow, [accounting](#) for 40 percent of African imports of major arms between 2018 and 2022.

What can the EU do about it?

Development cooperation has always been an extension of foreign policy and its advancement of self-interest. But cooperation was “[a corrective to an earlier era of aid, when donors were likely to lean on foreign aid to carry out a form of ideological competition...](#)” Over the years, with European support, “careful and hard-fought agreements to curb the practice of tied aid that favoured donor country commercial interests over development progress in poorer countries... [gave] force to the principle of cooperation over competition.”

But the age of great power competition has introduced a perceptible change—an erosion of cooperation and a reversion to the transactional approach of development cooperation for economic security interests. This return to transactional development cooperation has its origins in the response to China. Chinese lending, across the developed world, is tied

to domestic Chinese firms and has reaped significant prestige and influence, benefitting China across the world. An aggressive response from the United States and some of its European allies to the perception that an increase in China’s influence has come at their expense has all but entrenched this trend.

The next long-term budget must reconcile the EU’s interests with its values.

The departure from global responses to a more transactional, bilateral approach has created a pressing need for a third way—an effort to balance national or regional self-interest with the goal of delivering development progress in less developed parts of the world and tackling the world’s ills. As the United States and China focus their attention on each other—a credible third node of international power could protect the gains of global development and push this agenda forward.

The EU’s long-standing commitment to development can be fully in line, and an advantage, to the EU’s strategic and economic security interests. A strategic reset could allow the EU to rebalance advancing global development objectives with its economic security interests, recognising that international cooperation is both a question of solidarity and responsibility, and has co-benefits.

In 2025, the European Commission will set out its proposal for its seven-year budget—the 2028-2034 Multiannual Financial Framework (MFF). The MFF will set the strategy, architecture, finances and instruments from 2028 onwards. It will shape the future of the EU’s external engagement and

international relations, particularly the relevance, credibility and impact of the EU as a major player in the world. Against a backdrop of an unstable, uncertain and competitive geopolitical environment as well as fiscal constraints, a contracting economy, exacerbated by higher defence spending and economic support for Ukraine, the MFF must reconcile the interests and values of the EU.

The EU can either choose to succumb to polarisation...or stand in the face of it.

With populism on the rise in the EU, the European Commission can either choose to succumb to polarisation—East and West, North and South—or stand in the face of it and offer itself as a third node. But, in doing so, it should recognise that its strength as a global actor charting an approach that balances interests and values, will continue to depend largely on its development cooperation.

At this crucial juncture, the EU should stay true to its core values, and that means an emphasis on social values and international cooperation, a firm commitment to the rules-based international order, and an approach to the world that is focused on the common good and not on narrow self-interest.

Thanks to Samuel Pleek for his contributions to this brief.

This brief is the first in a series, *The EU's Global Role: Policy Proposals for a New Era*. The series will set out a suite of policy proposals designed to shape the international development agenda of the European Union's leadership during the 2024–2029 term.

MIKAELA GAVAS is a senior policy fellow at the Center for Global Development and managing director of CGD Europe.

W. GYUDE MOORE is a distinguished non-resident fellow at the Center for Global Development.



www.cgdev.org

This work is made available under the terms of the Creative Commons Attribution-NonCommercial 4.0 license.