



La versión válida es siempre la pronunciada.

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REMARKS BY THE SPANISH FOREIGN MINISTER, MR. JOSEP BORRELL

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• Just by chance, my first overseas trip as Foreign Minister happened to be to the US, accompanying our King and Queen to Louisiana, Texas and Washington DC. What I saw on the ground was a **vivid contradiction between:**

- On the one hand, the deep links of History between the US and Spain, **the sharing of key values between our democracies, the common interests that bind us** in economic and security matters.
- On the other hand, there is no way to hide that **transatlantic relations are under real stress due to serious differences between Europe and the US** in a number of issues:
 - Trade
 - Climate change
 - Nuclear proliferation: Iran
 - The future of our alliance and how to share the burden of our common security.

• **Many of these differences reflect a debate over values which entails not only a discussion between the US and European Governments but rather a debate within our societies at both sides of the Atlantic.** And we have seen how this debate is deeply changing the political landscape, election by election, be it the Presidential elections in the US, parliamentary elections across Europe or the Brexit referendum in the UK.

• These political transformations are in turn the consequence of social, demographic, economic and technological changes. But what I want to underline now is the synchronicity of these trends in both sides of the Atlantic and its common effects in terms of retrenchment, the building of closed identities, a mistrust of globalization and free trade agreements, phobia towards immigration and **a strong comeback of nationalism.**

• As a matter of fact, Joseph Joffe makes the distinction between the assertive nationalism of Asian countries and the defensive nationalism in Western countries. Each one has different features. However, at the end of the day, whatever brand we are talking about, **more nationalism means a narrower vision of national interests. The implication is that international relations are seen as a zero sum game in which one country's gain is another country's lose. The opposite vision is that of an enlightened self interest, which looks at promoting national interests by creating benefits for both sides on the long run.**



• **From the European standpoint this is a worrying trend.** We are not afraid of countries defending their national interests and actually, the daily business of the EU is arbitrating between the different and often opposing interests of member states. But **nationalism is an ideology that brought destruction and ruin to Europe.** And the fact is that nationalism is also coming back to Europe and we should not take it lightly. Reading Stefan Zweig's "A world of yesterday" we cannot rule out repeating the old mistakes

• **But nationalism is not only toxic in Europe.** Kissinger once compared the situation in Europe before the First World War with strong economies, rising nationalism and an arms race with the current evolution in Asia, with similar features increasing the risks of conflict through miscalculations. And Graham Allison, your colleague from Harvard, has analyzed how **the threat of conflict becomes higher when a rising power challenges the position of the incumbent hegemonic power.** This has been the case in the past from Sparta and Athens in the Vth century BC to the current competition between the US and China. And when we look at these developments with historical perspective we will conclude that we are witnessing the end of the long cycle of Western world's supremacy starting in the XVth century.

• **We therefore see two main challenges to the transatlantic partnership:**

- **The first is domestic and is has to do with the quality of our democratic system:** how to reverse inequalities, how to manage the technological transition, how to manage immigration, how to promote an open identity. We need to persuade voters out of fear and back into hope.
- **The second is about international governance:** how to keep our multilateral institutions relevant, how to increase the fairness of free trade, how to sustain a world order "safe for diversity", in the words of Graham Allison, which can accommodate the rising Asian powers. Weakening the current world order will only bring more disorder and instability which I do not think is at all in the interest of the US.

As for Europe, we have big challenges, be it Brexit or immigration. Specifically, the current crisis about immigration could break the EU if we do not find workable solutions at a European level.

But last year we saw that a pro-European platform can win elections in France and also in Germany. We therefore have a chance now to rejuvenate European integration after Brexit. And we are already seeing signs of a more self-confident EU in two areas:

- **In trade.** Free trade is in the EU's original DNA, since the set up of the Common Market. We cannot oppose it without renouncing the integration project. And recently we saw three encouraging developments: first, the signature of CETA with Canada, in spite of some domestic resistance. Second, when the TPP collapsed due to the new American Administration's rejection of the treaty, Japan and the EU concluded an ambitious free trade agreement. Third, Mexico and the EU also reached a trade agreement, at the same time as NAFTA negotiations are taking place. The message is clear to the world: some of the biggest economic powers are not following the US in its rejection of free and fair trade deals.
- **In security.** The new Administration has been hammering on Europeans that we must do more to share with the US the burden of collective security. And let me tell you that I think they have got a point. But in the last year we have made good progress towards integration in the field of European defense, with the goal of strengthening the so called European



pillar of Transatlantic defense. Defense is not an end in itself but a means to protect our values. **Doing more at the European level will be the only acceptable way for many of our voters.**

• **But before spending more, we Europeans have to spend better. In 2016, Europe spent in defense 1,4% of its GDP, that is, about 226 billion USD, far more than China or Russia. Only second to the US.** Many people and countries around the world seem to fear these three countries I mentioned. Nobody seems to be afraid of the EU. Even if provoking fear is obviously not our objective, there must be something wrong in the way in which we invest that huge amount of money if we are considered militarily irrelevant.

• That is the economic case. But there is a military one too, and quite compelling. **Europe has 1.800.000 men and women in uniform. The United States have half million.** The EU has 154 different types of weapons systems. The US has 27. Just to put a couple of examples in the air forces, the EU has 12 different tanker aircrafts for air-to-air refueling and the Americans have 4; Europeans boast of 19 different types of combat aircraft while the US seem to do pretty well with 11. 80% of European military procurement is run on a national basis only. The result is an inefficient and costly duplication of capabilities. I am not sure that we have to spend substantially more at the aggregate European scale. What I am 100% sure is that we must spend better.

• **Defense is a key public policy. But it is also a market. And an essential one for technological development and highly qualified jobs.** It is also a quite peculiar industry in the sense that the final client is, normally, the state through procurement. **The single market** has been a long and difficult endeavour. But it is **incomplete and defense if one of the missing parts.**

Admonishing Europe for a scarce defense spending is not new. That was for example the gist of a farewell speech pronounced in Brussels in 2011 by Robert Gates, a rare case of a Defense Secretary who served first with a Republican and then with a Democratic Administration. **But as in many other issues with this Administration, it is the tone that is different now.**

Respect is important in international relations as much as it is in personal relations. If we start a cycle of public recriminations we will be losing trust among each other very quickly. And trust is the hard currency of a military alliance. The Atlantic Alliance was born in very different circumstances after the Second World War but it is still valuable in a dangerous world in which authoritarian powers can be tempted to bully democracies if they look weak. **We therefore cannot take the Alliance for granted. To strengthen its raison d'être we need to do certain things** (as the last issue of The Economist suggests):

- **Europe must resist the Trump Administration's tactics to make a single package with trade and security** which will weaken us at both sides of the Atlantic.
- **If we Europeans think that the Alliance is really valuable, we must do more to pay for it.**
- **Cooperating in cybersecurity** will make the Alliance more relevant for the future.
- **We have to find a way of keeping our defense cooperation between the EU and the UK after Brexit,** maybe through the European Intervention Initiative.

But at the end of the day, as Chancellor Merkel has pointed out in a clearheaded way: "We Europeans have to take our fate in our own hands".



Still we need this transatlantic conversation more than ever. Many thanks to you all for coming all the way to Segovia to share your thoughts with us.