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**The EU has
no choice but
to become a
geopolitical
player now**

Vladislava Gubalova

We might be finally seeing the birth of Geopolitical Europe. While the EU began to gradually act in a more united manner a few years following the euro financial crisis and soon after the COVID-19 pandemic, the war in Ukraine has seen the EU become a major geopolitical actor nearly overnight.

The COVID-19 pandemic accelerated several important integration initiatives - such as the mutualisation of debt - but it also put the brakes on others including primarily those concerned with EU foreign and security policy (e.g. enlargement, the neighbourhood and defence integration).¹ The sobering effect of the war in Ukraine on the EU, undoubtedly, will likely hasten this shift as Europe comes to terms with itself as a global geopolitical actor. While European Commission President Ursula von der Leyen promised a “geopolitical commission”² and a stronger Europe in the world in her 2020 State of the Union address, it was not until February 24th, 2022, that the EU began to visibly act. The bloc, notably, began to move away from being merely a regulatory superpower.³

The court of public opinion, in fact, favours a more geopolitical Europe emerging following Russia’s invasion of Ukraine. In a special Eurobarometer focused on the “EU’s response to the war in Ukraine”, EU citizens expressed satisfaction with the bloc’s generally unified response to the war (63%) and the speed (58%) of the measures it introduced. The public is also on board with greater military cooperation within the EU (75%). And the specific measures adopted in response to the war are further seen as appropriate including those seemingly more contentious in nature – these encompass hard sanctions against Russia and Russian oligarchs (80%/79%), the purchase and supply of military equipment to Ukraine (69%) and the banning of state-owned Russian media (65%).⁴

There is no other choice and no better moment for the EU to become a geopolitical actor.

Taboos dismantled

The EU has shown that it carries an effective arsenal of instruments to act swiftly and pre-emptively when faced with a common threat to the Union’s security and values. From diplomacy to sanctions and from humanitarian aid to the financing of military assistance to Ukraine, the EU is attentive towards employing all available tools (based on the treaties). Take, for example, the prompt and bold use of the European Peace Facility, an off-budget facility created through the latest European budget

cycle. To date, two billion euros have been provided to Ukraine to procure military equipment and weapons.⁵

While the use of sanctions is not new to the EU in the pursuit of its foreign policy objectives, the swift and meaningful implementation of the first five sanctions packages against Russia and Russian individuals has marked a turning point in terms of their magnitude and scale. The EU has rather learned from the tepid and inefficient sanctions that it deployed following the annexation of Crimea. It is now, by contrast, moving quicker and more assertively to augment the severity of sanctions with each new package. As the stakes rise (e.g. witness the inclusion of energy issues), that said, speed and consensus are beginning to erode. It is readily apparent, nevertheless, that EU policymakers and member state governments are willing to seek creative and out of the box solutions.

Taboos connected to the EU’s military and security involvement and partnerships with third countries are particularly at risk as the Permanent Structured Cooperation (PESCO), for example, comes to be put to use. The EU, in fact, had already sent its Cyber Rapid Response Team ahead of the Russian invasion. This pre-emption strategy has not been characteristic of EU policy in the past but new realities on the ground are leading to new modes of operation.

Re-thinking Europe’s future

The March 2022 Versailles Declaration of the Council of the EU promoted the common responsibility to “protect EU citizens, values and democracies and the European model” while “bolster[ing] EU defense capabilities, reduc[ing] energy dependencies and build[ing] a more robust economic base.”⁶

Though the COVID-19 pandemic exposed weaknesses in the EU’s ability to secure critical medical supplies, a renewed discussion was opened on the need for the Union to become more strategically autonomous. The EU’s nearly non-existent defence and security coherence has further witnessed the bloc prioritize the development of a common strategic culture. The result has been the March 2022 adoption of the Strategic Compass,⁷ a binding document that carries the input of each member state government and focuses on four pillars: act, invest, partner and secure. This is the first comprehensive strategic document since the EU’s Global Strategy 2016 (non-binding) outlining the EU’s common threats and instruments to be used in securing

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- 1 Kinga Brudzinska, 2020, “The EU Faces a New Era in Internal Fragmentation,” GLOBSEC Megatrends, https://www.globsec.org/wp-content/uploads/2020/10/GLOBSEC_MEGATRENDS2020_Seesame_online_singlepages.pdf
 - 2 Ursula von der Leyen, 2020, “Building the world we want to live in: A Union of vitality in a world of fragility,” State of the Union Address, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655
 - 3 Alexander Stubb, 2022, “Geopolitical Order and Change of Security Architecture in Europe,” State of the Union Conference, Florence.
 - 4 European Commission, 2022, “EU’s response to the war in Ukraine,” Eurobarometer, file:///C:/Users/Vladislava%20Gubalova/Downloads/EU_response_to_war_in_Ukraine_FL506_report_en.pdf
 - 5 Hans von der Burchard, 2022, “EU to increase military support funding for Ukraine to €2 billion,” Politico, <https://www.politico.eu/article/eu-to-increase-military-support-fund-for-ukraine-2-billion/>
 - 6 Council of the EU, 2022, “Versailles Declaration,” <https://www.consilium.europa.eu/media/54773/20220311-versailles-declaration-en.pdf>
 - 7 European Commission, 2022, “A Strategic Compass for Security and Defence,” https://www.eeas.europa.eu/sites/default/files/documents/strategic_compass_en3_web.pdf

the Union. The adoption of the Compass is a step forward and a reasonable attempt to extract whatever feasible from the existing treaties and legal framework. The war in Ukraine has immediately raised questions, however, concerning whether this set of ambitions is not too little and too late and whether the current available instruments are enough. Is the EU, in other words, equipped to respond to wars at its doorstep?

The Conference on the Future of Europe, against this backdrop, constituted a sizeable deliberative democracy exercise. Its goals were targeted towards thinking through the ways in which the EU can improve itself, enhance its power and become closer to its citizens. The format was oriented around the deliberation of citizens and policy stakeholders in teasing out ideas and solutions. The final report, which included 49 proposals, was presented May 9th.⁸ As it relates to the “EU in the world” theme, proposals centered around aspirations to decrease the EU dependence on economically strategic sectors and energy and to promote the EU to the status of a standard-setter in environmental and trade policies and an active protector of multilateralism and the rules-based international order. The proposals finally sounded the need for the EU to enhance its ability to act as a geopolitical actor through changes in the Union’s decision-making processes in CFSP (e.g. Qualified Majority Voting) and to improve the CSDP with bolder common initiatives (e.g. joint armed force).

The internal driving forces

The Franco-German engine of the EU can be credited for pushing through numerous critical initiatives over the years. But the war in Ukraine has seen other groups of countries demonstrate their leadership potential too. The recent monumental shift in Germany’s foreign and defence policy, *Zeitenwende*, could importantly lead to a shift towards enhancing the common European foreign and security policy as well.

In his speech on February 27th, 2022⁹ (3 days following the Russian invasion of Ukraine), German Chancellor Olaf Scholz outlined new German foreign and defence policy principles that dismantled decades of policy aimed at ensuring economic openness and interdependencies as the primary instrument towards achieving prosperity and peace. These prior policies placed robust defence spending at the bottom of the priority list. Berlin, consequently, had been portrayed for a long time as an under-contributor to European security. The war next door, however, has facilitated a long overdue principled change in policy and commitments. Some ideas, unthinkable a few months ago, are reality today. These include Germany’s full support for economic sanctions

and the cancellation of Nord Stream 2, the financing and delivery of military equipment including lethal weapons to Ukraine and an increase of the German defence budget to above 2% of its GDP (in addition to the commitment of 100 billion euros in fresh defence spending). Germany, if it implements this outlined new foreign and security policy, will be equipped towards becoming a proper leader alongside France in envisioning and reforming the EU’s common foreign and security policy.

The reelection of President Emmanuel Macron in France also marked a paramount event, with Paris continuing to pursue its efforts to “build a stronger and more sovereign Europe.”¹⁰ France, in fact, initiated the Conference on the Future of Europe project and more importantly has sought to shift EU rhetoric towards more European sovereignty. France’s commitment to European strategic autonomy and to reforms in the decision-making processes in the EU have been taken with a grain of salt. The multiple crises the Union has found itself in over the past decade including the financial crisis, the COVID-19 pandemic and the war in Ukraine, however, should compel the bloc to re-think and re-shape its internal and external EU policies. France envisions Europe to “(a)ct decisively. Move swiftly. Dream big.”¹¹

Combined with Germany’s moves to reassert itself on foreign and defence policy, the Franco-German engine may have found an extra gear that will allow it to strengthen the EU as a geopolitical actor.

And though the war in Ukraine has exposed the security vulnerabilities of Europe’s Eastern flank, it has also revealed that countries from Central and Eastern Europe (CEE) are ready and able to provide leadership and expertise. They quickly jolted to the centre of European geopolitics by protecting the vulnerable Eastern border, welcoming millions of refugees and devising plans for EU action in response to Russian aggression (as it pertains to sanctions, the security architecture and migration). This moment provides a distinct opportunity for the CEE region to step up as a policy driver behind the EU’s geopolitical actions.

EU as a reliable partner

The war in Ukraine has placed the EU firmly on the list of key geopolitical actors in the world. While the bloc had long been lampooned by Russia as an economic power but not a global political actor, more recent statements from Russian officials reveal that they too now see the EU differently. Russian Foreign Minister Sergei Lavrov, for example, claimed that the EU had become aggressive and militant and now serves as an extension of NATO. He further warned that Ukraine’s

8 European Union, 2022, “Draft Proposals of the Conference on the Future of Europe,” Conference on the Future of Europe, https://www.politico.eu/wp-content/uploads/2022/05/09/CoFE-Consolidated-list-of-draft-proposals_FINAL_.pdf?utm_source=POLITICO_EU&utm_campaign=d501a5a896-EMAIL_CAMPAIGN_2022_05_09_04_20&utm_medium=email&utm_term=0_10959edeb5-d501a5a896-190988741

9 The German Federal Government, 2022, “Policy statement by Olaf Scholz,” Bundestag, <https://www.bundesregierung.de/breg-en/news/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378>

10 Emanuel Macron, 2022, “Speech by Emmanuel Macron at the closing ceremony of the Conference on the Future of Europe,” French Presidency of the Council of the European Union, <https://presence-francaise.consilium.europa.eu/en/news/speech-by-emmanuel-macron-at-the-closing-ceremony-of-the-conference-on-the-future-of-europe/>

11 Ibid.

EU candidacy bid and eventual membership would not come without harm. Lavrov additionally complained that the EU is meddling in the politics of powers like India¹². Though the statements are critical, they represent a clear sign that the EU's response to the war has elevated its global credibility and actorness. Only a few months ago – during the tense period before Russia's ultimate invasion - EU High Representative Josep Borrell had been ridiculed by the Russian government. The national leaders were rather regarded as the appropriate points of contact. And in the initial negotiations between Ukraine and Russia, the sticking point was not EU membership but actually a potential NATO bid by Ukraine. Just a month later, this rhetoric has changed considerably.

While transatlantic relations have seen renewed attention following the election of Joe Biden as US President, Washington's warnings about the threat of a Russian invasion (prior to the actual war) were met with some skepticism in Europe. The US administration, nevertheless, continues to be attentive to coordinating its communication approach and planned measures with the EU and has consistently referred to the Union as an equal partner (i.e. a global actor). In the first days of the war, intense coordination was already directed at aligning the responses of the two actors and these efforts have not let up. One new instrument used to this end concerns the newly established Trade and Tech Council. As a dialogue platform, the Council aims to bring public and private stakeholders from the US and EU together to coordinate and generate workable standards in trade and technology. While non-binding, the platform has been used extensively to align sanctions putting the common trade and tech power of the US and the EU front and center to developing effective responses.

The EU has also intensified its coordination with NATO. Despite recent moves, including the adoption of the Strategic Compass, the bloc lacks the capacity to boost deterrence and provide security guarantees. It is further unable to launch reliable military force operations outside the EU. The threat at the Union's eastern border consequently has provided a reality check especially as it pertains to the concept of strategic autonomy in European defence. The EU and the region more broadly will continue to depend on NATO over the long term.

The EU's assertive geopolitical pivot, that said, has witnessed it focus on volatile pressing issues in the Indo-Pacific region. Recent visits of EU leadership to Japan¹³ and India underscore this turn.¹⁴ While Japan has generally aligned with the EU in condemning the Russian invasion and enacting sanctions, India has taken a more cautious approach that has served to potentially diminish the effectiveness of sanctions against Russia. Amid the war in Ukraine, the EU is pursuing "strategic partnership" in trade, technology and security. Additionally, the

rising assertiveness of China confers countries in the region like Japan and India increased importance. As the US has already begun to make a conscious shift in its policy towards the Indo-Pacific region, the EU is beginning to realign its geopolitical priorities.

EU-China relations are now in a holding pattern and perhaps even heading towards greater contention on complex political, economic and security topics. China has sought to develop a pragmatic approach towards the war in Ukraine by extracting benefits from its geopolitical and economic position. The EU, meanwhile, has begun rolling out its Global Gateway Initiative¹⁵ to increase global connectivity, secure supply chains and create links between the health, digital, energy and other sectors. Its goal rests on matching Beijing's Belt and Road Initiative—a rival arrangement that aims to strengthen partnerships in Asia and the Indo-Pacific region. Some cracks in EU-China relations, in fact, have appeared since the outset of the COVID-19 pandemic especially related to critical supplies dependencies. And the language of geopolitical EU has since sharpened.

Recommendations:

Geopolitical Europe can particularly make an impact on the world by insisting on a rules-based order using all available instruments at its disposal - from diplomacy to the setting of new common standards in novel technologies to the use of sanctions.

There are costs associated with applying norms and abiding by solidarity expectations. EU institutions and member state governments need to clearly explain the price of security and continue their willingness to pay the cost no matter what it might be.

The EU, against the present backdrop, has already started to change its rhetoric globally by using the language of power in defence, energy, trade, etc... This development should become the norm and not the exception in extraordinary times.

While the initial sense of unity and solidarity apparent following the Russian invasion will subside (potentially due to migration flows and inflation including high energy and food prices), Europe will need to address internal challenges in a timely and strategic manner if it wishes to maintain a united voice globally.

The EU as a geopolitical actor cannot rely on ad-hoc crisis prone responses. Its actorness should rather be based on clear strategic, political and institutional preparedness; this acknowledgement necessitates some reforms and the use of all EU legislative competences ■

¹² Euractiv and AFP, 2022, "Lavrov says EU becoming 'aggressive, militant, NATO appendage,'" Euractiv, <https://www.euractiv.com/section/global-europe/news/lavrov-says-eu-becoming-aggressive-militant-nato-appendage/>

¹³ European Council, 2022, "Joint Statement EU-Japan Summit 2022," <https://www.consilium.europa.eu/en/press/press-releases/2022/05/12/joint-statement-eu-japan-summit-2022/>

¹⁴ European Commission, 2022, "EU-India: Joint press release on launching the Trade and Technology Council," https://ec.europa.eu/commission/presscorner/detail/en/IP_22_2643

¹⁵ European Commission, 2021, "The Global Gateway," Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, https://ec.europa.eu/info/sites/default/files/joint_communication_global_gateway.pdf

Liberal democracy is making a comeback

Roland Freudenstein

From climate change and migration to terrorism and global pandemics, numerous global challenges have emerged over the past decade. But none is as persistent and relevant for the future of human societies than the conflict between democracy and autocracy. This is a struggle between, in one corner, political systems based on human dignity, personal freedoms, checks and balances, the market economy and a rules based global order and those premised, in the other corner, on restrictions to individual freedom, the absence of checks and balances, kleptocracy and systemic corruption, state-centric economies and great power coercion and spheres of influence style engagement.

More than three decades following the end of the Cold War, the West appears to be resolutely on the defensive. The number of free countries in the world has declined for 14 consecutive years according to Freedom House.¹⁶ Though China, under single party rule, has experienced rapid economic and technological development, it has become more aggressive during the COVID-19 pandemic. Russia under Putin, meanwhile, has not only become an openly revisionist power by starting an unprovoked war against its neighbour Ukraine, it has essentially become a totalitarian state and society. Populist nationalism has been triumphant in several Western countries too and leading countries of the ‘global South’ such as Brazil and India. The rule of law is also under attack inside the EU. These global developments were reflected in the Munich Security Conference 2019 theme of ‘Westlessness’.¹⁷

But not everything has been doom and gloom. Macron’s two presidential election victories over Le Pen in France in 2017 and 2022 and the mass protests for democracy in the face of authoritarian violence in Hong Kong, Belarus, Russia, Myanmar and many other places around the world provide cause for optimism. The election of Joe Biden in the US further marked a major victory for democracy globally. And the unity of the West and the renaissance of NATO amid Russia’s invasion of Ukraine and other neighbours has been nothing short of remarkable.

Autocracy Inc.

Before turning to the comeback of democracy, it is necessary to take a closer look at the threat. Now at the beginning of the third decade of the 21st century, it has become clear that autocracy itself has significantly shape-shifted since the end of the Cold War. Before 1989, most dictatorships in the world were characterised by one-party systems more or less based on Marxist-Leninist ideology and therefore (with exceptions) tied to each other in formal alliances. Thirty years later, the situation is different. Remnants of the old Cold War system remain but the global network of authoritarians includes a range of actors from Russia and Belarus to Cuba and Venezuela to Iran and China. They have learned from the failures of old-style dictatorships in 1989, the colour revolutions

of the 2000s and the Arab Spring of 2011. They are now largely ideology-free in the traditional sense, cynically interested only in the survival of their regimes and their own enrichment. They help each other with weapons, cash, surveillance technology and ‘best practice’ in using social media for their purposes with trolls and bots. And they have managed to intimidate, dupe and corrupt the West itself which, if freedom is to survive, must develop a global answer to this new threat.¹⁸

Autocracies have clearly identified the global West as their existential enemy – not because of any specific policies but because of the principles and values on which they are built including human rights, democracy, freedom of opinion and the rule of law. A 2013 document¹⁹ by the Chinese Communist Party (CCP) succinctly referenced precisely this ‘systemic rivalry’, as it would be called today, and the existential danger that free thought entails for China’s autocracy.

It is therefore no wonder that the new autocrats use every tool at their disposal – from financing radical political parties to strategic corruption, cyberattacks, disinformation and even hybrid warfare – to weaken the global West. While trade and cooperation on some global issues, such as climate change, will continue, relations between democracies and autocracies have begun to largely resemble ‘zero sum games’ in which a gain for one side comes to be perceived as a loss for the other.

Identity politics: the enemy from within

This situation is compounded by the fact that inside liberal democracy, two powerful, albeit very different, internal threats have emerged in the last 20 years. The more important one is the spread of nationalist populism, also known as nativism and democratic backsliding or simply authoritarianism, in some Western countries. Checks and balances have been deliberately undermined or even abolished, media pluralism and academic freedom curtailed, civil society oppressed and corruption used as a strategic tool to cement the de facto rule of one political party. The EU’s instruments against democratic backsliding are still rudimentary but they are becoming sharper with rule of law conditionality for EU funds introduced in 2020 and 2021. Such credible internal sanctions are direly necessary, if not to change the behaviour of individual governments, then at least to stem the spread of nationalist populism and restore the Union’s credibility in supporting democratic ideas globally.

The second threat is less existential and does not manifest as a wholesale attack against liberal democracy. But it is an important ingredient in the mixture constituting nationalist populism, and it represents an attack on freedom of expression in its own right. This threat concerns identity politics from the left, political correctness and a new intolerance

16 <https://freedomhouse.org/report/freedom-world/2020/leaderless-struggle-democracy>

17 https://securityconference.org/assets/02_Dokumente/01_Publikationen/Munich_Security_Brief_Beyond_Westlessness_MSC_Special_Edition_2021_210224.pdf

18 <https://www.theatlantic.com/magazine/archive/2021/12/the-autocrats-are-winning/620526/>

19 <https://www.nytimes.com/2013/08/20/world/asia/chinas-new-leadership-takes-hard-line-in-secret-memo.html>

for divergent ideas. This phenomenon began to emerge in North American and British universities in the 1990s and has now captured much of the global West (particularly the academic world but increasingly also the press and even the business community). Civil society itself, the media and democratic parties are the institutions that should curb the worst excesses. Democracies will only be able to collectively win the global systemic rivalry against authoritarianism if identity politics on both the left and right are tamped down.

A global alliance of democracies

When President Joe Biden hosted a global ‘Summit for Democracy’²⁰ in 2021, criticism came not only from the usual suspects – i.e. authoritarian governments and parties themselves. Inside Western democracies, many pointed to inconsistencies in the model of dividing the world into two rival political systems.

The transatlantic axis should form the core of a global alliance of democracies. The purpose of such an alliance, apart from the powerful symbolic statement it would convey (which was duly noted by Beijing, Moscow and other capitals), would be to provide a platform to exchange experiences on confronting authoritarianism, share intelligence and communicate best practices on enhancing democratic resilience and international democracy support. In the run-up to the November 2020 presidential election, Joe Biden penned an article²¹ outlining his vision of a US which leads again. In this vision, a global alliance of democracies will play an integral role in confronting authoritarianism in the 21st century.²²

There is, of course, also a military angle to the global cooperation of democracies. Ukraine’s heroic defence against the Russian invasion, backed by a major assist from Western countries in the form of military hardware, intelligence and financial and other resources, underscores this relevance. The ‘Ramstein coalition’, named after the military donors’ meeting in the West German US military base of Ramstein in late April 2022,²³ comprises not only NATO members but also several Asian and other members of the ‘global West’. It could, importantly, become the basis for a ‘global NATO’.

In Asia, matters are more complicated. Other than for the US, the threat of a direct military confrontation with China is not yet palpable for the EU though Chinese ships have already participated in Russian exercises in the Baltic Sea. The fact that the NATO 2030 report lists China as a ‘challenge’ directly behind Russia as a ‘threat’ illustrates that Europe is also waking up in this respect. The weakening of multilateral norms through military expansion in the South China Sea undoubtedly affects Europe. ‘Freedom of navigation operations’

in the South China Sea by UK, France and Germany are an important signal. But the German reticence in calling out China in this context is almost comical. But one should never give up hope. The new fashion in EU capitals, including Brussels and Berlin, to talk about a strategy for the Indo-Pacific is one point of departure for concretely reaching out to China’s neighbours – Japan, South Korea, Taiwan, India and a host of South East Asian nations – for cooperation including military contacts and the exchange of intelligence.

Interests and values: Towards a new synthesis

The battle over interests and values in foreign policy between ‘realists’ and ‘idealists’ is as old as democracy. My thesis here will be that the very distinction between interests and values badly needs redefining. This distinction was already questionable in the 1990s – the ‘end of history’ as it went. At that time, it seemed invalid because of the firm belief in the inevitability of a triumph of liberal democracy. Today, in the era of democratic backsliding and authoritarian advances, it is doubly outdated. If the very future of our democracy is at stake, then the classification of democratic values as ‘nice to have’ and interests as ‘essential’ loses any sense. Values are long term interests: there may be a necessity of dealing with autocracies on a limited number of issues, but in the longer run, a foreign policy neglecting values is suicidal for the West. No other than Henry Kissinger, the father of modern-day realpolitik legitimacy, has begun to defend the global liberal order and accountable government as a principle worth defending against authoritarianism.²⁴

There already was a time when liberal democracy seemed to be on history’s losing side: the 1930s, when in the eyes of many, not least many intellectuals in Western countries, communism and fascism appeared much newer and fresher than the ‘tired’ capitalist democracies of the West. In fact, many serious thinkers at that time claimed that the future belonged to systems which put the collective above the individual.

From the perspective of those thinkers, as well as fascists and communists themselves, the selfish squabble of political parties and strong and independent institutions (i.e. checks and balances) only produce chaos and would never be able to correctly represent the will of the people, let alone find appropriate solutions. That will was allegedly much better recognised, formulated and implemented by the self-appointed owners of truth, be they Bolshevik revolutionaries or authoritarian and totalitarian rulers.

That phase of European history ended on the battlefields of World War Two. It was followed by liberal

20 <https://www.state.gov/summit-for-democracy/>

21 <https://www.foreignaffairs.com/articles/united-states/2020-01-23/why-america-must-lead-again>

22 A skeptical view on the Alliance of Democracies: <https://www.politico.eu/article/bidens-summit-of-democracies-wont-work/> - and a positive one https://www.brookings.edu/wp-content/uploads/2020/09/FP_20200914_democracy_assistance_quirk_shullman_kao.pdf

23 <https://www.euractiv.com/section/defence-and-security/news/ramstein-meeting-gives-birth-to-global-contact-group-to-support-ukraine/>

24 <https://www.wsj.com/articles/the-coronavirus-pandemic-will-forever-alter-the-world-order-11585953005>

democracy's greatest successes, first in the West after 1945 and then all across Europe after 1989. The global financial and economic crisis, nevertheless, underlined that laissez-faire capitalism is not history's last word. And China's rise and Russia's aggression are important challenges to the certainties of 1989.

This is why we will need to adapt policies to actively defend liberal democracy. The answer to authoritarian threats and interference in our democracies must be based on vibrant civil societies and strong democratic institutions. The right response to Russian aggression in Europe involves active assistance for Ukraine, containment of Russian revisionism and strengthening NATO and NATO-EU cooperation. The reply to the CCP's centralism, one party rule and state capitalism, meanwhile, should be based on subsidiarity and the inherent strength of a sound mix of big, medium and small enterprises and multi-level governance. Military power, renewed economic strength and improved management of technology are important ingredients to coping with the CCP's challenge to the West. But democracy rests at its heart.

A global struggle of immense dimensions will mark the decades to come. It appears, at present, that authoritarianism is on the advance globally and liberal democracy embattled even at home. But autocracy is a giant on clay feet. From Caracas to Minsk, Moscow to Yangon and Tehran to Hong Kong, hundreds of thousands, maybe millions, of young people are willing to risk their careers, personal liberties and often even their lives for values that autocrats claim belong to the 20th century. In Ukraine, an entire generation is fighting an unprovoked war on behalf of those values. And as long as hundreds of thousands are not marching through Berlin or Paris demanding one party rule, liberal democracy stands a fighting chance. Its comeback is the megatrend of the near future ■

From pandemic to endemic: infectious diseases are here to stay

Orsolya Raczova

At the end of 2019, reports of a new disease in China's Wuhan province started to raise global concern. Little was known about the disease at the time - the conditions though manifested as a pneumonia-like illness and appeared to be highly infectious. On January 30th, 2020, the World Health Organisation declared a "public health emergency of international concern" and by mid-March 2020 COVID-19, caused by the SARS-CoV-2 virus, had spread throughout the world.

The key to the quick spread of the virus has rested on its mutation capability: each reproductive cycle – the period during which new generations of microbes are produced in minutes to hours – provides an additional opportunity for the virus to mutate and potentially spread through unprotected groups of people.²⁵

As of May 15th, 2022, the global confirmed cases stood at 521,226,458 and global fatalities at 6,263,525.²⁶ There have, however, been significant gulfs in the reporting of official data particularly related to under-reporting in numerous countries (sometimes intentional, other times due to poor testing/reporting infrastructure). According to the latest WHO report, the death toll associated with COVID-19 (based on excess mortality figures) had reached 14.9 million (during the period between January 1st, 2020, and December 31st, 2021).²⁷

The largest number of reported cases (81% of the global share of infections) has been concentrated in middle income countries. High- and low-income countries, meanwhile, account for 15% and 4% respectively.²⁸ This data, in fact, underscores systemic shortcomings in the documentation of cases. And it points to the need for governments to improve their crisis management capabilities if they are to more effectively respond to emergency situations in the future. Additional causative factors to under-reporting should be considered too including, for example, the potential stigma associated with infection. This latter phenomenon was particularly a problem during the early stages of the pandemic.

Initial reactions

In the absence of pharmaceutical treatment and preventative options, governments and societies largely turned to managing the pandemic through a range of other initiatives as simple as hand-washing, regular disinfection, recommended increased vitamin intake (e.g. vitamin C and D) and social distancing. Most countries swiftly imposed restrictions including nationwide lockdowns, isolation procedures and compulsory face masks and refitted hospitals with adequate intensive

care facilities able to provide urgent care. In the initial phases, these measures (and the absence of alternatives) saw occasional shortages of personal protective equipment, like face masks and hand sanitizer, due to the unexpected sizeable increase in demand.

Despite some commonalities throughout the world, governments also pursued distinct approaches to containing the virus. The United States was generally criticized for its bungled reaction to the pandemic during the Trump administration. A federal mask mandate for public transportation, for example, only went into effect beginning February 2021 after President Biden took office.²⁹ China's zero-COVID policy, by contrast, has witnessed the country impose onerous nationwide lockdowns. These containment measures – still being used to address outbreaks in various cities across China – have inflicted significant restrictions on personal freedom for an extensive period of time. According to official information, the aim of the policy is "to contain the pandemic in the shortest possible time at the lowest social cost".³⁰ Critics point out that the policy, in fact, is not sustainable due to its societal and economic impacts. The daily number of new cases in Shanghai, that said, fell from 26,000 in mid-April to 1,500 cases by May 11th, 2022.³¹ While some cities have consequently begun to relax the latest measures, more than 2 million people still remain in lockdown (following a month of enforcement). The use of quarantine centres and the regular disinfection of homes are also still practiced in the country.

Apart from social distancing and isolation, regular testing became an instrumental tool in developing coordinated responses to combat the pandemic. While the reliability of some test kits has been questioned, testing overall has proved to be an effective tool for isolating and preventing the spread of the virus to detect cases early (but enforcement of measures is necessary). Slovakia was among the first countries to implement mass testing that saw officials screen during a couple of days with rapid antigen tests has been widely reported on. Testing with both antigen and PCR tests is still in place, but currently, in most countries, not on a mass scale as previously. While the reliability of some tests has been questioned, the fact is, testing can be an effective tool to isolate and prevent the spread of the virus while detected early and enforced properly.

Vaccine development

Meanwhile the race for developing an effective vaccine as quickly as possible was on. Initial inclination to getting vaccinated showed positive results according to a

25 Michael T. Osterholm and Mark Olshaker, The Pandemic That Won't End, Foreign Affairs, <https://www.foreignaffairs.com/articles/world/2021-03-08/pandemic-wont-end>

26 Johns Hopkins University & Medicine, Coronavirus Resource Center, <https://coronavirus.jhu.edu/>

27 WHO, 14.9 Million Excess Deaths Associated with the COVID-19 Pandemic in 2020 and 2021, <https://www.who.int/news-room/detail/05-05-2022-14.9-million-excess-deaths-were-associated-with-the-covid-19-pandemic-in-2020-and-2021>

28 ibid.

29 Syra Madad and Rebecca Katz, The Global Lessons of COVID-19, Foreign Affairs, <https://www.foreignaffairs.com/articles/united-states/2022-03-24/global-lessons-covid-19>

30 CGTN, China Says 'Dynamic Zero-COVID' Policy Maximizing Protection of Health, cctv.com English, <https://english.cctv.com/2022/05/12/ARTIZ65ww7K2qa7S4roHSCSp220512.shtml>

31 The Associated Press, Shanghai Maintains 'Zero-COVID' Policy but the U.N. Says It Is Not Sustainable, npr, <https://www.npr.org/2022/05/11/1098150456/shanghai-maintains-zero-covid-policy-but-the-u-n-says-it-is-not-sustainable?t=1652635007674>

study conducted in June 2020 in 19 countries.³² After just about a year, by the end of 2020, vaccines were successfully developed, with the most notable scientific breakthrough of the mRNA technology. For example, in the US the Pfizer-BioNTech COVID-19 Vaccine approved by the U.S. Food and Drug Administration became the first approved COVID-19 vaccine using mRNA technology, in addition to the vaccine developed by Moderna, after both vaccines proved to be about 95 percent effective following clinical trials.³³ Emergency approval of such vaccines with a significantly shorter research and testing timeframe as usual faced some criticism. Nevertheless, the mRNA technology has been in development for more than a decade.

While numerous scientific studies show the effectiveness of large-scale vaccination, millions in low- and middle-income countries are still unable to access COVID-19 vaccines, tests and treatment. Vaccine scepticism remains an additional concern and so too interest in boosters. In the US, for example, only 29% have received a booster – these rates stand at 50% in the United Arab Emirates, 61% in Portugal and 83% in Canada.³⁴ In the European Economic Area, Iceland counts the highest number of boosted adults (85.1%) followed by Malta (79.4%). The lowest ranked countries on boosters include Slovakia (37%), Latvia (34%), Croatia (26.6%), Bulgaria (13%) and Romania (11%).³⁵ As it relates to limited access to vaccines in developing countries, the results of COVAX, the WHO's initiative to provide vaccines to 92 low- and middle-income countries, has been mixed. Experts have been critical about inadequate contributions to the developing world and advocated that governments ensure equal distribution of vaccines. There are also notable worries that the virus could mutate further if considerable pockets of the world remain unvaccinated - international travel and the general interconnectedness of our lives will indubitably lead the spread of any new variants. Experts, consequently, warn that it may be difficult to achieve endemic status for COVID-19 as long significant segments of the global population continue to be vulnerable to the disease.

“Pandemic refers to an epidemic that has spread over several countries or continents, usually affecting a large number of people.”³⁶

“Endemic refers to the constant presence and/or usual prevalence of a disease or infectious agent in a population within a geographic area”³⁷

Impact of COVID-19: other challenges neglected

The global pandemic has afflicted large-scale and multi-domain impacts on the economy, society and healthcare - it has transformed the way we live and work. But managing the pandemic also affected treatment and vaccination against other high-risk diseases. Cancer prevention, for example, decreased in many countries during the most challenging times of the pandemic – this will continue to engender consequences for years to come. Health care facilities were forced to quickly adjust to the new situation and attempt to contain the spread of the virus (especially among the most vulnerable including patients already undergoing other medical procedures). Some units and elective procedures were temporarily suspended, redirected or put in limited mode. While it will take years to completely assess the medical impact of the pandemic on a global scale, numerous reports reveal³⁸ a decline in screening practices important to catching diseases early on and increasing survival rates for various diseases. Reports estimate that around 22 million children did not get their first measles shot in 2020, and malaria cases experienced an increase of 14 million cases in 2020 reversing the pre-pandemic decline.³⁹

The future

The 2021 Global Health Security (GHS) Index finds that all countries remain woefully unprepared to respond to future epidemic and pandemic threats despite the experience with COVID-19.⁴⁰ The current preparedness plan of the US focuses on four key goals: protection, preparation for new variants, prevention and global vaccination. Attempts to control the pandemic vary across high-, middle- and low-income countries – success is dependent on existing healthcare infrastructures and the availability of resources needed to treat and manage the spread of the infection. But no single country, no matter how powerful, can defeat a global pandemic alone. Progress

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- 32 Jeffrey V. Lazarus, et al, A Global Survey of Potential Acceptance of a COVID-19 Vaccine, Nat Med <https://www.nature.com/articles/s41591-020-1124-9>
- 33 Nicole Lurie, Jakob P. Cramer, and Richard J. Hatchett, The Vaccine Revolution, Foreign Affairs, <https://www.foreignaffairs.com/articles/world/2021-04-20/vaccine-revolution>, <https://www.fda.gov/news-events/press-announcements/fda-approves-first-covid-19-vaccine>
- 34 Syra Madad and Rebecca Katz, The Global Lessons of COVID-19, Foreign Affairs, <https://www.foreignaffairs.com/articles/united-states/2022-03-24/global-lessons-covid-19>
- 35 Statista, <https://www.statista.com/statistics/1283504/covid-19-booster-vaccine-uptake-in-europe/>
- 36 Principles of Epidemiology in Public Health Practice, CDC, <https://www.cdc.gov/cseis/dsepd/ss1978/lesson1/section11.html>
- 37 ibid.
- 38 Jason Semprini, How Did the Covid-19 Pandemic Impact Cancer Prevention and Treatment? Examining Nationally Representative Survey Data, JCO Global Oncology, <https://ascopubs.org/doi/abs/10.1200/GO.22.24000?af=R>
- 39 WHO, More Malaria Cases and Deaths in 2020 Linked to COVID-19 Disruptions, <https://www.who.int/news-room/detail/malaria-cases-and-deaths-in-2020-linked-to-covid-19-disruptions>
- 40 GHS Index, Advancing Collective Action and Accountability amid Global Crisis, https://www.ghsindex.org/wp-content/uploads/2021/12/2021_GHSIndexFullReport_Final.pdf

depends on coordinated efforts that acknowledge the importance of ameliorating inequalities. Countries still face unequal access to vaccines and medicine.

The COVID-19 pandemic will not likely disappear in the near term as many once anticipated – but it could transition into endemic status. The endemic stage, notably, indicates that most people are immune to the disease (i.e. herd immunity has been achieved). It is unclear if/when this will occur. And the appearance of a more infectious or dangerous variant of the virus could change any trajectory. It is, therefore, difficult to ascertain the shape of COVID-19 as an endemic disease. We will rather need to learn how to live with it and manage it without causing major disruptions.

Global coordination efforts should make use of public-private partnerships – collaboration should be further developed in cooperation with international organisations. The WHO, which was established in 1948 to guide and coordinate international health policy, has become a particularly integral actor. There has been criticism concerning the WHO role and actions during the pandemic, and reforms undoubtedly will be necessary at the organisation. Experts point to delays in response times to the pandemic including failures in the WHO's warning system and the wide time gap before governments initiated their responses (most countries took 6-8 weeks to react to the crisis following the declaration of a health emergency).⁴²

There is a need for a global monitoring, documentation and warning system to better prevent and respond to infectious diseases in the future. The DAMA (Document-Assess-Monitor-Act) Protocol represents one effort involving scientists aiming to better predict and manage infectious diseases by documenting, assessing and monitoring pathogens more effectively in the future.⁴³ Infectious diseases are likely to appear and spread in the future particularly in countries that lack appropriate health infrastructure. A monitoring and early warning system will be key to thwart future global pandemics.

Recommendations

Development of a system aimed at predicting and preventing infectious diseases in the future.

Concrete plans directed at managing outbreaks more effectively.

Coordinated international cooperation between public and private entities and key international organisations ■



Average scores by World Bank region for the GCGR-relevant indicators: Biosecurity, biosafety, dual-use research and culture of responsible science, real-time reporting systems, preparedness and response plans, emergency response operations, linking public health and security authorities, risk communications, medical countermeasures, international agreements, and financing for emergency response.

Source: GHS⁴¹

41 Ibid.

42 Amy Maxmen, Why Did The World's Pandemic Warning System Fail when COVID Hit?, nature, <https://www.nature.com/articles/d41586-021-00162-4>

43 Brooks, D. R., Eric P. Hoberg, and Walter A. Boeger, The Stockholm PARADIGM: CLIMATE CHANGE AND EMERGING DISEASE, 2019.

Cold War Has Returned

Marcin Zaborowski

No historical event ever repeats itself precisely the same way and the same goes for the Cold War. The pre-1990 world was different from the one of today. Yet, there is no doubt that the West is now threatened by a belligerent Russia just as it was by the Soviet Union throughout the second half of the 20th century. The continuing assault on Ukraine and the threat of nuclear escalation (an extreme scenario that Moscow has, nevertheless, repeatedly foregrounded) are stark reminders of the worst aspects of the Cold War. That said, even though the Cold War has returned, the West has generally hesitated to apply the same types of deterrence measures that once persuaded its old adversary to halt its assaults and pursue a course correction.

Why is this Cold War different?

The Cold War was a product of bipolarity that rested on strategic, military and ideological rivalry between the United States and the Soviet Union. The entire world, for all extents and purposes, was involved in the Cold War either directly or indirectly. Even the neutral and so-called non-aligned countries, in fact, operated within a global order or framework defined by bipolarity – they were compelled to meticulously balance their allegiances between the dominant superpowers.

The new Cold War is marked by some striking similarities with the pre-1990 landscape, not least its geographical scope. Like the previous Cold War, the current one has focused attention on the European theatre, mobilized major military reinforcements and sparked growing enmity between the United States and Russia. Yet the world of today is different in innumerable ways. The global order is no longer bipolar – this fact enables the conflict in Europe to be effectively ignored by China, India, Brazil and other rising powers. The new Cold War, consequently, is far more localised than the old one.

Another major difference concerns the ideological component. The pre-1990 landscape was marked by two competing visions regarding the ideal organization of society: a collectivist-communist vision of the world was pitted against an individualistic-capitalist perspective. The end of the Cold War was precipitated by the defeat of the communist ideology - its adherents had been lost even in the Soviet Union itself. Individualism rather prevailed and came to be willingly adopted in the former communist bloc including post-Soviet Russia (the country, in fact, quickly became one of the most unequal societies in the world). The new Cold War, meanwhile, is devoid of ideological rivalry other than the difference between democracy and autocracy. Russia is fiercely autocratic today but its economy is largely privatised and individualism rules its socio-economic relations. While Vladimir Putin attempted to devise a new state ideology that stresses conservative values and a more prominent role for the Orthodox Church, there is nothing innovative nor ideologically coherent about these concepts. Putinist Russia, most importantly, fails to put on offer any ideology of universal value.

Why is this Cold War similar?

In what ways does the new conflict, in fact, help recall the pre-1990 Cold War? The most important aspect of the old Cold War was a rivalry for spheres of influence and direct control in Europe. Following the collapse of the Soviet Union in 1991, however, Russia surrendered some of its ability to exert its direct control over its neighbourhood. Putin, that said, has engaged in a concerted effort to recreate Russia's former position as a Tsarist empire and its subsequent leading role in the Soviet Union. Putin's Russia has, to this end, expanded its influence in Central Asia, not least by creating a system based on economic dependencies that inextricably link the countries to Russia. Where Moscow has failed to exert its influence in its neighbourhood, it has turned to destabilising and/or annexing territory (witness Georgia in 2008 and Ukraine in 2014).

Russia, by and large, mostly managed to get away with its aggression against Georgia and Ukraine with merely a slap on the wrist. Though the West applied sanctions in both cases, they generally proved to be symbolic and certainly failed to deter Russia from pursuing further military incursions. The Western response to Russia's full-scale invasion of Ukraine, however, appears to have been informed by lessons learned from the Cold War. By invading a country at its Western border, Russia has directly challenged the West itself. But Putin has, nevertheless, been evidently surprised by the scale of the Ukrainian resistance and the Western resolve to aid Ukraine. Though Russia had already reverted to a Cold War demeanour over the past two decades, the West only began to respond in kind now.

During the old Cold War, the Soviet Union on several occasions attempted to test the limits by seeking to expand, for example, its foothold in Germany. In 1948, the USSR, as one illustration, instituted a complete blockade of Berlin in a bid to assume control over Western parts of the city. And though the USSR challenged the US to an arms race, it simultaneously ran a concerted disinformation campaign in the West that sought to market itself as a peace-seeking nation defending its legitimate interests. The USSR also sponsored communist parties in Western Europe and exerted influence through left-wing intellectuals and peace-movements.

Russia, at present, is similarly seeking to expand its foothold in any and all territories of the former Soviet Union (the vicious war being waged in Ukraine is the most overt demonstration of this strategy yet). If the Russian offensive in Southern Ukraine were to succeed (including an extension to Odessa), Russia would likely target Moldova next - ostensibly to 'help out' its compatriots in Transnistria. In the meantime, Russian media began to discuss the need for 'de-nazification' of the Baltic States and Poland. It is, therefore, entirely plausible that Russian ambitions will not stop at Ukraine. Further Russian belligerence can be expected that could come to encompass territories of the Eastern flank of the Alliance.

In a similar vein to the old Cold War, the Russian narrative that it is defending its ‘legitimate interests’ has been promoted by numerous intellectuals – such as John Mearsheimer and Stephen Walt – and Russia-friendly political parties. Yet during the old Cold War, the Soviet Union could rely on the support of western communist movements. By contrast, the new Cold War has seen Russia turn to far-right populist parties for support. It has been uncovered that some of these parties, such as the French National Rally of Marine Le Pen, have received financial assistance from the Kremlin.

The overall picture that emerges points to a different contextual backdrop in 2022 than the pre-1990 landscape. But there can be no doubt that Russia is once again challenging the West in every possible way including through military, political and informational means. The West, in other words, is faced with a new Cold War even as this news may come as inconvenient or uncomfortable for some in Western Europe and the US. This reticence is reflected in western reactions to the war in Ukraine – the responses have still shied away from the use of full-scale deterrence.

Insufficient Deterrence

When Russia invaded Ukraine on February 24th, Moscow was surprised by the scale of Ukraine’s resistance and the strength of western reactions. The West has supplied Ukraine with a steady flow of weapons – these deliveries have gradually included more sophisticated equipment that is proving to make a material difference on the battlefield. Despite some initial reluctance, the West has applied relatively severe sanctions against Russia aimed at cutting it off from the global economy. These tactics stray little from the old Cold War approaches. The West has also responded militarily to the growing Russian threat by doubling the number of NATO troops on the Eastern flank of the Alliance and sending some strategic assets, such as Patriot missile batteries, to Poland and Slovakia.

NATO, however, at present has refrained from confronting Russia through the type of full-scale deterrence that successfully dissuaded the Soviet Union from challenging the West. And the NATO presence on the Eastern flank, albeit boosted, still stands nowhere near the old Cold War levels. Most importantly, NATO still only maintains a rotational presence and boasts no permanent bases on the Eastern flank.

At the beginning of hostilities, the West erred strategically by declaring openly and repeatedly that it would not militarily defend Ukraine. These admissions reduced the downside risks for Vladimir Putin in his strategic calculations - he knew from this point onward that sanctions were the worst he could face. And Russia had weathered sanctions in the past. As Russia is likely to seek to expand its offensive to Moldova, the West should consider setting up a preventative military presence in cooperation with Chisinau. During the old Cold War, the Soviet Union’s expansion was halted by US deployments to Turkey and Italy. With the new Cold War already in full swing, it is time to revisit the methods that ensured a western victory in the old one ■

**The world will
divide itself into
two competing
blocks: China and
America. Europe's
choice will be the
United States.**

Alena Kudzko

The savage bombing of Mariupol by the Russian military and the COVID-19 triggered shutdown of Shanghai are remote in their geography and causes. Yet both developments underscore a broader emerging and intensifying pattern: a bifurcation of the world into two competing systems. One of these systems, a US centred one, is premised on the solidification of a rules-based order that foregrounds democratic norms. The second features China at its helm.

The differences in the organizing principles of these two systems are, notably, becoming more and more pronounced and to a certain extent incompatible.

But while this reordering is undoubtedly underway, we will not see a world that is clearly delineated into two separate orders but rather two overlapping ones. The intersections will particularly occur in areas where cooperation is still seen as unavoidable or mutually beneficial. Many countries will also feel uneasy about choosing between one or another pole and will work towards finding a pragmatic middle ground.

The idea of two competing blocks deceptively implies simplicity and clarity. To the contrary, relations between countries, businesses, political interests and other entities will only become more complex and complicated.

The Russian litmus test

If pandemic related disruptions were not enough, Russia's war in Ukraine is further accelerating the dismantlement of the global order and shedding light on geopolitical and geoeconomic choices that countries are being compelled to make. The invasion was the clearest attestation yet that the post-cold war period is over and that a period of great power competition is back.

Beyond the fate of Ukraine as a country and its over 40 million pre-war residents, the conflict concerns the rules that govern the international system and whether these rules are enforceable and by what means. If Putin's gamble pays off, it will give further steam to the authoritarian cause by emboldening attempts to redraw borders and assume unchecked power domestically and abroad by all means possible.

The approach of governments towards sanctions and their willingness to call out Russia as an aggressor indicate both their perspectives towards the international system and the optimal way forward in protecting their own interests in it. Though the UN resolution condemning Russia passed, the countries who abstained or voted against it represented a majority of the global population. And even though countries that dominate the global economy have largely imposed sanctions on Russia, a few important players including China and India are continuing business as usual.

If China is to lead the formation of an alternative non-Western, non-liberal international order, reflected in its domestic political system, its action or inaction in response to Russia's war in Ukraine matters.

Three weeks before the launch of the full-scale invasion by Russia, Beijing and Moscow signed a joint statement⁴⁴ declaring a "no limits" partnership. China's refusal to call out Russia as an aggressor or introduce any restrictive measures is an indication that this partnership will carry on and will play an important role in structuring a new global order.

On the other side lies a "West" that encompasses not only the US and Europe but also other countries that prefer the Western liberal model – Canada, Australia, South Korea, Japan. These countries have come together in an unprecedented effort to coordinate economic and financial policies aimed at isolating Russia from – at least – the Western world. Sanctions have cut off Russian banks from Western clients and now former partners. Trade and business relations with Russia more generally are largely disrupted at both the government and private business levels, with countries likely to further introduce tariffs⁴⁵ on Russian trade under the WTO "security exemption". Export controls⁴⁶ have cut Russia off from technological tools including crucial areas like semiconductors, telecommunication equipment and aircraft parts. These restrictions will likely stay in place regardless of any immediate outcomes from the war in Ukraine.

Dependence and reliability will particularly be front and center in steering Europe ever closer towards the US. Pragmatism once ruled the day as Europe sought to bolster its economic and political relations with numerous governments around the world no matter their records on democracy and human rights. It was presumed that these closer relations may promote changes in values and in any case at least bolster Europe's economic might. But the old continent is now struggling to come to grips with the ramifications of the dependencies these moves created, witness Europe's furious attempts to rapidly scurry away from Russian energy despite the tremendous costs of doing so. Europe will not want to learn this lesson the hard way again and will rather be inclined more towards structuring its relationships in favor of reliability and mitigating risks even if it means sacrificing some economic growth over the long term.

The harmony among Western countries is yet to spill over to much of the rest of the world. But even if it never does, it underlines a newly found dynamism and capacity of the Western world to jointly and actively manage⁴⁷ the international economic system. Facing a threat to the entire system, Western countries are ready to – at least temporarily – put their own considerably smaller fundamental differences aside.

⁴⁴ Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development • President of Russia (kremlin.ru)

⁴⁵ Canada inspires other nations to consider tariffs on Russian trade | Financial Times (ft.com)

⁴⁶ Export Controls Against Russia Add to Uncertainty for Business - WSJ

⁴⁷ Putin's War Could Save the Global Economic Order (foreignpolicy.com)

The splinter-tech

Technology, innovation and the digital economy are specifically and increasingly a terrain upon which competition plays out among global rivals. Recent developments have pressed Western countries closer together in these areas too and put some cold water on Europe's - now seemingly illusory - ambitions to develop a "third way" for technology and innovation at its own pace, with human rights and privacy at its core, while engaging both the US and China where possible.

A couple years ago, the Huawei case underscored the fact that imported technologies often carry immense national security⁴⁸ risks. Russia's invasion of Ukraine exposed the acute vulnerability of open western information networks and critical infrastructure. Core principles are also at stake: competitors like China embed different sets of values into their own technologies and the frameworks that govern them. And revisionist powers like Russia exploit tech infrastructure and digital information spaces to counteract democracies.

Avoiding standards dictated by Chinese tech providers will necessitate that Europe and the US closely coordinate their efforts to design and implement technological standards and rules regulating the digital space that reflect their democratic values. Against this backdrop, the Transatlantic Trade and Technology Council, a group of key decision makers from the US and Europe, has finally gathered wind behind its sails to find more items to cooperate⁴⁹ on across the Atlantic. The EU just announced a similar initiative with India and continues to work towards a deal with Japan. The US, for its part, is working even closer with its Quad (US, Australia, Japan, India) partners to develop technology-oriented security cooperation that abides by democratic rules and standards (as opposed to Chinese alternatives).

On the other side of the divide, China has long been investing not only into the domestic development of technology but also in ensuring that it is providing tech infrastructure and technology to the rest of the world.

Russia, over the past decade, has pursued its own ambitions to achieve digital sovereignty⁵⁰ and, with it, technological independence and information control. But Russia, as of a few months ago, was still significantly dependent on foreign technology to sustain its digital infrastructure. As the West imposes export controls on high tech, Moscow, nevertheless, is doubling down on its efforts to become technologically autarkic. In April, Putin created a national committee on tech sovereignty responsible for substituting foreign supplies in tech with domestic⁵¹ alternatives and preparing Russia for disconnecting itself from the global internet. Given that Russia is still lacking domestic production and

capabilities, the vacuum created by the mass departure of Western companies and the emigration of Russian IT workers is likely to be at least partially filled by Chinese⁵² alternatives. Though it is far from the dream of full sovereignty, Chinese tech is not only likely to become the sole option available on the Russian market but also a more ideologically acceptable one. Russia's aspiration to assume complete control over the online information space finds itself in tune with the great firewall that the Chinese introduced long ago.

While Russia may be the latest entry to China's vast digital infrastructure network, it is by far not the first one. Since 2015, China has been investing in a Digital Silk Road⁵³ as part of its Belt and Road Initiative. Once the initial infrastructure is in place, countries on the receiving end, spurred by Chinese financing schemes that appear all too enticing on the surface, often find themselves locked in to Chinese technological standards that are hardly compatible with American or European ones due to various cybersecurity vulnerabilities, data server standards and location concerns, data privacy issues and data sharing standards.

Financial and trade decoupling

Russia's war in Ukraine has hastened interest in decoupling it from yet another field: the international financial system.

Over the past couple decades, financial and economic coercion has developed as the main alternative to direct military confrontation. Russia's war is illustrative of how sanctions and financial tools⁵⁴ have become the weapon of choice, including for Western societies, when diplomatic options are exhausted and military options lack political backing.

The potency of the US dollar and the Western banking system is a mighty tool but is also seen as a vulnerability that some countries in the world cannot help but start thinking about how to avoid. The weaponization of finance will inevitably engender implications⁵⁵ on the future of the international system. Countries that have not joined the Western sanctions against Russia are likely not only to help Russia to evade them but also work on putting forward alternatives to US-backed financial mechanisms.

China has been on its own decoupling⁵⁶ track for years. The Chinese goal to eliminate its dependence on foreign firms for critical technologies and products and facilitate the dominance of domestic firms has developed in parallel with the US realization that its dependence on China for key products or materials is wrought with potentially existential vulnerabilities. The havoc caused

⁴⁸ Report on EU coordinated risk assessment of 5G (europa.eu)

⁴⁹ The war in Ukraine is spurring transatlantic co-operation in tech | The Economist

⁵⁰ https://dgap.org/sites/default/files/article_pdfs/DGAP-Analyse-2022-01-EN_0.pdf

⁵¹ Путин назначил Медведева ответственным за отключение России от глобального интернета - The Moscow Times на русском

⁵² Putin's internet plan: Dependency with a veneer of sovereignty (brookings.edu)

⁵³ China's Digital Silk Road Initiative | The Tech Arm of the Belt and Road Initiative (cfr.org)

⁵⁴ Weaponisation of finance: how the west unleashed 'shock and awe' on Russia | Financial Times (ft.com)

⁵⁵ Weaponisation of finance: how the west unleashed 'shock and awe' on Russia | Financial Times (ft.com)

⁵⁶ The Strategic Challenges of Decoupling from China (hbr.org)

by the search for medical supplies during the Covid pandemic only made this realization more acute.

The trade and supplies decoupling and financial decoupling⁵⁷ are, notably, mutually reinforcing. China has been tightening regulations for companies to list in the US and rather creating conditions for Chinese companies to raise capital at home. US investments in Chinese markets⁵⁸ have been facing curbs and security risks. There is a concerted effort to limit the flow of US capital to China, for example, by removing Chinese stocks from large public pension funds.

China's central bank is rolling out a digital yuan, which would enable China to gradually internationalize the renminbi and circumvent the US dollar⁵⁹ in international transactions. This would also reduce the dominance of the SWIFT system and, with it, the power of any sanctions⁶⁰ that the US might want to impose.

These efforts will take years - likely even decades – to fully work themselves out. For the ideas to succeed, China will need to increase the value of another underlying currency – trust. While some countries might squirm at the idea of the US imposing sanctions, they can hardly assume that China will not abuse its control over any new financial system, if one is ever to be established. If anything, China is likely to wield it even more assertively and in discriminatory fashion than possible under the current global financial system.

The interregnum

The two rivals, however, both currently lack sufficient gravity. A multipolar world becomes an alternative in the “interregnum” period and could possess potential staying power. But it is smaller countries that could wield a decisive role in this environment, with technological innovation reshaping the playing field. These actors could come to exert a more decisive and consequential impact than conventionally believed.

While non-Western countries often hold legitimate grievances against the West and the way the current system operates, they are hardly naïve in assuming that China or Russia will forgo any of their own interests to give a bigger say to the rest of the world. They also cannot count on China and Russia to hold themselves accountable by the same standards Beijing and Moscow expect less powerful states to abide by.

As competition between the US and China intensifies, smaller countries are finding themselves in an unfamiliar, or long-forgotten, position where they are forced to navigate two great powers with considerable economic, technological and security clout.

Countries from the Middle East and Africa to Asia and Latin America are expressing little interest in forgoing their relations with either China or the US and the broader West. Apart from their economic interests in engaging with all sides, many countries do not see democracy and authoritarianism as a binary issue but rather as a spectrum where for good governance, you often need something “in the middle of both⁶¹”.

Being “stuck” between two great superpowers is an uncomfortable position. Increasingly, the talk of “strategic autonomy” is hardly the predominant narrative in Europe but has been gaining salience in countries like India⁶² and groupings like the Gulf States⁶³ over the past few years. Increasing reliance on home-grown military, economic and technological capabilities is a far-fetched goal, if not a mirage⁶⁴, though for many.

As the smaller countries navigate the changing landscape, they also aim to seek new opportunities and coalitions. Alliances between and within regions, for example, between South Asia and Middle East, could be created to avoid old divides and jointly develop solutions and relations without having to rely excessively on only one of the superpowers.

Recommendations:

Western countries should intensify their outreach globally to build alliances and partnerships in key areas including technology, energy and trade

Western countries should also look for ways to provide relief to developing countries that are most affected by disruptions in the trade of commodities (particularly food) or the side effects of sanctions

The EU and the US should use the present momentum to solidify their trade and tech partnerships

The diversification of global supply chains should be preferred over reshoring and protectionism

A global shift in energy generation towards renewable sources and in consumption towards more efficiency should be prioritized to improve access to energy across the globe, combat climate change and reduce confrontations over energy resources ■

57 <https://asia.nikkei.com/Spotlight/Comment/U.S.-China-tensions-threaten-great-financial-decoupling>

58 Investors can no longer ignore China-US decoupling threat | Financial Times (ft.com)

59 China's Digital Yuan: An Alternative to the Dollar-Dominated Financial System - Carnegie India - Carnegie Endowment for International Peace

60 China Can Bypass SWIFT by Putting Digital Money in Play - The Washington Post

61 Iran talks key in shaping Middle East's new order, says Dr Anwar Gargash (thenationalnews.com)

62 Non-Allied Forever: India's Grand Strategy According to Subrahmanyam Jaishankar - Carnegie Endowment for International Peace

63 The coming of strategic autonomy in the Gulf | ORF (orfonline.org)

64 India's vaunted strategic autonomy is a mirage | The Economist

The energy transition will pick up speed

Federica Prandin

International energy security issues have soared to the top of political agendas over the past several months spurred by the Russian invasion of Ukraine. In acknowledging the risks of over-dependence on Russian fossil fuels, Europe can seize an unprecedented opportunity to change its energy policy. The impetus for a shift in direction is only further underscored by climate change and its ramifications. There is now a pressing need to take significant action towards strengthening sustainable, diversified and resilient energy systems.

Following the Kremlin's recent aggression, some western leaders have indeed advocated for liberal democracies to enact embargos on Russian energy commodities to stifle the financing of the country's war machine. Moscow has historically been a major player in global energy markets – it ranks as the world's top oil producer and exporter and a giant in natural gas markets. Russia broadly relies on revenues from oil and natural gas (these income sources comprised 45% of its federal budget in 2021). In the same year, the country exported fossil fuels at a total value of €178.8 billion (€81.5 billion of this sum came from the EU). These figures were not an exception but rather affirm the pattern apparent in recent years. Over the past 10 years (2011-2021), in fact, Moscow has received half its fossil fuel export revenues from EU member states (see the graph below).

The conflict in Ukraine is likely to accelerate the shift towards alternative sources - skyrocketing energy prices have only reinforced the general consensus that the world needs to transition away from hydrocarbons even quicker than suggested during COP26 and in accordance with the new Intergovernmental Panel on Climate Change (IPCC) report (published on April 4th). This latter analysis concluded that meeting the Paris Agreement targets will require immediate and unprecedented action from every country. The cost curve of renewables is already competitive thereby facilitating any accelerated transition to net-zero.

The war in Ukraine is likely, however, in the short-term to initially delay the renewable energy transition and instead contribute to an increase in emissions as countries scramble away from Russian energy even as they struggle to quickly replace hydrocarbons with other energy sources. Against this backdrop, the "gas-to-coal" motif will replace "coal-to-gas" in the short term to keep energy systems running. To achieve this goal, it will be essential to optimally use energy sources with rapid deployability (e.g. coal and nuclear).

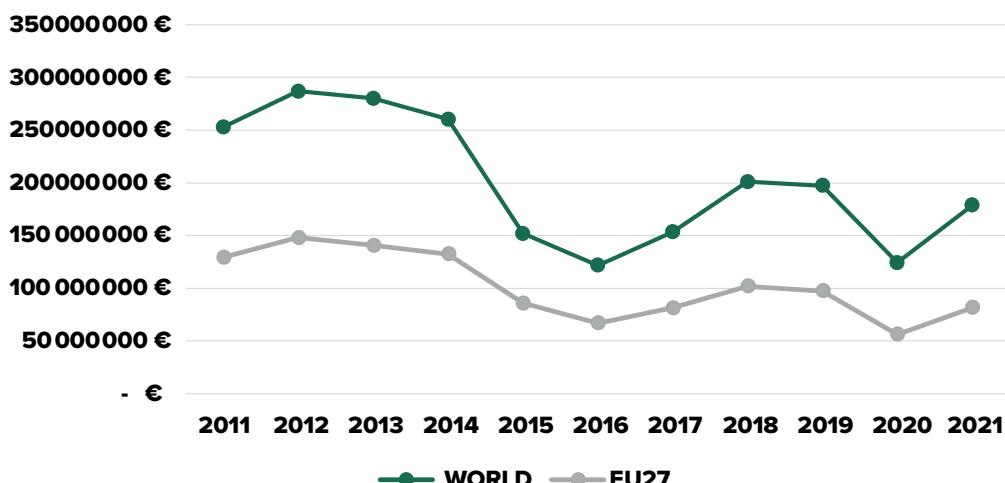
Zooming-in: The EU angle

The EU Green Deal (2019) envisioned a substantial reduction in oil and gas consumption and imports from 2030 onwards. The plan would have provided traditional suppliers, including Russia, a few years to adapt. The war has changed this outlook though. The Russian invasion of Ukraine poses potentially catastrophic new risks to the bloc's energy security. In addition to soaring energy prices, Europe is facing a complex geopolitical crisis. The war not only puts the bloc's energy transition strategy in peril but threatens the very essence of its energy security.

On May 8th, 2022, the EU Commission presented the RePowerEU policy plan to reduce the bloc's demand for Russian gas by two thirds before the end of the year.⁶⁵ A complete paradigm change is necessary to face what the Versailles Declaration called a "tectonic shift" in the global energy outlook in the medium to long term. Among the updated climate targets under the Fit for 55 package, the Commission has proposed to cut emissions by 55 percent by 2030, increase the share of renewable energy supply from 32 percent to 40-45 percent and grow the energy efficiency of primary and final energy consumption from 32.5 percent to 36-39 percent.

The new proposal though raises questions concerning how the goals could work in tandem with one another (particularly for the CEE region). The CEE region is

Value of Russia's fossil fuel exports (2011 - 2021)



Source: GLOBSEC

65 https://ec.europa.eu/commission/presscorner/detail/en/fs_22_1513

historically broadly dependent on Russian fossil fuels. It needs an inclusive, multi-stakeholder vision and a well-thought-out energy strategy to weather the new geopolitical landscape and increase its energy resilience, security and independence from unreliable suppliers.

Below are some key short and long-term policy recommendations. EU policymakers would be prudent to draw on them to accelerate the transition to net-zero energy sources as a global megatrend.

Policy recommendations: short-term. The EU would benefit from:

Implementing the oil embargo as soon as possible and preventing Russia from finding alternative buyers, especially by stopping EU-owned tankers from transporting Russian oil to third countries.

Deploying reverse infrastructure to tap EU gas excess and transfer flows to places where gas is most in need

Speeding up the implementation of efficiency measures - the fixing of pipeline leaks could save Europe up to 2.5 bcm.⁶⁶

Accelerating investments in new renewable projects to be operational over the next year – these measures could bring down gas use by 6 bcm.

Introducing a grant programme covering 20% of the installation costs of rooftop solar PV systems – gas demand could be reduced by 6 bcm through a 3-billion-euro investment in solar panel installation⁶⁷.

Policy recommendations: long-term. The EU would benefit from:

Setting intermediate climate goals. The Fit for 55 package introduced emissions reduction targets for 2030. However, the new geopolitical landscape highlights the importance of setting intermediate milestones already in 2025 and 2027. These targets are essential towards putting the EU on track to net-zero and discernibly shifting to less energy consumption. This would also be in line with the new UN IPCC report that concluded emissions must peak by 2025 if the global temperature rise is to remain below 2 degrees Celsius by 2050.

Broadening and deepening ambitious targets. While the emphasis on finding alternative supplies to Russian energy imports represents a pragmatic move, the EU should also rethink its measures and actions in domains that could enable the bloc to make greater headway towards achieving higher climate targets. A good

example is provided by the Energy Efficiency Directive (EED), which sets a target of 39% efficiency in the EU's final energy consumption by 2030⁶⁸ even as the technical potential for EU energy efficiency this decade stands at over 45%. Based on the EU's final energy consumption for 2019 – improvements herein would equate to the equivalent closure of 270 coal power plants.⁶⁹

Speeding up cross-border gas and electricity transmission systems for electricity, natural gas and oil to improve energy security. These steps will be necessary towards facilitating the EU's short term options in transitioning away from Russian gas (i.e. instead turning to increased LNG import and gas storage).

Supporting changes in individual habits – this focal area is already crucial for reaching net-zero targets by 2050. Lowering the thermostat by 1 degree, replacing gas boilers with heat pumps and switching from private to public transport are among the most-effective measures to reducing energy consumption.

Creating basis for EU-Ukraine energy cooperation. Discussing the role of renewables in the post-war revitalisation plan is essential to creating a vision for Ukraine's green recovery ■

66 https://www.iea.org/reports/a-10-point-plan-to-reduce-the-european-unions-reliance-on-russian-natural-gas?itid=lk_inline_enhanced-template

67 https://www.iea.org/reports/a-10-point-plan-to-reduce-the-european-unions-reliance-on-russian-natural-gas?itid=lk_inline_enhanced-template

68 Energy Efficiency Directive (EED)

69 <https://www.eea.europa.eu/data-and-maps/indicators/final-energy-consumption-by-sector-11/assessment>

**Sanctions and
active financial
measures are
emerging as
expanded tools
of statecraft**

Juraj Kuruc

The notion that states should not interfere in the internal affairs of other states is a maxim of all new students of international relations. But countries have always, in fact, engaged in this interference or attempted to do so. The acts of imposing restrictions on hostile states or conversely providing preferential treatment to allied countries are also old tools of statecraft. There is nothing novel about economic sanctions nor the use of 'soft power' as a tool of propaganda. The backing of armed groups with financial resources, weapons and/or safe havens is also not new. The novelty, however, comes in the methods and application of these approaches. The sanctions imposed against Russia are unprecedented in scope and the haste in which they have been enforced. There is also a realisation that Russia, however, has deployed its financial resources to actively undermine democracies in countries it perceives as a threat. The exact size and scope of this interference is yet to be disentangled. It is readily apparent though that the illicit use of financial resources will recur. The trend is indeed towards more - not less – confrontation, with sanctions and financial measures used as instruments of power.

The sanctions imposed on Russia following the Kremlin's February 24th invasion of Ukraine surprised many including, to some extent, Russian officials. President Putin likely believed that the \$650 billion amassed by the Russian Central bank in foreign currency reserves would be available to Moscow throughout the war in Ukraine.⁷⁰ But the broad scope of the sanctions and the swiftness through which they have been implemented presumably caught the Kremlin off guard. Following the annexation of Crimea, for example, it took the EU months of deliberation to introduce largely ineffective sanctions that did very little to change the status quo on the ground. It is estimated that the trade restrictions implemented in 2014 resulted in no more than a 1% reduction in Russian GDP.⁷¹ The effect of the recent rounds of sanctions are yet to be calculated.

There are three levels of sanctions currently imposed by the US, UK and EU: (1) the ban on various Russian state-owned business and financial institutions; (2) lists of people who are members of the Russian government or affiliated with it (and associated travel bans, asset seizures, revoked visas and other measures); (3) the withdrawal or suspension of private business from the Russian market. The precise composition of sanctions against Russia can be found elsewhere⁷². But they, notably, involve more than 30 countries representing greater than 50 percent of the global economy, underlining their multilateral dimension.⁷³ Despite an initial panic and drop in the value of the ruble and considerable inflation, the Russian economy has held on - for now - following months of sanctions⁷⁴. One

reason - the 2014 sanctions package and accompanying decoupling of the Russian economy readied the country to a certain extent for the latest storm.

The global impact of sanctions is also particularly pertinent. Commodities such as wheat, corn, sunflower oil, metals (nickel, copper, iron) and platinum have all been affected by the sanctions. The most detrimental impact on the Russian economy, however, could come from potential sanctions, if enacted, on gas and oil. But a Russian oil and gas embargo could also stifle economic growth across Europe (especially Central and Eastern Europe) particularly in the absence of an integrated EU energy market. Russia will continue to exploit this gulf.⁷⁵ It will take considerable time before the EU is ready to diversify its energy supply and completely walk away from Russian oil and gas.⁷⁶ The continued sale of natural resources, nonetheless, provides Russia with much needed currency to continue its war in Ukraine. And it further must be stressed that no amount of sanctions can be proportional to the distress and loss of life endured by Ukraine.

The introduction of sanctions was also accompanied by a realisation - for many countries - that far from being a mere exercise of state sovereignty, numerous entities may attempt to subvert sanctions. The sanctioning countries, for their part, seek to restrict the flow of goods, people, services and finance and ensure that these restrictions are enforced and effective. But illicit money also flows into these very same countries. A recent article by RUSI coined the term 'active financial measures' to explain this phenomenon.⁷⁷ This concept is a rephrasing of the Cold War term 'active measures', a form of political warfare that sought to destabilise different societies through the use of disinformation and deception. The goal was not necessarily to persuade anyone about the merits of Russia or the Russian regime but rather to use existing fissures within societies to wreak havoc on the democratic establishment.

It is not difficult to imagine the shape and content of these 'active financial measures'. The actions are tailor-made for each country and designed and implemented to generate the greatest impact at the lowest possible price. The integration of Russian money and the exploitation of existing legal loopholes are well known.⁷⁸ The use of complex shell corporations, the subversion of judicial systems and rules based ecosystems, the exploitation of reputations, and the laundering of ill-gotten financial gains are all part of the repertoire. Illicit practices can additionally affect elections and other democratic processes in various countries.⁷⁹

Following the Russian invasion, however, many vocal supporters of the Kremlin and open admirers of President

70 Europe and America's Sanctions on Russia Over the Ukraine War Are Not a Slam Dunk (foreignpolicy.com)

71 Economic Sanctions on Russia and Their Effects, Iikka Korhonen, (2019) Economic Sanctions on Russia and Their Effects (cesifo.org)

72 Tracking sanctions against Russia (reuters.com)

73 US Treasury insists Russia sanctions will not fragment the global economy | Financial Times (ft.com)

74 Russia's economy is back on its feet | The Economist

75 EU's toughest Russia sanctions yet snag on worries over oil ban | Reuters

76 War in Ukraine: what are the options for Europe's energy supply? - Economics Observatory

77 Active Financial Measures: The Unseen Threat to Democracy | Royal United Services Institute (rusi.org)

78 GLOBSEC report: the risk of shell corporations - GLOBSEC

79 Putin Authorized Russian Interference in 2020 Election, Report Says - The New York Times (nytimes.com)

Putin have gone quiet. Disinformation webs, paid agents and entire armies of internet trolls that seek to erode public trust in media sources are being shut down or are in the process of being severely restricted. The battle is far from over. The foreign malign influence and the exact extent of penetration of foreign funds in individual countries is difficult to investigate, prosecute and combat. There is still considerable work ahead if years of democratic erosion are to be reversed. This is particularly true as significant work went into eroding legal frameworks aimed at stopping and investigating foreign interference. Another threat that must be heeded concerns the possibility that countries could, in their eagerness to clamp down on Russian influence, pass laws that actually subvert their own due processes and undermine the rule of law. This path forward would entail winning the battle but losing the war for democracy.

The way this balance can best be maintained is through the very same methods developed over twenty years ago to combat terrorism. Following the September 11th attacks and the recognition of the importance of financial resources towards orchestrating terrorist attacks, structures were set up (e.g. financial investigation units) to investigate and prosecute terrorist financing. Though far from perfect or completely adequate, the existing system is workable. It promotes active cooperation between participating countries - expertise in the disentanglement of complex financial webs spanning many countries and jurisdictions could prove particularly beneficial. Cases of lax standards and legal loopholes and situations where regulatory oversight is lacking will need to be remedied domestically. At the EU level, new norms are needed; registers of final beneficiaries and establish bloc-wide rules on asset seizures and asset recoveries. The transatlantic cooperation of the US, UK and EU on intelligence sharing and their concentrated efforts to combat illicit finance may engender positive unintended consequences in other areas as well including the protection of democratic values and the development of effective responses to transnational organised crime and terrorism. These would be pragmatic steps considering that illicit financing is necessary to sustain both terrorism and organised crime.

Countries generally learn rapidly from mistakes including those of their neighbours and adversaries. The advance preparation of sanctions that are subsequently fine-tuned and backed up by sufficient resolve and financial power to persuade allied and wavering states to follow suit can inflict a devastating impact on the targeted economy. Sanctions do not work particularly well, by contrast, on opponents determined enough to withstand them or decoupled sufficiently from the global economy. Nonetheless, the threat of a comprehensive package of sanctions, similar to the measures imposed on Russia, may be used in the future to deter states or at least persuade them to change their behaviour without mobilizing armies if the economic tools prove effective.

The war in Ukraine has drawn all attention to Russia but other malign actors have not suddenly disappeared. And it is also very likely that the near future will see the increased use of 'active financial measures' rather than their decline. The imperfections that democracies are tending to learn to live with rather

than resolving are making them prime targets. The combined will and financial resources of cynical actors will likely enable them to find a way. If democracies, meanwhile, are to adequately defend themselves, they must demonstrate greater willingness to protect themselves from illicit finance in all its forms.

Democratic countries may also consider learning the lessons from autocrats and deploying new tools – apart from public diplomacy - in a pragmatic manner against authoritarian countries. This could include the (covert) extension of support, for example, to political opposition, environmental and/or human rights group in dictatorial regimes. There are also lessons to be taken from Russia's playbook on the use of social media including the need for a profound message shift that – unlike the Kremlin - puts truth front and centre. Though repeated truth telling efforts may not reduce the violence of brutal regimes, publicizing the truth could lead to a sense of scepticism in authoritarian countries that could eventually dampen the effects of domestic propaganda. These approaches could become invaluable in the future, with more confrontation likely.

It remains to be seen if and what role sanctions will play in changing Russia's political regime, curbing the ambitions of oligarchs and spurring an economic downturn in the country. But Russia will be forced to cease its aggression towards Ukraine at some point. It is important to emphasize that sanctions will not necessarily be rescinded following the end of the war though they will likely be rolled back eventually. And the economies of both Ukraine and Russia will require considerable investments if they are to be rebuilt – these aims will necessitate that financial and material support be provided to Ukraine. And it will be paramount that finances pouring into the country not be tainted from the start thereby dooming the country from the outset. Though it may seem far-fetched at present, even Russia will eventually need to be reincorporated into the global economy ■



EU enlargement is back on the agenda but not on track

Sebastian Schäffer

The Russian Federation's attack on Ukraine has not only brought about a change in the security and defense policies of EU member countries but also put enlargement back on the agenda. The powerful image of Ukrainian president Volodymyr Zelensky signing an official application for EU membership four days following the Kremlin's launch of a full-scale invasion on February 24th has certainly been a major catalyst. For the first time, the European Commission has openly recognized the potential candidate status of Ukraine, with President Ursula von der Leyen stating "we want them [Ukraine] in".⁸⁰ Shortly after (March 3rd), Georgia and Moldova followed with their own applications. All three countries had previously signed a declaration at a summit in 2021 that called for the recognition of their membership prospects by the EU.⁸¹ This "Associated Trio" underlined their willingness to become full EU members, distinguishing themselves from the three other target countries of the Eastern Partnership (EaP). Armenia, for its part, signed a Comprehensive and Enhanced Partnership Agreement (CEPA), which entered into force in March 2021.⁸² And negotiations for a comprehensive agreement instead of an Association Agreement, as foreseen in the framework of the EaP, has been underway with Azerbaijan since 2016. Belarus suspended its participation in June 2021. These developments suggest that the EaP is essentially obsolete and the European Neighbourhood Policy (ENP) could once again use a rethink and restructuring.

The enlargement process, that said, more urgently needs to be streamlined and tweaked. Several possibilities have been discussed to change the overly technocratic and protracted procedure it has evolved into over the past few decades. Coupled with enlargement fatigue, minimal progress has been attained for (potential) candidate countries since Croatia joined the EU in 2013. While neither the EU nor the six countries of the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia) are solely responsible for this state of affairs, more efforts on both sides are necessary. The issue of state capture preventing further integration must be unequivocally addressed rather than more or less openly embraced for the sake of stability. And a willingness to compromise should be rewarded instead of discouraged by individual EU member countries. A clear position regarding the entire region must be adopted too and it should include recognition of all countries by every member state. Even with these steps, the accession process will still require additional reforms.

How could the future enlargement process look like? There are a broad variety of different suggestions that have been proposed in recent years underlining the fact that enlargement is back on the agenda and garnering genuine consideration.

The so-called staged accession would incorporate additional integration steps and introduce percentage-based funding levels at several stages for each applicant country. Failure to comply with the standards could lead to the candidate being downgraded within certain limits. The model, nevertheless, would enable more intermediary successes that could put a spotlight on the positive effects of integration.⁸³ Another proposal would introduce a two-step integration process that (1) continues to recognize full membership as a long-term goal but (2) also provides integration into the single market as an intermediate possibility.⁸⁴ There have also been calls to grant the Western Balkans immediate EU membership – they would politically gain all rights and responsibilities but would be gradually integrated into the EU's economy. This would of course require a treaty change also to provide certain safeguarding mechanisms.⁸⁵ As it pertains, finally, to the outcomes of the Conference on the Future of Europe (CoFoE), French President Emmanuel Macron emphasized his idea of a two-tier Europe. As the integration of Ukraine into the bloc could take decades, this model would envision a second community of democracies emerging that could serve as an alternative for some countries including the UK as a former EU member state.⁸⁶

Ukraine's membership application has elicited calls for a special fast-track procedure. The proposal has been fiercely debated, with the integration of the former German Democratic Republic during German re-unification mentioned as a possible historic precedent and model to emulate. The Europe of 1990, nevertheless, was vastly different and the EU did not yet exist in its current form. The single market had not yet been created and the Copenhagen Criteria had not yet seen the light of day. And even though the questionnaire the Commission sent to Ukraine was returned in record time, the current treaties ostensibly rule out the fast-tracking of procedures.⁸⁷ Despite strenuous efforts and the high price Kyiv is paying for its choice to pursue the path of European integration, even if it were possible, it could send the wrong signal to other countries waiting to become members.

If a path towards immediate membership is not particularly feasible then that raises the question concerning what would be the most appropriate course of action within the current parameters. One way forward would involve granting candidate status to Ukraine at the next European summit (23-24 June 2022). Members of the European Parliament have similarly advocated that this status also be provided to Moldova.⁸⁸ But decisions to this effect appear unlikely for both Moldova and Ukraine given the concerns of some member states. These qualms vary from internal political considerations to concerns about the costs to the EU budget and security. They all, however, share a certain amount of

80 <https://www.swp-berlin.org/publikation/ukraines-membership-bid-puts-pressure-on-the-european-union>

81 <https://www.euractiv.com/section/europe-s-east/news/moldova-applies-for-fast-track-eu-membership-joining-ukraine-and-georgia/>

82 https://ec.europa.eu/commission/presscorner/detail/es_ip_21_782

83 <https://www.ceps.eu/ceps-publications/a-template-for-staged-accession-to-the-eu/>

84 <https://www.esiweb.org/proposals/open-eu-single-market-balkans>

85 <http://www.idm.at/publikationen/idmpps/item/idm-policy-paper-series-2-2021>

86 <https://www.politico.eu/article/emmanuel-macron-proposes-european-political-community-as-alternative-to-eu-membership/>

87 See here a discussion about a possible fast-tracking of Scotland's accession to the EU: <https://verfassungsblog.de/scotland-eu/>

88 <https://www.europarl.europa.eu/news/en/press-room/20220429IPR28232/grant-moldova-eu-candidate-status-say-meeps>

short-sightedness related to the general development of the continent. This myopia, to a certain extent, has paved the way forward to the current crisis. While the Instrument for Pre-accession Assistance (IPA) supports (potential) candidate countries in adopting and implementing reforms to fulfill the Copenhagen Criteria, Structural Funds are only available for member countries. In the Multiannual Financial Framework (MFF) 2021 – 2027, around 14 billion euros are allocated to the IPA.⁸⁹ It is evident that reconstruction efforts in Ukraine alone will require at least 50 times as much according to current estimates.⁹⁰ Therefore, consideration of this matter and the realization of reconstruction should be explored as part of the decision to grant candidate status. A special recovery fund directed at third country assistance could complement reform efforts supported by the EU.

The overall security situation regarding the Associated Trio, furthermore, will be a decisive factor in the negotiation process that will likely be ongoing for at least a couple years. The “frozen” conflict in Transnistria, for one, could be on the brink of escalation. The Russian Federation invaded Georgia in 2008 and is also present in the de-facto states of Abkhazia and South Ossetia. The latter has recently called for a referendum to join the Russian Federation (to be held 17 July 2022).⁹¹ Regardless of the outcome of the war or the success of any peace process, Russia will remain a neighbour. It is also likely that the system Putin created, if not he himself, will stay in place for the foreseeable future. These circumstances must be heeded. Even if the disputes with the de-facto regimes can be resolved, further attempts at destabilization cannot be ruled out and must be prepared for. The same applies to the Western Balkans.

Recommendations to bring EU enlargement back on track:

1. There is still a small window of opportunity – it should be used to adapt the treaties or even provide a completely new basis for the EU. The CoFoE just concluded; it would be prudent to at least discuss the implementation of some of the ideas lest the outputs become merely theory gathering dust. Governments should also be cognizant of the fact that the public support extended to Ukraine may ultimately wane with the passage of time. The institutional reform process should be initiated, therefore, in parallel to prepare for the integration of the Western Balkans and the Associated Trio. Despite opposition issued in a non-paper by half the EU member states (mostly from Northern, Central and Eastern Europe), the bloc should not shy away from trying. The process could be viewed as an open one - if “only” changes to existing treaties were entertained rather than a completely new contractual basis it need not be seen as a failure. But the further stalling of enlargement

should be avoided at all costs. The EU should also seize the moment to consolidate itself internally.

2. If the European Commission genuinely wants to be geopolitical as von der Leyen put it, it is time to also project these ideals in the enlargement process. While a common set of values and norms should remain the basis for accession, enlargement must not only be focused on internal reforms. It further needs to acknowledge the geopolitical dimensions pertinent to the changing international order. A two-tier Europe, in this regard, cannot replace the enlargement process. It remains to be seen how Macron’s idea would work in practice, especially with regards to the Western Balkan countries. If it were to be perceived as an alternative for full membership or merely an additional waiting room for accession, support for integration would certainly further dissipate.

3. The enlargement process should become completely supranational in orientation. A single member state should never be able to obstruct progress, especially when it is purely due to domestic politics. Similar to the issue of foreign policy decisions of the EU, the introduction of Qualified Majority Voting would appear to represent low-hanging fruit for potential reform. Proposals to this effect have received the backing of the Commission President.⁹² All EU members, nevertheless, would retain the ability to decide on ratification in accordance with their national provisions at the conclusion of the process. This tweak, undoubtedly, would increase the transaction costs if any single country were to veto accession. But it would provide sufficient oversight by national representatives.

4. The broader involvement of civil society and especially youth in the entire process is more necessary than ever. While there are existing formats and initiatives, such as the EU-Balkan Youth Forum⁹³, discussions must involve more than the segments of the public most interested and informed on these topics. The terminologies, like candidate status and the accession process itself, needs to be better explained to avoid misunderstandings and misplaced expectations. The EU has lost considerable credibility in navigating the future perspective for Western Balkan societies. Less than 50 % support membership in Serbia now according to a poll from April 2022 and only 20% view the EU positively⁹⁴ (compared to 44% on average in EU member states according the Standard Eurobarometer 96⁹⁵).

5. A short-cut cannot be provided to any country as it would send the wrong signal to others in line (some for decades) or even those just starting the negotiation process. A common approach for all (potential) candidate countries would be the optimal solution under the circumstances. It would also help prevent further fragmentation. The failings in some candidate

89 https://ec.europa.eu/neighbourhood-enlargement/news/enlargement-region-european-commission-welcomes-final-adoption-eus-new-eu14-billion-pre-accession-2021-09-15_en

90 <https://www.economist.com/briefing/2022/04/16/what-will-it-cost-to-rebuild-ukraine>

91 <https://www.dw.com/en/georgia-south-ossetia-calls-for-referendum-to-join-russia/a-61795253>

92 <https://www.euronews.com/my-europe/2022/05/09/von-der-leyen-backs-ending-unanimous-voting-in-some-areas-of-eu>

93 https://www.eubalkanforum.org/?page_id=10742

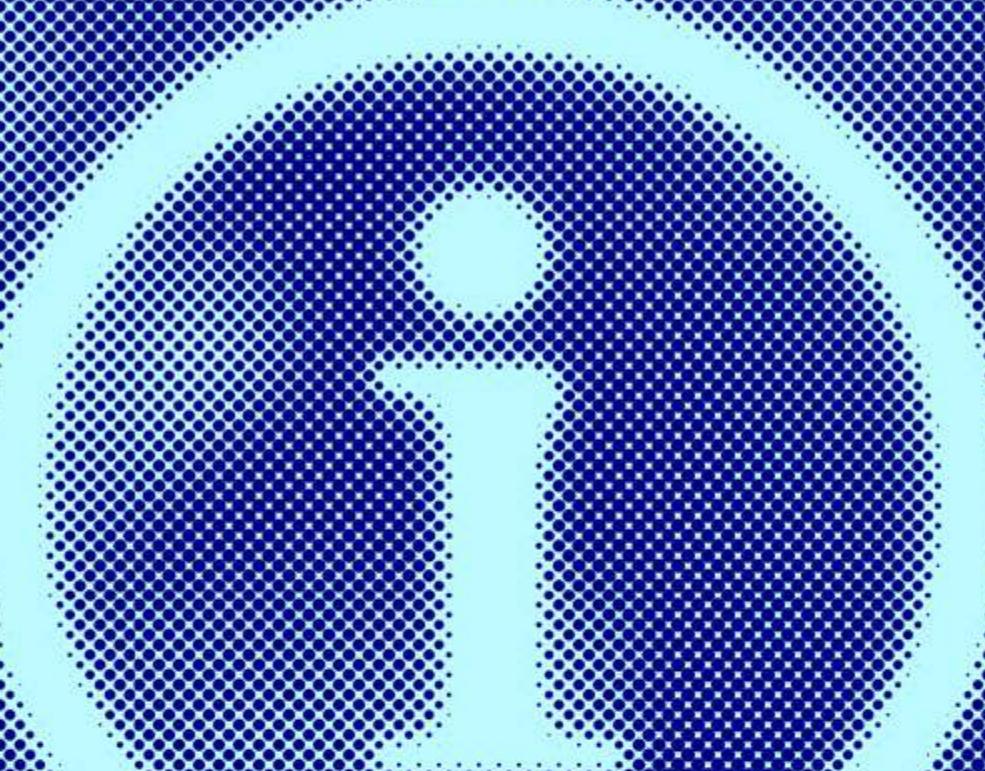
94 https://www.euractiv.com/section/politics/short_news/only-20-per-cent-of-serbs-view-eu-positively-says-polling-expert/

95 <https://europa.eu/eurobarometer/surveys/detail/2553>

countries, however, should never be misused to hold back others that are making adequate progress.

The geopolitical Commission needs to get its hands dirtier in this regard and not shy away from taking the bold steps necessary to streamline and enhance the accession process. Enlargement finds itself once again on the agenda, and it is now time to get it right. Neither external nor domestic circumstances should hinder the process anymore. It is the decision of every sovereign state to pursue membership - no third country should have any say in it. If EU member states, nevertheless, are unwilling to get on board with the further widening and deepening of the bloc, the attractiveness of membership will dwindle in the societies of (potential) candidate countries.

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The battle over the information space is becoming more confrontational

Jana Kazaz

Russia has sponsored information operations aimed at meddling in foreign political affairs for years now and delivered remarkable results in the process (e.g. the 2016 US Elections and Brexit). All diplomatic and economic channels, however, generally remained untouched. This business-as-usual climate proved difficult to dislodge even following the events of 2014. The West is only now beginning to combat disinformation openly by labelling Russia as an aggressor and enemy following its onslaught of tanks and bombs. These developments have marked a new era of open disinformation warfare. It is notable, however, that this battle is taking place against an enemy that refuses to adhere by the same human rights standards and constitutional safeguards that the West holds itself to. The measures and legislation adopted herein to wage this fight must consequently be carefully targeted.

Russian information warfare arsenal

The first proposal to create a special military branch, the so-called Information Troops, emerged around 2008⁹⁶. The 2011 Arab Spring, for its part, underscored the apparent potential of social media to mobilise masses and enable the public to even topple governments. The events, however, also intensified the impulse behind developing effective machinery to wage online warfare. And within Russia the concept of the troll army was born and garnered backing among Russian state organs. Russia has, in the years since, managed to create “a highly developed information warfare arsenal” that NATO and EU have been unable to compete with yet⁹⁷.

The primary aims of Russian information operations has been to sow confusion and pollute the information space without any regard to consistency. The extent to which Russian subversion actions caught western societies and media outlets off-guard, with detrimental effects, has been enormous⁹⁸. Moscow’s narratives were promoted not only by Russian media outlets but also by western ones that provided these storylines space ostensibly to make room for “balanced news” – this was done without regard to the fact that the items may be fraudulent or fail to uphold standard journalist practices including truth⁹⁹.

Russia began waging a new type of information war with western societies in 2012 or so. Although there had been some initial signs and evidence that Russia was engaging in these illicit practices, the country remained a business partner unconstrained by restrictions within many

European countries. Despite the takeover of Crimea, it took a full-scale military invasion for many countries to finally firmly recognize Russia as an adversary that needs to be politically and diplomatically confronted. And there still remains much more catching up to do.

Main achievements of Russian information operations during the past decade

Since the Russian hybrid war machine became professionalized, it has achieved several high-profile victories. The US presidential elections and the Brexit vote (both in 2016) saw investigative committees set up in both the US and UK to scrutinize allegations regarding Russian influence. Evidence gathered by the US intelligence community, affirmed by Special Counsel Robert Mueller, found that a set of diverse malign actions by Russian actors aimed to damage the Clinton campaign, aid and abet the Trump campaign and stir distrust in American democracy¹⁰⁰. In the UK, meanwhile, the parliamentary intelligence and security committee produced a “Russia report” – the findings established that Russian influence had occurred and that “the UK is clearly a target for Russian disinformation”¹⁰¹.

Apart from these notorious cases, other organized operations have particularly focused on neighbouring countries including cyber-attacks in Estonia in 2007 and Ukraine¹⁰².

The findings of these reports, however, once again made little impact on Western engagement with Russia. Though the Kremlin was viewed as a possible threat, governments held back from publicly labelling the country an enemy.

Actions taken since Russian invasion

Shortly following the Russian invasion, many state and non-state actors sought to limit the spread of Kremlin propaganda and disinformation by more extensively implementing existing policies and/or adopting new measures.

The actions that were adopted as an emergency response to the war in Ukraine are generally limited in scope and length¹⁰³. Some EU countries amended

96 Giles, Keir. Russia’s Hybrid Warfare: A Success in Propaganda. Federal Academy for Security Policy, 2015, <http://www.jstor.org/stable/resrep22215>. Accessed 26 Apr. 2022.

97 ibid

98 ibid

99 E.g. The repeated introduction of new explanations for the shooting down of a Dutch plane over Ukraine without apparent evidence or a proper investigation. <https://edition.cnn.com/2014/07/22/world/europe/malaysia-plane-crash-propaganda-war/index.html>

100 Russian information operations encompassed a range of actions including the probing of state voter databases for insecurities, the hacking of Clinton’s campaign, the release of politically damaging information on the internet and the dissemination of propaganda on social networks. <https://time.com/5565991/russia-influence-2016-election/>

101 The Russian involvement was not directly in the voting process as such but through information operations on social media and through Russian media channels such as Sputnik and RT. <https://www.csis.org/blogs/brexit-bits-bobs-and-blogs/did-russia-influence-brexit>

102 https://ccdcocoe.org/uploads/2018/10/Ottis2008_AnalysisOf2007FromTheInformationWarfarePerspective.pdf
https://stratcomcoe.org/cuploads/pfiles/russian_information_campaign_public_12012016fin.pdf

103 For instance, Slovakia has adopted immediate emergency legislation as a response to the Russian invasion, resulting in four websites being blocked in Slovakia (by April 22). Although the legislation is time limited, it gives extraordinary powers to NBÚ, which would be harder to justify in a time of peace.

their existing media laws¹⁰⁴ whereas others used existing legislation¹⁰⁵. Non-state actors are taking action in some locales too¹⁰⁶. In addition to these state-level responses, the EU blocked the RT and Sputnik channels across the entire bloc early on and added a further three stations - TR Planeta, Russia 24 and TV Centre – to the black list as part of the 6th sanctions package¹⁰⁷. The EU has also continued to make progress in negotiations over the Digital Service Act (DSA) – the legislation would delineate conditions for the removal of illegal content on social networks and may potentially include disinformation in the definition.

Numerous emergency measures, furthermore, have been introduced by various national governments since February 2022. These specific measures, however, typically only apply to the immediate short-term need in this extraordinary situation. And they permit greater infringement on freedom of speech than would normally be permissible¹⁰⁸.

The EU justified the ban of RT and Sputnik based on “the gravity of the situation” and as “response to Russia’s actions destabilising the situation in Ukraine”. The bloc further declared that, since these measures are necessary, they are consistent with the fundamental rights and freedoms recognised in the Charter of Fundamental Rights especially with respect to the right to freedom of expression and information (Article 11). These measures should be enforced until “the aggression against Ukraine is put to an end, and until the Russian Federation, and its associated media outlets, cease to conduct propaganda actions against the Union and its Member States.”¹⁰⁹ European Commission Vice President Věra Jourová stressed, “We all stand for freedom of speech but it cannot be abused to spread war propaganda.”¹¹⁰

The widespread use of the outlets for war propaganda purposes has been deemed to be an adequate justification to take down the outlets in this particular case – this reasoning has even been judged to be sufficient to shut down certain channels even before the Russian invasion of Ukraine¹¹¹. War propaganda, in fact, is prohibited by several international agreements (such as the International Covenant on Civil and Political Rights) – if it were to be ratified by all EU member states it could be considered a general principle of EU law¹¹².

Any justification premised solely on propaganda, disinformation and/or misleading information would be more murky though and likely the reason these outlets managed to avoid bans before the invasion. Propaganda, more broadly defined, actually falls within the scope of freedom of expression protections. And while Russian media sources often used misleading information, the content was frequently accurate. The primary problem concerned the fact that the news was presented in a manner designed to lead the audience to draw faulty conclusions. Though severely problematic, this approach is not illegal per se. However, propaganda that can be proven as state sponsored is an entirely different matter not enjoying the benefit of constitutional protections¹¹³.

It also bears mentioning that Russia has reciprocated with its own blatant moves to ban outlets that allegedly spread “deliberately false information” on the situation in Ukraine. What makes one legitimate media regulation and the second authoritarian censorship? For starters, media outlets in the EU operate independently and can criticise their governments. Russian regulations, meanwhile, threaten prison sentences of 15 years based on the criminal code. Decisions in the EU, finally, are subject to independent judicial review¹¹⁴.

More assertive measures against disinformation here to stay

The campaign against Russian information operations has become more multi-faceted and uncompromising. The EU and its member states, to this end, have started to more effectively counter and combat Russian disinformation. This fight will continue even if the military invasion ceases and the occupiers return home. Russian media outlets will rather continue to be perceived as an extension of the Russian authoritarian regime; as such, they will not enjoy the same protections as independent European media outlets.

The potential introduction of uniform EU regulations aimed at responding to foreign malign operations generally (not only those conducted by Russia) signals a major development towards combating the problem. The EU will focus, for example, on putting forth rules on the neutrality of state-owned media within the scope of the currently debated Media Freedom Act²⁶.

¹⁰⁴ Latvia, for example, has adopted amendments to the existing Electronic Communications Law, providing the Latvian National Electronic Mass Media Council (NEPLP) with the right to block websites that spread Russian disinformation, leading to the removal of 71 websites.

¹⁰⁵ In Bulgaria, based on the Cybersecurity Act, traffic was taken down or filtered from over 45,000 websites. In Estonia, the Consumer Protection and Technical Regulatory Authority has mandated broadcasting companies to block four Russian and one Belarusian TV channels.

¹⁰⁶ In Czechia, mobile operators and domain administrations blocked 8 websites after non-public consultations with the government and the military secret service.

¹⁰⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R0350>

¹⁰⁸ https://dennikn.sk/2818631/sucasne-blokovanie-dezinformacnych-stranok-je-ustavne-problematicke-co-s-tym/?fbclid=IwAR1Uc8k9q5q4rKWOTzf32rozG7gb4GQkifJelilYZtrs1aD6VBO5_ZqiYY

¹⁰⁹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L._2022.065.01.0001.01.ENG&toc=OJ%3AL%3A2022%3A065%3ATOC_par10

¹¹⁰ <https://www.ft.com/content/ec871b0d-9ef0-487c-9818-27210e1da84b>

¹¹¹ Baltic Media Alliance case

¹¹² Art. 20 of the International Covenant on Civil and Political Rights (ICCPR), in Art. 2 of the International Convention on the Use of Broadcasting in the Cause of Peace.

¹¹³ Baade, Björnstjern: The EU’s “Ban” of RT and Sputnik: A Lawful Measure Against Propaganda for War, VerfBlog, 2022/3/08, <https://verfassungsblog.de/the-eus-ban-of-rt-and-sputnik/>, DOI: 10.17176/20220308-121232-0.

¹¹⁴ ibid

This type of neutrality requirement would empower media watchdogs by providing a legal framework for shutting down foreign media outlets that spread state sponsored narratives even though they do not necessarily fall under the more stringent definition of war propaganda²⁷. At the same time, these rules would apply not only to Russian media outlets but any type of state-sponsored press outfit (e.g. Chinese or Turkish).

The Media Freedom Act, together with the Digital Service Act, are legislative acts stemming from the European Democracy Action Plan (EDAP)²⁸. Following the adoption of the EDAP, the EU has taken the lead in shaping rules related to media transparency and the regulation of social media platforms. They represent a strong counter tool to information operations ■

Cyber warfare remains auxiliary to conventional attacks

Karin Filkaszova
Anushka Kaushik

There is no universally accepted definition of cyberwar. It could broadly refer to a conflict between two states carried out by means of cyber tools used in aid of/preparation for conventional war. Thomas Rid, back in 2012¹¹⁵, argued that malicious activities in cyberspace would take the form of subversive activities and espionage. Cyber security experts also hold different interpretations concerning the types of activities that constitute cyberwarfare - some only label it "warfare" if the cyber-attack could lead to fatalities. Yet there are no clearly documented cases of cyberwar that directly resulted in loss of life. The matter of cyberwarfare, consequently, often leaves experts¹¹⁶ skeptical about cyber-attacks as catastrophic weapons of destruction. The effects of these attacks frankly are not as visible as more conventional forms of warfare. The impact of cyber-attacks, however, has been significant. NotPetya ransomware, for example, inflicted unprecedented economic damage to government assets and an array of multinational companies in 2017. A month prior to these attacks, North Korean hackers linked to the Lazarus hacking group launched ransomware – referred to as WannaCry - which was nearly as destructive, affecting more than 300,000 companies. The sheer scale of the attack – it impacted users across 150 countries – and sectors it targeted including the National Health Service in England and Scotland was a grim reminder of the devastation that can be carried out via cyber means.

Hostilities in Ukraine

Recent reports indicate that Russia is home to the world's largest concentration of cyber criminals. According to these reports¹¹⁷, nearly three-quarters of the rising revenue from ransomware in 2021 went to cyber-criminal groups in Russia. The economic and social consequences of Russia-based cyber-attacks have been unparalleled. To a large extent, they have exposed the vulnerability and susceptibility of the West to these forms of attack.

The ongoing war has spurred even greater fears that a wave of unprecedented cyberwar could be ahead - the Kremlin has already been using Ukraine as a testing ground for Russian cyberwar strategies since 2014. In 2015, the Sandworm hacker group – associated with Russia's GRU - was responsible for disconnecting electric substations, leaving close to 225,000 people in Western Ukraine without power. Hackers similarly sparked widespread power outages¹¹⁸ during the winters of 2015 and 2016 – these were the first confirmed blackouts caused by a hacker group. Just hours before Russian troops invaded Ukraine on February 24th, 2022, Ukrainian organizations were hit by malware designed to wipe data. According to the cybersecurity company ESET, the HermeticWiper malware targeted multiple organizations in Ukraine. Forensic evidence suggested that the attack had been in the planning stages for months. The organizations

afflicted were compromised well in advance of the malware's deployment. Experts predicted that the scope of any cyberwar waged by Russia could lead to a global spillover effect. The cyber conflict in Ukraine would be an ideal testing ground for Russia's next generation of cyber weapons – Ukraine features similar infrastructure to other countries in Western Europe and North America but it apparently lacks the resources to adequately defend itself from these types of operations. Russia's sophisticated cyber capabilities, its prior attacks on Ukraine's critical infrastructure and its general geopolitical goals all made the threat that Russia would escalate the conflict into the cyberspace a possibility.

Three months on, however, the Russian invasion has largely been carried out instead through conventional means like missile strikes and the use of lethal force. The early predictions that the conflict would primarily take place in the cyberspace has not been borne out. The data wiper malware, that said, was targeted towards rendering computer systems inoperable, a genuine threat to the critical assets of Ukrainian government organizations. But these types of attacks are not necessarily distinct from the routine cyber operations Russia has been carrying out against Ukraine for years.

The concerns of security experts that Putin would deploy destructive cyber operations that could paralyze Ukraine's government and/or critical infrastructure rather have been thwarted. Russia's cyber warfare capabilities, by and large, have neither disrupted Ukrainian communications nor disconnected the internet in any meaningful manner.

One explanation¹¹⁹ purports that a small group of experts guarded Russia's war strategy before the invasion and this group presumably excluded cyber personnel. Since successful cyber operations require meticulous advance planning, Russia perhaps decided to instead focus on deploying its existing attack tools tailored to its general battle strategies. A second possibility could be that Russia was compelled to avoid malicious operations in cyberspace out of necessity. Intercepted transmissions suggest that Russian forces are using Ukrainian telecommunications networks to coordinate movements and update commanders back in Russia. If the Kremlin planned to leverage these networks for their own benefit, paralyzing the infrastructure would, in fact, complicate their operations. A third plausible explanation concerns the idea that the strategy is part of a longer gameplan¹²⁰. There could be subtle cyber attacks afoot that are not yet fully understood against the backdrop of war. Under this scenario, Putin could incrementally seek to gain a foothold in Ukraine before launching an escalatory and destructive cyber operation. It must be emphasized that cyber attacks, particularly large-scale operations, typically take time to unfold. The Solarwinds¹²¹ hack that saw Russia breach US organizations, for example,

115 Cyber War Will Not Take Place: Journal of Strategic Studies: Vol 35, No 1 (tandfonline.com)

116 Cyber Realism in a Time of War - Lawfare (lawfareblog.com)

117 Cyber Realism in a Time of War - Lawfare (lawfareblog.com)

118 Inside the Cunning, Unprecedented Hack of Ukraine's Power Grid | WIRED

119 The cyber warfare predicted in Ukraine may be yet to come | Financial Times (ft.com)

120 Russia's slow cyberwar in Ukraine begins to escalate, experts say | Ukraine | The Guardian

121 What Is the SolarWinds Hack and Why Is It a Big Deal? (businessinsider.com)

started in March 2020 but went undetected for months and was only publicly revealed in December 2020.

Yet another theory optimistically sounds off the idea that Ukraine is now better prepared to fend-off cyber-attacks. This argument holds that any large-scale attempts to paralyze the government may have been quietly thwarted. The United States has been reportedly helping Ukraine bolster its cybersecurity posture. According to the International Trade Administration¹²², as part of a “cyber dialogue”, the US pledged 8 million euros to Ukraine in cybersecurity assistance funds in 2020. The project was further set to invest 38 million dollars to boost Ukraine’s cybersecurity capabilities over the course of four years.

Uncertainty ahead

Despite the merely secondary role that the cyberspace has played in the invasion of Ukraine, the undeniable fact remains that it has taken the security community largely by surprise. The future cyberspace role in conflicts will depend on numerous factors (not only the possession of sophisticated cyber capabilities). This complexity entails that attempts to predict escalatory behaviour in the cyberspace could prove increasingly tricky. The under- or over bets on the role of cyberspace in future conflicts will play a significant role in the development of security strategies.

There is still a very real danger that Russia could deploy its cyber prowess in the war with potentially catastrophic consequences to Ukrainian citizens and possible significant spill-over effects. Since militaries have largely adopted digital technologies, there are now also concerns¹²³ about the vulnerability of the nuclear release chain to digital disruption. These include the possibility of cyber-attacks¹²⁴ against nuclear command-and-control and communications (NC3) systems and the space- and ground-based sensors¹²⁵ on which NC3s depend to detect the launch of nuclear weapons, track delivery assets and confirm detonations.

To protect resources from cyber-attacks and the possibility of disconnection from the outside world, a recent Russian government decree¹²⁶ issued on March 6th, 2022, ordered Russian websites to remove scripts that make them vulnerable to cyber-attacks and to switch to domestic domain-name servers, perhaps portending the future of Russia’s war against Ukraine. The possibility of the cyber realm becoming a decisive factor appears remote - though accurately determining its trajectory should be the focus of the Western security community.

According to recent reports, governments and businesses are far better prepared¹²⁷ for similar cyber-attacks than they were back in 2014. Owing to greater investments in cybersecurity and resilience-building

efforts in cyberspace, cyber defense capabilities are much more advanced. Russia’s invasion of Ukraine has seen an increased incidence of cyber-attacks, even if they are auxiliary to conventional warfare tactics, resulting in an improvement of defense and resilience structures and larger investments in cyber security.

Recommendations:

The West should work towards removing definitional ambiguities around what behavior constitutes cyber warfare with the aim of achieving consensus and common understandings

There needs to be greater understanding concerning the limitations of cyber capabilities and their role in conflict with particular emphasis on the extent to which they can be decisive and how different contexts matter to their use and effects

Emphasis needs to be placed on assessments of escalatory behaviour and strategies of escalation control must be developed specifically for the cyber realm ■

¹²² Ukraine Cybersecurity Assistance (trade.gov)

¹²³ Escalation to Nuclear War in the Digital Age: Risk of Inadvertent Escalation in the Emerging Information Ecosystem - Modern War Institute (usma.edu)

¹²⁴ Hacking the Bomb | Georgetown University Press

¹²⁵ <https://sgp.fas.org/crs/nuke/R40154.pdf>

¹²⁶ Власти изолируют сети – Бизнес – Коммерсантъ ([kommersant.ru](https://www.kommersant.ru))

¹²⁷ <https://www.iiss.org/blogs/survival-blog/2022/03/the-missing-cybergeddon-what-ukraine-can-tell-us-about-the-future-of-cyber-war>

Inflation is here to stay

Soňa Muzikárová

Two tectonic jolts at the beginning of this decade – the COVID19 pandemic (2020-2021) and the Russian aggression in Ukraine (24-February-2022 and ongoing) – have upended the European economy with reverberations worldwide. The pandemic, for one, has forged a new macroeconomic environment in Europe by prompting pronounced deficit-spending, the suspension of the fiscal rules of the Stability and Growth Pact (SGP) and record sovereign and private debt levels. Sizeable fiscal stimulus packages were rolled out by numerous EU countries and directed at propping up collapsing healthcare systems and aiding strained firms and workers facing lockdowns. These measures saw the debt-to-GDP ratios soar to twice or even triple the 60% ceiling afforded by the SGP in some cases. Debates concerning reform of EU fiscal rules have been ongoing though admittedly somewhat side-tracked by the war.

The post-omicron period throughout the second half of 2021 and the first weeks of 2022 had been marked by a robust economic rebound even as transitory inflationary pressures created some quandaries. This increased inflation, at that time, was driven by the ‘reopening effects’, i.e., temporary imbalances between demand (emboldened) and supply (lagging). The supply chain bottlenecks in some sectors, such as automotive and semi-conductors, and steep energy prices associated with OPEC decisions particularly fueled inflation. But these post-pandemic effects were widely expected to resolve themselves with time, with inflation projected to gradually descend ever closer to the medium-term central bank target. These perspectives reflected the prevailing view of most commentators and international organizations that regularly assess the economic environment and forecast various aspects of the economy. Inflation, that said, represented the pinnacle downside risk to their outlook.

The shift in the inflation narrative

The second shock - the unprovoked Russian aggression against Ukraine that began on February 24th - derailed both the projected robust global recovery and the transitory dynamic of inflation pressures. The war, importantly, has introduced a new layer of complexity to the already multifaceted economic terrain that had been altered by the pandemic and its numerous waves.

The headline inflation numbers have reached double-digit figures in several CEE countries (Fig 1) and several decade highs. The ‘transitory’ narrative has, therefore, shifted to one that views inflation as more entrenched, with emerging evidence of second-round effects¹²⁸. The paradigm shift is driven by several factors. The war has

namely introduced shortages of strategic commodities including fuel, food and fertilizer (the ‘3Fs’). These shortfalls have sent prices soaring and underpinned headline inflation throughout the world. A lack of critical raw materials used in industrial production processes and manufacturing has not provided relief either. These include the palladium used for catalytic converters in ICE-vehicles, the raw materials (lithium, nickel, cobalt) necessary for the transition to green mobility and additional raw materials such as steel, aluminum and copper needed for EU industry more broadly.

It is also pertinent that the conflict is taking place between two countries that are among the breadbaskets of the world. Both Russia and Ukraine rank among the top three global exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil according to the United Nations¹²⁹. Ukraine was the world’s sixth-largest exporter of wheat in 2021, with a 10% share of the market, and one of the world’s top exporters of barley and sunflower seeds. The global supply gap undergirded by the war is consequently driving up food prices: global food prices have risen at the fastest rate in 14 years to record highs¹³⁰. Russia also stood as the world’s top exporter of nitrogen fertilizers, the second leading supplier of potassium fertilizers and the third for phosphorous fertilizers¹³¹. This situation has contributed further to looming food shortages and sent fertilizer prices soaring.

Both countries are mineral-rich and supply critically important raw materials to world markets. Russia, for example, controls as much as 44% of global palladium supplies that are key for car and aircraft catalytic converters. Ukraine, meanwhile, produces around 50% of the global supply of neon used in semiconductor manufacturing. The industrial and manufacturing sectors that are energy-intensive and raw-materials intensive, for their part, suffer from the steep costs of these materials and pass them on to their customers. These processes, undoubtedly, engender effects on supply chains as they become both a much broader issue (beyond just automotive and semi-conductors) and a more acute problem.

Inflation in the CEE region

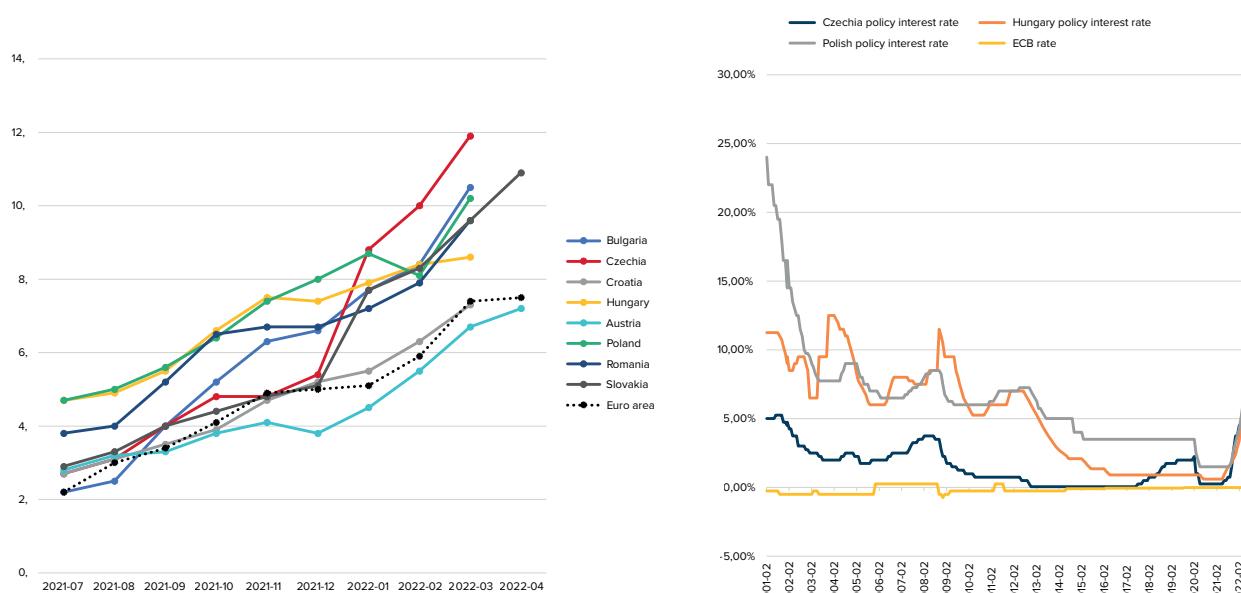
Renewed inflation is a global phenomenon not unique to a single country or region, and as such has been steered by the strength of the post-pandemic rebound, expansionary fiscal policies pursued during the pandemic and tight labor markets (many western economies are operating at full employment at present) as last year concluded. Yet the magnitude of inflation and the policy responses to it vary across regions - the CEE region stands at the forefront of

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- 128 Second-round effects or wage-price spirals emanate from the ability of price-setting firms and wage-setting labour to increase prices (whether through mark-ups or higher marginal costs) and wages. Workers tend to negotiate higher wages to compensate for a loss in purchasing power in response to the general increase in the prices of goods and services. This translates into even higher costs for firms that respond by further raising prices to maintain profit margins, with workers, in turn, again subsequently bidding up wages.
- 129 Food and Agriculture Organization of the United Nations, The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict 2022. March. Available from: <https://www.fao.org/3/cb9236en/cb9236en.pdf>.
- 130 <https://www.ft.com/content/5212871a-d2d3-41ef-99fe-400ed33859e8>
- 131 Food and Agriculture Organization of the United Nations

the struggle against persistently high inflation due to its unique combination of macro-economic pre-conditions, specific engines of growth and trade ties.

CEE central banks in the non-euro area were relying, firstly, on exchange rate assistance for their respective anti-inflationary strategies before the war hit. The Czech, Hungarian and Polish central banks have aggressively hiked their policy interest rates since the summer of 2021 (Fig 1, RHS) to attract capital inflows (i.e., through investors taking advantage of the interest rate differential) and strengthen their respective local currencies. This strategy was successful until the war derailed it (Fig 1, LHS). The proximity to the conflict has since fueled capital outflows and exchange rate depreciation thereby further fueling headline inflation. It may become increasingly difficult for CEE central banks to steer and anchor inflation expectations of their societies, especially the middle-aged populations of post-communist countries that experienced the hyper-inflation of the early transition years of the 1990s.

Fig 1. Headline inflation of CEE-economies has been on a steep rise (left-hand chart); Non-euro area CEE central banks have pursued aggressive policy rate hikes as part of their disinflationary strategy pre-war (right-hand side)



Sources: Eurostat (LHS), ECB, national central banks of Czechia, Hungary, and Poland (RHS). Note: Last observation refers to April 2022.

The CEE region, secondly, is extraordinarily dependent on Russian oil, gas and nuclear fuel. These dependencies range from 70-100% for Slovakia, Czechia, Hungary and the Baltics for certain energy components that vary by country. These dependencies are attenuating the local effects of prices under embargo scenarios or situations where countries face a cut-off (like Bulgaria and Poland did in late April). The gross value added of CEE economies (especially that of Slovakia, Czechia, and Hungary), moreover, is dominated by industry and requires the disproportionate use of energy and raw materials. This economic structure renders the industry-dominated economies in the CEE region particularly vulnerable compared to service-dominated economies.

The proximity of the war in CEE, furthermore, places greater burden on public finances to absorb the costs of incoming refugee flows. The inflationary pressures in CEE, more pronounced than the euro area average, necessitate greater government interventions to support households amid soaring prices of food and fuel. The deficit spending and reduced appetite for austerity is here to stay and will prove further inflationary.

In addition to these region-specific factors, ranging from proximity to the conflict to the distinct growth engines and economic structures of countries to their extraordinary dependence on Russian energy commodities, the Russian aggression marks a new era of hostile geopolitics, with far-reaching repercussions for industry, trade and supply chains. Western allies will be inclined to conduct business and trade with like-minded countries. A central lesson from the Russian invasion indeed concerns the fact it is not worth it – over the long run – to foster dependencies on autocracies. The EU and its allies will maintain an upper hand on their strategic industry capability. The necessary inputs,

ranging from raw materials sourcing to semi-conductor manufacturing and battery production facilities will be near-shored at home. The rush to wean the region off Russian energy and facilitate the transition to renewables will cause additional inflationary pressure though. Europe – and especially CEE – should brace for higher sustained prices over the years to come.

Impacts, policy implications

Europe generally will be facing sustained inflation above central bank targets. Different central banks will take different approaches to contain the drivers of these price pressures over the upcoming months. The central banks, however, share similar dilemmas: they must decide between containing inflation by phasing out quantitative easing programs and/or enacting interest rate hikes and supporting growth. This quandary is accentuated in Europe by the financial fragmentation of the continent and the fact that potential monetary policy normalization could affect the ability of countries to borrow.

The CEE's specific economic structures and geographical proximity to the conflict serve to amplify these processes putting the region at greater risk of unchecked inflation than its western European peers. The region also faces the risk of additional suppressed growth due to reduced confidence (the proximity effect), decay of the purchasing power of consumers amid soaring price growth and supply chain shortages in critical raw materials and parts in automotive manufacturing and other strategic sectors.

Because of these developments, we may see a continued monetary policy divergence in Europe, with CEE non-euro area countries continuing aggressive tightening of their monetary policies even as the ECB continues a more cautious course of monetary policy normalization based strictly on incoming data and responding with policy optionality, gradualism and flexibility¹³². The ECB is under pressure to avoid raising rates prematurely – a key lesson learned from the previous crisis – that could lead to renewed financial fragmentation. In the non-euro area region, meanwhile, the exchange rate channel will continue to contribute to inflation. Non-euro area CEE central banks are consequently likely to conduct foreign exchange operations to strengthen their local currencies. Many CEE central banks are fortunate to boast sufficient reserves that can be sold following a decade of EU transfers and robust growth.

The uneven nature and effects of the inflation megatrend will make already difficult decisions even more politically contentious. Monetary policy needs to be supported by well-designed and highly targeted fiscal policy. The aim should be to help the hardest-hit heeding long-term fiscal sustainability too. The structural reforms planned under the Recovery and Resilience Facility umbrella should be kept on schedule - they work in tandem with monetary and fiscal policies and enhance potential economic growth. And finally, public communication campaigns that are timely, smart and pre-emptive should formulate part of any functional policy agenda. The cost-of-living crisis spurred by the war will otherwise create a breeding ground for malign foreign influence, disinformation and the undermining of democracies ■

¹³² <https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.mp220414~d1b76520c6.en.html>

The Visegrad Four as a political grouping is increasingly losing importance

Jakub Wiśniewski

In recent months Central Europe has quite unexpectedly emerged as one of the most geopolitically vulnerable and crucial regions of the world. Following Russia's invasion of Ukraine, global rivalries between the United States, China, Russia and the European Union have acquired new meaning. The future global order is rather being decided, at present, in Eastern Europe.

In the meantime, old challenges faced by Central Europe have not disappeared. The post-pandemic recovery had been progressing incrementally in the region – levels of inflation were already more pronounced than elsewhere in the developed world. The region's health, education and social service systems have still not reached the levels of Western Europe. There are also now more immediate emergencies: the war spurred unprecedented migrant flows into Poland, Slovakia and Czechia. Refugees need jobs, housing, education and other basic services.

Given the pressing need to coordinate responses to all these challenges, the present moment could provide a historic opportunity that the Visegrad Group could leverage to its advantage.

The Visegrad Group, in fact, formally is up and running: the official website of the V4 is churning out content¹³³ and areas of cooperation are well-defined and broad in scope, be it neighbourly initiatives within the V4 area or cooperation with the EU, NATO and other international organizations. Hungary currently holds the rotating year-long presidency (July 2021 to June 2022), with Slovakia set to assume this role next. One of the official objectives of the V4 is to contribute towards building the European security architecture based on effective, functionally complementary and mutually reinforcing cooperation and coordination within existing European and transatlantic institutions.¹³⁴ To what extent these objectives are being met via the V4 format is debatable though. The 1991 period upon which the Visegrad Group was established by Vaclav Havel, Lech Wałęsa and Arpad Goncz feels like ancient history now. The political platform achieved its chief strategic mission in 2004 when all four countries joined the European Union. Today, 18 years later, the V4 is in desperate need of shared narratives and goals and a common sense of purpose.

The influence of the V4 on political decisions in the EU has been particularly waning in recent years for several reasons: a lack of mutually agreed initiatives, declining credibility with other EU partners (influenced by their bad reputation as a "stopper" on EU integration) and a lack of any impetus to step up cooperation by the four countries themselves. Discord has also been apparent concerning the strategic orientation of EU policies between Hungary and Poland in one corner and Czechia and Slovakia in another.

Some bilateral conflicts and misunderstandings have also surfaced about certain issues (e.g. the Polish Turów coalmine and its effects on access to clean water and pollution on the Czech side of the border). This dispute

was litigated at the European Court of Justice by the Czech government - the court ultimately imposed a daily fine of 500,000 euros against Poland until the case is resolved bilaterally between the two governments.

The Russian invasion of Ukraine has only further complicated relations between the four countries. Czechia, Poland and Slovakia have vigorously expressed support for Ukraine and spearheaded calls to sanction Russia. Hungary, meanwhile, has declined to assist the Ukrainian militarily and provided only lukewarm support for sanctions. The re-election of Viktor Orban's Fidesz party on April 3rd, 2022, underscored that Hungary's "middle way" between Russia and Ukraine was not temporary but a strategic choice. The electoral campaign revolved around Orban's view that Hungary should not be "dragged into" a confrontation with Russia at the expense of Hungarians including consumer access, for example, to oil and gas. The Hungarian leader increasingly looks like an outlier compared to more centrist governments in Czechia and Slovakia and the security-oriented perspective of Poland, a country which is staunchly pro-American and hawkish on Russia. Hungary's foreign policy appears to be taking a more expedient direction and prioritizing pragmatic mercantilism where Russia is still perceived as a trade partner rather than a security threat. Hungary has taken this view to the extreme in even forbidding NATO allies from delivering weapons through its territory. This policy, politically questionable in itself, puts regional partners such as Poland and Slovakia in a vulnerable position – limiting supply lines to/from these territories makes them a potential target for belligerent Russian action and/or acts of sabotage.

Yet at the same time both Hungary and Poland still share a common interest in protecting one another from sanctions in response to rule of law violations that could be imposed by the European Council under article 7 of the EU Treaty (Czechia and Slovakia are aligned with the European Commission on this matter).

Recent weeks have put a spotlight on the limits to the Polish-Hungarian strategic alliance. Key Polish political figures, including governing party leader Jarosław Kaczyński, and Ministry of Foreign Affairs officials have expressed consternation with the Hungarian position regarding Russia and Ukraine. Kaczyński was quoted as saying that if "Orban does not see what happened in Bucha, he should go to the oculist". These recent comments may also point to some emerging daylight between Poland and Hungary in their tactics and strategies toward the matter of their access to the resources of the Next Generation Fund. While the funds for Poland can be unblocked relatively quickly under the right circumstances, Hungary's corruption issues are raising additional eyebrows in the EU and complicating any prospects that its appropriations could be released. The floundering of the Polish-Hungarian plans to establish an ultra-right conservative grouping in the European Parliament has not helped Budapest nor has the defeat of Marine Le Pen in the French presidential election in April 2022.

¹³³ The website is www.visegradgroup.eu

¹³⁴ <https://www.visegradgroup.eu/about>

It is not surprising then that the V4 itself failed to come up with any meaningful or symbolic initiatives regarding Ukraine. It was rather an informal group encompassing the Slovenian, Czech and Polish prime ministers who travelled to Kyiv in April 2022 to lend diplomatic support to President Vladymyr Zelensky. And the planned meeting of defence ministers in late March 2022 in Budapest was cancelled due to disinterest from the Czech and Polish ministers. The only notable event since the Russian invasion included a prime minister summit with Boris Johnson, their British counterpart, on March 8th. The joint statement that followed this event strongly condemned the Russian actions and expressed solidarity with Ukraine. It refrained, however, from offering any pledges of active assistance to the Ukrainian war effort.

Regardless the extent to which these tensions and divergences have mattered, the V4 rarely seeks to take centre stage in the EU. Slovakia, furthermore, is the only V4 country that is also a member of the eurozone. The other three countries are thereby deprived of the stability the euro provides. The passivity regarding the EU neighbourhood policy towards the MENA region is an additional litmus test that underlines the somewhat parochial and selective approach of Central European countries towards the EU. The only bright spot concerns the V4's support for further enlargement including the Balkans and potentially Eastern Europe – these accession negotiations have been given newfound momentum following the conflict in Ukraine. To what extent Hungary will be willing, however, to actively support a fast track accession procedure for Ukraine remains uncertain given tensions between Budapest and Kyiv (connected to, for example, the rights of ethnic Hungarians living in the Transcarpathia region).

But the V4 could and should be more vocal on many other topics such as NATO-EU cooperation in the areas of defence, liberalisation of services in the Single Market, EU cooperation with the UK and other non-EU European countries and – of course – relations between the EU and US. The latter is especially pertinent considering strained relations with China and the new Cold War with Russia.

There is a realization among the establishment of the V4 that countries cannot choose their geographic neighbours. Slovaks, Poles, Czechs and Hungarians share so much – troubled geopolitics, a common past and identity, cultural affinities, similar levels of prosperity and nearly identical challenges related to climate change, the greening of economies and the stimulation of knowledge-based sectors. The four governments are also seeking to address infrastructure bottlenecks – be they roads, railways, energy links or shared tourism hotspots (e.g. the Tatras). In these non-political areas, the Visegrad Group represents a particularly convenient platform for policy coordination and exchange. Negative cross-border external effects also need to be tackled including cross-border crime. People-to-people contacts have intensified enormously over the past 20 years partly owing to the Schengen border-free zone. The court of public opinion, especially in transborder regions, was vocally opposed to the suspension of mobility therein during the pandemic.

The International Visegrad Fund remains fully operational too, prioritizing cross-border regions and community-building between the four countries. The V4 also serves as a platform for civil society development. Education, academic and research institutions, meanwhile, regularly join forces and cooperate at the EU level. Cross-border regions between the four countries are increasingly interconnected and open to exploring different opportunities.

Despite these activities, the V4 format should not be taken for granted. Central Europe is riddled with both active and dormant platforms of cooperation. The Central European Initiative is one example of the latter¹³⁵. Austria, Czechia and Slovakia, for their part, have recently revitalized the Slavkov format. As security policy takes the spotlight, the so-called B9 (eastern flank countries of NATO) has been growing in importance too. And the Polish government has actively promoted the Three Seas Initiative.

One matter is certain - whatever the outcome of the war in Ukraine, the Visegrad Group will need to reinvent itself and rediscover unity within its ranks. The current crisis in Ukraine could have revitalized the V4. But due to divergent beliefs within the four countries, this development will not materialize. The Visegrad Four could plausibly now rather evolve into a loose shop of governments that wield little influence on developments in Europe and beyond. The organization would perhaps survive by de-politicizing itself and instead taking on a more social and cultural community role that brings societies together.

Recommendations:

The V4 could and should be more vocal on many other topics such as NATO-EU cooperation in the area of defence, the liberalisation of services in the Single Market, cooperation between the EU and the UK and other non-EU European countries and relations between the EU and US particularly given strained relations with China and the new Cold War with Russia.

The V4 should not shy away from topics on the EU agenda that are not their traditional focus (e.g. cooperation of the EU with MENA countries). The V4 should take a more active stance on the digital agenda, the greening of economies and reform of the foreign and security policy of the EU.

The social and cultural aspects of V4 cooperation should be sustained or even further developed. The four governments should address the challenge of infrastructure bottlenecks – be they roads, railways, energy links or shared tourism hotspots such as the Tatras ■

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