

## Geo-economics, or the geo-strategic environment of globalisation

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Following his state visit to China, French President Emmanuel Macron announced that he wants to reduce Europe's dependence on the US. He said that Europe's sovereignty and its autonomy in the conflict between the US and China must be strengthened. Besides the fact that Macron can only speak for France, and not for the European Union (EU) or Europe as a whole, this foray must be seen as a serious foreign policy error. There are several reasons for his remarks.

French politics has always been dominated by the idea of sovereignty. After Charles de Gaulle gradually removed France from NATO during the early 1960s, France's special role in NATO did not end until the year 2009. Granted, France has increasingly emphasised EU sovereignty when it comes to foreign and defence policy, and it successfully pushed for the associated industrial policy ideas within the EU. In that sense, his remarks are not really surprising.

On the other hand, Russia's attack on the Ukraine should also have demonstrated that the security of Europe is guaranteed by the United States. Not by France. In the current difficult situation involving Ukraine, Macron's foray is ruffling the feathers of American allies and therefore threatens the security policy interests of Europe.

With regard to the foreign policy strategy towards China, the unilateral French push creates the impression that the EU is a neutral player in the dispute between the US and China. That is an illusion. Chinese foreign policy is expansionist and nationalist. China not only threatens Taiwan but is also expanding its territorial claims in the South China Sea to the point of creating a Finland-like scenario in whole of South East Asia, which puts the West's local allies in a difficult position. The conflict is not between the US and China, but rather between China and a free and democratic West that cannot tolerate a situation in which an autocratic regime that disregards human rights

continues to expand its sphere of influence. The only conclusion is that the EU must stand at the side of the US to limit Chinese expansionism with an effective deterrence policy.

This is extremely important for international economic relations. Particularly Germany, whose economy is more globally-oriented than any other G7 country, has a great interest in ensuring that the process of globalisation is not reversed. Overall, the entire world has a great interest in continued globalisation given its poverty-reducing effect. According to information from the World Bank, the number of people living in extreme poverty declined from 2 billion in 1990 to 648 million in 2019 - even though the global population grew from 5.3 billion in 1990 to 7.8 billion in 2019. Increasingly protectionist tendencies have been evident since the 2008/2009 financial crisis. An escalation of the conflict between the West and China would be a heavy blow to global economic growth.

Western companies will only continue to do good business in China if such an escalation does not occur. But this requires effective deterrence with a simultaneous willingness for dialogue. Macron's foray mainly weakens the effectiveness of deterrence, as China hopes to split the West or may even get the impression that an attack on Taiwan would be without consequence. On the other hand, the dialogue with China is not strengthened because Chinese leaders will see less of a need for it. Europe's sovereignty can only be achieved with, and not against, the US.

Sincerely yours



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