



STRATEGIC SEMINAR
Euskal Herria- Basque Country
Internationalization & Global perspectives.

Workshop 1
September 2020

**Diplomacy and
strategic thinking**



Summary

Objectives	5
Presentation	6
Speaker	7
Content	9
Main ideas shared during the seminar	25



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Objectives

General objective:

The objective of this Reflection Forum, organized by the Sabino Arana Foundation and the Telesforo Monzón eLab laboratory of ideas, is to debate on the positioning that Euskal Herria needs in the world and the foreign strategy we need to develop for this purpose.

Specific objectives:

To analyze the current international scenario and its possible development.

To identify relevant factors of the evolution and its impact on the Basque Country.

To work on the strategic vision that the Basque Country needs for internationalization in the 21st century.

To analyze the Basque Country's foreign strategy in the international context.

To identify strongness and weakness.

To develop strategic thinking around national interests.

To identify the key issues and territories for the foreign strategy and the interests of Euskal Herria.

To elaborate proposals for the improvement of the foreign activity of Basque institutions in identified areas and regions.

To present policy papers with policy and strategy for organization and external action.

Presentation:

Date: September 2020

These have been the object of analysis in this seminar: International context and possible evolutions. The position of the Basque Country and its institutions in the international arena. Geopolitics and the Basque Country. The Euro-Atlantic scenario in which the Basque Country is situated (geographical, historical, economic, and its evolution). The concept of 'strategy' in international relations and its application in the Basque Country. Development of diplomacy in theory and practice and current opportunities for Basque institutions. Capacity for strategic thinking and the tools of modern diplomacy in the Basque Country.

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Speaker:

Shaun Riordan

(https://twitter.com/shaun_riordan)

Shaun Riordan is an independent geopolitical analyst, Shaun has over 10 years experience of advising governments and companies on the development of diplomatic strategies to manage geopolitical risk. Prior to this, Shaun spent 16 years in the British Diplomatic Service with postings to New York, Beijing and Madrid as well as stints in the Counter-Terrorism and Balkans Departments of the Foreign Office. With a Masters Degree in Philosophy from Cambridge University, Shaun has taught in the Diplomatic Academy in Armenia and in the Madrid Financial Markets Institute. He is the author of *The New Diplomacy* (Polity 2003) and *Cyber diplomacy* (Polity, 2020). He is co-author of *Futures for Diplomacy: Integrative Diplomacy in the 21st Century* (Clingendael 2012) and the Clingendael Policy Brief “Whither Foreign Ministries?”. Most recently he has written the Clingendael Policy Brief

on Business Diplomacy and co-edited the special edition of the *Hague Journal of Diplomacy* on the same subject. He also collaborates with the Centre of Economic Diplomacy at Wuhan University and is a consultant with Geolab at the University of Deusto in Bilbao.



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Executive Summary

The international political and economic environment is volatile and unpredictable. The COVID-19 outbreak has accelerated and exaggerated pre-existing trends in the global economy and geopolitics. New technologies, both digital and AI, have further complicated the scene. Cyberspace offers a new domain in which states can advance their interests and undermine their rivals. Neither the EU nor the Spanish state have shown the agility of thought or action to function well in this environment. But the complexity and flexibility of the new international environment offers opportunities to non-recognised states like Euskadi.

To function successfully in this international environment, Euskadi must develop its own Grand Strategy. A Grand Strategy is a narrative a country tells about itself in the future. To construct a state, Euskadi must construct a narrative about itself. This narrative will include where Euskadi is in the world, where it wants to be and how it is going to get there. It must also include Euskadi's values and, crucially, what Euskadi can offer the world. In cocktail parties, no-one listens to some-one who talks only about themselves. It is the same in international relations. A country gains influence, as opposed to sympathy, if it can contribute to managing or solving the world's problems in a way that the world would miss if the country were not there. To gain influence, Euskadi must identify what it can offer to solving the world's problems, or at least mitigating the problems of targeted countries. The lack of support for Catalunya following its referendum, or more recently for Artsakh following its brutal invasion by Azerbaijan, show the dangers of gaining sympathy without influence.

Euskadi's external strategy should flow from its Grand Strategy. The external strategy identifies Euskadi's international objectives. It relates them to the resources available, human and physical, and the means by which those resources can be deployed. The core of all strategy is how to relate the infinite objectives and aspirations of the politician to the limitations implied by resources and geopolitical constraints. Euskadi's external strategy should actively seek to change Euskadi's position in the world. But equally it cannot ignore the constraints imposed by the existing Westphalian international

system, not the determination of the Spanish state to thwart Euskadi's international ambitions. Euskadi's international objectives should cohere with the political and social objectives of constructing the country. This is why the external strategy should flow from the Grand Strategy. Any foreign policy that is divorced from domestic policy will not prosper. Moreover, many of the issues the external strategy must deal with relate directly to domestic policy issues, for example Foreign Direct Investment (FDI), cybersecurity etc.

The external strategy should identify Euskadi's soft power assets – the cultural, social and educational aspects of Euskadi which makes the country and its society attractive to foreigners – and consider the mechanisms by which these assets can be converted into soft power. The strategy should also consider what soft power assets can be created in Euskadi – what actions or projects would make Euskadi more attractive to foreigners (the Guggenheim is a great example of a “constructed soft power asset” in Bilbao). The strategy should be hard-headed about Euskadi's international activities, ensuring that they are tied to the national objectives. There is no point in being in the photo if it brings no benefit to the country.

Euskadi's diplomacy should seek to implement the external strategy. It should take advantage of the increase in the number and kind of actors, governmental and non-governmental, actively participating in international debates and relations. Foreign policy is no longer limited to recognised states and diplomats accredited according to the Vienna Convention. Euskadi can also take advantage of the new diplomacies emerging, ranging from Digital and Cyber Diplomacy to Science, Sport and Tourism Diplomacy. These new diplomacies engage with international relations along three axes: agency (who are the diplomats), process (the tools and methods that diplomats use) and domain (the subject matter to which diplomacy is applied).

Euskadi's diplomacy should engage along all three axes. City Diplomacy, the growing relations between cities dealing with a broad range of urban issues, may offer a more flexible and practical means of securing Euskadi's policy objectives than acting as the Basque Government. The freedom of action of Euskadi's cities will be less constrained by the actions of the Spanish state than that of the Basque Government. Digital technologies are invaluable sources of information and analysis as well as influence multipliers, particularly for countries with limited resources like Euskadi. But innovation in the use of new technologies should extend far beyond social media into online conferences and gamification. Domains like tourism, education, science and technology can provide fruitful areas where Euskadi can pursue its strategic, and Grand Strategic, objectives without raising the ire of Madrid. Innovation in diplomacy in itself can become a valuable source of soft power for Euskadi as others seek to learn from the country's experience and activities.

Grand Strategy

The concept of grand strategy was developed in the UK and the US to capture the way in which all aspects of a country's power, economic and social as well as military, must be marshalled in pursuit of a country's foreign policy objectives. As a concept it attained primacy during the Cold War when the US developed its strategy for containing the expansion of the Soviet Union and global communism. In the Anglo-Saxon world, Grand Strategy is the intellectual architecture that lends structure to foreign policy and which helps states navigate a complex and dangerous world. It constitutes a purposeful and coherent set of ideas about what a country seeks to accomplish in the world, and how it should set about doing it. As the English strategist Liddell Hart pointed out, Grand Strategy involves synchronising essential goals with limited resources. In other words, Grand Strategy provides a framework for prioritising the use of resources and the pursuit of individual policies. The priority of individual policies, or policy initiatives, depends upon their importance to the Grand Strategy. In this sense Grand Strategy can be even more important for small nations, especially those not recognised by the international community. A superpower like the US is more effective if it does have a Grand Strategy, but its overwhelming military and economic resources allow it to survive without one. This is not true of a country like Euskadi, with only limited resources and no formal recognition by the international community. Euskadi needs a Grand Strategy, both to develop a coherent picture of where it wants to be in the world, and to ensure the effective use of its limited resources in getting there.

Grand Strategy can also be seen as the narrative a country tells about itself in the future. In this sense Grand Strategy is a creative act of national story telling which generates a narrative which political leaders and citizens can ultimately share. The narrative is not just about the country itself, its history and culture and where it wants to be in the world. The narrative must also incorporate what that country can offer to the world, what it can contribute to solving or managing problems on the international agenda. Just as humans quickly lose interest in people who speak only of their own problems or achievements, so states lose interest in those states that speak only about their own issues. This is particularly true of countries not formally recognised by the international community who do not have automatic diplomatic access, or votes in international organisations which need to be harvested by more powerful states. The key external policy objective of a non-recognised country like Euskadi should be to secure international influence, not just sympathy. The limitations of sympathy were shown by European reactions to the Catalan independence declaration. To secure influence rather than sympathy, a non-recognised country must offer something to the international community which that community is reluctant to lose. What Euskadi offers to the international community in terms of solving international problems or managing global issues should form

part of the narrative of the Grand Strategy. This both ensures that Euskadi's resources are targeted at this element of the narrative, and that governmental and non-governmental actors focus on Euskadi's offer to the rest of the world.

The International Environment

12

Any Grand Strategy must be grounded in the international environment. It must take account of the international environment as it is, and not how the strategist would like it to be. As the international environment changes, the Grand Strategy must adapt. Grand Strategy, like lower level strategies, seeks to shape the international environment, but is also shaped by it. The current international environment is as volatile as any since the 1930s and 1940s. This volatility has been escalated by the outbreak of COVID-19. The main role of COVID-19 has been to accelerate, and sometimes reveal, pre-existing underlying trends. This has been the case in economics, the labour market and the digitalisation of society as well as in diplomacy and geopolitics.

At first sight it appeared that the main country to be prejudiced would be China. China was already suffering a slowdown in economic growth and the outbreak of COVID-19 in Wuhan in December 2019, and the drastic measures the Chinese authorities took to tackle it seemed certain to exacerbate the country's economic woes, and possibly threaten its social stability. A year on, China has not only controlled the first outbreak, but also managed to contain subsequent outbreaks, while its economy has returned to 4% growth. This is far from the 6% growth forecast, but will mean that the Chinese economy will be one of the few in the world to be larger at the beginning of 2021 than it was at the beginning of 2020. At the same time the US and Europe have failed to control the virus with ever increasing economic consequences. This narrative would appear to show an increase in relative power and influence for China. But its success in controlling the virus has been counter-balanced by increasing resentment and suspicion of China, especially in the West, driven partially by its mishandling of the initial phase of the virus. It is driven partially also by western governments keen to pass the blame for their own mishandling of the virus onto China.

Crucial to Chinese influence in the world, and to what extent it is successfully contained, will be the outcome of the US election. At present it seems clear that Biden is destined for the White House in January. This does not necessarily mean a softer line on China. The Democrats have their own problems with China over trade, Hong Kong and human rights. Biden will be keen to prove that he is not weak on China. In the first months of the new administration, the focus will be on the domestic fights against COVID-19 and the efforts to get the economy back on an even keel. However, in the longer term a Biden administration is likely

to develop a more measured and less volatile approach to containing China's rise. What a defeated and angry Trump does prior to Biden's inauguration is less easy to predict.

Meanwhile, despite the European Commission proclaiming itself a "geopolitical commission", the EU's international influence continues to decline. In part this reflects internal divisions which prevent the evolution of a Common Security and Defence Policy. Policy towards Turkey makes the point. France is being drawn into an increasingly intense confrontation with Turkey throughout the Middle East, North and Central Africa and the Caucasus. In the Eastern Mediterranean France is supporting fellow EU members Greece and Cyprus over disputed oil and gas fields. The French and Turkish Presidents have exchanged insults and Ambassadors have been withdrawn. But France is unable to secure a common EU position against Ankara because countries like Spain and Italy have significant commercial interests in Turkey, while Germany fears Erdogan re-opening the migration tap. Similar stories can be told about EU policy towards China and Russia. Meanwhile the EU's international position is further undermined by Brexit and its inability, at both European and national level, to manage the COVID-19 outbreak. The EU is decreasingly seen as a model of political or economic governance.

The Global Economy

The problem for western countries is the transfer of economic power from west to east. China is already the second economy in the world, and the impact of COVID-19 will reinforce this. But other Asian economies, which also managed COVID-19 better than the west, are also growing fast. COVID-19 also emphasised the dependence of western economies on global supply chains, many originating in China and other Asian countries, including for medical supplies. While the COVID-19 outbreak has increased pre-existing calls, especially in the US, to repatriate manufacturing and reduce dependency on these supply chains, this may prove difficult. Recreating the physical and human resources to allow significant repatriation of manufacturing production will be time consuming and costly, meanwhile dependency on supply chains will remain. COVID-19 has not caused the economic and financial crisis that now confronts the west. Economies that depend on negative central bank interest rates for sluggish growth are not healthy. Signs of economic slowdown were visible even before the outbreak of the pandemic, partly driven by the trade confrontation between the US and China, and a general tendency towards protectionism. The repeated outbreaks of the virus, the failure to control them, and the economic damage they have caused, have impacted particularly on those economies which failed to take the opportunity to reform themselves following the 2008/9 financial crisis.

Looking towards the longer term, western economies are beset by the problems of demographics and automation, and their impact on consumption and labour markets. COVID-19 has hit hard those economies with aging populations, both in health terms and economically. As the baby boomer generation suffers the uncertainties of the virus, their consumption reduces. Less wealthy successor generations do not take up the slack. The pandemic has accelerated the uptake of digital technologies by companies. Home-working identifies both weaker employees and the jobs which are unnecessary or can be automated. With many automation taboos now broken, the need to cut costs in the difficult post-covid business environment will further drive the adoption of digital and other technologies, significantly reducing the number of traditional white collar office jobs. Although new technologies will create new employment, it is not clear whether it will be sufficient to compensate that lost, nor whether the unemployed will have the necessary skills to take advantage. Automation and COVID-19 threaten to increase economic inequality, both within western states, and between the global north and global south. Governments so far have focused little on the implications of new technologies (including for education systems) or the costs of increasing economic inequality. COVID-19 will force them to do so. Governments that are capable of developing education and social systems adequate for the new technological revolution will enjoy a significant competitive advantage.

Agenda Conflict

The international system in recent years has been marked by a sharp conflict between the New International Security Agenda and a more traditional Geopolitical agenda. The New International Security Agenda (NISA), sometimes referred to as the Global Issues Agenda, evolved around the beginning of the millennium. It was given a push by the need to define international terrorism as an international security issue following 9/11. This was achieved by redefining international security as the security and economic welfare of the individual within the state, rather than the security and stability of the state itself. This certainly included international terrorism within the definition of international security, but also other issues like climate change, poverty, financial stability, migration, environmental degradation and pandemic diseases. In a sense these were issues that were existential for mankind as a whole, rather than a threat to any individual state. More significantly they proved to be issues that were interdependent (they needed to be approached holistically), that required global cooperation extending beyond any one country or group of countries, and that required collaboration extending beyond governments to broader civil society. As COVID-19 has demonstrated, they were also genuine security issues with implications for state security.

Particularly in Europe there has been a tendency to regard the New International Security Agenda as the only one that matters. Post-Cold War, European policy makers convinced themselves that all major powers would now focus on solving the global issues. European foreign policy and diplomatic services were largely reconfigured to deal with these issues, and the European Union held up as a model of sovereignty sharing and normative diplomacy. The Russian invasion of Georgia in 2008, seizure of Crimea and destabilisation of Ukraine in 2014 and the increasing Chinese assertiveness in the South China Sea were a brutal reminder that not all major powers shared the European's liberal outlook. More geopolitical agendas based on conflict over territory and resources, balance of power and zones of influence remained in play. If anything, the geopolitical agenda has become more prominent over recent years, with even the European Commission aspiring to be "more geopolitical" and France's very geopolitical confrontation with Turkey. The problem is that the focus on geopolitical agendas undermines the international community's ability to deal with global issues or the New International Security Agenda. Global issues develop over long time periods. Failure to deal with them implies costs in the future, well beyond the lives of most governments. Geopolitical issues tend to be immediate and urgent. Failure to manage them tends to rebound on the government that got it wrong. Multilateral meetings see the conversations in the corridors focus on the geopolitical issues, while the global issues are relegated to the plenary.

COVID-19 has again exacerbated this existing trend in the conflict of agendas. One of the key scientific challenges in understanding the virus and its future evolution is identifying its origins, establishing the phylogenesis of the disease. This is not question just of understanding better COVID-19, but also our vulnerabilities against other potentially pandemic diseases: where does the cross-over to humans occur? Which are the most relevant species? How is the virus communicated from the point of cross-over to centres of human population? How and when was COVID-19 communicated from China to the wider world? These are all issues that require calm and dispassionate scientific enquiry. Unfortunately they have become part of the geopolitical blame game, as western governments seek to shift blame for their own mishandling of the virus to China. The phylogenesis of COVID-19 has become a geopolitical issue, rather than a scientific one. One of the challenges for diplomacy is precisely how to create a neutral platform on which scientists from different countries can pursue their investigations.

Environment

Apart from pandemic disease, environmental issues are those which pose the greatest existential threats to mankind. Climate change, mass extinctions and environmental degradation threaten the security

and stability of states, but also the long term survival of the species. These issues feature on policy agendas at international, national and subnational levels. Environmental sustainability increasingly features in city diplomacy, in which cities exchange information and best practices in the creation of “smart cities”. But environmental issues extend beyond governments to non-governmental organisations (NGOs) and companies. The international environment is the area in which the actions of non-governmental actors has been most effective. The Paris Climate Change Accords had their origins in the exchanges of data and analysis within the global networks of scientists, networks which had been built to promote scientific exchanges during the Cold War. The climate change debate was only later picked up by NGOs and politicians. The process by which the Paris Accords were reached depended on heterogenous coalitions of governmental and non-governmental actors (scientists and corporations as well as NGOs. Although the final Accords could be signed off only at the highest level (in a meeting between President Obama and President Xi), the whole process would have been impossible without the active involvement of the broad range of non-state actors. Ironically, even President Trump’s decision to withdraw from the Accords has reinforced the non-state aspects of the process. Various US states and cities have announced that they intend to remain within the Accords. But in doing so they cannot interact with the state signatories because this would breach the Logan Act, which gives the Federal Government exclusive competences in foreign relations with other states. Instead they must find equivalent provincial or city governments with which to interact, reinforcing, for example, city diplomacy. Despite the immediate focus on COVID-19 and pandemic diseases, neither environmental issues, nor the multi-stakeholder model of diplomacy they have promoted, are going to disappear from the international agenda.

The Evolution of the International System

During the Cold War it was clear that the international system was bipolar: two major superpowers pursued a military and ideological confrontation. Although there were other major powers with some degree of freedom of action – eg China, following the Sino-Soviet split, and India – the basic structure of the international system was shaped by the confrontation between the US and the Soviet Union, reinforced by their respective allies. Equally, following the end of the Cold War and the collapse of the Soviet Union it was clear that the international system was unipolar. The overwhelming economic and military superiority of the US created a situation in which no other state was able to oppose US policy, and in which most states (including future revisionist states like Russia) were willing to accept US leadership. Some scholars have referred to this as the US’ unipolar moment. The US was able to take advantage of its hegemony to advance its policy objectives of a

globalised economy functioning according to US rules, embodying this globalisation in institutions like the World Trade Organisation and the global Internet. Introduced a decade earlier or a decade later it is unlikely that a single global internet would have emerged. US academic and policy advisors presented globalisation as a natural and inevitable evolution of the international system which could not be resisted. In doing so, they underestimated the extent to which globalisation depended on the hegemony of the US, and the general values and rule sets underlying the function of a globalised economy. The credibility of the US as global hegemon, and the reputation of the west as a whole has declined following the quagmire of the Iraq War and the 2008 financial crisis. This process has only been accelerated by the election of Donald Trump as US President in 2016 and the mishandling of the COVID-19 outbreak. Revisionist states like Russia and China no longer see why they need to accept US leadership, or western values. They increasingly insist on a say in shaping the international system of the 21st century.

As a consequence, the international system in which Euskadi's external strategy must function is more complicated and volatile than at any time since the end of World War II. Some analysts argue that we are witnessing the emergence of a multipolar international system, similar to the multipolar systems which dominated European geopolitics from the Treaty of Westphalia to the creation of the European Economic Community. They argue that as US hegemony and credibility declines, major powers like China, Russia and India are emerging as centres of their own zones of influence. As in European geopolitics, they will form dynamic and volatile alliances to balance off against any power threatening to dominate the system, at the moment most likely the US or China. There is some evidence of balancing off behaviour with the close collaboration between China and Russia designed to contain the US, and US Secretary of State Pompeo's talk of creating an alliance based on the "Anglo-sphere" to contain China. However, other analysts argue that the system cannot be genuinely multilateral given the continues military, technological and economic superiority of the US. Although their claims that the system remains unilateral lack credibility, and overestimate US military capabilities (or perhaps underestimate the capabilities of potential rivals like China), they suggest that we should instead be thinking in terms of the bounded multi-polar system of the last half of the 19th century. In that period the British Empire was the world's superpower. It enjoyed overwhelming military superiority and remained the largest economy in the world, although in relative decline compared to Germany and the US. The Royal Navy remained the guarantee of international trade and finance, and London the world's financial centre. And yet the British government constantly worried about the sustainability of the empire and actively sought to avoid interstate conflict. Despite Britain's apparent superiority, other states pursued their interests, without undue concern about London's attitude, in a bewildering success of alliances of convenience. This may be a better

model for the current situation than either unilateral or multilateral models. The US remains the world's superpower, but increasingly inward-looking and reluctant to put that power to the test. Meanwhile, other powers are able to pursue what they perceive as their national interests, resulting in the growing range of actual or potential inter-state conflicts.

The American scholar Randall Schweller has suggested an alternative way of thinking about the international system: an entropic world order. Schweller argues that historically pressure builds up in international systems as the existing structure no longer reflects the balance of power. That pressure is eventually relieved by a hegemonic war, which then allows a new international system to emerge, much as happened at the end of World War II. However, the development of nuclear weapons means that the major states competing in the international system can no longer risk hegemonic wars. This does not mean that there will not be inter-state conflict, or even violence, but that states will contain it to avoid the risk of escalation to nuclear annihilation. As a consequence, the pressures within the system will not be able to be released, and a new international system better able to reflect the changing balance of power will be unable to emerge. Conflict and disorder will be routine, although remaining with limits, and disputes will be fought out often through non-military means (eg trade wars, cyber conflict). The international system will, over time, become ever more disordered without any means to establish a new system. It is in this context that Schweller draws the analogy with the principle of entropy, that closed systems always develop from a more ordered to a less ordered state. Schweller's analysis is only one of many, but it does seem to accord with many of the developments we are witnessing.

Key for Euskadi's external strategy is understanding the position and role of the EU in this changing world order, or disorder. In the 1980s and 1990s, China regarded the EU as one of the poles in a new post-Soviet multipolar world. Now it prefers to think in terms of Germany and, to a lesser extent, France. As noted above, the EU's ability to play a significant role in a multipolar or entropic world system is undermined by its inability to forge an effective common foreign and security policy. Brexit has significantly reduced the Union's military capability. The External Action Service (EEAS) has yet to develop into a diplomatic service for the Union. The Europe Union has to decide whether it wants to be a player in 21st century geopolitics, like China, or a map on which other geopolitical actors play, like Africa. So far, and despite claims to a more geopolitical Commission, Europe seems to be drifting towards Africa. This has serious implications for the decisions in relation to external strategy taken by the Basque Government.

Cyberspace

Digital technologies have combined with other new technologies like AI, machine learning and drones to create a new domain for international competition and conflict. Once again, as in physical space, there is a conflict between different agendas. In this case the conflict is between the internet governance and cybersecurity agendas. The internet governance agenda deals with the management of the internet, and the protocols that ensure its functioning. It focuses on issues like how should internet addresses and domains be assigned, the treatment of data in transit, privacy and the protection of data, how to deal with racist and other unacceptable content and the governance of online commerce. Broadly there are two approaches to internet governance: the Free Internet Nations, who favour multi-stakeholder approaches to governance including non-state actors, and the Cyber Sovereignty Advocates, who affirm state sovereignty within cyberspace and see internet governance in intergovernmental terms. The Free Internet Nations are led by the US and Europe (although, as in other areas, US leadership has been undermined by the Trump administration). The Cyber Sovereignty Advocates are led by China and Russia. These issues are not esoteric. How the issues of internet governance are resolved impact directly on how 21st century societies function, the privacy and liberty of the individual and the success of companies' economic models.

The cybersecurity agenda deals with the use of the internet by governments to promote their geopolitical agendas, as well as the use of the internet by non-state actors for criminal purposes. As some countries, notably Russia, use criminals as surrogates to carry out geopolitically motivated operations or disguise geopolitical operations as criminal ones (eg the NotPetya ransom-wear attacks), the distinction between criminal and geopolitical operations is not always clear. Distinctions are made between degradation attacks, which seek to generate permanent physical damage (including loss of life), disruption attacks, which seek to produce temporary damage or loss of service, and cyberespionage. State and non-state actors also use cyberspace, and especially social media platforms, for disinformation operations to undermine political discourse and destabilise democratic societies. Such disinformation campaigns can be combined with cyberespionage operations, where stolen information is released to the press through organisations like Wikileaks to embarrass political leaders and parties (eg during the 2016 US elections).

Although technical cybersecurity is necessary, it is not sufficient. Most cyber attacks take advantage of sociological rather than technical weaknesses: weak passwords, willingness to open attachments without checking the origin of emails (so-called "spear phishing" attacks) and other human failings. The tendency to leave cybersecurity to technicians rather than politicians and diplomats at an international level has

resulted in a domain of geopolitical activity with no widely agreed norms of behaviour. International lawyers assert that international law does apply in cyberspace, but it is not clear what this means in practice. The UN has produced two groups of experts to examine the issue, one sponsored by the Secretary General and one by the UN General Assembly, but they have agreed precious little so far and look likely to submit contradictory reports. Efforts to agree international rules of behaviour are hampered by the reluctance of western countries to limit the scope of their cyberoperations even as they criticise those of countries like China and Russia. Possibly the most promising way forward, borrowing from the process of the Paris Climate Change Accords, will be bottom-up, multi-stakeholder negotiations focused on limited objectives, eg prohibiting cyberattacks on critical infrastructure or medical research facilities. Such bottom-up, multi-stakeholder approaches open up opportunities to influence the process to non-recognised states like Euskadi.

The growing importance of technology in international affairs has also resulted in technology itself becoming a domain for geopolitical rivalry and conflict. This is shown most clearly in the recent case of Huawei and 5G. International industrial standards ensure that new technologies are globally compatible. The agreement of common standards and protocols ensure that mobile telephones and other communications devices can be used throughout the world. Until recently these international standards were uncontroversial and the meetings to discuss them attended only by technicians and government officials from technical ministries. Given the West's technological lead, international standards were set by American companies, or companies from their allies. This changed with 5G, especially with the key second phase which links devices for the internet of things, when the key industrial standards were set by the Chinese company Huawei. Although the US has used security concerns to argue for the exclusion of Huawei from allies' 5G infrastructure, the real concern is hegemony over industrial standards setting. Even if countries use non-Huawei equipment, eg from Ericsson or Nokia, it conforms to standards set by Huawei. This is not a one off dispute. The Chinese are already developing 6G technologies. The industrial standards setting meetings look set to become battlegrounds in the fight for technological hegemony. There is considerable risk that this will result in technological fragmentation, with different industrial standards for different regions and a reduction in global compatibility.

A final consequence of the growing importance of cyberspace in international relations has been the development of internet companies, and especially social media and search engine companies, as geopolitical actors in their own right. This is not in itself new. In the 20th century the major oil companies were geopolitical actors, and often significant ones. The difference was that the oil companies recognised their role. Internet companies seem reluctant to do so. Facebook, for

example, insists that it is simply a commercial company promoting social networking. But, like other internet companies, it shapes the international environment. Its platforms contribute to the success of online disinformation operations. Its ambition to launch its own global digital currency belies its claims of innocence. The Danish government recognised this growing importance of these companies as geopolitical actors by appointing an ambassador to the tech sector, its so called Tech Ambassador, with “embassies” in Silicon Valley, Copenhagen and Beijing (ironically, Microsoft was so impressed that it promptly poached him to be its ambassador to the EU). Other countries have been slow to follow Denmark’s lead. But this is an area of diplomatic innovation not limited by the sovereignty based constraints of the Vienna Convention on Diplomatic Relations. The Basque Government can appoint a Tech Ambassador whenever it wants.

Institutional Disfunction

European Union

As in other areas, COVID-19 has exaggerated or accelerated pre-existing tendencies within the European Union. Despite the somewhat desperate propaganda emerging from the European Commission, the EU has not enjoyed a good pandemic. It was already having difficulties in negotiating a post-Brexit budget. The divisions between the so-called frugals and the Mediterranean countries were exacerbated in efforts to negotiate a post-Covid recovery fund. In the end agreement was reached in the European Council on an outcome that pleased no-one, and which is now struggling to get approval from the European Parliament. The Commission proved unable to coordinate the response to the virus, either in terms of securing testing and protective equipment or in terms of the measures adopted by governments. Member states closed frontiers and restricted the free movement of goods and citizens. They competed with each other to secure testing and protective equipment. They subsidised major industries, especially in the tourist and aviation sectors. The Commission was reduced to post facto confirmation of these breaches of EU rules.

This paper has already highlighted the disagreements over foreign and security policy which undermine the EU’s international influence and, potentially, its security. Disagreements over economic and fiscal policy and governance issues is seeing an increasingly fragmented Europe. Instead of a single Union, the EU is rapidly developing into a series of regional groupings built around shared national interests. At a fundamental level, there is the division between those within and without the Euro. Those outside the Euro are in turn divided between the wealthy Nordics who do not want to join and the Eastern Europeans who are unable to join. As mentioned above, budgetary debates see fractures

between the contributors, who refuse to pay more, the beneficiaries, who refuse to receive less, and countries like France and Germany trying to hold it all together. A separate series of disagreements separates more authoritarian countries in the east from the Commission and more liberal countries in the north-west. As these disagreements coalesce around the same fault lines, the ability of the EU to guarantee the security and economic well-being of its citizens diminishes. The external strategy of a country like Euskadi must be built on the realities rather than the aspirations of the European Union.

Spain

COVID-19 has revealed the structural problems of the Spanish state. Spain is a federal state that refuses to admit it. As a consequence, while the competences of the autonomous governments are more or less defined, those of the central government remain undefined. The central government is forced to depend on a provisional constitution drafted prior to the devolution of competences to the autonomous governments. This hinders the effective functioning of collaborative government between the two levels, which functioned so well in the genuinely federal Germany. The response of the central government to the pandemic was to declare a state of alarm and then try to re-centralise the management of the virus in a Health Ministry which has had minimal responsibilities through two decades, and which had neither the quantity nor the quality of human resources to fulfil this role. The inevitable consequence was chaotic mismanagement, both of the implementation and relaxation of the lockdown. Shaken by the experience, the government determined not to try to centralise the management of the pandemic again. But this has resulted in regional governments being given the responsibilities for dealing with the virus, but not the powers to do so. This is not simply a question of good or bad practice by a particular government, but structural problems that go to the heart of the Spanish state.

The disfunctions of the Spanish state extend beyond the response to COVID-19. The absence of any clearly defined foreign or European policy undermines Spain's international influence and its ability to protect and promote the interests of its citizens. In theory, Brexit and the withdrawal of the UK should have opened new opportunities for Spain in Europe. But Spain's inability to define what kind of Europe it wants has left it unable to play a leading role. Simply asserting that you are in favour of Europe, or that you want more Europe, does not amount to a European policy. There are different visions of what Europe can or should be, even between countries like Germany and France. If Spain has nothing to say on these debates it cannot influence the outcomes. Similarly Spain's position on cybersecurity is a passive one. Technically good on defensive cybersecurity, it is not a significant player in offensive cyber operations. This not only undermines its influence in the key cyber

debates. The best form of cyber defence is offence. Spain's ability to protect its citizens in cyberspace is accordingly limited. In short, Euskadi can depend on neither the EU nor Spain to protect the interests and well-being of its citizens.

New Diplomacies

The changes in the international environment have also impacted on diplomacy as the management of international relations. Diplomats have never enjoyed a monopoly on international relations. Other government departments, corporations and even non-governmental actors have always played a role in international governance. But in recent years the sheer number and variety of non-governmental actors has exploded exponentially. In part this has been driven by the new digital technologies, which have enhanced non-state actors capacity to gather and analyse information, and to campaign internationally. Non-state actors have been especially adept at using social media platforms to build international networks and promote their ideas. But the entry of new non-state actors into diplomacy has also been driven by the New International Security Agenda and the Internet Governance agenda. As noted above, these policy agendas demand collaboration that extends beyond governments to non-governmental bodies and broader civil society. Government diplomats have been forced to learn how to deal with this broad range of non-state actors, including them within the key international policy debates – the so-called multi-stakeholder diplomacy discussed above. In doing so they have had to improve their ability to use digital technologies. Although diplomatic engagement with the internet has been reluctant and inefficient, COVID-19 and its travel limitations have forced diplomats online. This is a trend which is likely to continue, but one that opens up even greater spaces for non-governmental participation in international debates.

Another consequence of the increase in “diplomatic actors” and new technologies has been the increase in “new diplomacies”. These range from sports diplomacy and science diplomacy to gastro diplomacy and tourist diplomacy. Discussion on these new diplomacies is often confused, failing to distinguish between agency (who are the diplomats), process (tools used by diplomats) and domain (the subject matter to which diplomacy is applied.) Thus sports diplomacy could refer to sportsmen as diplomats (eg UNESCO sports ambassadors), sport being used by diplomacy (eg ping-pong diplomacy, or the recent Winter Olympic Games in Seoul) or diplomacy being applied to sports issues (eg campaigns to host major sporting events). In this confusion, the concept of diplomacy itself risks being lost. But among the plethora of new diplomacies are useful concepts for Euskadi: city diplomacy – the development of relations between cities dealing with a range of policy issues (reinforced, as we have seen, by Trump's withdrawal from

the Paris Climate Change Accords); sports diplomacy – using sports exchanges to build relations with other countries and regions in ways that avoid protocol issues; tourism diplomacy – using tourism to attract visitors to the country and to build administrative relations with other countries; science diplomacy – constructing platforms and networks for scientific exchanges; and education diplomacy – building relations with international educational institutions. In fact, most of these “new diplomacies” do not refer to new diplomacy as such, but rather to diplomacy taking advantage of the full range of available tools to promote its strategic ends. Non-recognised governments, by definition, have to be more imaginative in the tools they use to promote their external strategies.

Workshop 1 September 2020

Diplomacy and strategic thinking

Main reflections and contributions

- The Basque Country is a small country at the international level. So if we want to be a player at the international level, it is essential to achieve a minimum consensus among us who believe in this country.
- It is essential to have a bipartisan international strategy, that is to say, that the most relevant political families of this country leave foreign policy and the internationalization of Euskal Herria out of their political competition and work together from a national perspective.
- There are Basques in the world but, the Basque Country is not there. We are not capable of positioning ourselves in the world as a people. We need to position ourselves as a people in the international arena.
- It is not enough to go out into the world as a people to say what we are. We also have to specify what we offer. People do not like to be with people who are only talking about themselves. We have to go beyond that.
- We have to build a narrative. In recent years, there has been a successful story looking from the outside in the Basque Country. A story about development and progress from solidarity and inclusion. Indeed, Covid19 has also shown that this narrative is gradually running out of steam and that we must go deeper. But we have the basis for a narrative to explain it as a people. That is what we should work on more.
- To position ourselves internationally is not to sell a product, to sell a brand. You cannot explain what it is not. There has to be coherence. What is important is what has been done.

- We have several areas in which we need to connect as a people, at the university and knowledge level, in language and culture, at the economy and technology level. In all these, we have to build connection nodes with the outside without going through Madrid. For this, the collaboration of our diaspora is also worthy.
- Surely it will be easier than relying on huge plans if, little by little, we start to collaborate on some ideas. We should be able to start working together.
- At the international level geography matters; we are a Euro-Atlantic nation, and that is our natural connection. The natural space is the European Atlantic spillover and the Atlantic littoral relations.
- Several countries have a deep historical connection with Euskal Herria. It is essential to maintain and deepen this relationship. For example, it would be necessary to work on the historical links that we have had with the Philippines due to the Asianization taking place in the world and with others.
- There are also several countries easy to connect with the Basque Country due to the national question (Georgia, Armenia, Montenegro).
- All this also requires a reflection on the coordination of the different actors working on internationalization. We have several institutions (regional governments, provincial councils, city councils), and it often seems that each one goes its way instead of acting within a plan.
- It also means tarnishing the reference of our country due to the use of several different terms. It would also be relevant to reach a consensus on terms.
- These types of reflections should help us to work step by step on general visions and common objectives.

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