

# In conversation with David O'Sullivan

David O'Sullivan<sup>1</sup> has enjoyed a long career in public service. Between 2005 and 2010, he was Director General for Trade at the European Commission. He has also served as Ambassador for the EU Delegation to the United States, and chief operating officer for the External Action Service.

Now retired from the Commission, O'Sullivan is a senior counsellor for the law firm Steptoe. *WorldEcr* spoke with David O'Sullivan (by Zoom) about differing responses within Europe to Russia and China, European unity since Brexit – and the underlying challenge of diplomacy: getting along with those with whom you may fundamentally disagree!



As we limbered up before launching into a discussion on Brexit, Russia, China and the heavyweight issues of the day, we exchanged notes on the respective meteorological conditions in Brussels and London, which, we found, were equally bleak and blustery and scarcely deserving of the epithet of 'summery'. We soon found ourselves talking about places in Europe where better weather could be more reliably enjoyed – including Greece, and also Cyprus, where, his father being stationed as a soldier serving in the Irish Army, both before and after the Turkish invasion, O'Sullivan spent many years. A fitting introduction, perhaps, to the world of diplomacy, geopolitics – and divided islands.

From here, it was easy to segue into a conversation about the United Kingdom's withdrawal from the European Union and I asked O'Sullivan – who admits to being saddened by Brexit – whether he saw either 'side' as being strengthened by the 'divorce'?

'I think,' said O'Sullivan, 'that one of the greatest losses has been in the area of security and foreign policy. Now that the United Kingdom is no longer part of the European Union, the EU doesn't have the global clout that it could, say, as a force for diplomacy.'

Before Brexit, he said, the 'triangulation' between France, Germany, and the UK was 'enormously powerful'. If those three could agree on something, '99 times out of a hundred, everyone else could too. One of the problems for the EU now is,

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having lost the UK, where is the third leg of the stool?'

But, he thinks, the EU's loss will not prove to be the UK's gain. The reaction in Washington he said, was that 'the UK is not as helpful to us as it was in the EU.'

Nonetheless, while there are obstacles to the European Union strengthening its role – such as lack of unanimity on some issues, internal and external between Member States (and even, as he says, some 'big divides'), he says, 'It's a journey.'

'Look at where we've come from! When I was first in the Irish foreign ministry in the 1970s dealing with European political cooperation, you couldn't even meet in Brussels – you had to

meet in the capital of the Member State holding the presidency, because people wanted to keep these things very separate. Now we have a EU diplomatic service, an EU foreign minister, and we increasingly take common positions on major issues. We've come a long way.'

Given the unique nature of the EU, there's no surprise that impediments will arise as it continues to forge its identity.

'[Former EU President] Jacques Delors used to call the EU an "unidentified political object!" It's not a country, it's not an international organisation, it's not a federal state. But it has many of the characteristics of all of those. It's not surprising that people find it difficult and confusing to understand.'

## Bear with it

As *WorldEcr* reported in issue 100, the challenge posed by Vladimir Putin's Russia has always threatened to undermine foreign policy unity within the bloc: Member State experiences, relations and interests with Russia vary significantly. Some would benefit from closer economic ties

and an absence of, e.g., restrictive measures on trade.

But, O'Sullivan reminds, at the time that the EU introduced sanctions against Russia on account of its activities in and toward Ukraine, 'everyone predicted that EU unity would fall apart within a year or two, and it hasn't. There's still a remarkable degree of communality of view. Of course, the further east you move in Europe, the more experience there is of that relationship, and the stronger people feel about it. But the EU is still about the Member States, despite everything that's ever been said about a federal superstate. At the end of the day, the Member State plays an important role in the EU, just as it should. It's about balancing conflicting interests – and when the pressure is on, we find a way to move forward.'

In late June, Germany and France mooted, in the light of the recent US-Russia Summit, the idea that Russia and the EU should similarly take that step. There was push-back from Member States, concerned that so doing would legitimise

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the Kremlin's destabilising behaviour, e.g., its annexation of the Crimean Peninsula.

But, says O'Sullivan, even those that were against the idea would accept that 'You cannot not talk to Russia. It was challenging when Biden met Putin. But there are things that need to be discussed. In particular, the US and Russia need to talk about nuclear arms. They need to talk about climate change, and we need to talk about Iran and the JCPOA [Joint Comprehensive Plan of Action]. But how do you balance maintaining a discussion, with countries with whom you have severe disagreements? It's an age-old problem to which there's no easy answer, trying to manage the dialogue, without it turning into a shouting match.'

### Minsk matters

Between Moscow and Brussels, of course, lies an autocratic throwback to Europe's darker past, the president of which appears to have the blessing and support of Putin as he clamps down on dissent and calls for democratic change.

'What was done with the Ryanair flight was scandalous – and you have to respond to that – but the bigger question is, what kind of future do you think Belarus can have? Mr Putin wants to keep neighbouring countries close to Russia. That's what he tried to do with Ukraine, until Yanukovich was driven out by the Maidan protest. We're seeing something [of that public spirit] in Belarus, but without the same degree of mobilisation of ordinary people.'

Since the presidential election in April, which Aleksandr Lukashenko clinched with dubious overwhelming numbers, the EU, the UK and the United States have imposed a slew of new sanctions against Belarus. Could

Vladimir Putin be hoping that those actions push Belarus – or at least its leader – closer toward the Russian fold?

'The question does go to the point – what are sanctions intended to achieve? In the first instance, they're an indication of unhappiness and disapproval of the behaviour of the target country. Can they sometimes have perverse effects? Absolutely, but I think the option of doing nothing is unacceptable. Sanctions are never the solution – they are an instrument in support of a policy that may take you to a solution!'

### Long-term thinking

While Belarus, a nation of almost 10 million people on the EU doorstep, presents one set of dilemmas, the dynamic

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with behemoth China is quite different. In the US, fears of a militarily, economically resurgent China have been the key driver of export controls and investment restrictions through the last two presidential administrations, and Xi Jinping's recent 'China will not be bullied' speech will do little to settle feathers. The European Union – both the singular entity and at least some of its constituent parts – is also exploring responses; investment-hungry, post-Covid Member States may have tough decisions to make.

It's an area that O'Sullivan has been following closely, and he suggests that perhaps the

### A DISTINGUISHED EU OFFICIAL

A long-time and distinguished EU official, David O'Sullivan has served in several senior official posts in the European public service. Before his appointment as a European Union ambassador to the United States, O'Sullivan helped establish the EU's European External Action Service, one of the largest diplomatic networks with 140 delegations across the globe. For his work with the EEAS, David was awarded the EU Transatlantic Business Award by the American Chamber of Commerce in 2014. Prior to his role with EEAS, he held several notable, senior positions within the European Commission including director general for trade, secretary general of the European Commission and chief of staff to Commission President Romano Prodi.

scale and dangers of Chinese investment is sometimes misread.

'There's nothing intrinsically wrong with China's investment if it's done in the right conditions. I think there's a certain amount of disillusionment amongst countries that have attracted Chinese investment – the actual scale of which isn't actually that big, in absolute terms. There are strings attached. Sometimes the investment comes in the form of loans, or you find that expectations for job creation are limited by the fact that Chinese nationals will be a more significant part of the work force. Some Member States have become more reluctant to partner with China. The 17+1 has recently become the 16+1.<sup>2</sup>

But, he says, 'the bigger question is China's role in the global economy. There are those that only see the threat, and I'm not naive to that. On the other hand, China is always going to be there, and just as we must deal with Russia, so we must with China, it's as simple as that. Take the issue of climate change – there's no way we'll be able to do anything without having China on board.'

The question, he says, for 'the West' in the broadest sense is, 'How do we reconcile pushing back against China with the need for engagement to address the global problems we face? Trump's solution was to go for an adversarial approach – even though he did do deals with China. Biden has chosen a much more nuanced approach, but he does have a domestic constituency that wants him to be tough...'

And, while the face of Xi's China is increasingly strident and monolithic it remains huge

and varied; as the proverb has it, 'The mountains are high, and the emperor far away.'

'There are many different problems: economic problems, environmental problems, demographic problems. It's not a democracy. But there's still popular opinion. China will develop and evolve in its own way and may become more pluralistic than it is today. [Former Hong Kong governor] Chris Patten always said the only thing that should scare us more than a successful China is an unsuccessful China. I think it's not a view that's so much in favour now, but you see the point.'

### Offering counsel

As a non-lawyer with a senior counsel role at Steptoe, O'Sullivan 'adds value', he says, by 'explaining how the EU works, how things got to be how they are, what are the best ways to approach the institutions.'

In specific regulatory areas, clients ask for the policy perspective, whether from where the EU sits or from a broader transatlantic viewpoint, on such key regimes as export controls, sanctions, trade remedies, and market access restrictive measures.

That's the micro advice I can give to the lawyers who are advising clients. On a macro level, people ask questions about the direction of travel of trade policy, relations with the US. Are we headed for more protectionism? Are we headed for a trade war? What's the policy going to be on China?' None are easy questions – but nor are the answers to be found in the canon of EU regulations and directives or Member State law.

### LINKS AND NOTES

<sup>1</sup> The views expressed by David in this interview are all his own, and should not be understood as being representative of the firm's position or policy.

<sup>2</sup> The 17+1 (now 16+1) is a Beijing-lead mechanism, established in 2012 with a view to encouraging trade and investment between China, and (originally) 17 states in Central/Eastern Europe. In May, one of those states, Lithuania, pulled out of the 17+1.