Fostering Europe's Strategic Autonomy

A question of purpose and action

Dr. Giovanni Grevi

Executive summary

The year that is coming to an end has been a consequential one for the world and for Europe. The coronavirus has wrecked the global economy and sharpened geopolitical competition, while the election of Joe Biden ushers in a new stage of American foreign policy, and a major opportunity to strengthen transatlantic ties. The implications of these momentous events are as far-ranging as they are hard to anticipate. Faced with uncertainty, Europeans have the means to shape their future, if they chose to do so. Fostering Europe's strategic autonomy will be critical to their success.

The debate on Europe's strategic autonomy has revealed differences between and within member states. Still, it has also helped uncover much common ground, which offers a platform for convergence to make the EU more strategic and autonomous. Strategic autonomy is about empowering Europe, not disengaging from partnerships, globalisation or multilateralism. The core of strategic autonomy is not that Europeans should act alone, but that they should have a purpose of their own, and a stronger power base to fulfil that purpose through cooperation with others whenever possible, or on their own if needed. As such, strategic autonomy is not a condition to be achieved once and for all, but a mindset and a process guiding initiatives across multiple areas.

A shared approach to Europe's strategic autonomy can pave the way for joint action. At a time when the coronavirus and geopolitical tensions have exposed the risks of interdependence and the vulnerabilities of globalisation, strategic autonomy is about strengthening Europe's resilience and managing interdependence in ways consistent with its interests and values. Strategic autonomy and the future of European integration are deeply intertwined, because if the EU is not equipped to cope with the powerful forces affecting its prosperity and security, or challenging its values, the case for European integration would be severely weakened.

Strategic autonomy is a broad concept, whose implementation needs to be calibrated depending on multiple factors such as the competences of the EU, the resources available to the EU and its member states, and the importance of cooperation with partners to meet shared goals. As such, strategic autonomy is a platform for effective international cooperation. The opposite of autonomy is not partnership, but sheer dependence.

No partnership is more important to Europeans than the transatlantic one with the US, and that is arguably mutual. After the estrangement of Trump's years, deepening it will require redefining it. Prospects for the partnership will depend on strengthening political cohesion, economic growth and social welfare on both sides of the Atlantic. Europeans should also be capable of doing more on their own for their security and that of neighbouring regions, which is entirely compatible with the central role of the Atlantic alliance for European defence.

Europeans and Americans may not always agree, but a strong and confident Europe, grounded in liberal values and clear on its goals, is in the strategic interest of the US too. It is up to Europeans to show that they can be one of the two pillars of a renewed partnership, by taking the initiative to shape the transatlantic agenda with the new Biden administration. Early proposals from EU institutions and leaders go in that direction.

While different formulations are often used in the debate, such as open strategic autonomy, technological sovereignty or strategic sovereignty, the concept of strategic autonomy has become central to a number of statements by EU and national leaders, and to important EU policy documents. Although the level of ambition and requirements for progress differ across policy areas – from trade and investment to innovation, the single market or security and defence – an EU strategic narrative is emerging alongside current or envisaged policy measures and initiatives. These policy developments point to three main tracks of action, or dimensions of Europe's strategic autonomy, namely bracing against threats and challenges, empowering Europe by joining forces and engaging others to strengthen a rules-based international order.

First, bracing. Europe needs to strengthen its resilience and political cohesion in the face of multi-dimensional competition. It needs to counter trade-distorting practices and unfair competition, while better enforcing the rules and obligations of EU trade agreements. In a context where technology is seen and used as a source of power, Europe should reduce its current overdependence on foreign technologies and companies, whether for 5G, cloud or other data infrastructure. Europeans should also do more to secure their critical infrastructure against malicious practices or cyberattacks, as part of a broader agenda to secure the EU. This includes stronger arrangements for internal crisis management in the face of various contingencies.

Second, empowering. Europe is much more than the sum of its parts, even though it often performs as less than that because of disagreements among EU member states, or their reluctance to pool their resources. EU member states should instead make full use of the potential of joint institutions, policies and resources. Completing and strengthening the Single Market is crucial to sustaining both Europe's growth and the EU's regulatory power. This means establishing and enforcing a level playing field with partners and competitors, including on matters of subsidies, competition and market access, and strengthening the regime for screening foreign investments. Eliminating current barriers within the Digital Single Market will be critical to spur innovation and scale up European technology companies, while creating a regime for data sharing and access that benefits all market actors and citizens. EU member states need to make much better use of the arrangements for defence cooperation established in the last few years to both deliver the capabilities they need and acquire a real operational capacity. Failing to do so would not only affect prospects for achieving strategic autonomy but also undermine their credibility in foreign and security policy.

Third, engaging. The purpose of shaping and supporting a rules-based international order should continue to drive Europe's foreign policy, even though Europeans will need to take a pragmatic approach in a context of geopolitical competition. The election of Joe Biden paves the way to dialogue and cooperation with the US, and to reinforcing the transatlantic partnership and multilateralism. The EU should continue to pursue a forward-leaning agenda to expand trade and investment links and to strengthen multilateral trade regimes, including renewed efforts to reform the WTO. Europe's value-based approach to the regulation of digital technologies can make a major contribution to multilateral governance in this field, from data protection issues to trustworthy Artificial Intelligence, provided that EU measures also enable innovation in a highly competitive context. By enhancing their capacity to act in security and defence matters, Europeans will be able to work more effectively through various multilateral bodies and to deepen security partnerships with third countries and regional organisations.

Strategic autonomy is not a goal per se, but the broad organising principle through which the EU and its member states can define shared priorities and take action to pursue them. Europe's drive to become more strategic and more autonomous starts at home. The final agreement on the new Multiannual Financial Framework and the unprecedented Next Generation EU instrument, reached in late 2020, is critical to restart growth and pursue Europe's core goals concerning the environmental and digital transformations.

A proactive agenda for Europe's strategic autonomy requires Europe to 'learn the language of power', not least to deal with instability and competition in its own neighbourhood. This does not mean it should endorse a zero-sum game logic of power politics. This is about operating as a smart power in a multipolar and interdependent world, where relations between major powers feature a mix of competition, cooperation, and confrontation. By advancing its strategic autonomy, Europe should acquire a stronger position to manage interdependence amidst geopolitical competition – arguably the defining challenge of our times.

Introduction

To put it mildly, 2020 has been a consequential year. On top of inflicting widespread human suffering, the coronavirus has wrecked the global economy. Geopolitical competition has surged from Europe's doorstep to strategic hotspots in the Gulf and the Indo-pacific. The victory of Joe Biden in the US presidential election has paved the way for a sharp turn in America's global posture back to international engagement, while highlighting fractures in the US body politic. **One big question is what the legacy of 2020 will be for Europe.**

Looking back 20 years from now, will historians recount how the shockwaves of the COVID-19 crisis, despite efforts by Europeans to pull together, eventually depleted Europe's morale, broke its politics and emptied its coffers? Or will they analyse the steps that set Europe on track for economic recovery and political renewal, strengthening European integration and enhancing Europe's influence on the global stage? Will they debate how the election of Joe Biden ushered in a new paradigm in transatlantic affairs, with a 'two-engine partnership' of America and Europe deepening their bonds and heading forward in the same direction, if not always with the same approach? Will they reflect on Europe's lasting dependence on American leadership? Or will they investigate how political polarisation in the US and Europe ultimately prevailed over good intentions and resulted in a weaker transatlantic partnership?

Granted, those looking back to the legacy of 2020 may need to draw a more nuanced picture than these starkly alternative scenarios suggest. Whatever the future course of events will be, however, the crucial point is that it is not preordained. As the saying goes, the best way to predict the future is to create it. **The story that scholars will tell about Europe a couple of decades from now will depend to a large degree upon the choices that Europeans will make today.**

It is too early to anticipate the long-term implications of the COVID-19 pandemic, which continues to rage across Europe and much of the world by late 2020. However, it is fair to say that this unprecedented challenge has triggered an unprecedented response in Europe. After an initial disjointed reaction, the member states of the European Union (EU) and EU institutions took a series of steps to join forces in the face of the pandemic, which culminated in the agreement on the next multiannual EU budget for 2021-2027 and a new, massive recovery fund – the Next Generation EU. The latter, making available €750bn in grants and loans to support national economies and sustain Europe's digital and environmental transitions through common borrowing, marks a powerful statement of tangible solidarity. In the words of President von der Leyen, "This is our opportunity to make change happen by design – not by disaster or by diktat from others in the world."[1] At the international level, the incoming Biden administration offers the opportunity to re-assert transatlantic ties, upholding shared interests and values in the face of geopolitical competition and major global challenges.

Both their decision to pool large resources and Biden's election set the stage for Europeans to take a truly strategic approach to shaping their future. Financial and political cohesion are the starting point for resolute action to equip Europe to lead global transformations in cooperation with others, while making the EU a more resilient and confident global actor. In renewing the transatlantic partnership, Europeans should take the initiative and engage the US upstream through setting a shared agenda. The policy paper produced by the European Commission

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[1] State of the Union Address by President von der Leyen at the European Parliament Plenary, 16 September 2020.

and the High Representative and the conclusions of the Foreign Affairs Council in December outline a large range of proposals to foster transatlantic cooperation, providing a good starting point.[2]

Europeans have the means to shape their future. The question is whether they have the will to do so. Progress to foster Europe's strategic autonomy – which is about Europeans defining their priorities and implementing them in cooperation with others, when possible, and on their own, if necessary – will be the key indicator of how Europe will fare. **Either Europe will become more united, strategic and autonomous, or there is a good chance that powerful exogenous and endogenous forces and risks will hollow it out and ultimately break it.**

Strategic autonomy is the subject of a pan-European debate, which helps focus minds on key priorities while of course also displaying different assessments and levels of ambition, between and within EU member states.[3] Under different formulations, such as digital sovereignty or open strategic autonomy, advancing strategic autonomy has become central to the narrative of EU institutions. It has informed a number of important policy initiatives, from trade to digital and security issues. Drawing on these debates, and policy developments, this paper contributes to define the concept of strategic autonomy further, highlighting what it entails, and what it does not. It also assesses the connection between the pursuit of Europe's strategic autonomy and

the strengthening of transatlantic relations. The paper subsequently reports excerpts from selected documents and statements which, taken together, can be seen as an emerging *corpus* of documents concerning the ends and means of Europe's strategic autonomy. The last part of the paper reviews some of the principal policy steps that have been taken, are envisaged or should be taken to foster Europe's strategic autonomy in different policy fields and across **three main tracks of action: bracing against threats and challenges, empowering Europe through joint action, and engaging others to support a rules-based international order**.

Strategic autonomy: a question of purpose and action

Few would disagree with the statement that Europe needs to be, or should become, a stronger and more strategic international actor to defend its interests in the world. Some, however, take issue with the aim to foster Europe's strategic autonomy.[4] The discrepancy between close to unanimous support for the former proposition, and some controversy on the latter aspiration, owes to various factors. Some of these have to do with different national strategic cultures within the EU, or with political divides. For one, even if the debate on strategic autonomy today covers the full agenda of EU external action, it originates from the security and defence domain.[5] This explains in part the sensitivity

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[2] European Commission and High representative of the Union for Foreign Affairs and Security Policy, A new EU-US agenda for global change, JOIN(2020) 22 final, 2 December 2020. Council of the European Union, Council conclusions on European Union – United States relations, 7 December 2020.

[3] Helwing, Niklas, EU strategic autonomy. A reality check for Europe's global agenda, Working Paper 119, FIIA, October 2020.

[4] See, for example, the different approaches of Germany's Defence Minister Annegret Kramp-Karrenbauer and France's President Emmanuel Macron, which have revived the debate on European defence and the transatlantic alliance in the last few weeks. Kramp-Karrenbauer, Annegrete, Europe still needs America, Politico, 2 November 2020. The Macron Doctrine. A

Conversation with the French President, Le Grand Continent, 16 November 2020.

[5] Concerning the expanding scope of the debate on strategic autonomy, see for example Lippert, Barbara; Nicolai von Ordanza and Volker Perthes (eds.), European Strategic Autonomy: Actors, Issues, Conflicts of Interests, SWP Research Paper 4, German Institute for International and Security Affairs, March 2019; Leonard, Mark and Jeremy Shapiro, Strategic sovereignty: How Europe can regain the capacity to act, Policy Brief, European Council on Foreign Relations, June 2019; Leonard, Mark et al., Redefining Europe's economic sovereignty, Policy contribution, Bruegel, June 2019; Grevi, Giovanni, Strategic autonomy for European choices: The key to shaping power Europe, Discussion Paper, European Policy Centre, July 2019; Grevi,

of some to any potential risk that advancing strategic autonomy might weaken the transatlantic alliance. For another, depending on the different balance between the state and the market in respective economic models, EU member states show different attitudes to the current drive to shape more assertive EU trade and industrial policies.

Part of the gap between a conventional consensus on reinforcing Europe as an international power and differences over strategic autonomy depends, however, on the need to better define what strategic autonomy is and requires. Those advocating strategic autonomy have sometimes emphasised different aspects of it and expressed different levels of ambition. However, at a closer look, there is a significant area of overlap among the various positions concerning Europe's strategic autonomy, whether more supportive or more sceptical ones. This common ground can offer a platform for convergence because it rests on the central point that **strategic autonomy is about empowering Europe, not disengaging from partnerships, globalisation, or multilateralism. The essence of strategic autonomy is not that Europeans should act alone, but that they should have a purpose of their own and a stronger power base to fulfil it**. Building on this insight, the following considerations can help define the parameters of a shared approach to the concept and practice of strategic autonomy in Europe.

An independent mindset

Promoting Europe's strategic autonomy is neither a hollow ideological construct nor a ready-made blueprint for action. It is rather the frame through which to define Europe's place and role in an increasingly challenging world. EU foreign policy High Representative Josep Borrell was right when he noted that strategic

autonomy is "a state of mind", referring to the need for Europeans to "recapture a sense that, by acting via the EU, we can shape our future."[6]

Strategic autonomy is therefore a precondition for Chancellor Merkel's call on Europeans to take their destiny in their own hands or for President Macron's plea for a sovereign Europe. The common denominator to these and many other statements such as by the President of the European Council, Charles Michel, is that Europeans should be in charge of making and implementing the fundamental choices defining their future, not that they should necessarily act alone. **Strategic autonomy is about setting Europe's agenda in ways that are not determined by others and strengthening Europe's resources to advance this agenda.** On that basis, Europeans should engage with others to implement their priorities, or to shape common ones, via cooperation whenever possible. If that fails, they should be better equipped to uphold their interest on their own.

Strategic autonomy and European integration

Advancing strategic autonomy is not just a foreign policy issue. It is first and foremost about preserving and deepening European integration itself. Structural trends such as power shifts, the technological revolution, climate change and growing geopolitical and geo-economic competition are challenging the prosperity and the security of Europeans. The EU offers the critical mass for Europeans to join forces and effectively tackle these trends, in cooperation with others when possible.

If the EU failed to cope with these challenges, and Europeans felt increasingly vulnerable in the face of forces that member states cannot control, the legitimacy and the very rationale of European integration would be put into

Giovanni, Europe's path to strategic recovery: Brace, empower and engage, Discussion paper, European Policy Centre, April 2020; Leonard, Mark and Jeremy Shapiro, Sovereign Europe, dangerous world: Five agendas to

protect Europe's capacity to act, European Council on Foreign Relations, November 2020.
[6] Borrell, Josep, The pandemic should increase our appetite to be more autonomous, Blog post, EEAS, 4 July 2020.

question. **Either the EU gives Europeans the means to cope with the major global forces affecting Europe, or the EU will gradually wither away.** However, the EU cannot be effective if its member states do not show unity of purpose and equip it to operate in a turbulent and uncertain world. This is why **strategic autonomy and political cohesion are two sides of the same coin and feed off each other**.

Managing, not escaping, interdependence

Strategic autonomy is not an alternative to globalisation or an escape into isolation but the precondition to manage interdependence. The spread of COVID-19 has exposed the risks of interdependence and the vulnerabilities of globalisation to disruptive events. That has come on top of mounting criticism of the impact of unrestrained globalisation on jobs and income distribution, notably in mature economies, and on environmental sustainability, worldwide. Alongside these concerns, interdependence and connectivity have become one of the arenas of competition among great powers, which can leverage their economic clout and power over, for example, financial and digital networks to achieve their ends. All major powers are operating to diminish their exposure to both mutual vulnerabilities and transnational challenges.

In this context, **strategic autonomy is about strengthening Europe's resilience against the risks of interdependence, or its deliberate manipulation, and enhancing Europe's clout to govern globalisation.** That requires a balancing act between reducing Europe's exposure to the breakdown of, or tampering with, global flows, for one, and ensuring that Europe continues to benefit from these flows, for another. In other words, strategic autonomy is about Europe defining

the terms of engagement with others in ways that match its interest and values, through soft and hard means. In the words of Charles Michel: "Less dependence, more influence."[7]

Calibrating implementation

Strategic autonomy is a necessarily broad concept, since it encompasses action across multiple domains, at the interface between internal and external policies. At its core, as stressed above, it is about purpose – a shared vision, defined independently and translated into strategic priorities. Building on that, **the extent to which the EU can or should operate autonomously, and through what policies, needs to be calibrated depending on the competences of the EU, the resources available to EU bodies and member states, and the importance of cooperation with partners.**

The size of the Single Market and the prerogatives attributed to EU institutions are the twin pillars of Europe's regulatory power,[8] which confers a significant degree of strategic autonomy to Europe. This power can also apply to the regulation of new technologies, such as Artificial Intelligence (AI), and of the digital economy. The EU's rule-making power can foster technological sovereignty, if Europe can keep up with innovation, and pave the way for dialogue with others on digital governance issues. The Union and its member states have the necessary financial and human resources to promote a more effective industrial and innovation policy, reconciling major joint investments in key sectors with creating an ecosystem for bottom-up innovation. Europeans can and should strengthen the resilience of their supply chains and of their critical infrastructure. On the external front, Europeans have the option to use trade and development policies, among others, more strategically, while working with others to

[7] Michel, Charles, Strategic autonomy for Europe – the aim of our generation, Speech to the Bruegel think tank, 28 September 2020.
[8] Bradford, Anu, The Brussels Effect. How the European Union Rules the World, Oxford University Press, 2020;

Damro, Chad, "Market power Europe", *Journal of European Public Policy*, Volume 19, Number 5, 2012, pp.682-699.

strengthen partnerships and shape viable international regimes. In security and defence matters, close cooperation with the US and other allies and partners, through NATO and other formats, is essential to protect Europe, while Europeans should take more responsibility and boost their capacity to contribute to their security and that of others.

Autonomy for partnership and cooperation

The opposite of autonomy is not partnership, but sheer dependence. It is not cooperation, but the inability to shape cooperation. Europe's strategic autonomy should be considered, instead, as a condition for effective partnerships, since it entails clarity of purpose and the necessary resources to engage in cooperation.

EU-level commitments, and clear roadmaps to implement them, such as to fight climate change and achieve carbon-neutrality, lend credibility to Europe's leadership in international environmental negotiations. Setting a rules-based level-playing field for trade and investment is a requirement for openness and sound competition, not for retrenchment. With a view to contribute to the global governance of new technologies, Europe needs to state where it stands on rules and principles as a basis for engagement, while its influence will ultimately depend on its ability to deliver cutting-edge innovation. The EU and its member states can contribute to the stability and resilience of their partners if they have unity of intent and the necessary resources to deploy, whether through crisis management operations or various forms of capacity-building. Looking at comprehensive partnerships, such as those with neighbouring countries or with Africa, it will also be important for the EU and its member states to balance clarity of purpose with the perceptions and interests of their partners, tailoring cooperation accordingly.[9] A strong transatlantic partnership in a multipolar world

is one resting on two main pillars – America and Europe – rooted in shared values and common interests. It is up to Europeans to prove that they can be one of these pillars and, more broadly, that they carry their weight to help shape a rules-based international order.

Europe's strategic autonomy is in the interest of both Europe and the US

President Trump disrupted decades of broad foreign policy consensus in US foreign policy by de-linking the pursuit of American national interests from the commitment of the US to its allies and to the rules-based international order. In fact, he regarded the latter as detrimental to US priorities. These are the roots of the hostility displayed by President Trump towards the EU. The nationalistic and unilateralist posture of the Trump administration stood in direct opposition to the DNA of European integration – sharing sovereignty and pursuing multilateralism. The sense of precariousness overshadowing transatlantic affairs was surely one of the factors that revived the debate about Europe's strategic autonomy from 2016 onward.

The election of Joe Biden offers a major opportunity to reset transatlantic relations and strengthen cooperation between Europe and the US, both at the EU-US level and within NATO. It is of course in Europe's strategic interest to seize this opportunity. As President-elect Biden, a committed Atlanticist, put it himself back in 2013, Europe and America are each other's indispensable partners of first resort.[10] Speaking after the US elections, Chancellor Merkel stressed that "the United States of America and Germany, as part of the European Union, must stand together in order to face the great challenges

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[9] Teevan, Chloe, Leading together: Reconciling EU strategic autonomy and international partnerships, Briefing Note 123, ECDPM, October 2020.

[10] Remarks by Vice President Joe Biden to the Munich Security Conference, 2 February 2013.

of our time."[11]

It is widely acknowledged, however, that deepening transatlantic relations does not mean copying and pasting the partnership as it was before Trump's term in office.[12] **The world, the US, and Europe have changed in ways that call for a truly strategic re-think of the transatlantic partnership**. The health of the partnership depends on the health of the partners, meaning their political and social cohesion, and economic performance. Foreign powers have sought to exploit cleavages or fractures in American and European politics but have not produced them. While coping with the COVID pandemic, both **the US and Europe will need to repair their political, economic and social fabric if they wish to be strong and reliable partners to each other**. Fostering strategic autonomy is essential to sustain European integration and, therefore, Europe's security and prosperity. From this standpoint, as recently stated by the European Commission and the High Representative, "We should also not fall into the trap of false debates that seek to oppose a stronger Europe and a stronger transatlantic partnership. A united, capable and self-reliant EU is good for Europe, good for the transatlantic partnership and good for the multilateral system – they are mutually reinforcing not mutually exclusive."[13]

As argued elsewhere, **not only is Europe's strategic autonomy a prerequisite for an effective transatlantic partnership; but "the alternative to a more integrated and autonomous Europe is a less transatlantic one."**[14] This is because a weak Europe would also be more exposed to adverse global trends, foreign interference, populist narratives and

eventual fragmentation, ceasing to be viable partner for the US. While sharing much common ground across the vast agenda for transatlantic cooperation, Europeans and American will not always agree, just as they did not always agree in the past. The strategic interest of the US, however, is not a pliant or fully aligned Europe, but one that evolves into a stronger, more integrated global actor grounded in liberal values and confident to chart its own course in the world. **On a truly strategic level, a more sovereign Europe is in the interest of America.** Conversely, America's leadership, and strength, are essential both to Europe's security and to advance shared goals in the world.

With a view to strengthening their partnership, Europe, America (and others) need to come together upstream, at the stage of defining shared priorities, based on respective interests and positions. As Commission President von der Leyen put it, Europeans should take the initiative.[15] Recent developments indicate that they are seeking to do so. The Commission and the High representative have produced an ambitious set of policy proposals addressed to the incoming Biden administration. These proposals set out to make the transatlantic partnership an engine of global cooperation, deepen bilateral ties across the board and discuss how to deal with an increasingly assertive China.[16] At the same time, Europeans are keen to renew cooperation with the US on the tensions and crises that are destabilising Europe's neighbourhood.

The US will continue to shift its strategic centre of gravity from Europe and surrounding regions to Asia, focusing on China's rise. That does not mean that the US will not be invested

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[11] Posaner, Joshua and Nette Nöstlinger, Merkel to Biden: Europe need to 'take on more responsibility', *Politico*, 9 November 2020.
[12] O'Sullivan, David, An election of stark choices for Americans, but also for Europe, Commentary, European Policy Centre, 1 October 2020. Tocci, Nathalie, Europe and Biden's America: Making European Autonomy and a Revamped Transatlantic Bond Two Sides of the Same Coin, IAI Commentaries 20/81, November 2020.

[13] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 2.
[14] G. Grevi (2019), op. cit. in note 5.
[15] Speech by President Von der Leyen at the EU Ambassadors' Conference, 10 November 2020.
[16] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 2.

in Europe's neighbourhood, whether concerning relations with Russia or seeking re-engagement with Iran on the nuclear deal. However, they will not be interested in consuming too much strategic bandwidth in these theatres, and **more will be expected from Europeans in terms of providing stability and dealing with regional crises**. Fostering strategic autonomy is necessary for Europe to step up to the plate and assume a more geopolitical role in an increasingly contested neighbourhood – an area where it has failed so far.

Finally, despite the tangible sense of relief across Europe at the results of US elections, **the polarisation of American society is a reality that carries implications for external affairs and one that Europeans need to factor in their assessment**. Aside from the question of whether Trumpism as such will outlive Trump, the broader point is the politicisation of US foreign policy. This clear trend produced the 'big swings' of the last 30 years, throughout the Clinton, Bush, Obama, and Trump administrations.[17] Prospects for restoring a strong bipartisan consensus on the long-term direction of US foreign policy are uncertain. The President has considerable room to manoeuvre on the global stage but the support of Congress and of public opinion are necessary for lasting commitments. In this context, Europeans need to be prepared to both deepen the transatlantic partnership and deal with possible future turbulence in US politics and foreign policy.

Strategic autonomy as a fledgling strategic narrative

As the debate on Europe's strategic autonomy has evolved and increasingly informed policymaking at EU level, the building blocks

and the policy implications of strategic autonomy are also being further defined. The concept of strategic autonomy has become central to various key documents by EU bodies and statements or papers by EU leaders. Throughout this process, the ambition to equip Europe to shape its own destiny has been captured through various formulations, such as open strategic autonomy, technological or digital sovereignty, and strategic sovereignty. While levels of ambition and requirements for progress are not the same in different policy areas – from trade to defence – these and other expressions share with strategic autonomy the same conceptual core: **Europe's future will be defined by others if Europeans cannot muster the determination to fix their own priorities, in line with their values, and assemble the tools and resources to achieve them, in cooperation with others when possible, and on their own if need be.**

The table below includes a non-exhaustive report of references to strategic autonomy or sovereignty extracted from selected policy documents and statements by EU bodies and leaders in the course of 2020. Together, these and other mentions and illustrations of strategic autonomy can be seen as paving the way towards an emerging, if still patchy and not fully consistent, strategic narrative. Within this narrative, it is possible to detect three main tracks for action to foster Europe's strategic autonomy: bracing against threats and challenges, empowering Europe by joining forces, and engaging to strengthen rules-based cooperation.[18] To highlight these three dimensions, the extracts in the table are colour-coded in terms of their relevance for bracing (red), empowering (blue) and engaging (green).[19]

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[17] Trubowitz, Peter and Peter Harris, "The end of the American century? Slow erosion of the domestic sources of usable power", *International Affairs*, Vol.95, No.3, 2019.
[18] Grevi, Giovanni (2020), op. cit. in note 5.

[19] This is an indicative assessment by the author, based on the selection of only those extracts where explicit reference is made to strategic autonomy or broadly equivalent formulations. As such, this assessment does not necessarily reflect the overall focus of respective

European Commission, 19 February 2020 [20]	European technological sovereignty starts from ensuring the integrity and resilience of our data infrastructure, networks and communications. It requires creating the right conditions for Europe to develop and deploy its own key capacities, thereby reducing our dependency on other parts of the globe for the most crucial technologies. Europe's ability to define its own rules and values in the digital age will be reinforced by such capacities.
European Commission, 19 February 2020 [21]	Harnessing the capacity of the EU to invest in next generation technologies and infrastructures, as well as in digital competences like data literacy, will increase Europe's technological sovereignty in key enabling technologies and infrastructures for the data economy. The infrastructures should support the creation of European data pools enabling trustworthy AI, e.g. AI based on European values and rules.
European Commission, 10 March 2020 [22]	Europe's strategic autonomy is about reducing dependence on others for things we need the most: critical materials and technologies, food, infrastructure, security and other strategic areas. (…) Europe thrives on an open investment environment which allows others to invest in Europe's competitiveness. But it must also be more strategic in the way it looks at risk associated to foreign investment. (…) Europe's digital transformation, security and future technological sovereignty depends on our strategic digital infrastructures. Beyond the Commission's recent work on 5G and cybersecurity, the EU will develop a critical Quantum Communication Infrastructure, designed to deploy in the next 10 years a certified secure end-to-end infrastructure based on quantum key distribution to protect key digital assets of the EU and its Member States. The EU will also support the development of key enabling technologies that are strategically important for Europe's industrial future. These include robotics, microelectronics, high-performance computing and data cloud infrastructure, blockchain, quantum technologies, photonics, industrial biotechnology, biomedicine, nanotechnologies, pharmaceuticals, advanced materials and technologies. The European defence and space sectors are essential for Europe's future. However, the fragmentation of the defence industry puts into question Europe's ability to build the next generation of critical defence capabilities.

documents and statements or their full scope, in terms of the range of measures or initiatives they outline.

[20] European Commission, Shaping Europe's Digital Future, COM(2020) 76 final, 19 February 2020.

[21] European Commission, White Paper on Artificial Intelligence – A European approach to excellence and trust, COM(2020), 65 final, 19 February 2020.

[22] European Commission, A New Industrial Strategy for Europe, COM(2020) 102 final, 10 March 2020.

	This would reduce the EU's strategic sovereignty and its ability to act as a security provider. The European Defence Fund will help build an integrated defence industrial base across the EU. (…)

Access to medical products and pharmaceuticals is equally crucial to Europe's security and autonomy in today's world. A new EU pharmaceutical strategy will be put forward, focusing on the availability, affordability, sustainability and security of supply of pharmaceuticals. This has been highlighted by recent events linked to the Coronavirus disease 2019 (COVID-19) outbreak. |
| Josep Borrell, April 2020 [23] | The Covid-19 crisis will shine a light on how globalisation increases the vulnerability of nations that do not take enough measures to ensure their security in the broadest sense of the word. All of which must lead Europe to deliver on the idea of strategic autonomy – which, as we can clearly see, cannot be restricted to the military sphere alone. This strategic autonomy must be built around six main pillars, which I would like to set out here:

• reducing our dependency, not only in the healthcare sector but also in the field of future technologies, such as batteries and artificial intelligence;
• preventing market players from outside Europe from taking control of our strategic activities, which requires these activities to be clearly identified upstream;
• protecting our critical infrastructure against cyberattacks;
• ensuring that our decision-making autonomy will never be undermined by the offshoring of certain economic activities and the dependence that creates;
• extending Europe's regulatory powers to cover future technologies to prevent others from regulating in a way that is detrimental to us;
• showing leadership in all areas where a lack of global governance is destroying the multilateral system. |
| European Commission, 27 May 2020 [24] | Global trade and its integrated value chains will remain a fundamental growth engine and will be essential for Europe's recovery. With this in mind, Europe will pursue a model of open strategic autonomy.
This will mean shaping the new system of global economic governance and developing mutually beneficial bilateral relations, while protecting ourselves from unfair and abusive practices. This will also help us diversify and solidify global supply chains to protect us from future crises and will help strengthen the international role of the euro. |

[23] Borrell, Josep, The post-Coronavirus world is already here, Policy Brief, European Council on Foreign Relations, April 2020.
[24] European Commission, Europe's moment: Repair and Prepare for the Next Generation, COM(2020) 456 final, 27 May 2020.

Josep Borrell and Thierry Breton, 10 June 2020[25]	Beyond the health tragedy, the Coronavirus crisis will accelerate major trends at work on our planet. It invites us to take a fresh look at the world, and at Europe's place in the world. It forcefully revives the central question of our autonomy, our sovereignty and our position as a player in world geopolitics, particularly in the face of growing tensions between the United States and China.
	The era of a conciliatory, if not naïve, Europe has come of age. Virtuous "soft power" is no longer enough in today's world. We need to complement it with a "hard power" dimension, and not just in terms of military power and the badly needed strengthened European defence. Time has come for Europe to be able to use its influence to uphold its vision of the world and defend its own interests.
Council Conclusions on Security and defence, 17 June 2020[26]	The EU is facing an already challenging international environment in which the unprecedented COVID-19 pandemic risks amplifying existing global fragilities and tensions. This calls for more European unity, solidarity and resilience, with Member States working together for a strong European Union that promotes peace and security and protects its citizens, thereby reinforcing the European identity and its independence, in line with the Treaties.
	The EU remains committed to enhance its ability to act as a security provider through its operational engagement, notably CSDP missions and operations, to reinforce its resilience and preparedness to effectively tackle all security threats and challenges, and to step up the development of necessary capabilities. In doing so, the EU will enhance its strategic autonomy and its ability to cooperate with partners in order to safeguard its values and interests. This will also strengthen our collective efforts, in particular also in the context of effective multilateralism and the transatlantic relationship, and will enhance the European contribution to a rules-based global order with the United Nations at its core and to Euro-Atlantic security.
European Commission, 17 June 2020 [27]	To reap the full benefits of global trade, Europe will pursue a model of open strategic autonomy. This will mean shaping the new system of global economic governance and developing mutually beneficial bilateral relations, while protecting ourselves from unfair and abusive practices.
Josep Borrell, 4 July 2020[28]	For me strategic autonomy is a state of mind. We should look at the world through our own prism. We should avoid both nostalgia for a world that will not return and fatalism. We need to recapture a sense that, by acting via the EU, we can shape our future.

[25] Borrell, Josep and Thierry Breton, For a united, resilient and sovereign Europe, op-ed published in various media, 8 June 2020.
[26] Council of the European Union, Council Conclusions on Security and Defence, 8910/20, 17 June 2020.
[27] European Commission, White Paper on levelling the playing field as regards foreign subsidies, COM(2020)253 final, 17 June 2020.
[28] Borrell, Josep, op. cit. in note 6.

	Strategic autonomy is a way of framing our choices: we must be able to defend our interests, by ourselves if necessary.
	It is clear that with the pandemic our appetite to think and act much more autonomously is increasing, from managing risks regarding supply chains, strategic investments and who controls future technologies. We should remember that the openness of our societies is key both for the effectiveness of our external instruments and the sustainability of our welfare states.
Thierry Breton, 15 July 2020[29]	Sovereignty – or what others call resilience or strategic autonomy – is not about isolating ourselves. It is about Europe defending its strategic interests. Being assertive of our values. Firm in our ambitions. Confident of our means. It's about making sure that anyone who invests, operates and bids in Europe respects our rules and values. It's about protecting our companies against predatory and sometimes politically motivated foreign acquisitions. It's about diversifying and reducing our economic and industrial dependencies. And it's about developing the right technological projects that can lead to European alternatives in key strategic technologies.
European Commission, 3 September 2020[30]	Access to resources is a strategic security question for Europe's ambition to deliver the Green Deal. The new industrial strategy for Europe proposes to reinforce Europe's open strategic autonomy, warning that Europe's transition to climate neutrality could replace today's reliance on fossil fuels with one on raw materials, many of which we source from abroad and for which global competition is becoming more fierce. The EU's open strategic autonomy in these sectors will therefore need to continue to be anchored in diversified and undistorted access to global markets for raw materials. At the same time, and in order to decrease external dependencies and environmental pressures, the underlying problem of rapidly increasing global resources demand needs to be addressed by reducing and reusing materials before recycling them.
European Council Conclusions, 1-2 October 2020[31]	In July, the European Council agreed an unprecedented recovery package to counter the effects of COVID-19 on our economies and societies, and to promote Europe's strong recovery and the transformation and reform of our economies. The two mutually reinforcing pillars of such a recovery, the green transition and the digital transformation, together with a strong and deep Single Market, will foster new forms of growth, promote cohesion and convergence, and strengthen the EU's resilience. Achieving strategic autonomy while preserving an open economy is a key objective of the Union. (…)

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[29] Breton, Thierry, Speech at Hannover Messe Digital Days, 15 July 2020.
[30] European Commission, Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability, COM(2020) 474 final, 3 September 2020.
[31] European Council, Conclusion of the special meeting of the European Council (1 and 2 October 2020), EUCO 13/20, 2 October 2020.

	To be digitally sovereign, the EU must build a truly digital single market, reinforce its ability to define its own rules, to make autonomous technological choices, and to develop and deploy strategic digital capacities and infrastructure. At the international level, the EU will leverage its tools and regulatory powers to help shape global rules and standards. The EU will remain open to all companies complying with European rules and standards. Digital development must safeguard our values, fundamental rights and security, and be socially balanced. Such a human-centred approach will increase the attractiveness of the European model.
Charles Michel, 28 September 2020 [32]	Our strategic autonomy must pursue three objectives. One: stability. Two: disseminating our standards. And three: promoting our values. (…) Less dependence, more influence. Effective strategic autonomy is the credo that brings us together to define our destiny, and to have a positive impact on the world.
Valdis Dombrovskis, 11 November 2020 [33]	With international tensions on the rise, the crisis of multilateralism, climate change and other challenges appearing, we need to set a new policy direction to help us navigate these waters and shape the world around us. This will be based on the concept of Open Strategic Autonomy. Simply put, Open Strategic Autonomy means striking the right balance between a Europe that is open for business and a Europe that defends its companies and consumers from unfair competition and hostile actions. (…) But I can already highlight the following themes: - Refocusing our efforts on reforming the rules-based multilateral order. - Contributing to the digital and green transitions. - Strengthening the EU's regulatory impact, which would also imply a closer integration of internal and external policies. - And we need to continue to shape a more assertive approach in our trade policy. This means strengthening our toolbox for trade defence and enforcement. We have already taken strong steps in this direction, with the creation of a Chief Trade Enforcement Officer and notable recent legislative successes in the agreements on updating the Enforcement Regulation and Dual Use export controls. The European Union will pursue its own strategic path. We will maintain our role of global leadership in international organisations and conventions. And we will assertively pursue a level playing field for European companies both in the internal market and in third country markets.

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[32] Michel, Charles, op. cit. in note 7.
[33] Dombrovskis, Valdis, Speech at the EU Ambassadors Conference, 11 November 2020.

Maroš Ševčovič, 18 November 2020 [34]	Open strategic autonomy is defined by: • our ability to reduce dependencies and strengthen the security of supply of key strategic assets, • while preserving the benefits of an open economy and supporting our partners around the globe. To boost Europe's open strategic autonomy, we need a long-term vision, whilst embarking on collaborative short-term actions, such as launching industrial alliances in batteries, raw materials, or hydrogen; shaping global economic governance and multilateralism; or building a health union.
European Commission, 25 November 2020 [35]	The Pharmaceutical Strategy for Europe builds on these foundations. It will foster patient access to innovative and affordable medicines. It will support the competitiveness and innovative capacity of the EU's pharmaceutical industry. It will develop the EU open strategic autonomy and ensure robust supply chains so that Europe can provide for its needs, including in times of crisis. And it will ensure a strong EU voice on the global stage. (…) Building up EU's open strategic autonomy in the area of medicines requires actions to identify strategic dependencies in health, and to propose measures to reduce them, possibly including by diversifying production and supply chains, ensuring strategic stockpiling, as well as fostering production and investment in Europe.
European Commission and High Representative, 2 December 2020 [36]	A united, capable and self-reliant EU is good for Europe, good for the transatlantic partnership and good for the multilateral system – they are mutually reinforcing not mutually exclusive. (…) The EU and the US should reaffirm our joint commitment to transatlantic and international security. A stronger EU role in defence, including through supporting investment in capability development, will benefit NATO and transatlantic cooperation. The EU is ready to fulfil its responsibilities, enhance its strategic autonomy and ensure better burden-sharing. The EU and NATO's capability priorities should be largely aligned.
Conclusions of the Foreign Affairs Council, 7 December 2020 [37]	The Council believes in a strong mutually beneficial long-term strategic partnership with the United States, in a strengthened multilateral order, which will promote a shared vision of the world and can achieve tangible results. A renewed transatlantic agenda is necessary to find joint answers to global challenges, in order to safeguard the health and wellbeing of our people and our

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[34] Ševčovič, Maroš, Speech at the annual conference of the European Policy and Strategy Analysis System, 18 November 2020.

[35] European Commission, Pharmaceutical Strategy for Europe, COM(2020) 761 final, 25 November 2020

[36] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 2.

[37] Council of the European Union, op. cit. in note 2.

	planet, to protect democracy and make it deliver for our citizens. By pursuing its strategic course of action and increasing its capacity to act autonomously, a stronger European Union will actively contribute to strengthening the transatlantic partnership and its ability to deliver.
European Commission and High Representative, 16 December 2020 [38]	This strategy aims to ensure a global and open Internet with strong guardrails to address the risks to the security and fundamental rights and freedoms of people in Europe. Following the progress achieved under the previous strategies, it contains concrete proposals for deploying three principal instruments – regulatory, investment and policy instruments – to address three areas of EU action – (1) resilience, technological sovereignty and leadership, (2) building operational capacity to prevent, deter and respond, and (3) advancing a global and open cyberspace.

Three tracks to foster Europe's strategic autonomy

The overview of recent documents and statements framing strategic autonomy at EU level points to three clusters of measures necessary to strengthen Europe at home and abroad: **brace, empower and engage**. In other words, **Europe needs to strengthen its resilience and cohesion in the face of multidimensional competition, leverage the potential of the Single Market and of cooperation among EU member states to enhance its global clout, and work with others whenever possible to support a rules-based international order.**

Of course, important initiatives such as measures to establish a level playing field for trade and investment, the Digital Markets Act[39] or the European Defence Fund[40] can contribute simultaneously to all of these three tracks, whereas action on one of these tracks

will more often than not reinforce the others. This section, however, groups selected existing or envisaged policy measures under these three headings to highlight that bracing, empowering and engaging are three essential ingredients of strategic autonomy.[41]

EU institutions and member states are making some progress to strengthen strategic autonomy by adopting or planning important measures and initiatives along these three mutually reinforcing tracks. At the same time, their track record in defining and implementing shared objectives differs significantly across economic, technological or security affairs. It is important to recognise that **strategic autonomy is an organising principle to inform and strengthen the coherence of a vast range of initiatives**. As noted above, the implementation of this principle inevitably depends on multiple factors, including the degree of convergence among member states, the resources that are

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[38] European Commission and High representative of the Union for Foreign Affairs and Security Policy, The EU's Cybersecurity Strategy for the Digital Decade, JOIN(2020) 18 final, 16 December 2020.
[39] The Digital Markets Act and the Digital Services Act are two recent legislative initiatives aiming to create the conditions for better competition within the digital single market and to define the responsibilities of digital service providers vis-à-vis users.
[40] The European Defence Fund aims to support cooperation in defence research and capability development among companies and EU member states, thereby contributing to strengthening the European defence technology and industrial base and deliver needed capabilities.
[41] This paper focuses on issues of trade and investment, digital technology and security and defence, drawing on the work carried out within the EPC-KAS project on 'Fostering Europe's Strategic Autonomy: Priorities for Action'. Strengthening Europe's strategic autonomy also requires action across a larger policy spectrum, including for example enhancing the international role of the Euro, broader industrial and innovation policies, energy and health.

made available, and the salience of cooperation with partners to achieve Europe's goals.

Although progress is far from homogeneous, the sense of direction driving the Union's efforts across the board should be clear. **No principal domain of cooperation, competition or confrontation in international affairs can be left behind.** A rich Europe unable to contribute significantly to its own security and that of its neighbourhood may see its prosperity, and even its solidarity, undercut by geopolitical instability. The impact of the large flows of refugees and migrants, escaping conflicts or deprivation from large swathes of the Middle East and Africa, is an obvious case in point. A Europe lagging behind in research and innovation will be poorer, more dependent on others and more vulnerable to hybrid challenges. In all these areas, from economic to security affairs, Europeans need to join forces to be in a stronger position to shape their future.

Brace – Strengthening Europe's resilience and cohesion

Facing a more competitive and volatile world, Europe needs to brace to preserve not only its security and overall welfare but also its ability to effectively engage others and shape its strategic environment. The rise of state-driven capitalism and mercantilist trade practices challenges Europe's economic model and undermines the level playing field in matters of trade and investment. **To remain open, Europe needs to counter unfair trade and**

competition.[42] The **modernisation of trade defence instruments**[43] carried out in 2017 should be taken forward to tackle the full spectrum of practices that distort competition. As part of this effort, the recent **appointment of the first EU Chief Trade Enforcement Officer**, tasked with ensuring the implementation of obligations under free trade agreements by Europe's partners, should be welcomed.[44] At the same time, more resources should be made available at EU level to gain more insight into those economies whose non-transparent market conditions and practices, for example concerning dumping and subsidies or non-tariff barriers, may affect Europe's interests.

As the digital revolution is transforming the global economy, disclosing new opportunities for growth but also creating new risks and divides within and between countries, Europe must make sure that it has cutting-edge technology, assets and infrastructure.[45] While not closing down to competition, **Europeans should reduce their current overdependence on foreign technology and big tech companies**, in particular for 5G, cloud and other data infrastructure.[46] They should leverage the economic value of data generated in Europe, while protecting these data and data flows from undue access. With a view to that, the implementation of the European Commission's strategy for data is a priority, including **the creation of common European spaces for data sharing and processing that operate in line with Europe's regulatory requirements** and the General Data Protection Regulation (GDPR),[47] as recently proposed under the so-called European Data Governance Act.[48] Concerning

[42] Bjerkem, Johan, A New Agenda for Trade and Investment, Konrad Adenauer Stiftung and European Policy Centre, June 2020.
[43] Trade defence instruments mainly include anti-dumping and anti-subsidy measures.
[44] The mandate of the Chief Trade Enforcement Office includes a large range of activities to enforce trade rules, which are outlined here.
[45] Hobbs, Carla (ed.), Europe's digital sovereignty: From rulemaker to superpower in the age of US-China rivalry,

Essay Collection, European Council on Foreign Relations, July 2020.
[46] Aktoudianakis, Andreas, Fostering Europe's strategic autonomy. Digital sovereignty for growth, rules and cooperation, Konrad Adenauer Stiftung and European policy Centre, December 2020.
[47] The GDPR is the EU data privacy and security law, applying to any entity in the world that processes EU citizens' data.
[48] European Commission, Proposal for a Regulation of the European Parliament and of the Council on European

5G, important steps have been taken towards a shared diagnosis of risks and a shared set of risk mitigating measures – the EU Toolbox – to be applied at the national level. National positions are evolving, and various European countries have introduced or discussed further restrictions on Chinese companies building 5G infrastructure.[49] **Coordination should be tightened on the challenges related to 5G between public authorities and private operators across the EU.** The lesson learnt from the 5G conundrum, not least with a view to the development of the 6G network, is that the ultimate solution to ensure the security of vital digital infrastructure is that Europeans develop and deploy it at competitive prices and set related standards, including through cooperation with likeminded countries. The Commission has also proposed to work on a Transatlantic approach on protecting critical technologies, including 5G.

Strengthening the resilience of critical infrastructure against cyberattacks and hybrid threats is crucial to protect Europe's economy, societies and democracy.[50] This will require, among other measures, **expanding cybersecurity competences and capacities within the EU, further involving public and private actors to step up preparedness, strengthening coordination structures among EU bodies and member states, deepening cooperation with NATO, and developing a cyber deterrence posture to prevent and respond to cyberattacks**. The adoption of the first set of sanctions under the EU Cyber Diplomacy Toolbox in July 2020

marks an important first move.[51] The EU Cybersecurity strategy presented by the Commission and the High Representative in December 2020 envisages a number of important steps to strengthen Europe's resilience and technological sovereignty, build the operational capacity to prevent, deter and respond to cyber-attacks and advance an open cyberspace.[52]

Cyber and hybrid threats are part of a larger agenda to protect the security of the Union. On one level, that requires **strengthening arrangements for internal crisis management and solidarity**, from stockpiling relevant assets (such as medical equipment) to establishing high readiness intervention teams to back up national authorities under different contingencies, from border security to natural disasters. On another level, looking at the defence debate, there is a need to explore how EU member states can contribute more to each other's security in the event of an armed aggression on their territory, in application of the so-called mutual assistance clause (Article 42.7 TEU), while recognising the essential role of NATO in collective defence.[53]

Fostering Europe's strategic autonomy in security and defence requires **the progressive convergence of national strategic cultures**, so that respective priorities are framed not as competing ones but as different dimensions of a complex security environment that concerns all member states and requires close cooperation. The Strategic Compass process can make a significant contribution in that direction.[54] The completion in November 2020

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data governance (Data Governance Act), COM (2020) 767 final, 25 November 2020.

[49] Oertel, Janka, China: Trust, 5G, and the coronavirus factor, in Hobbs, Carla (ed.), Europe's digital sovereignty, op.cit. in note 45.

[50] European Commission, Communication on the EU Security Union Strategy, COM(2020) 605 final, 24 July 2020.

[51] The Cyber Diplomacy Toolbox is the framework for a joint EU diplomatic response to malicious cyber activities, including restrictive measures against cyberattacks.

[52] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 38.

[53] Grevi, Giovanni and Paul Ivan, Security and Defence Policy: Time to Deliver, Konrad Adenauer Stiftung and European Policy Centre, October 2020.

[54] Launched by EU defence ministers in June 2020, the Strategic Compass is due to be completed by the first half of 2022 and provide guidance for the identification of EU's goals and objectives in security and defence, and of corresponding requirements. See Fiott, Daniel, Uncharted territory? Towards a common threat analysis and a Strategic Compass for EU security and defence, EUISS Brief 16, July 2020; and Mölling, Christian,

of the analysis of the threats and challenges facing Europe – the first step in this process, and the first exercise of its kind carried out at EU level – sets the stage for a sharper definition of Europe's priorities and requirements in security and defence. **The next phase of work under the Strategic Compass will be organised under four so-called baskets – crisis management, resilience, capability development and partnerships.** Across all these dimensions, it will be important to ensure coordination and coherence between the contribution of the Strategic Compass and the multiple initiatives undertaken by the Commission and the European Defence Agency. This applies, among other fields, to building up resilience against a vast range of risks and challenges and to fostering Europe's investment in areas of technological innovation that carry security and defence implications.

Empower – Harnessing joint action

Europe is much more than the sum of its parts, even though it often performs as less than that because of disagreements among EU member states, or their reluctance to pool their resources. The EU, however, cannot afford the luxury of underperforming. Over time, failing to leverage Europe's power would undermine confidence in it, and in the vast potential of cooperation among member states. **EU member states should instead make full use of the potential of joint institutions, policies and resources to regain together the power that they have lost, or are losing, separately.**

The Single Market is Europe's core asset to cope with global competition, deploy its regulatory power and contribute to a rules-based international order. **Completing the Single Market and leveraging it is critical to sustain Europe's growth** and, therefore, to ensure that the EU remains a rule-maker, not a rule-taker.[55] From this standpoint**, establishing and enforcing a level playing field with economic partners and competitors** has quickly emerged as a top priority, and should be pursued as such.[56] The **White Paper on tackling foreign subsidies** published by the Commission in June 2020 highlights the many ways by which state support to public and private companies can distort the level playing field. Based on this diagnosis and on the intervening consultation process, it is important that the White Paper leads to the adoption of legal tools to redress these imbalances. **Making progress towards an international public procurement instrument should be part of this broader approach**. At the same time, the **early implementation of the new mechanism to screen foreign direct investment (FDI) within the EU should be watched** to ensure that relevant national authorities have sufficient capacity to perform their tasks and to assess whether EU bodies should have a bigger say in decisions concerning investment in sensitive economic sectors, which carry transnational security externalities.[57]

Pursuing digital sovereignty rests on eliminating the barriers that hinder competition and growth within the Digital Single Market (DSM), while calibrating the regulation of digital technology to both uphold EU values and spur much-needed innovation.[58] EU funding to foster research, innovation and infrastructure in the digital field under the next Multiannual Financial Framework (MFF) has been (moderately) expanded, while 20% of the Recovery and Resilience Facility is supposed to be allocated to the digital transition.

Torben Schütz et al., The EU Strategic Compass and its Four Baskets. Recommendations to Make the Most of It, DGAP Report No 13, November 2020.
[55] Bjerkem, Johan and Harbour, Malcolm (2019), Making the Single Market work: Launching a 2022 masterplan for Europe, Discussion Paper, European Policy Centre.

[56] Bjerkem, Johan, op.cit. in note 42.
[57] Ibid.
[58] Aktoudianakis, Andreas, op.cit. in note 46. Bauer, Matthias and Fredrik Erixon, Europe's Quest for Technology Sovereignty: Opportunities and Pitfalls, Occasional Paper 02/2020, ECIPE.

However, **overall EU expenditure on R&D is today below that of both the US and China**, while plans to focus spending on joint priorities through so-called projects of common European interest have delivered mixed results. This makes it **imperative to both create the conditions for more private investment in R&D and to focus public and private efforts in key sectors**, such as quantum computing, supercomputing and semiconductor technologies, as part of a new and future-oriented European innovation and industrial policy.[59]

Completing the DSM is essential to provide European companies, especially small and medium-sides enterprises (SMEs), with the incentives and opportunities to scale up their activities. With a view to that, the recently proposed Digital Markets Act will prove a milestone to regulate the gate-keeping practices of major on-line intermediaries and digital platforms; the Digital Services Act can provide the foundation for a European on-line ecosystem that is safe and transparent for its users, and the Data Governance Act will support data-sharing between large and small businesses, thereby enabling more competition and innovation in the DSM.[60] Concerning the regulation of AI applications through so-called conformity assessments, the EU will need to strike a delicate balance to avoid stifling innovation or precluding opportunities for cooperation in sectors where it needs to catch up, fast.[61]

The potential of cooperation among EU member states in the security and defence field is as self-evident in theory as neglected in practice. The EU is of course not the only framework through which Europeans can join forces to develop their military capabilities and operational capacity. However, **defence cooperation at EU level can and should**

make a decisive contribution to empowering Europeans to be more strategic, more autonomous, and stronger partners in security and defence matters.[62] While steps have been taken, the road ahead is long and bumpy. This is an area wherein, 20 years after the launch of CSDP, Europeans still lack some key strategic enablers and the will to use them, remaining largely dependent on American support. Given the persistently low levels of spending on defence research and technology, Europeans are at risk of falling further behind at a time when cutting-edge technologies are reshaping military affairs. This is an unhealthy situation for both Europe and America. **Following the establishment of innovative tools for European defence cooperation over the last three years – Permanent Structured Cooperation (PESCO), the Coordinated Annual Review on defence (CARD) and the European Defence Fund (EDF) – this is the time to deliver**.

The drastic cut to the funds allocated to security and defence under the next MFF will affect efforts towards a higher degree of strategic autonomy for Europe in security and defence. However, particularly at a time of pressure on defence budgets given the economic impact of the pandemic, the value of these additional resources should not be underestimated. If well targeted, they can still enable collaborative efforts in defence research and capability development that would have been otherwise smaller and more fragmented or would not have materialised. Besides, while money of course matters, **what is needed is a step change in the mindset of member states to truly coordinate their national defence planning and connect that to EU collaborative frameworks and efforts**. Taken together, the recent 2020 CARD Report and the outcome of the PESCO strategic

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[59] In September 2020, the Commission has proposed a new Regulation to invest €8 billion in the next generation of supercomputers, which are regarded as a critical enabler of the entire EU digital infrastructure. In December 2020, 18 member states announced their commitment to work together to reinforce European

capabilities on processors and semiconductor technologies.
[60] Aktoudianakis, Andreas, op.cit. in note 46.
[61] Bauer, Matthias and Fredrik Erixon, op. cit. in note 58.
[62] Grevi, Giovanni and Paul Ivan, op. cit. in note 53.

review offer practical recommendations to improve the focus and effectiveness of member states' cooperation, while underscoring the importance of coherence between different EU defence initiatives.[63] At the same time, the EU capability development process should be more closely coordinated with NATO's, ensuring that the results empower both organisations within their respective mandates. Besides, capabilities are not enough to achieve a real capacity to act. Member states, or at least a group of them, need to commit to setting up an integrated force package for robust crisis management operations.

Building on the threat analysis completed in November 2020, **the Strategic Compass process should provide new momentum to better define and update the range of military tasks that Europeans want to be able to carry out together. In particular, the output of the Strategic Compass should bring more coherence and sense of priority to the EU arrangements for defence cooperation and provide a strong link between EU-level shared targets and national defence policies and planning**.

Engage – Shaping a rules-based international order

Bracing and empowering Europe are not just preconditions for coping with competition and counter threats and challenges. They are also prerequisites for Europeans to engage with partners with a clear sense of priority and adequate resources to help preserve stability and shape a rules-based international order. **Across multiple fields of action, the election of Joe Biden paves the way for dialogue and cooperation with the US and to reinforce the transatlantic partnership and multilateralism**, as reflected in the set of

proposals set out by the Commission and the High Representative.[64] Although translating these proposals into concrete measures will inevitably face various tests, this initiative shows that a stronger sense of purpose coming from Europe can be a building block for a renewed partnership with the US.

While tackling unfair trade practices, **the EU should continue to pursue a forward-leaning agenda to broaden trade and investment links**, and to strengthen multilateral trade regimes. At the bilateral level, the EU should continue to expand the network of its free trade agreements, while ensuring that they contribute to meeting EU objectives concerning, in particular, the two big axes of Europe's transition – digital and environmental – through regimes ranging from data privacy to health and environmental standards. **At the transatlantic level, Europeans and Americans should quickly identify concrete deliverables**, such as the elimination of industrial tariffs and convergence on products' standards, while **deepening their dialogue on strengthening the international level playing field on issues like subsidies and investment regimes**. With a view to addressing these and other issues, such as the regulation of new technologies and securing supply chains, the Commission has called for the establishment of a new EU-US Trade and Technology Council (TTC). Besides, the EU should not only continue to invest in but also expand frameworks for cooperation among likeminded countries, such as the trilateral EU-US-Japan dialogue on industrial subsidies. At the same time, the EU should involve the upcoming Biden administration as well as the other major stakeholders of the multilateral trade regime in **renewed efforts to reform the WTO and re-activate its dispute settlement system**. **The EU should also continue to pursue the complex negotiations towards a**

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[63] See the 2020 CARD Report, 20 November 2020, and Council of the European Union, Council Conclusions on the PESCO Strategic Review, 13188/20, 20 November 2020.

[64] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 2.

bilateral investment agreement with China, in the context of an increasingly contested relationship that encompasses cooperation, competition and rivalry.

If Europeans succeed in spurring technological innovation and growth through the Single Market, the EU can continue to play a leading role in fostering international digital governance regimes. **The impact of the GDPR in shaping the international governance of personal data privacy**, with third countries and foreign companies adapting to EU rules to do business in the Single Market, proves the influence of Europe's regulatory power in digital matters. This example, however, also highlights the difficulty of reconciling multiple priorities concerning both Europe's own goals and relations with major partners. For one, following the invalidation of the EU-US Privacy Shield agreement on data flows by the European Court of Justice in July 2020, **defining a new regime for data transfers between these two huge markets is likely to remain a controversial issue on the transatlantic agenda**.[65] For another, at a broader level, the question is how to wield Europe's regulatory power to balance the objectives of data protection and data access in ways that do not curb the potential for growth and innovation powered by data flows among major economies.

On the transatlantic front, **the EU will also need to engage the Biden administration early on concerning the difficult issue of the taxation of digital companies**. The aim is to find convergence on a multilateral regime that ensures that these companies pay more taxes where they generate profit. This should be part of **a broader framework for engagement with the US on digital issues, which could include, alongside the proposed EU-US TTC, a multi-stakeholder transatlantic**

digital dialogue.[66] In parallel to that, **the EU should continue to pioneer a governance approach to AI based on fundamental human rights, transparency and accountability** and, on that basis, work with the US and others on the international stage. The EU's approach has already informed work on ethical principles for AI at the OECD and G20 level but there is little prospect for inclusive, multilateral agreement to translate broad principles into binding rules in a context of growing geopolitical competition. Faced with the likely scenario, and severe risks, of a growing governance deficit concerning AI, **the EU should stay the course and pursue governance innovation through multiple initiatives at once**. These can encompass binding minilateral regimes involving likeminded partners, looser arrangements based on national commitments and subject to regular reporting on their implementation, multi-stakeholder codes of conduct and other tools. Through this engagement, **the EU could make an essential contribution to a body of governance arrangements which could pave the way to a deeper and more inclusive multilateral regime**, if and when the political conditions arise.

Besides advancing Europe's values and interest, strengthening digital governance is also a major component of Europe's broader security agenda, given the threat of the weaponisation of digital interdependence. A more strategic and more autonomous Europe, able to contribute much more to its security and to international stability, would also be a more credible partner for others, notably the US. **By advancing their capacity to act, which is essential to strategic autonomy, Europeans will be able to work more effectively through NATO, other multinational institutions or coalitions, as well as on their own.** Europeans should ensure that the capability development

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[65] Entered into force in August 2016, the EU-US Privacy Shield is the framework concerning the protection of the personal data of Europeans transferred to the US for commercial purposes.

[66] Aktoudianakis, Andreas, op.cit. in note 46. For a proposal on the parameters of a possible deal between the US and Europe concerning digital issues, see "The new grand bargain", *The Economist,* 21 November 2020.

processes of the EU and NATO are consistent and mutually reinforcing and should **better define the scope and objectives of the so-called European pillar within NATO**. The EU and NATO should also deepen their current cooperation to counter hybrid and cyber threats, enhance maritime security and strengthen the security and resilience of their partners.[67] At the same time, the proposal by the Commission and the High Representative for an EU-US Security and Defence Dialogue should be developed further, exploring how to better connect respective agendas through a comprehensive approach to security.[68]

With a view to working with partners, and despite the fact that its budget has been halved under the deal on the next MFF reached in July 2020, the newly agreed European Peace Facility (EPF) will bring additional resources to EU efforts.[69] These should include **work towards modular security partnerships** encompassing, as relevant, security sector reform, training, capacity building, intelligence, countering organised crime, counter-terrorism and de-radicalisation and strengthening the partners' resilience to cyber and hybrid threats.[70] The aim to develop an EU External Cyber Capacity Building Agenda to focus and coordinate relevant activities by EU bodies and member states fits this approach to engage with partners.

Conclusion

In a highly interdependent world, no power, no matter how mighty, is an island. No one country is in the position to accomplish its goals independently from all others. A pivotal international actor, however, should be able to

define those goals and, more broadly, to express a vision of its place and role in the world. **This is arguably the deepest meaning of Europe's strategic autonomy: not acting alone, or parting from others, but expressing a sense of purpose in the world, defining clear priorities, and developing a stronger power base to work with others and respond to threats and challenges.**

The debate on strategic autonomy (re-) emerged amid the crisis of the European and transatlantic order in 2016, triggered by Brexit and Trump's election. It has evolved in the face of the growing superpower rivalry between the US and China, and has taken new urgency with the impact of the COVID-19 crisis, which has accelerated competition and disrupted globalisation. Recently, the debate has focused on the implications of the US elections for Europe's strategic autonomy. While these trends and momentous events are of systemic importance for the EU, whether as challenges or, in the case of Biden's victory, opportunities, the debate on strategic autonomy should not be mainly reactive to developments. **Fostering strategic autonomy should be a proactive endeavour.** Advancing Europe's strategic autonomy is a necessary complement to European integration, because the future of the latter will depend to a considerable extent on Europe's ability to cope with global trends and related challenges. Based on this understanding, **the idea that advancing Europe's strategic autonomy detracts from the transatlantic partnership appears artificial**. The strength of the partnership lies in Europe and the US sharing the same fundamental values as well as broad

[67] Gustav Lindstrom and Thierry Tardy (eds.), The EU and NATO. The Essential Partners, EU Institute for Security Studies, August 2019.

[68] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 12.

[69] The European Peace Facility is a financial instrument that is not be part of the EU budget but relies on the contributions of EU member states, in proportion to their GDP. It will enable the financing of operational action with military or defence implications under the CFSP. The EPF builds on the off-budget Athena mechanism for

the financing of the common costs of CSDP operations, and on the African Peace Facility, while applying to a broader geographical scope and to larger range of measures than the latter, including the provision of military equipment.

[70] See, for a recent proposal focused on Eastern partnership countries, Popescu, Nicu and Gustav Gressel, The best defence: why the EU should forge security compacts with its Eastern neighbours, Policy Brief, European Council on Foreign Relations, November 2020.

political and economic models, which provide the bedrock for wide-ranging engagement based on respective priorities between "two self-standing, indispensable partners and allies".[71] It will not always be smooth sailing for the transatlantic ship, because positions sometimes differ, but the ambition to take the longer view, deepen dialogue and identify concrete deliverables is surely to be encouraged.

Europe's proactive agenda does not start from scratch but needs to be empowered further. The EU and most of its member states are often mocked as the last herbivores in a world of carnivorous powers. The fact that Europeans should 'learn the language of power' and take more responsibility for their security does not mean, however, that they should endorse the logic of power politics that others celebrate. The EU is a power and wields power on various crucial dimensions of international affairs. It must be willing and able to flex its muscles when need be, from asserting its interests in regional geopolitics to broader issues of geo-economic competition or countering authoritarian interference. But it should also continue to build on its unique selling point as a liberal-minded international actor pursuing rules-based cooperation to mitigate unfettered globalisation and dial down geopolitical tensions, when possible. **This is not about being a referee, but a smart power operating in a multipolar and interdependent world, where relations between major powers feature a mix of competition, cooperation, and confrontation.**

Strategic autonomy is not a goal per se, but rather the broad organising principle through which the EU and its member states can define shared priorities and take action to pursue them. The overarching priorities for the EU in the years to come – steering the digital and environmental transitions and the post-pandemic economic recovery though cooperation at EU and, where possible, multilateral level – speak to an audience that goes well beyond Europe. Pursuing these priorities requires a more strategic use of Europe's rule-making power to shape digital regimes, accelerate progress towards carbon neutrality and establish a fair level playing field for trade and investment, while completing the Single Market. Fostering strategic autonomy is therefore related to major debates that the current pandemic has only made more pressing, such as those concerning the role of the state, and international cooperation, in delivering public goods and in regulating globalisation. **By advancing its strategic autonomy, Europe should acquire a stronger position to manage interdependence amidst geopolitical competition – arguably the defining challenge of our times**.

Dr. Giovanni Grevi, Senior Associate Fellow, European Policy Centre

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[71] European Commission and High representative of the Union for Foreign Affairs and Security Policy, op. cit. in note 2.

This paper is part of the joint EPC-KAS project on "Fostering Europe's strategic autonomy: priorities for action" that runs throughout 2020 and aims to outline a concrete agenda to strengthen Europe's role in the world and its sovereignty.

In an increasingly competitive and volatile international environment, Europe needs a stronger power base to uphold its values and interests, confront challenges, engage with partners, and support rules-based cooperation. To attain these goals, the European Union needs to become a more strategic and autonomous actor on the global stage.

Pursuing strategic autonomy is ultimately about empowering Europeans to take and implement decisions to advance their priorities in cooperation with others, where possible, and on their own, if needed. This is essential to reinforce European sovereignty – Europe's ability to shape its future.

Progress towards strategic autonomy requires concerted action across various domains, including Europe's economic power base, technology and innovation and security and defence. This project encompasses activities targeting each of these areas, with a view to defining priorities for action for Europe in a challenging global context.