



PROGRESSIVE PATHWAYS TO EUROPEAN STRATEGIC AUTONOMY

**HOW CAN THE EU BECOME MORE
INDEPENDENT IN AN INCREASINGLY
CHALLENGING WORLD?**

ABSTRACT

The debate on European strategic autonomy (ESA) has gained new momentum with Russia's invasion of Ukraine, even though the idea of European autonomy has been present throughout the history of EU integration. The main idea behind the concept of ESA is the EU's ability and means to enhance its freedom from a set of external dependencies – and also to enhance its freedom to conduct its policy autonomously and in line with its fundamental values and interests. Yet does the EU have the capacity and agency to set priorities and make decisions autonomously in its external action? What political, institutional, and material steps are needed to achieve strategic autonomy? Guided by these questions and in search of a progressive answer to them, FEPS, the Fondation Jean-Jaurès and the Friedrich-Ebert-Stiftung conducted a research project looking into three policy domains in which it is vital for Europe to attain the necessary freedom and wherewithal to pursue this objective of ESA: security and defence, economy and trade, and digital and technology. This policy brief summarises the main findings of our ESA research project. Overall, Europe must adapt to the new and challenging global realities. To do this, the EU needs to act with more unity and coordination in different domains, as well as to build resilience and reduce its external dependence on certain fundamental resources.



AUTHORS

DR ALINE BURNI

Policy Analyst on
International Relations
FEPS

EDWARD KNUDSEN

Doctoral Researcher in
International Relations
University of Oxford &
Affiliate Policy Fellow
Jacques Delors Centre (Berlin)

JUSTIN NOGAREDE

Senior Policy Officer
Friedrich-Ebert-Stiftung's
Competence Centre on
the Future of Work

DR NICOLETTA PIROZZI

Head of Programme on
European Union and Institutional
Relations Manager
Istituto Affari Internazionali (IAI)

DR DAVID RINALDI

Director of Studies and Policy
FEPS

**FRIEDRICH
EBERT
STIFTUNG**

Fondation
Jean Jaurès

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



**THE FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES (FEPS)**

European Political Foundation - N° 4 BE 896.230.213
Avenue des Arts 46 1000 Brussels (Belgium)
www.feps-europe.eu
@FEPS_Europe

IN PARTNERSHIP WITH



**FRIEDRICH-EBERT-STIFTUNG
EU-OFFICE BRUSSELS**

Rue du Taciturne 38, BE-1000 Brussels (Belgium)
<https://brussels.fes.de>
@fes_brussels



FONDATION JEAN JAURÈS

12 Cité Malesherbes, 75009 Paris (France)
www.jean-jaures.org
@j-jaures



This Policy Brief was produced with the financial support of the European Parliament. It does not represent the view of the European Parliament.

Copy Editing: Nicky Robinson
Cover Photo: Shutterstock.com

TABLE OF CONTENTS

Introduction 4

Security and defence 5

Economy and trade 8

Digital and technology 12

Conclusions 15

Endnotes and References 16

About the authors 17

On similar topics 21



Introduction

The debate on European strategic autonomy (ESA) and how to give it real bite was already intense in both the internal and external affairs of the European Union (EU) prior to Russia's invasion of Ukraine. However, the massive consequences of the invasion have now led to a meteoric rise in the relevance and urgency of this debate. The concept of ESA started to evolve in 2020, under the impulse of Vice President of the European Commission and High Representative of the European Union for Foreign Affairs and Security Policy Josep Borrell,¹ when it became a compelling framework for EU action beyond the defence and security domain. Today there is no doubt that the Russia-Ukraine war that is now taking place on the EU's doorstep represents a defining moment for the international security setting and for the EU as a security provider both at home and in its neighbourhood. However, the war also has significant repercussions within Europe's borders in several other domains – from energy and food security to the rising cost of living, as well as the much-needed solidarity with refugees. In sum, the political debate on ESA has gained new momentum with Russia's invasion of Ukraine, as the repercussions of this war have raised fundamental questions about the EU's leverage over the United States, China, and Russia as an energy provider, in particular, as well as about the EU's dependence on these countries.

The narrative on European strategic autonomy, and thus the need for Europe to become more independent and autonomous in its decisions and actions, was on the agenda before the Russia-Ukraine conflict. At the time, it was mostly promoted by France and by the European Commission led by Ursula von der Leyen – who committed at the start of her Commission presidency in 2019 to turning the EU into a stronger and more relevant geopolitical actor.

However, the idea of European autonomy has been present throughout the history of European integration. The first official document containing the term 'strategic autonomy' appears to be the European Council conclusions of December 2013 on the EU's common security and defence policy (CSDP). These conclusions describe a need for a "European defence technological and industrial base" that could "enhance its [the EU's] strategic autonomy and its ability to act with partners".² Another document featuring strategic autonomy was the 2016 EU Global Strategy. Since then, the term 'strategic autonomy' has appeared regularly, expanding from its initial application just to security and defence to a broad range of other policy fields.

"The main idea behind the concept of ESA is the EU's ability and means to enhance its freedom from a set of external dependencies – and also to enhance its freedom to conduct its policy autonomously and in line with its fundamental interests."

The main idea behind the concept of ESA is the EU's ability and means to enhance its freedom from a set of external dependencies – and also to enhance its freedom to conduct its policy autonomously and in line with its fundamental interests. Yet does the European Union have the capacity and agency to set priorities and make decisions autonomously in its external action? What political, institutional, and material steps are needed to achieve strategic autonomy? Guided by these pressing questions and in search of a progressive answer to them, the Foundation for European Progressive Studies (FEPS), in partnership with the Fondation Jean-Jaurès and the Friedrich-Ebert-Stiftung EU-

Office Brussels, conducted a research project between 2020 and 2023 looking into three critical policy domains in which it is vital for Europe to attain the necessary freedom and wherewithal to pursue this objective of ESA. The three policy domains are:

- security and defence
- economy and trade
- digital and technology.

This aim of this policy brief is to summarise the discussions and main findings of our ESA research project. The policy brief is divided into three sections, each summarising the recommendations put forward on each of these three policy domains. Overall, it is abundantly clear that Europe must adapt to the new and challenging global realities. In order to do this, the EU needs to act with more unity and coordination in different domains, as well as to build resilience and reduce its external dependence on certain fundamental resources, such as energy, supply chains and technology. Accelerating the digital and green transitions is therefore crucial for Europe's strategic autonomy, although these transitions should be conducted in a way that does not create new dependencies (e.g. on suppliers of raw materials).

Security and defence

The notion of autonomy has been present in the EU's external policy ambitions for decades, although not under the same label. In December 1999, the conclusions of the European Council in Helsinki set the scope of autonomy as the objective of the EU's Common Security and Defence Policy (CSDP), specifying the Headline Goals, which stated that the EU should be able to deploy up to one army corps (50-60,000 soldiers) within 60 days and to sustain the deployment for at least one year. Despite this

clearly defined ambition, which was followed by the establishment of mechanisms and institutions in the field of security and defence, the EU has not been able to make it a reality. To a large extent, this can be explained by the lack of operationalisation linked to decision-making limitations imposed by the EU foreign policy framework, enduring deficiencies in coordination and integration at the EU level, and the frequently diverging geopolitical and security interests of EU member states.

In recent years, the EU has given some much-needed political impetus to European cooperation in this area, including the launch of a Permanent Structured Cooperation (PeSCO) in the field of defence, better coordination among national defence policies through Coordinated Annual Review on Defence (CARD) mechanisms, the creation of an €8 billion European Defence Fund (EDF) and an off-budget European Peace Facility (EPF) to provide military support to partners. Also, military integrations have been realised in smaller constellations outside the EU framework (e.g. the European Intervention Initiative, EI2). Recently, the adoption of the Strategic Compass for Security and Defence in March 2022 confirmed the willingness of member states to strengthen their political-military commitment to building a European defence, especially in light of the challenge posed by the Russian invasion of Ukraine. The European Commission, for its part, presented an ambitious defence package in May 2022 that aims to introduce several measures regarding the procurement of weapon systems at the EU level. But the time has come to produce more tangible results, not least to avoid losing the current momentum.

To explore the more tangible meanings and concrete steps to achieve strategic autonomy in the field of security and defence our ESA research project convened a group of experts from across

Europe to discuss four key components of such autonomy: the institutional and policymaking architecture, capability planning and development, the civilian dimension of security, and international partnerships. Policy briefs on these subjects were written by Pol Morillas (Barcelona Centre for International Affairs), Sven Biscop (Egmont Institute and Ghent University), Ana E. Juncos (University of Bristol), and Claudia Major (Stiftung Wissenschaft und Politik) and Alessandro Marrone (Istituto Affari Internazionali), respectively.

As a general framework for the analysis, strategic autonomy has been interpreted as a multidimensional concept. While security and defence correspond to a key dimension, strategic autonomy also encompasses other policy domains, such as trade, industrial, digital, economy, migration, energy, and health. The war in Ukraine has given a greater sense of urgency for the EU to develop its abilities and capacities to rapidly respond to threatening situations and protect its own security and interests. On top of other recent security developments, such as the sudden withdrawal of the West from Afghanistan in 2021, the war in Ukraine has also been a wake-up call that has forced Europe to rethink its security architecture, its real capabilities, and its relations with partners. As Morillas underlines, “European strategic autonomy is about having the necessary means to achieve pre-defined foreign policy objectives, while cooperating with partners or acting alone if necessary”. To put it differently, strategic autonomy is about turning a foreign policy strategy into concrete and effective action and relying on the EU's own capability when needed. For Sven Biscop, the dimension of strategic autonomy that must and can be acted upon in the very short term is “the projection of military force outside the borders of the EU”. However, strategic autonomy does not imply that collaboration with others should be terminated. On the contrary, as

Major and Marrone argue in their policy brief, partnerships can be essential to increase the EU's capacity to act by pooling resources that allow the achievement of objectives that can only be attained together. The current challenge, however, as these two authors show, is that the EU has not used its partnerships effectively. Such partnerships are numerous but remain fragmented and with little direction, just like the overall external policy strategy of the European Union.

“The EU should expand the objective of strategic autonomy to the whole of its external action, promoting coherence and a joined-up approach.”

In the policy brief entitled “An architecture fit for strategic autonomy: institutional and operational steps towards a more autonomous EU external action”³, Morillas argues that strategic autonomy cannot be attained without an adequate institutional and policymaking framework. He begins by identifying three existing institutional shortcomings for strategic autonomy. First, the political paralysis at the EU level, which is linked to the intergovernmental, consensus-based process of EU foreign policy decision-making in which there is often a veto by one or more member states. Second, the divisive and distracting discussions on qualified majority voting (QMV) in foreign and security policy, since it is not clear whether and how QMV would contribute to the goal of strategic autonomy and the adoption of QMV in foreign policy would require Treaty changes in the first place – which again require unanimity for adoption. Third, the limiting focus on security and defence when implementing European strategic autonomy. Based on this assessment, the author proposes several steps to achieve

strategic autonomy. First, the EU should expand the objective of strategic autonomy to the whole of its external action, promoting coherence and a joined-up approach. Second, it is necessary to secure the buy-in of member states in the processes leading to strategic autonomy. Third, the operationalisation of strategic autonomy should be advanced through the promotion of thematic and regional steps, focusing on where it is most needed and where the best capabilities exist. Fourth, more integration and leadership at the European level are needed, by fostering political consensus at the highest level and by promoting a strategic autonomy *esprit de corps*. Finally, some flexible methods of cooperation and integration should be used in the operationalisation of strategic autonomy – for example, the participation of third countries in specific policies and projects.

In the policy brief entitled “Strategic autonomy: not without integration”⁴, Sven Biscop develops an idea that is underlined in all the other policy briefs: European integration is a necessary element for a strategic and autonomous Europe. He argues that although previously announced as a goal, the fundamental definition of strategic autonomy as “the projection of military force outside the borders of the EU” has not been achieved basically for political reasons. However, strategic autonomy is more urgent than ever because the US is increasingly likely to prioritise Asia over Europe, while at the same time the broad neighbourhood of the EU, ranging from the Sahel to the Gulf, the Caucasus and eastern Europe has become more unstable since the CSDP was created. While strategic autonomy demands military capabilities and an adequate decision-making apparatus, it is also a mindset composed of five elements. The EU institutions and member states therefore need to integrate these five elements as a precondition for strategic autonomy: 1) that the EU is a global player and a great power in the same league as

the US, China, or Russia; 2) that the EU takes the lead in stabilising its own periphery; 3) that the only meaningful level of ambition is still the Headline Goals defined in 1999; 4) that autonomy can only be achieved at a European level and by pooling European efforts; 5) that autonomy requires integration, meaning the integration of national forces into permanent multifunctional formations that constitute comprehensive force packages. The author makes it clear that to achieve strategic autonomy, military integration needs to be implemented, but this does not necessarily mean forming a European army. Instead, military integration can be achieved with the combination of national capabilities. In conclusion, the five elements need to be integrated into the mindsets of the EU and its member states, even if the action starts with a framework outside the EU, to be later expanded to the European level.

In “Elevating the EU’s added value as a security provider: strengthening the Union’s peacebuilding capabilities”⁵, Ana E. Juncos starts from the assessment that debates on European strategic autonomy have narrowly focused on the military and defence dimensions. She argues that the EU’s strength in the areas of conflict prevention, mediation, post-conflict peacebuilding, and resilience-building ought to be the starting point of strategic autonomy, because the EU already has competitive advantages and a recognised legitimacy in these fields. However, the development of the EU’s military capabilities should then be carried on by foregoing its civilian contribution to international security, an area in which the EU and its member states can and should strengthen their engagement, ensuring better coordination – including with other multilateral bodies, like the UN – and the commitment of member states to their declared goals. To do this, the author recommends that member states strengthen the EU’s mediation, conflict prevention, and civilian

CSDP capabilities, and that member states fulfil their pledges to match the ambitions of the EU in those areas. In addition, more coordination is needed – on one side, among different external action policy fields, such as the nexus between climate and security; and on the other side, with other international actors, like the UN.

Finally, in the policy brief entitled “Partnerships and European strategic autonomy: how to turn them into a win-win approach”⁶, Claudia Major and Alessandro Marrone complement the discussions on strategic autonomy by showing the relevance of (effective and well-defined) partnerships. They argue that strategic autonomy is not about autonomy from someone, but rather about autonomy to do something by developing and using, as Europeans, the necessary capabilities in partnership as far as possible with others. Furthermore, they argue that such partnerships are fundamental for advancing European goals. Starting from the assessment that EU partnerships are numerous, fragmented, and currently lack a clear direction, Major and Marrone argue that the EU should prioritise and push forward the partnerships with the North Atlantic Treaty Organisation (NATO), the United States, and the United Kingdom. The reasons are NATO’s powerful mandate and membership, the unique American global military power, and the importance of the UK for European security because of the UK’s military and industrial linkages with EU countries. Each of these priority partnerships has its specificities, but they are complementary and mutually reinforcing, which means progress in one partnership would likely benefit the others by fuelling a positive momentum. Another important element of the authors’ discussion is that for an engagement in successful partnerships with these key allies, it is necessary to analyse their interest in cooperating with the EU, the likelihood of beneficial cooperation, and to identify what the EU can bring to the partners. The starting point

for all of this ought to be a clearly defined EU interest.

To achieve strategic autonomy, all four policy briefs in this cluster stress the crucial importance of further integration in the domain of security and defence, the convergence of interests among EU institutions and member states, more flexible and efficient institutional frameworks, and a clear definition of the EU’s interests and goals in its external action, including vis-à-vis its strategic partners. Although the progress made so far remains insufficient, the discussions presented as part of this research project put forward the idea that it is realistic and desirable to rely and build on mechanisms and arrangements that have already been initiated and that already exist in order to push strategic autonomy further. The unstable and threatening international security environment not only makes it urgent for the EU to finally exercise strategic autonomy, but it also provides the momentum for the EU to do so.

Economy and trade

The importance of economic instruments for projecting geopolitical power – already a growing trend during the 2010s – became unmistakably clear after Russia’s invasion of Ukraine in February 2022, when suddenly the full economic weight of the Western democracies was brought to bear upon Putin’s regime. Financial sanctions, export bans, reductions in imports of key commodities, and suspension from international institutions were just some of the wide-ranging measures implemented in order to curb Russia’s means to support an unacceptable invasion of a sovereign state. These coordinated and swift actions demonstrated the EU’s ability to employ economic tools to ensure its political sovereignty and to wield its power abroad. But when it comes to applying an

ESA approach to economic policy, there is much more to it than only ensuring the presence of effective tools that support the EU foreign and geopolitical agenda; within our Union we still need to work on building a stronger economic and monetary union that is able to underpin the strength of European common positions in the international sphere. This now becomes even more relevant with the bold economic moves from the United States – such as the CHIPS and Science Act and the Inflation Reduction Act – which show that even close partners are flexing their economic muscle and prioritising domestic manufacturing. These developments underscore the fact that the increasingly challenging geopolitical environment demands that the tools of EU economic sovereignty be sharpened across multiple dimensions.

“The increasingly challenging geopolitical environment demands that the tools of EU economic sovereignty be sharpened across multiple dimensions.”

To explore these different dimensions further, our ESA research project convened a group of experts from across Europe to discuss five key areas of strategic economic autonomy: trade, industrial policy, sanctions, the international role of the euro, and development policy. Policy briefs on these subjects were written by Elvire Fabry (Jacques Delors Institute), Sebastian Dullien (IMK Macroeconomic Policy Institute) and Jonathan Hackenbroich (European Council on Foreign Relations Alumni), Elina Ribakova and Benjamin Hilgenstock (Institute of International Finance), George Papakonstantinou (European University Institute), and Olumide Abimbola (Africa Policy Research Institute) respectively. These five policy briefs are the result of exchanges that underlined the importance of

boosting the EU’s economic autonomy given the increasing tensions in international politics. In turn, the authors provided concrete policy recommendations that can be applied in the short, medium, and long term. The authors also pointed out opportunities for working with key partners, but also areas where interests on either side of the Atlantic may diverge.

On the subject of international trade, Elvire Fabry outlines the history of EU trade policy in her policy brief entitled [“Leveraging trade policy for the EU’s strategic autonomy”](#)⁷. She highlights how for decades EU trade policy was mistakenly disconnected from broader strategic objectives. However, this approach has changed in recent years – for example, with the publication in February 2021 of the EU’s trade policy review “An Open, Sustainable and Assertive Trade Policy.” Instead of viewing trade as a goal in and of itself, the review highlights the importance of trade for accelerating the green and digital transitions, including bolstering supply chain resilience in the wake of the Covid-19 crisis. The author also points out how Putin’s invasion of Ukraine has added a critical geopolitical impetus to the EU’s long-term goals. In addition to the threat posed by Russia, Fabry’s policy brief outlines the evolution of Europe’s approach to China. While its earlier approach was more benign, the EU now views China “simultaneously as a partner for cooperation and negotiation, an economic competitor and a systemic rival.”⁸

Although these developments have made the EU more aware of the risks of overreliance on global trade, international commerce is still a vital part of the European economy, with the ratio of extra-EU exports currently standing at 15% of GDP (roughly double that of the US). Fabry’s policy brief therefore proposes several policy goals that take both these considerations into account. The policy goals include increasing the supply chain monitoring

capacity of the EU; restoring the EU's ability to ratify new trade agreements; and promoting international standards in an expansion of the 'Brussels effect'⁹.

Closely related to the topic of international trade, Sebastian Dullien and Jonathan Hackenbroich explore how the EU can craft a new industrial policy to boost economic growth and assert itself geopolitically. In their policy brief ["European industrial policy: a crucial element of strategic autonomy"](#)¹⁰ they point out that earlier approaches – which largely relied on a benign geopolitical environment, assumed limited economics of scale, and stressed the importance of a 'level playing field' – are now outdated. Instead, the EU needs a new approach due to the increasing use of economic leverage for geopolitical ends, the crucial relevance of systemically important technology companies, and the need for globally competitive firms in a tense geopolitical environment.

The authors state that a future policy direction in industrial policy must stress key industries and recognise the importance of network effects and clustering. Given the concentration of innovative firms in non-European cities like San Francisco and Shanghai, the EU must strive to create its own high-tech 'clusters'. Importantly, however, industrial policy should focus on *emerging* industries, rather than merely subsidise existing ones. To do this, the EU can provide key infrastructure, engage in strategic public procurement and strategic regulation, intervene in attempted foreign takeovers of key enterprises, and participate in large-scale investment that the private sector may not be willing to support. Importantly, the individual industrial policies of the 27 member states must be coordinated and supported at the EU level – otherwise the strategic potential of the combined actions could be squandered.

In a topic that has been thrust into the spotlight in recent months, Elina Ribakova and Benjamin Hilgenstock discuss how the EU can respond to international economic coercion and become a more effective player in imposing sanctions. In their policy brief ["Countering economic coercion: how can the European Union succeed?"](#)¹¹ the authors point out that while Russia has dominated the headlines with its efforts to exploit economic dependencies for geopolitical ends, this dynamic is actually part of a more longstanding trend, with China and the United States engaging in similar behaviour in recent years. Accordingly, while the US and EU are largely aligned on their Russia policy, Europe must be prepared for future transatlantic tensions on sanctions (such as when the Trump administration withdrew from the Iran nuclear deal). In order to develop specific policy recommendations, the authors distinguish between three types of economic coercion: trade-related measures such as tariffs and embargoes; finance-related tools such as financial sanctions and access to international payments systems; and technology-related measures such as export controls or licensing restrictions.

Currently, the EU is caught in several asymmetrically dependent relationships that threaten its autonomy. First, the centrality of the US financial system gives it unparalleled power to impose sanctions. While this has been to Europe's benefit in creating a united front against Russia, it also imposes risks for EU firms if transatlantic policies diverge and the EU is re-exposed to unilateral secondary sanctions. Additionally, energy dependence on Russia has proven to be a major liability for Europe, with skyrocketing prices in the wake of the invasion of Ukraine making this all too clear. To address these issues, the authors argue that the first order of business must be to tackle strategic dependencies by diversifying energy sources,

developing alternative payment systems, and bolstering the EU's blocking statute.

Meanwhile, the subject of the internationalisation of the euro underpins many of the efforts in the previous three policy domains. In his policy brief "How can the EU reinforce the international dimension of the single currency and how can this be used to enhance the EU's strategic autonomy?", George Papakonstantinou first outlines the current role of the common currency in international debt, transactions, and central bank reserves. He finds that, in most measures, the euro is in a strong second place compared to the US dollar. Importantly, too, public support for the euro is high and the issuance of common European debt in the wake of the Covid-19 crisis shows that rapid progress in strengthening the political and economic foundations of the euro is possible.

However, the author argues that the EU *should not* seek to completely displace the dollar as the world's global reserve currency. Such a step is not likely to be politically and economically feasible, nor is it necessary to defend the EU's interests. Rather, the EU should seek to broaden the euro's international use in order to promote economic growth and geopolitical autonomy. To do this, the EU must finalise a banking union with a common deposit insurance scheme, build a capital markets union, add sufficient fiscal capacity, and issue more common debt. The EU can also promote the euro in cross-border transactions, and the ECB should increase the use of swap lines. These steps are vital because a more widespread use of the euro globally would create positive spill over effects in trade, industrial policy, and international economic coercion.

Finally, in his policy brief "A five-point agenda for how development cooperation can support the EU's strategic autonomy" Olumide

Abimbola explores how the EU can use its development policy to strengthen economic sovereignty and build productive partnerships, particularly with Africa. He points out that while the EU is the single largest contributor of Official Development Assistance (ODA) in the world, truly strategic thinking has often been absent from the way that Europe deploys and communicates its development strategy. To address this shortcoming, the author argues that the EU should focus on five key areas: skills and people, climate policy, critical raw materials and supply chains, energy policy, and digital policy.

In the domain of people and immigration, the EU can address many of its skill gaps by focusing on Africa as a source of talent, not just a threat of unregulated migration. In energy and climate policy, the resources and energy potential of Africa can be brought to bear on the looming shortages in Europe. Similarly, Africa can help provide crucial raw materials for the green transition, but this must be paired with ways to provide for Africa's industrialisation, not simply extractivism that leaves the continent underdeveloped. Additionally, the EU can strengthen its regulatory approach around the 'Brussels effect' by partnering with developing countries to shape rules around artificial intelligence (AI) and data protection. In all of these domains, Abimbola underlines that the EU must not over-instrumentalise its development policy but instead act as a productive and collaborative partner, listening to the needs of African nations.

Importantly, all four policy briefs clearly describe the increasing linkages between economics and geopolitics, and they argue that Europe must adapt to the new realities. Whether it is weaponising energy exports, leveraging financial networks, or disrupting supply chains of crucial goods, the risks the

EU faces from excessive dependencies have become abundantly clear. Nevertheless, these problems are not intractable. As the authors adeptly point out, policy solutions exist for many key issues. Ingenuity, technical expertise, and – most importantly – European unity will be needed to implement these solutions and to truly achieve strategic autonomy in the face of increasingly economically nationalist allies and more assertive geopolitical challengers.

Digital and technology

The ambition of European Commission President Ursula von der Leyen for a ‘geopolitical’ Commission has highlighted the need for Europe to become more strategically autonomous. In the digital and technology domain, this need is particularly evident for those digital technologies that have become crucial to the functioning of public services, the provision of healthcare and education, the way Europeans work, and Europe’s national security and defence. At the same time, there is a dearth of understanding with regard to what this entails for public policy. Aiming to move beyond simple declarations, our ESA research project convened experts from across Europe to discuss what strategic autonomy in the digital sphere could look like for the EU. They focused on four different topics that could help boost the EU’s strategic autonomy in the short, medium and long term: 1) the EU’s regulatory capacity, 2) its alliances policy, 3) the skills of its population, and finally, 4) the EU’s digital infrastructure. Policy briefs on these topics were written by Andrea Renda (Centre for European Policy Studies), Paul Timmers (University of Oxford), Julia Anderson (European Bank for Reconstruction and Development), and Katja Bego (NESTA), respectively.

The EU has for long seen digital technology and the internet mainly through the prism of commercial opportunities for European businesses – in other words, as an online shopping mall. However, as Renda recounts in his policy brief [“Beyond the Brussels effect: leveraging digital regulation for strategic autonomy”](#)¹², this relatively hands-off regulatory approach has led to a highly concentrated, intermediated space. Today, important consumer-facing digital platforms and applications, like online search, mobile phone operating systems, social media, and cloud services, are therefore controlled by a few US businesses.

Unfortunately, the problems are not limited to the upper levels of the ‘technology stack’, where there is a direct interface with the consumer or citizen. As Bego describes in her policy brief [“Towards a sustainable and resilient future internet: the case for a public digital infrastructure”](#)¹³, the most visible failures linked to the applications with which most citizens are familiar are often related to problems much deeper in the technology stack. These are connected to the fragile physical infrastructures underpinning our communications and information systems. There are many single points of failure, cybersecurity risks, and issues of power concentration as firms integrate vertically and increase their influence further down the stack by building their own data centres and undersea internet cables.

As Julia Anderson notes in her policy brief [“Europe needs high-tech talent: investing in people to counter oligopolistic dynamics and dependence in technology markets”](#)¹⁴, this power concentration is not only a problem of competitiveness for the EU, but also of strategic autonomy, as many of these platforms and applications function as crucial infrastructures for our society and economy. Who owns them and how they function therefore becomes of

strategic importance for Europe. To give one example, during the Covid-19 crisis several EU governments developed contact tracing apps to curb the spread of the virus. However, the governments quickly learned that the critical infrastructure for such tools – mobile phone operating systems – were controlled by foreign firms, Alphabet (Google) and Apple, and that these firms would dictate on what terms such apps would operate, if at all.

All authors agree that the appropriate response to the EU dependencies is not autarky, as attempted by China, because this is too costly for the EU, and ultimately also unnecessary. However, this does not equate to an endorsement of the status quo. As Paul Timmers explains in his policy brief [“Strategic autonomy tech alliances: political industrial collaboration in strategic technologies”](#)¹⁵, the dominant approach of risk management has failed. This approach is about creating resilience to threats, for instance via insurance schemes, information sharing and intelligence gathering, transparency and reporting obligations, and crisis exercises. However, it has led to the current dependency on Chinese suppliers for the next-generation communications infrastructure (5G), to name but one example, and it does not set the EU on a path towards strategic autonomy.

As a response to the EU’s digital dependencies, the European Commission has adopted the language of autonomy and even sovereignty in its digital strategies. It has also ramped up its digital policy activity in recent years. However, all authors agree that there is much work still to be done.

Timmers, for instance, highlights that in its new initiatives, the EU still focuses mainly on risk-management. This is visible in the legislative proposals for AI and large tech platforms, which focus on information-sharing, transparency

and reporting requirements. The Digital Single Market Act and the Digital Services Act, as well as the proposal for an AI Act, primarily serve to further the single market by harmonising rules for market players. These acts also include a raft of transparency and reporting obligations in order to help regulatory oversight. While this is necessary and long overdue, alone it will do little for the EU’s strategic autonomy because, as Bego remarks, these laws may curb the worst excesses, but they have little generative potential of their own to create value-driven alternative ecosystems.

Renda adds that the international environment is changing because the EU market is becoming less important globally, other actors are stepping up efforts to regulate digital technology, and the importance of law is receding in favour of international standardisation efforts. In this context, legislating unilaterally for all businesses that operate in the EU, and aiming to influence laws and business behaviour worldwide by the sheer size of the EU economy will become less effective. Known as the ‘Brussels effect’, this strategy may work if the EU acts early – as it did on data protection norms – and when there are few international competing rules and institutions. However, this approach is less likely to work in artificial intelligence, for instance, where several jurisdictions have adopted laws that are different from future EU laws.

Renda also highlights the difficulties of enforcing laws like the General Data Protection Regulation, and he underlines the importance of focusing on ‘law as code’ – the idea that focusing on technical standards may be a more effective form of regulation.

All authors propose improvements in the process of policymaking. First, given the complexity of the digital supply chain and the EU’s dependence on many private and public

actors, the EU will need to be able to think strategically and for the long term, and to take a holistic perspective that allows for trade-offs across different domains. This will require more data and better indicators, for instance on skills deficits, as well as tools that allow for the better forecasting and modelling of negotiations (outcomes).

“Given the complexity of the digital supply chain and the EU’s dependence on many private and public actors, the EU will need to be able to think strategically and for the long term, and to take a holistic perspective that allows for trade-offs across different domains.”

Second, and similarly, the EU should improve its capacity for industrial policy. Success in the digital economy requires the deliberate use of all levers of state power – its role as regulator, investor in new technologies, and buyer of goods and services – in a coherent fashion. However, the links between the EU’s political priorities, its foreign policy, its legislative agenda, the investment programmes, and public procurement spending are relatively weak. For instance, with regard to skills, Anderson explains that individual measures like reducing migration hurdles do little to attract tech talent. In fact, attractive job prospects are a much stronger pull factor, but this requires investment, ecosystem building, and a ‘whole-of-government’ approach. There is also little evidence for the structured use of NextGenerationEU funds or public procurement rules to support the development of more strategic autonomy.

Third, the EU aims to develop a ‘third way’ for a digital economy, steering clear from the perceived market-led approach of the US and from the authoritarian model of China. Yet to develop this third way, the EU’s approach to strategic autonomy needs to be much more open to third countries. As Renda notes, counterintuitively, to become more autonomous, the EU should cooperate more internationally, and depart from the default mode of unilateral regulation with extraterritorial effects. If it wants buy-in from others, it needs to focus on also creating local value in those countries and building strong coalitions.

Given the growing importance of standards, the EU should focus more of its efforts on this area. The GAIA-X initiative to develop a digital governance based on European values is a good example of this, although the chances of this initiative succeeding are currently unclear. A concrete proposal to develop standards, without relying on private sector initiatives, is developing a Public Digital Infrastructure (PDI). As Bego explains, this would entail the creation, with public funding, of a set of institutions that develop standards, protocols, and applications in the public interest. This would include standards for data-sharing and interoperability, for instance, as well as apps to store personal data and manage your identity.

“Beyond standards, the EU should build more capabilities and assert more control over technology areas that are of fundamental strategic importance.”

Beyond standards, the EU should build more capabilities and assert more control over technology areas that are of fundamental strategic importance. This will require the

formation of what Timmers calls ‘strategic autonomy tech alliances’, which involves the alignment of industrial activity in key tech sectors with political considerations for strategic autonomy. Although the EU has taken initial steps to do this in the manufacturing of semiconductors for instance (the European Chips Act), it is far from doing so for the internet of things, AI, or supercomputing.

Conclusions

With the aim of better understanding the actual capacities and challenges ahead of the EU to achieve strategic autonomy, the Foundation for European Progressive Studies (FEPS), in partnership with the Fondation Jean-Jaurès and the Friedrich-Ebert-Stiftung EU-Office Brussels, carried out the European strategic autonomy (ESA) research project between 2020 and 2023. The project focused on three crucial policy areas for the EU’s strength and independence in the world: security and defence, economy and trade, and digital and technology. The studies conducted for this research project highlighted that the EU is facing serious threats in all these areas with regards to its ability and means to act autonomously and independently from other powers. These challenges are linked not only to international factors like the increasing dependence on China in the field of technologies, or on the US in the field of defence, but are also related to issues inside the EU.

“It is clear that Europe can only achieve strategic autonomy if it acts in a united and coordinated manner.”

While the ways forward to achieve strategic autonomy encompass specific policy options on each of the three domains analysed, it is clear

that Europe can only achieve strategic autonomy if it acts in a united and coordinated manner. In the domain of security and defence, further European integration is of crucial importance, as is the convergence of interests among EU institutions and member states, more flexible and efficient institutional frameworks, as well as a clear definition of the EU’s interests and goals in its external action, including vis-à-vis its strategic partners. In the domain of economy and trade, ingenuity, technical expertise, and – most importantly – European unity are needed to truly achieve strategic autonomy in the face of increasingly economically nationalist allies and more assertive geopolitical challengers. In the domain of digital and technology, in which Europe seems to be lagging behind the most, the answer should not be autarky. Instead, the EU needs to think strategically and for the long term, taking a holistic perspective. It must also improve its capacity for industrial policy, and change its approach from a default mode of unilateral regulation towards more international cooperation when creating digital standards.

Endnotes and References

- 1 Josep Borrell (2020) 'Why European strategic autonomy matters', December (www.eeas.europa.eu/eeas/why-eu-european-strategic-autonomy-matters_en).
- 2 European Parliament Research Service (EPRS) (2022) 'EU strategic autonomy 2013-2023: From concept to capacity', July ([www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)733589](http://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)733589)).
- 3 Morillas, Pol. (November 2021). 'An architecture fit for strategic autonomy: institutional and operational steps towards a more autonomous EU external action'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 4 Biscop, Sven. (January 2022). 'Strategic autonomy: not without integration'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 5 Juncos, Ana E. (February 2022). 'Elevating the EU's added value as a security provider" strengthening the Union's peacebuilding capabilities'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 6 Marrone, Alessandro; Major, Claudia. (July 2022). 'Partnerships and European strategic autonomy: how to turn them into a win-win approach'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 7 Fabry, Elvire. (June 2022). 'Leveraging trade policy for the EU's strategic autonomy'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 8 Fabry, Elvire. (June 2022). 'Leveraging trade policy for the EU's strategic autonomy'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 9 The term 'Brussels effect' was coined by Bradford (2012) to signify Europe's global footprint when it comes to triggering emulation in other legal systems. Bradford (2020) further defines the 'de facto Brussels effect' as 'EU's unilateral ability to regulate global markets by setting the standards in competition policy, environmental protection, food safety, the protection of privacy, or the regulation of hate speech in social media' as she states in an interview to the 'Governing Globalization' blog (<https://geopolitique.eu/en/articles/the-european-union-in-a-globalised-world-the-brussels-effect/>).
- 10 Dullien, Sebastian; Hackenbroich, Jonathan. (May 2022). 'European industrial policy: a crucial element of strategic autonomy'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 11 Ribakova, Elina; Hilgenstock, Benjamin. (June 2022). 'Countering economic coercion: how can the European Union succeed?'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 12 Renda, Andre. (March 2022). 'Beyond the Brussels effect: leveraging digital regulation for strategic autonomy'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 13 Bego, Katja. (December 2022). 'Towards a sustainable and resilient future internet: the case for public digital infrastructure'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 14 Anderson, Julia. (July 2022). 'Europe needs high-tech talent: investing in people to counter oligopolistic dynamics and dependencies in technology markets'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.
- 15 Timmers, Paul. (April 2022). 'Strategic autonomy tech alliances: political-industrial collaboration In strategic technology'. Policy Brief. Brussels: Foundation for European Progressive Studies (FEPS), Fondation Jean-Jaurès, Friedrich-Ebert-Stiftung EU-Office Brussels.

About the authors



DR ALINE BURNI

Dr Aline Burni works as a Policy Analyst on International Relations at FEPS since April 2022. She holds a Ph.D. in Political Science from the Federal University of Minas Gerais (Brazil) and is an associate researcher with the Bonn-based global development think tank German Institute of Development and Sustainability (IDOS), where she worked as a researcher before joining FEPS. At IDOS, her academic and policy advice work focused on international cooperation, EU development policy, and populism. During her doctoral studies, Aline was a Fulbright visiting scholar at the New York University (NYU), as well as a visiting researcher at the Catholic University of Louvain (Belgium).



EDWARD KNUDSEN

Edward Knudsen is a Doctoral Researcher in International Relations at the University of Oxford and an Affiliate Policy Fellow at the Jacques Delors Centre in Berlin. His research focuses on the political economy of transatlantic relations and the economic history of the US and Europe in the 20th century. Previously, he worked for the US and the Americas Programme at Chatham House in London on projects which explored the future of transatlantic economic and security relations. He holds a MSc in International Political Economy from the London School of Economics and Political Science and a BA with majors in economics and history from the University of Wisconsin-Madison.



JUSTIN NOGAREDE

Justin Nogarede is Senior Policy Officer at the Friedrich-Ebert-Stiftung's Competence Centre on the Future of Work, where he focuses on the impact of technological change on work and labour markets. Before, he was Senior Policy Analyst for Digital at the Foundation for European Progressive Studies (FEPS). Previously, he worked in the Secretariat General of the European Commission, among others on digital and single market policy files. Within the European Commission he was involved in the mid-term review of the Digital Single Market Strategy, and in policy on standard-essential patents, audio-visual media, internet governance and product liability.



DR NICOLETTA PIROZZI

Dr Nicoletta Pirozzi is Head of Programme on European Union and Institutional Relations Manager at the Istituto Affari Internazionali (IAI). She works mainly on EU governance, policy and institutional developments in CFSP/CSDP, civilian crisis management, Italy's foreign policy. She is Associate at the European Governance and Politics Programme of the European University Institute (EUI) in Fiesole. From 2013 to 2019, she was Adjunct Professor at Roma Tre University. In 2018, she was Associate Analyst at the EU Institute for Security Studies (EUISS) in Paris and Marshall Memorial Fellow. In 2012, she served as Seconded National Expert at the European External Action Service (EEAS). She is author and editor of a number of publications, and an active member of various research associations and institutions. She graduated in Political Science at the University of Pisa and at the Sant'Anna School of Advanced Studies. She also obtained an MSc Degree in European Political and Administrative Studies from the College of Europe (Bruges) and a Ph.D. in Institutions and Politics from the Catholic University in Milan.



DR DAVID RINALDI

Dr David Rinaldi is Director of Studies and Policy at FEPS and oversees the economic and social policy portfolios. Before joining FEPS in 2017, he worked as research fellow at CEPS and at the Jacques Delors Institute, covering EU investment policy, economic governance and welfare policy. He teaches European Economic Governance at the ULB Institute for European Studies and previously held teaching positions at the Paris College of Art and at Bocconi University. He was Senior Academic Assistant at the College of Europe and worked as consultant on public finance at the Council of Europe. David holds a Ph.D. in Public Economics from the DEFAP Graduate School in Public Economics (Milan) and carried out study visits at the University of Nottingham, Bocconi University and University of Zaragoza.

STRATEGIC
AUTONOMY
pathways to progressive action

This policy brief is published as part of 'European Strategic Autonomy: Pathways to Progressive Action', a project co-organised by the Foundation for European Progressive Studies, the Brussels office of the Friedrich-Ebert-Stiftung and the Fondation Jean-Jaurès.

About FEPS

The Foundation for European Progressive Studies (FEPS) is the think tank of the progressive political family at EU level. Its mission is to develop innovative research, policy advice, training and debates to inspire and inform progressive politics and policies across Europe.

FEPS works in close partnership with its 68 members and other partners -including renowned universities, scholars, policymakers and activists-, forging connections among stakeholders from the world of politics, academia and civil society at local, regional, national, European and global levels.

European Political Foundation - N° 4 BE 896.230.213 | Avenue des Arts 46 1000 Brussels (Belgium)

www.feps-europe.eu | Twitter/Instagram: @FEPS_Europe | Facebook: @FEPSEurope

About Friedrich-Ebert-Stiftung

The EU Office of the Friedrich-Ebert-Stiftung (FES), with its headquarters in Brussels and activities in Brussels and Strasbourg, was opened in 1973. The EU Office participates in the European integration process, backs and accompanies the interests of the Federal Republic of Germany in Europe and contributes to shaping the external relations of the European Union.

www.brussels.fes.de | Twitter: @FES_Brussels | Instagram: FES_Europe | Facebook: @FESonline

About Fondation Jean-Jaurès

Fondation Jean-Jaurès is the leading French political foundation, which not only works as a think tank but also as a grassroots actor and a historical memory centre at the service of all those who defend progress and democracy in the world.

www.jean-jaures.org | Twitter/Instagram: @j_jaures | Facebook: @fondationjeanjaures

ON SIMILAR TOPICS

POLICY BRIEF
December 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

**TOWARDS A SUSTAINABLE AND
RESILIENT FUTURE INTERNET**

**THE CASE FOR PUBLIC DIGITAL
INFRASTRUCTURE**

ABSTRACT

In 2020, the European Commission published its "Shaping Europe's Digital Future" Communication. It announced a set of digital policies that would enhance Europe's technological sovereignty, whilst ensuring a sustainable and resilient internet. This policy brief analyses the EU's digital policy initiatives and argues that they risk remaining too fragmented to effectively reduce Europe's dependency on a few foreign firms and miss a powerful opportunity to spur the development of an ecosystem of value-led alternatives. Whilst recently proposed and enacted laws for online platforms and data governance are promising, they do not take a holistic view of the way the different levels of the technology stack interact, and most importantly fail to pay sufficient attention to developing open standards, protocols and digital public goods.

If the EU wants to break through the harmful dynamic of centralization of power that dominates the current digital economy, it should adopt a public digital infrastructure (PDI) model. This policy brief provides a blueprint of the institutions necessary to implement such a PDI framework. First, an independent public digital infrastructure agency would develop the open standards and protocols around data governance, collaborative interoperability, and more. Second, on top of that, a public technology fund would develop and maintain open tools, such as mobility apps, online education tools and an open European web index to enable growth. Finally, these institutions should support the development of a secure personal data wallet and self-governed online identity, which would allow individuals to share and pool their data, in full respect of their privacy and interests.

AUTHOR
KATJA BEGO
Expert in digital policy
and the geopolitics of
emerging technology

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

POLICY BRIEF
JULY 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

EUROPE NEEDS HIGH-TECH TALENT

**INVESTING IN PEOPLE TO COUNTER
OLIGOPOLISTIC DYNAMICS AND
DEPENDENCIES IN TECHNOLOGY
MARKETS**

ABSTRACT

A few firms in the US and China control key layers of the digital supply chain. This geographic and economic concentration creates dependencies for the EU. So far, the block has focused on regulating firms to mitigate the risks, yet it has neglected educating people to support genuine independence. The EU counts too few digitally skilled graduates, and too many leave the continent to join other tech hubs. This shortage reinforces market concentration, as the biggest firms pay the most competitive salaries and attract a large share of the global talent. It also hampers ongoing regulatory efforts: the EU cannot police technologies it does not understand.

The EU acknowledges the need for more skills, but fails to propose adequate remedies, or even to establish the right objective. Its flagship digital strategy focuses on number of ICT specialists – a target that is much too broad to meaningfully support strategic autonomy objectives. The EU needs to refine its success metrics and track unmet employee demand for specific advanced digital skills and current student demand for specific programmes. EU action plans, including the European Skills Agenda and Digital Education Action Plan, could help address this. Yet, the lack of clear lines of accountability will be too difficult to implement.

Obtaining the requisite skills for a more autonomous digital economy and security requires a co-ordinated approach within and between EU countries – one that leverages a wide range of policy areas and exploits linkages between them. High-tech talent is drawn to vibrant technological centres, and while dynamic digital markets will not exist without a skilled workforce, a skilled workforce without local market dynamism is a recipe for brain drain.

AUTHOR
JULIA ANDERSON
Economist

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

POLICY BRIEF
June 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

**COUNTERING ECONOMIC
COERCION**

**HOW CAN THE EUROPEAN
UNION SUCCEED?**

SUMMARY

This policy brief assesses how the EU can bolster its response and defence mechanisms against foreign economic coercion. At its inception, the EU benefited from a world order where economics, foreign policy, and geopolitics were less intertwined than they are today. However, as global economic power has shifted, these lines have been blurred. Furthermore, many global economies have decided to look after their interests outside multilateral frameworks and increasingly see multilateral institutions as outdated. Today, the long-forgotten concept of economic sovereignty is back on the agenda. The EU has been forced to become more 'geopolitical' instead of just an economic union. While it is a large market, a lack of coordination among EU members makes pursuing a common foreign policy and economic agenda challenging. Nonetheless, in this paper, we present specific and realistic policy measures to defend the autonomy of EU foreign economic policy and ensure that it can pursue progressive goals abroad. The EU should recalibrate its strategic dependencies, strengthen its ability to defend against extraterritorial sanctions, and improve mechanisms for investment and export controls. While we provide links between other areas of economic policy and national security, this paper focuses on the areas where the EU is particularly exposed – sanctions and the global financial architecture.

AUTHORS
ELINA RIBAKOVA
Deputy Chief Economist
Institute of International Finance
BENJAMIN HILGENSTOCK
Economist
Institute of International Finance

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

POLICY BRIEF
June 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

**LEVERAGING TRADE POLICY FOR
THE EU'S STRATEGIC AUTONOMY**

ABSTRACT

In a context of increasing reorganisation of interdependence – highlighted by the pandemic and Russia's invasion of Ukraine – Europeans must actively reduce their critical dependencies. The objective of strategic autonomy for the EU is becoming pressing to prevent supply disruptions and ensure the resilience of value chains. While strengthening European production capacities for certain essential goods, this objective of strategic autonomy calls for a shift of European trade policy, which should now be leveraged to secure access to essential inputs when foreign markets are closed. A major turning point has already been reached with the new European level playing field agenda, which is progressively equipping the EU with autonomous defence tools to protect the interests of its businesses. But EU member states are slow to agree on the challenge posed by China, the level of dependence on the Chinese market they are prepared to accept, and the role the EU should play in the context of the US-China decoupling. They also need to bridge the gap between the political rhetoric of reducing European strategic dependencies and the decisions of private companies that have no mandate to secure European supply. Supporting companies' efforts to diversify their supply calls for the EU notably to coordinate more closely with companies to increase collective intelligence on strategic dependencies. It also calls for the EU to promote European standards more actively to initiate new bilateral negotiations for access to strategic raw materials, and to support an international effort to limit export restrictions.

AUTHOR
ELVIRE FABRY
Research Fellow in charge of
EU trade policy and globalization,
Jacques Delors Institute

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

POLICY BRIEF
July 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

**PARTNERSHIPS AND EUROPEAN
STRATEGIC AUTONOMY**

**HOW TO TURN THEM INTO A
WIN-WIN APPROACH**

SUMMARY

To become more strategic and autonomous, the European Union has to better use its global partnerships. Managing external security threats to the EU requires active and viable partnerships, first and foremost with more capable and like-minded partners. Moreover, partnerships can increase the Union's capacity to act in Europe and beyond. Today, the EU has several partnerships. While the number has grown over the last decades, their palpable use in the security and defence domain has rarely been demonstrated.

But the pressure on the EU to deliver more in the field of international security is growing. The Russian war against Ukraine is a watershed for European security, by pressuring both EU institutions and member states to unprecedented collective decisions, such as sanction packages on Russia and the delivery of weapons financed by the European Peace Facility. Russian military aggression also poses security challenges around Europe, from instability in the south to transatlantic challenges. While the US administration is strongly committed to supporting Ukraine and European defence, America's focus on the systemic rivalry with China remains a structural trend that risks turning US attention away from Europe again.

Internally, the narrative of strategic autonomy has been pushed mainly by France and the European Commission led by Ursula von der Leyen. The 2022 Strategic Compass operationalises that ambition through four lines of action: Act, Secure, Invest and Partner. The importance of partnerships as an enabling tool is hence growing. In order to deliver, EU partnerships with NATO, the US and the UK have to be prioritised and pushed forward. The EU should focus on identifying its interests, engage partners and invest in implementation.

AUTHORS
CLAUDIA MAJOR
Head of the International Security
Research Division,
Stiftung Wissenschaft und Politik (SWP)
ALESSANDRO MARONE
Head of the Defence Programme,
Istituto Affari Internazionali (IAI)

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

POLICY BRIEF
May 2022

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES

**EUROPEAN INDUSTRIAL
POLICY**

**A CRUCIAL ELEMENT OF
STRATEGIC AUTONOMY**

ABSTRACT

A sea change in the geopolitical environment and the green and the digital revolution are forcing Europe to rethink its approach to industrial policy. Russia's war in Ukraine has ushered in a new era for Europe's economic diplomacy, supply security and military spending. The war poses a fundamental challenge, and the EU has also set ambitious goals on decarbonisation and digitalisation.

The EU's past approach to industrial policy mostly assumes an absence of great power rivalry, a limited relevance of economies of scale, and benign approaches by other countries to international trade. But other countries are now weaponising economic dependencies and markets for many advanced and emerging technologies when these technologies are found in high concentration and have significant spillover effects within the home country of dominating firms.

The EU needs to recalibrate its approach and focus on (the emergence of) key industries and key supplies, and provide key infrastructure in Europe. The right balance between selective protectionism and openness to trade and investment needs to be struck. The goal of industrial policy should not be to produce everything at home, but to preserve the capability of production. To this end, Europe should target new products or technologies rather than existing ones, enhance market competition rather than protect actors from it, and help more productive companies rather than unproductive ones. The EU could do this with strategic regulation, FDI screening, public procurement and other tools, all while shielding policies from special interest and inefficiency.

AUTHORS
SEBASTIAN DÜLLEN
Research Director
Macroeconomics Policy Institute (MPI)
JONATHAN HACKENBROICH
Policy Fellow for Economic Stimulus
European Council on Foreign Relations

FRIEDRICH
EBERT
STIFTUNG
Institut Jean Jaurès

STRATEGIC
AUTONOMY
SERIES

PROGRESSIVE PATHWAYS TO EUROPEAN STRATEGIC AUTONOMY

How can the EU become more independent in an increasingly challenging world?