

Strategic autonomy for European choices: The key to Europe's shaping power

Giovanni Grevi



Table of contents

Executive summary	3
Introduction	5
1. Making a difference in a more competitive world	6
1.1 Countervailing trends	6
1.2 The US-China standoff	7
1.3 Europe's shaping power	7
2. Strategic autonomy or 'muddling downwards'	9
3. Defining strategic autonomy: A precondition for European sovereignty	10
4. Strategic autonomy across the board	11
4.1 Leveraging market power	12
4.2. Technological leadership	13
4.3. Strengthening Europe's security and defence	15
Conclusion: Strategic autonomy for a positive agenda	18
Endnotes	20

ABOUT THE AUTHOR



Giovanni Grevi is the Head of Europe in the World programme and a Senior Fellow.

DISCLAIMER

The support the European Policy Centre receives for its ongoing operations, or specifically for its publications, does not constitute an endorsement of their contents, which reflect the views of the authors only. Supporters of the project cannot be held responsible for any use that may be made of the information contained therein.

Executive summary

Calling for Europe's strategic autonomy at a time when the European Union (EU) is rife with political divisions on issues such as migration, the future of eurozone governance or the rule of law may seem paradoxical or distracting. However, strategic autonomy is not just a foreign policy issue but a critical requirement for sustaining and fostering European integration. The legitimacy and resilience of the EU will depend on unchaining Europe's untapped power and enabling European citizens and member states to choose their future, as opposed to being the takers of the decisions of others in a very competitive international context.

Strategic autonomy is not just a foreign policy issue but a critical requirement for sustaining and fostering European integration.

After the crisis of long-held assumptions about the inevitable spread of the liberal international order on the heels of globalisation, the emerging consensus is that great power rivalry is the new norm. In particular, the standoff between the US and China risks becoming a defining feature of international affairs. If many factors and trends point to a more contested and volatile world, however, the future is not predefined: the EU will play a major role in the development of the international order, whether through its absence or its engagement.

Building a more autonomous Europe is not just about better protecting Europe but also about projecting a positive agenda on the global stage, in line with Europe's interests and values. This message can resonate deeply with multiple partners at a time of uncertainty. In other words, the question for Europe is not just how to brace for disorder, but also how to uphold the rules-based order, while reforming it to meet new challenges. Europe's overarching strategic objective for the years ahead should be countering and mitigating the drift towards a zero-sum world. This task will require a more robust approach and a stronger and wider power base than envisaged in the past. **Strategic autonomy is an essential enabler of Europe's shaping power.**

This Discussion Paper elaborates on four key recommendations delivered by recent European Policy Centre publications: equip Europe to govern interdependence and mitigate confrontation, adopt a non-adversarial posture to cope with power politics, enhance the EU's global shaping power and frame the debate on Europe's strategic autonomy through a comprehensive approach.

This Paper points to three central components of *strategic autonomy*: the political dimension, the institutional dimension and the functional dimension. **Strategic autonomy is about setting objectives, making decisions and mobilising resources in ways that do not primarily depend on the decisions and assets of others.** Rather than isolation, it is about building a stronger position for cooperation and partnership. Rather than a binary concept, it is a matter of degree – full autonomy may not be achievable, but progress can and should be made towards making Europe more self-reliant. Pursuing strategic autonomy means strengthening the basis for European sovereignty; the ability to control outcomes.

As such, strategic autonomy encompasses three principal domains: the economy, technology, and security and defence. Advancing strategic autonomy effectively requires not only focusing on distinct areas but also on their interconnections, through an overarching approach. This Paper outlines requirements and priorities for advancing strategic autonomy across the board. A strong economic base is the bedrock of power and influence in international affairs, as it delivers both resources and prestige. The Single Market and Economic and Monetary Union provide the EU with strategic depth in geo-economic competition and should be deepened further. This includes strengthening the international role of the euro.

Building a more autonomous Europe is not just about better protecting Europe but also about projecting a positive agenda on the global stage.

The EU will fail to advance towards strategic autonomy if it is not at the forefront of technological innovation and efforts to regulate emerging technologies. Europeans must focus more resources on fewer priorities and ensure that EU and national initiatives are mutually reinforcing to shape an innovation-driven industrial policy. The European security and defence agenda has widened and includes, on top of the traditional focus on crisis management, cybersecurity, cyber defence and territorial defence. Europe must become more self-reliant in all of these areas. For that, Europeans must intensify efforts to shape a shared strategic culture, including in the cyber domain, and invest in joint projects to generate defence capabilities that meet serious shortfalls, while strengthening their technological and industrial basis.

Failure to substantially advance strategic autonomy through concrete achievements in these three principal domains would relegate Europe to strategic dependence. In a world of greater competition and rising nationalism, this is not a sustainable political condition. In fact, **strategic dependence would be both a symptom and a multiplier of centrifugal forces within the EU.**

Strategic autonomy encompasses three principal domains: the economy, technology, and security and defence.

The consequent hollowing out of the EU would also be a major geostrategic setback for the US. It is in Europe's core interest to preserve a strong transatlantic partnership, which means that Europeans should gear up to be more effective partners, not followers. The alternative to a more integrated and autonomous Europe is a less transatlantic one – a playground for great power competition where democracy and liberalism erode, thus affecting the ultimate foundation of the transatlantic partnership. Making progress across all the dimensions of strategic autonomy will also increase the EU's credibility and clout in dealing with China. The EU should leverage its rule-making power to set terms of engagement consistent with its interests and values while further engaging China in a dialogue on the future of the international order and the connectivity agenda.

Introduction

This Discussion Paper follows recent European Policy Centre publications and debates dedicated to revamping Europe's approach to an increasingly challenging international context, which have led to various recommendations¹:

- ▶ First, equipping Europe with the tools to govern interdependence and mitigate confrontation in ways that meet the priorities of its citizens and therefore strengthen the legitimacy of the European Union (EU).
- ▶ Second, adopting a non-adversarial posture to cope with power politics, taking a strong stance in defence of Europe while not endorsing a zero-sum reading of global affairs.
- ▶ Third, making the EU a global shaping power by leveraging its rulemaking power, and better connecting internal policies and assets to external instruments and objectives in pursuit of a 'rules-first' (and not 'rules-only') strategy.
- ▶ Fourth, framing the debate about Europe's strategic autonomy in much broader terms than security and defence and including the economic and technological dimensions, too.

This Paper elaborates on these recommendations to place strategic autonomy at the top of the political agendas of the new EU leadership and of member states. The confusion that surrounds the debate about Europe's strategic autonomy mirrors the uncertainty surrounding the prospects for European integration and the EU's role in the world.

However, Europe does not have the benefit of time. Developments such as the surge of multi-domain competition on the international stage, the unilateral policies of the Trump administration in the US, the rise of China as a more assertive shaping power and Russia's antagonistic posture have stressed the political salience of Europe's strategic autonomy. **The pressing question is defining Europe's place and purpose in a hardening global context.** The 2016 EU Global Strategy (EUGS) has contributed to a new phase in the debate on Europe's strategic autonomy in security and defence. In particular, the document stated that "[a]n appropriate level of ambition and strategic autonomy is important for Europe's ability to foster peace and safeguard security within and beyond its borders."² In the last three years, as Europe's strategic environment deteriorated, leaders such as German Chancellor Angela Merkel, French President Emmanuel Macron, Commission President Jean-Paul Juncker and President of the European Council Donald Tusk have in different ways broadened the scope of the debate and raised the question of Europe's autonomy, self-reliance and sovereignty.

The debate on strategic autonomy has also exposed differences within the EU on the meaning and relevance of the concept, the scope of its application and its implications. While some consider strategic autonomy a requirement for Europeans to shoulder more responsibility for their own security and collaborate better with allies and partners, strategic autonomy in security and defence is regarded by others as potentially detrimental to the existing transatlantic bonds. Additionally, while some apply the concept to security and defence only, others have used it to stress the need for more European self-reliance on the international stage at large, cutting across issues of security, the economy and technology. Besides political and conceptual controversies, these debates have also highlighted serious gaps and shortcomings in institutional frameworks, capabilities and key technologies, which hamper the pursuit of strategic autonomy.

The goals, extent and requirements of Europe's strategic autonomy depend, of course, on the policy areas at hand, whether it be in security and defence, technological leadership or economic statecraft. Besides, more consideration should be given to the meaning of strategic autonomy in a world that is not only more contested but also more connected. In today's context, effective action depends not only on self-reliance when needed, but also on the ability to join forces with others, whenever possible.

Taking a step back, there is first and foremost a need to find within Europe a shared understanding of what strategic autonomy means and why advancing it is in the common interest. This should form the basis for drawing more specific policy implications for EU and national policies in different areas, and for a clear and constructive dialogue about strategy autonomy with the US and other key partners.

This Discussion Paper sets the question of strategic autonomy within the context of large forces shaping international and European affairs, addresses the definition and main components of strategic autonomy, looks at the purposes of and requirements for enhancing Europe's strategic autonomy in some major policy fields, and relates the question of strategic autonomy to the partnerships of the EU with the US and China.

1. Making a difference in a more competitive world

Strategic autonomy cannot be debated or defined in a void. It is not an article of faith but rather a requirement generated by the fast development of Europe's strategic context. The assessment of the main features of this context has been carried out several times, including for example in the run-up to the 2016 EUGS. In the space of only three years, however, the international environment and the perception of threats and opportunities therein has changed significantly. Discussing strategic autonomy, therefore, requires updating the diagnosis of the central features of the international system and the trends shaping it, while refraining from the temptation to take them as the inevitable shape of things to come. By pointing to possible or likely futures, trends are tools to inform political choices, rather than lock them in.

Europe must respond to the threats and challenges it faces – but a truly strategic approach to them requires preparing to counter and mitigate the drift towards a zero-sum world. This is precisely Europe's core strategic task for the years ahead.

Two decades ago, the conventional wisdom was that history was over, the world was flat, and liberalism had prevailed. Today, it is generally accepted that great power competition is the new norm and that the liberal order is on life-support. The experience of the last 20 years, however, suggest caution with simply projecting conventional assumptions in the future. Events, and far-sighted leadership, can make a difference. Europe must respond to the threats and challenges it faces – but a truly strategic approach to them requires preparing to counter and mitigate the drift towards a zero-sum world. This is precisely Europe's core strategic task for the years ahead.

1.1 COUNTERVAILING TRENDS

A variety of often countervailing forces is shaping the international system. The cumulative impact of these developments is that competition in the system is growing, making it more unstable and vulnerable to disruptions. Two sets of trends can be highlighted here. Their principal driver is the ongoing technological revolution. Their principal manifestation is the increasingly antagonistic relationship between two superpowers preoccupied with redefining their respective roles – the US and China.

► The first set of trends is **the simultaneous diffusion and concentration of power**. If it is true that power is shifting both among and beyond states to non-state actors, it is equally the case that large amounts of resources are accruing to large state powers or companies. Continent-sized powers are trying to revamp spheres of influence, huge digital conglomerates are expanding their reach into all spheres of life, and large state-owned companies, such as in China or Russia, are vectors of mercantilist policies.³ The balance between the diffusion and concentration of power requires a more granular analysis and varies depending on different assets. Besides, the distribution of power assets does not reveal much on whether and how (effectively) they are converted into outcomes.⁴ Size matters, but does not necessarily deliver. What can be said, however, is that one of the principal drivers of both the diffusion and the concentration of power is the technological revolution that is reshaping industries, politics, globalisation and strategic affairs.⁵

► The second set of trends consists of **the simultaneous intensification of competition and connectivity worldwide**. The balance between the two forces is fluid. For one, interdependence can be a robust restraint on power politics and confrontation, as highly connected powers have much to lose from conflict. For another, interdependence can be leveraged to gain an advantage over rivals while connectivity can become a vector of political influence.⁶ The current standoff between the US and China shows some of the dilemmas of rivalry among great powers in a connected world. Competition and cooperation will likely continue to coexist in relations between actors both great and small. However, the assumption of convergence among great powers has been replaced by the expectation that differences will endure and related tensions sharpen. Increasing competition on the global stage takes place across many levels simultaneously. While major powers are unlikely to use force against each other, they do compete across multiple domains including trade, finance, norms and ideas, (dis)information and cyberspace, and the military.⁷ The technological revolution can be a powerful multiplier of both competition and cooperation. Today, it is regarded as the most consequential arena for competition.⁸

On top of these trends, in the realm of norms and ideas, the last few years have seen **the rise of nationalist forces and leaders in all global regions, fuelling a revival of identity politics**.⁹ These forces have played the nationalist card to claim to defend the national community against the disruptions brought by globalisation, allegedly masterminded by liberal elites. Nationalism is often mobilised to provide legitimacy to leaders and rulers, portrayed as standing for national greatness and values against external threats. The nationalist surge is a major factor in the crisis of

multilateralism, as strongmen favour power politics or one-on-one transactions over the constraints of rules-based cooperation.

1.2 THE US-CHINA STANDOFF

In such a volatile global context, **the trajectories of the US and China and of their relationship will be decisive for the future of the international order.** Given their outsized resources and ability to marshal them strategically – at least in principle –, Washington and Beijing carry unique structural power, namely the capacity to shape international orders; the rules of the system. From this standpoint, the world seems to be headed towards a turbulent duopoly rather than a multipolar configuration.¹⁰ The ‘known unknown’ is, in this context, the role that Europe will play.

Neither the US nor China currently considers rules-based cooperation to be central to their respective strategies.

The 2016 election of US President Donald Trump and the 19th National Congress of the Communist Party of China in 2017, where President Xi Jinping outlined his ambitious vision of China as a global power, have marked significant turning points in the trajectories of the two countries. Both events can also be seen as the tipping points of deeper trends: the struggle of the US to redefine its leadership position in a system where it is less dominant than it was; and China’s struggle to rise as a global shaping power while advancing a very different political-economic model, values and worldview from the West.¹¹

Neither the US nor China currently considers rules-based cooperation to be central to their respective strategies. The Trump administration has broadly disengaged from multilateralism, based on the assessment that it is no longer beneficial for the US. The administration has been making intermittent references to pursuing cooperation with likeminded countries, but realpolitik and the preponderant emphasis on the nationalist ‘America First’ agenda have overshadowed these calls. China’s statement of support for an open international economic system is unconvincing, given the considerable mismatch between their words and deeds. The role of the state in China’s growth (i.e. Made in China 2025) and connectivity strategies (i.e. Belt and Road Initiative) is the subject of growing concerns and controversy on the international stage. China’s subsidies to Chinese companies, forced technology transfers and limits to foreign investment in China are widely regarded as distorting trade and competition. Beyond that, China has taken a selective approach to global governance

while guarding its sovereignty and national interests closely.

The relationship between Washington and Beijing features growing competition across multiple domains. In the US, China is broadly regarded as a strategic competitor, and there is a growing consensus that a stronger stance is necessary to deal with the intertwining normative, economic and security implications of China’s rise, and the return of power politics at large. Some point to the prospect of what *The Economist* has recently defined as a “new kind of cold war.”¹² President Trump’s decision to blacklist Huawei and effectively cut any dealings between US entities and this Chinese company, amidst an already escalating US-China trade war, raises the level of confrontation and might provoke cascading retaliatory measures – even though the ban has been partially relaxed following the Trump-Xi meeting at the Osaka G20 summit in June 2019. The steps to come remain unclear. Many believe that such measures will lead to the progressive technological and economic decoupling of the US and China and the emergence of separate digital and, more broadly, geo-economic orders or spheres.¹³

The balance between confrontation, competition and cooperation in the future Sino-American relationship is crucial to the evolution of the international order. Presidents Trump and Xi may still reach a trade deal by 2020, which would curb the current geo-economic escalation. However, it is unlikely that the underlying US-China rivalry will subside any time soon. The question is thus how this rivalry will play out, what possibilities for cooperation will remain, and what the consequences for others will be, including Europe.

1.3 EUROPE’S SHAPING POWER

This precarious outlook suggests various scenarios for the future of multilateralism. Four critical variables to be observed are:

- ▶ The degree to which the US and China will operate through multilateral structures and approaches, as opposed to sheer unilateralism or transactional deals.
- ▶ How the balance of power and norms will shift in global multilateral bodies, notably the United Nations (UN), and the consequences for the agendas of those organisations (e.g. on matters like the environment and human rights).
- ▶ The level of entrepreneurship of the US and China in setting up new, separate arrangements – already a central feature of international cooperation. The US has often led the creation of ad hoc groupings or coalitions (e.g. the Major Economies Forum on Energy and Climate, Proliferation Security Initiative), while China has diversified its portfolio of multilateral investment, creating a set of institutions and platforms parallel to traditional ones (e.g. the Asian Infrastructure Investment Bank) and various interregional dialogues.¹⁴

- ▶ The scope of engagement between all these institutions – global, regional and mini-lateral. The question is how coexisting orders and institutions will connect, disconnect or bluntly clash, with multilateralism becoming messier and more contested.¹⁵

While it is uncertain how these four variables will play out, many factors point to a messier, more contested multilateral system. If those supporting rules-based multilateral cooperation do not mobilise and join forces to advance it, there is a veritable risk of a drift towards a post-multilateral world.

Faced with multilevel competition, assertive power politics and the crisis of multilateralism, Europe must choose between being a shaping power, or being shaped and most likely torn apart.¹⁶ The EU will play a central role in the development of the international order, whether it be through its absence or active engagement. The size of the EU implies that when Europeans take joint positions, considerable agenda-setting and rulemaking power is generated. Think of its trade and climate negotiations, the clout of its competition policy on global corporate juggernauts and the reach of its regulatory regimes, like the recent General Data Protection Regulation (GDPR).¹⁷ Europeans can make a difference on major geopolitical issues too, such as in striking the Iran nuclear deal (the 2015 Joint Comprehensive Plan of Action) or in responding to Russia's aggression towards Ukraine.

The EU will play a central role in the development of the international order, whether it be through its absence or active engagement.

The EU can therefore exert considerable shaping power on the global stage as long as it acts strategically by setting shared goals and equipping itself with the means to achieve them. In other words, strategic autonomy is an essential enabler of Europe's contribution to the resilience, reform and effectiveness of the multilateral order. Europeans can support multilateralism in many ways:

- ▶ The EU and its member states are together the biggest funders of global multilateral bodies – particularly in a time of cuts by the US – and should work together to convert their contribution into agenda-setting power. This includes assessing how European support translates into influence, to direct contributions more effectively.
- ▶ Europe is a crucial partner to bodies such as the UN and the African Union, and recent initiatives aim to strengthen these partnerships further, not

least on matters of peace and security. The EU could also further mobilise its links with regional bodies to create common ground on new issues of global governance, such as the regulation of new technologies.

- ▶ The EU can and should make a strong contribution to the reform of international institutions while engaging with key partners. For example, on trade matters, the EU has been meeting with the US and Japan since 2017 to discuss trade-distorting practices and the reform of international trade rules while presenting in 2018 its own approach to the reform of the World Trade Organization (WTO), followed by proposals advanced together with several partners concerning the functioning of the WTO's Appellate Body.¹⁸ These initiatives may not deliver in the short term, but they help shape the terms of the debate and create platforms for dialogue with others.

To paraphrase Winston Churchill, multilateralism can be seen as the worst form of running international affairs, except for all the others.

The stakes are very high. Firstly, to paraphrase Winston Churchill, multilateralism can be seen as the worst form of running international affairs, except for all the others. Rules-based cooperation may be cumbersome and require difficult compromises for long-term gains, but is surely preferable to unilateralism, exclusive great power 'concerts' or recurrent wars. Secondly, in practice, multilateralism has brought vast benefits to not only Europe and the US but to all global regions and powers more widely. Since multilateral cooperation is delivering less today, action should be taken at two levels: addressing the gaps and gridlocks, if need be on a mini-lateral level to begin with; and ensuring that globalisation delivers for all citizens, which may require more regulation of global flows. Thirdly, in a post-multilateral world, the EU would be much more exposed to shocks, crises and geopolitical threats, which would diminish its ability to deliver for its citizens. From this standpoint, strategic autonomy is therefore not only about effective European action on the global stage, nor supporting a rules-based order out of principle – **strategic autonomy is about the future of European integration.**

2. Strategic autonomy or ‘muddling downwards’

The debate about strategic autonomy is ultimately one about Europe’s political cohesion. It cannot be separated from a frank assessment of where the Union stands, and of the domestic challenges that it is facing. The revival of nationalism that has crossed the world has not spared Europe.¹⁹ Populist and nationalist forces have played a role in shaping Europe’s agenda well beyond their electoral reach, either by advancing their priorities or by undercutting those of others. On top of glaring fractures and major disruptions (e.g. the issue of migration, Brexit), the contagion of nationalism permeates the broader political debate in subtle ways.

Europe may technically be better equipped than it was a decade ago, but it is also politically more fragile.

Most national leaders do not endorse a nationalist agenda but are increasingly wearing national lenses when considering European matters, based on cost-benefit calculations. The debate on the reform of the Economic and Monetary Union (EMU) is a case in point. Even the modest set of measures agreed by the Franco-German Council of Ministers at their June 2018 summit in Meseberg met the opposition of fiscally rigorous northern EU countries, preoccupied with the risk of Southern Europe abusing any risk-sharing arrangement. It took another year to reach the next small step, in the form of a quite generic preliminary agreement in June 2019 on the main features of a budget to foster convergence and competitiveness in the eurozone. No country is beyond reproach when it comes to the root causes and the subsequent management of the financial crisis that hit the eurozone – but the inability to conceive a package deal that balances demands from the ‘responsibility’ and the ‘solidarity’ camps makes Europe more vulnerable to future financial crises, and fuels mutual alienation.²⁰

If nationalist and populist forces have often been setting the terms of debate in Europe, that is in no small degree also the responsibility of the pro-European camp. In the face of pressing crises, their playbook has been to muddle through the political divergence among the capitals. Whether it be on migration or economic matters, political leaders have succeeded in buying time but have not provided lasting solutions. As a result, there is a mismatch between incremental progress at the policy level and deepening rifts in European politics.

Europe may technically be better equipped than it was a decade ago, but it is also politically more fragile. Successive crises have eroded the level of political

tolerance for further accidents. For example, controversy on the management of very few ‘secondary’ movements of migrants within the EU engulfed the June 2018 European Council and even appeared to threaten the Schengen Area. **Muddling through is leading to ‘muddling downwards’ – a slippery slope that could lead to the hollowing out of the EU.**

These developments carry multiple implications for Europe in the world. On one level, external forces seeking to draw wedges between EU member states can compound these trends by fostering anti-European narratives, cooperating with nationalist parties or leveraging their economic clout. Hybrid operations, so-called ‘political warfare’ and geo-economic manoeuvres can find fertile ground in a Union where member states do not see solidarity as a principle of general application but rather as an option, evoked when it fits their respective agendas. There is ample reporting of the interference of Russian actors – state, non-state or state-sponsored – with democratic politics in the EU, including in the run-up to the recent European elections.²¹ To give another example, the lure of Chinese investment in some member states has diluted EU consensus vis-à-vis China, as in the case of the July 2016 ruling of the Permanent Court of Arbitration concerning China’s claims on the South China Sea.²²

On another level, the contagion of nationalism affects both foreign policymaking, as EU leaders are unwilling or unable to achieve or maintain common positions; and the credibility of the EU as a global shaping power. Nationalist political forces in Hungary, Italy and France have openly expressed scepticism on preserving EU sanctions against Russia. These and various other nationalist forces in Europe have also opposed the ratification of the (non-binding) UN’s Global Compact for Migration, adopted at Marrakesh in December 2018.²³ If the EU struggles to operate based on common rules and values, then it will carry less weight when promoting them on the global stage. The political fragmentation engendered by populisms risks to drain the EU’s core asset in the world – its identity as a Union of states and peoples that have decided to pull national sovereignty for the common good.

The debate and decisions on strategic autonomy are therefore a critical bellwether of the attitudes towards mutual solidarity and European integration.

These risks, which are not theoretical and are already challenging Europe’s reputation and foreign policy,

point to the deep, two-way connection between political cohesion at home and strategic autonomy abroad. They also expose the fundamental inconsistency that often undermines rhetorical calls for Europe to become a stronger global actor while neglecting or dismissing the requirements for further political integration. If Europe is to punch its weight in an environment of multilevel competition, member states must trust each other and share a sense of belonging to the same community.

Lacking these premises, Europe would remain an occasional international player at best, vulnerable to external interference. What cannot happen is having the proverbial cake and eating it: political fragmentation at home and a robust, joint approach to competition or threats from abroad. The debate and decisions on strategic autonomy are therefore a critical bellwether of the attitudes towards mutual solidarity and European integration.

3. Defining strategic autonomy: A precondition for European sovereignty

Strategic autonomy is a blurry concept, which in part explains the controversy that surrounds it. Focusing on its definition, components and scope helps clarify the terms of the debate on the implications of strategic autonomy for Europe, and for its role in the world.

Definitions of strategic autonomy vary in scope and emphasis. At first, the concept has found application in the European debate on security and defence issues.²⁴ In this context, the basic components of strategic autonomy have been outlined since the 1998 Saint-Malo Declaration, which triggered the development of the Common Security and Defence Policy (CSDP). According to the Declaration, “the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises.”²⁵

Again concerning European security and defence, recent definitions have essentially focused on three dimensions of strategic autonomy: the political, operational and industrial. According to Ronja Kempin and Barbara Kunz, the political component concerns “the capacity to take security policy decisions and act upon them”, operational autonomy is about the institutional and capability requirements to plan and carry out crisis management operations, and the industrial component has to do with the “ability to develop and build the capabilities required to attain operational autonomy.”²⁶

Other contributions have taken a broader perspective, applying the concept of strategic autonomy to foreign and security policies at large, to the full scope of Europe’s external action and, beyond that, to the ability to make defining decisions on one’s own future. A report by the German Institute for International and Security Affairs defines strategic autonomy “as the ability to set one’s own priorities and make one’s own decisions in matters of foreign policy and security, together with the institutional, political and material wherewithal to carry these through – in cooperation with third parties, or if need be alone.”²⁷

Paul Timmers frames strategic autonomy as “the ability, in terms of capacity and capabilities, to decide and act upon essential aspects of one’s longer-term future in

the economy, society and their institutions.”²⁸ This paper’s author has argued that strategic autonomy requires “the ability to set objectives and mobilise the necessary resources in ways that do not primarily depend on the decisions and assets of others” and that it rests on four pillars, namely the Single Market, the euro, the capacity for technological innovation and the capacity to provide for Europe’s security.²⁹ In a recent contribution, Mark Leonard and Jeremy Shapiro propose to replace the concept of strategic autonomy with ‘strategic sovereignty’, which subsumes geo-economic and geopolitical issues within an overarching approach and allows “Europeans to decide their policies for themselves and bargain effectively within an interdependent system.”³⁰

Pursuing strategic autonomy is therefore part of a renewed effort to strengthen the basis for European sovereignty.

Taking a step back, **the political, institutional and functional components are common to practically all the definitions of strategic autonomy** and are relevant to all areas where it can be pursued.

- ▶ Politically, strategic autonomy requires a common understanding of large goals, which is predicated on mutual trust and a sense of shared destiny.
- ▶ In a political system of 28 countries, the EU’s adequate institutions are also crucial in enabling decision-making, setting rules and managing pooled resources in flexible, effective and legitimate ways.
- ▶ The functional dimension includes both the material and immaterial resources that are to be aligned to fulfil major goals and enable autonomous action when necessary, whether they be adequate funds, military capabilities or cutting-edge technological expertise.

Strategic autonomy should also be related to the question of European sovereignty and considered a precondition for it, with the understanding of sovereignty as “the ability to control outcomes and respond to the fundamental needs of the people”.³¹ **This is the heart of European integration: sharing sovereignty in some domains to become more effective in its exercise.** Pursuing strategic autonomy is therefore part of a renewed effort to strengthen the basis for European sovereignty in changing international and domestic contexts. Given the serious internal and external challenges to Europe’s cohesion as illustrated in this Discussion Paper, the requirements for European sovereignty are not those of the past. In this sense, strategic autonomy contributes to sovereignty in three ways: in terms of responsibility, resilience and peer partnership.

- ▶ Firstly, advancing strategic autonomy implies taking responsibility for Europe’s future to a further extent than is the case today. This requires creating the conditions for Europeans to make shared decisions about critical issues (e.g. the application of new technologies, a sustainable development model, major foreign policy matters) and be equipped to implement them.
- ▶ Secondly, strategic autonomy is about strengthening the EU’s own resilience to the challenges of globalisation (from financial shocks to massive migration flows) as well as to the political and economic tactics employed deliberately by others to divide Europe.
- ▶ Thirdly, strategic autonomy is not about isolation, but rather building a stronger platform for cooperation and partnership. In a world where big powers are more assertive, strategic autonomy is necessary to enter into peer partnerships with the heavyweights; and to avoid asymmetric relationships, where isolated EU members lack bargaining power.

Concerning the scope of strategic autonomy, this should be assessed against the background of the large shifts and challenges outlined above. As the EU faces multilevel competition – of which economic statecraft, technological prowess and hybrid tactics are critical dimensions –, delimiting the pursuit of strategic autonomy to defence and security affairs is out of sync with the new strategic environment. Strategic autonomy entails the mobilisation of all relevant EU resources to strengthen Europe’s global role, which is, in turn, essential to meet the needs and expectations of its citizens.

Strategic autonomy entails the mobilisation of all relevant EU resources to strengthen Europe’s global role, which is, in turn, essential to meet the needs and expectations of its citizens.

Two final elements must be stressed to articulate the concept of strategic autonomy as applied to the EU. For one, autonomy is not a binary concept but a matter of degree. Full autonomy is, in many cases, unachievable and not necessarily desirable, but progress can be achieved to make Europe more self-reliant in advancing its interests and values. For another, strategic autonomy takes time. Where Europe lags, such as in completing the Single Market, developing some technological sectors or defence capabilities, it will of course not catch up overnight. However, a clear sense of direction should drive efforts over time, and its progress should be regularly and seriously assessed. Bearing that in mind, some of the building blocks of strategic autonomy are illustrated in the following sections.

4. Strategic autonomy across the board

A meaningful approach to Europe’s strategic autonomy should encompass three principal domains – the economy, technology, and security and defence matters. Progress in all three is essential in order for Europe to take more responsibility not only for its security and prosperity, but also for a stable, rules-based international order. **The EU agenda for the next five years and beyond should focus not only on advancing strategic autonomy in distinct areas or policy fields but also, and crucially, on taking an overarching approach to strategic autonomy, assessing how progress in some fields (or lack thereof) impacts others.**

For example, it is hard to envisage the EU maintaining its economic clout and therefore regulatory power if

it falls behind the curve of technological innovation. Likewise, the capacity to protect critical infrastructures from cyberattacks is essential not only to the defence and security of the Union but also to its broader economic resilience and competitiveness. Adequate military capabilities to uphold stability in Europe’s extended neighbourhood and protect the openness of the global commons – notably the sea, outer space and cyberspace – are also critical to the security of the flows that Europe depends upon for its prosperity and stability. Furthermore, it is only by taking an encompassing view of strategic autonomy that the EU will be able to leverage it for a larger, positive global agenda and narrative in support of rules-based cooperation.

4.1 LEVERAGING MARKET POWER

A strong economic base is the bedrock of power and influence in international affairs and, therefore, of Europe's strategic autonomy. Economic growth delivers both resources and prestige – pivotal requirements for international leadership. Advancing strategic autonomy in this domain encompasses action at two closely connected levels: preserving a strengthened economic power base and mobilising economic levers and tools at the international level to achieve Europe's objectives.

To borrow from geopolitical speak, the Single Market and EMU can provide Europe with strategic depth in the geo-economic competition – but first, both need deepening.

EU leaders meeting at the European Council in March 2019 stressed the importance of connecting different aspects of Europe's economic agenda – the EMU, the Single Market, and industrial, digital and trade policies –, for Europe's prosperity and global role.³² They envisaged a set of milestones across different areas running up to the summit in March 2020, dedicated to strengthening the economic base of the EU. The strategic agenda for 2019-2024, adopted by EU leaders in June 2019, outlines the same message and priorities.³³ Critical to this all-around endeavour is the completion of the Single Market and EMU; they are the two main factors that will provide the EU with the scale and therefore clout in international affairs. To borrow from geopolitical speak, the Single Market and EMU can provide Europe with strategic depth in the geo-economic competition – but first, both need deepening.

According to a recent estimate, the Single Market has contributed an additional 9% to EU GDP.³⁴ It is also the propeller of the EU's rulemaking power, which translates into several areas, from product standards and trade and investment to competition and energy policies.³⁵ **The EU's rulemaking power is central in preserving and fostering connectivity in ways that fit EU interests and values.** The next big challenge will be to extend this power to the governance of new technologies, and completing the digital single market (DSM) will be an essential step. Recent years have seen considerable progress, including the GDPR and the end of roaming charges and geo-blocking.

However, enhancing Europe's competitiveness and growth in the emerging global digital economy will require more efforts in reducing the barriers to digital flows and services while preserving fair competition.³⁶ In so doing, it will be necessary to calibrate the right

balance between issues of privacy and accountability and the free flows of data, the lifeblood of the new economy. Such regulatory balancing acts will carry significant influence on the global stage.

The GDPR, in force since May 2018, is the basis upon which the EU is contributing to shape an international level playing field for data flows and protection. The adequacy decision that has accompanied the entry into force of the EU-Japan Economic Partnership Agreement in early 2019 marks, according to the European Commission, “the first time the EU and a third country agreed on mutual recognition of the adequate level of data protection.”³⁷ Beyond digital data, **EU trade agreements include a range of regulatory provisions** such as on labour and environmental standards, thus establishing a level playing field for mutual exchanges and fostering rules-based cooperation more broadly.

At the same time, adequate action ensuring the implementation and enforcement of the provisions included in trade deals must be taken. This is a powerful vector for Europe's autonomy as a global economic and regulatory power. While its share of global trade is declining, the EU continues to be the top trading partner of 80 countries worldwide (including the US, China and Russia), and has free and preferential trade agreements or partnership and cooperation agreements in force with 38 countries, agreements partially in place with 49 partners, and ongoing negotiations with about 20 more.³⁸

The EU accounts for about one-third of inward and outward global foreign direct investment stocks.³⁹ This gives the bloc much leverage in establishing the terms for investing in Europe, and the same can apply to investments deployed abroad as part of larger objectives. **Strengthening Europe's economic power base requires ensuring that all foreign investment abides by Single Market rules,** fostering coordination among EU member states for screening foreign investment in strategic sectors, and establishing reciprocal mutual market access with Europe's partners.

On the external front, while investment is essentially business-driven, the EU can act strategically to cluster public and private investment in regions or policy areas of strategic relevance through adequate incentives and facilities. This can help trigger economic development, foster resilience and sustainability, expand the reach of EU norms and standards, and create a level playing field for cooperation with others.

The EU and member states should harness the opportunity of the negotiations on the upcoming 2021-2027 Multiannual Financial Framework (MFF) to review the experience of current financing instruments and facilities and establish a comprehensive and flexible strategic architecture for foreign funding, in cooperation with the European Investment Bank and other financial institutions.⁴⁰ Furthermore, crafting and implementing a focused agenda to foster EU-Asia connectivity, building on the recently adopted EU strategic document, would add an innovative dimension of strategic autonomy.⁴¹

The strengthening of the international role of the euro is another central dimension of progress towards Europe's strategic autonomy. The common currency is an essential factor for the deepening and resilience of the Single Market: it offers eurozone citizens and companies predictability in the face of drastic exchange rates fluctuations, contains inflation and keeps interest rates low, thus facilitating the sustainability of public and private debt. However, the financial and economic crisis that has engulfed the EU has not only polarised Europe's politics but also affected trust in EMU's long-term sustainability and the role of the euro. The eurozone needs consolidation and deepening to prevent the further widening of asymmetries among the eurozone economies, improve Europe's resilience against financial shocks and send a strong message of cohesion to its citizens and the rest of the world.⁴² The deepening of the eurozone is also widely regarded as a requirement to foster the international role of the euro⁴⁵: while the euro remains the second most used global currency by most benchmarks, its international role has not fully recovered from the financial crisis.

A more prominent role for the euro as an international currency would benefit European businesses and citizens and help protect Europe from the weaponisation of financial power in the pursuit of foreign policy objectives that may differ from its own⁴⁴, such as in the case of the US' secondary sanctions on Iran. Given the unparalleled reach of the US dollar and its financial system, the combination of sheer unilateralism and the extraterritorial effect of US secondary sanctions squeezes allies, while also damaging the reputation of the US as a responsible leader.⁴⁵ Given this new context, a reflection on how to enhance the role of the euro and, therefore, Europe's financial resilience, has been revamped in Europe.

As the European Commission has stressed in its December 2018 communication on strengthening the international role of the euro, this means, in particular, completing the banking union, advancing the capital markets union and providing large volumes of safe euro-denominated assets.⁴⁶ The latter would, in turn, contribute to deeper capital markets and a stronger banking system. In short, boosting the international role of the euro requires measures that send an unambiguous message on the irreversibility of the eurozone, while also providing enhanced liquidity and safety for private market operators.

Yet as clear as the steps to take may be, the huge political difficulties in moving down this path are equally evident.⁴⁷ Different camps of member states continue to struggle on the dosage of rigour and flexibility in the eurozone fiscal policy posture, while levels of mutual trust are low.⁴⁸ Furthermore, the larger use of the euro as a global currency would likely lead to its appreciation, which would, to some degree, challenge the export-oriented growth model of various eurozone members. The position of Germany will, of course, be decisive in determining the way forward. It is, however, clear that deepening the eurozone is a critical

requirement for making of the EU a more autonomous global actor and, therefore, a test for Europe's true aspirations.

4.2 TECHNOLOGICAL LEADERSHIP

Technology has always been a primary source of prosperity and power. Today, new and emerging technologies are reshaping the domains, terms and tools of cooperation and competition on the international stage. Technological innovation is simultaneously accelerating and increasingly diffused. The acceleration of digital innovation particularly creates unprecedented opportunities for sustainable human development and well-being, civic and political participation, and international cooperation. However, it also affects the distribution of power at all levels, expands the grounds for economic and political competition and creates new vulnerabilities.

The diffusion of technological innovation to new economic powerhouses and the major advances made by China in key sectors, from fifth-generation mobile technology (5G) to AI, will carry far-reaching implications for economic growth, normative reach, political influence and security in different parts of the world. As noted above, much of the current competition between the US and China is about employing technological primacy as an enabler of international leadership.

The EU will fail to advance towards strategic autonomy if it is not at the forefront of both technological innovation and the efforts to regulate the applications of new technologies in ways that are consistent with its interests and values.

The EU will fail to advance towards strategic autonomy if it is not at the forefront of both technological innovation and the efforts to regulate the applications of new technologies in ways that are consistent with its interests and values.⁴⁹ As a recent paper by Timmers put it, "mastery of digital technologies is an essential capability for future competitiveness, protecting society's values and bridging the 'sovereignty gap'."⁵⁰ From this standpoint, the capacity for technological innovation is also a major requirement for Europeans in order to be able to make basic choices on their future economic and social models, as opposed to living with the choices made by those who drive innovation outside of Europe.

For example, in 2018 the European Commission launched a series of initiatives to shape a European

approach to AI, directed to not only support technological development but also deal with the impact of AI on labour markets, develop talents and skills, and shape a governance framework for the multiple applications of this emerging technology. The Commission has established a High-Level Expert Group on Artificial Intelligence (AI HLEG), tasked with supporting the evolution of the EU approach to the ethical, socioeconomic and legal implications of AI. This Group delivered a report on ethics guidelines for trustworthy AI in April 2019 and another on policy and investment recommendations, including on a suitable governance framework, in June 2019.⁵¹ These are the first steps in shaping a distinct European approach to AI, which is essential both to enable Europe's future competitiveness and to prevent dangerous uses of this technology, such as for mass surveillance. According to some estimates, the application of AI could raise global GDP by 14%, or \$15,7 trillion, by 2030. In particular, the economic impact of AI would lift China's GDP by 26%, that of North America by 14.5%, that of Southern Europe by 11,5% and that of Northern Europe by 9,9%.⁵²

The EU holds strong assets in facing the technological innovation challenge, such as excellent research institutions, a wide pool of talent and a large internal market. According to the *Reuters'* list of the 100 most innovative universities in the world, 46 (and eight of the top ten) are in the US, 27 in Europe and 23 in Asia.⁵³ However, there is a need for urgent action in preserving and expanding these assets. Europe has failed to meet the objective of spending 3% of its GDP on research and development (R&D), with investment at around 2% (about the same share of GDP as in China) in 2017; compared to 4.2% in South Korea, 3.3% in Japan and 2.8% in the US.⁵⁴ The competition for global talent is in full swing between academic institutions and corporate actors, while the Single Market is failing to deliver its full potential, whether through larger access to venture capital or the free flow of digital services. Besides, the EU is falling behind major competitors in the US and China on various fronts of innovation.⁵⁵

The EU holds strong assets in facing the technological innovation challenge, such as excellent research institutions, a wide pool of talent and a large internal market.

China is leading in setting the standards for 5G, even though EU companies such as Nokia and Eriksson have a strong track record too. Furthermore, China benefits from the largest domestic market in the world, which will in turn generate massive volumes of data, further empowering Chinese companies in the digital economy. Europe's delay in the development of a competitive 5G industry implies that EU countries will face problems concerning both the security of their networks – as the

current controversy surrounding Huawei shows – and the control of the data generated by hyper-connected economies and societies.⁵⁶ These are both central requirements for strategic autonomy. When it comes to AI, China and the US are leading in R&D and host the largest shares of high-value AI start-ups by far. The more advanced AI is, the more performing the millions of devices connected through the IoT will be. In 2018, the EU was home to 132 of the 500 most important IoT companies in the world, while 236 were based in the US and 27 in China.⁵⁷

Low levels of venture capital are another major obstacle. Despite growing quite fast in the last five years, venture capital in Europe stood at only \$17.6 billion in 2017, against \$71.9 billion in the US and \$70.8 billion in Asia.⁵⁸ Besides, the average size of venture capital funds in Europe is €60 million – half the US average – and they mostly operate within individual member states.⁵⁹ The scarcity of growth funding for companies past the launch phase is particularly problematic, as promising European digital start-ups are often acquired by non-EU (mostly American) companies and funds. Supporting Europe's technological leadership and therefore strategic autonomy will require decisive action at three levels:

- ▶ **Firstly, Europeans should decide what priorities to concentrate their resources on, from fundamental research to the full innovation cycle.** A recent report by the High-level Strategy Group on Industrial Technologies has updated a previous list of six “key enabling technologies”, defined as the essential technology building blocks underpinning EU industrial leadership. The new entries on this list are AI, digital security and connectivity.⁶⁰ In parallel, the work of the Strategic Forum for Important Projects of Common European Interest – identifying and supporting strategic European value chains – is one of the vectors of Europe's fledgling industrial policy approach. Alongside areas of ongoing cooperation on batteries, high-performance computers and microelectronics, six additional areas have been selected for pooling resources.
- ▶ **Secondly, larger resources must be available to support innovation policies.**⁶¹ Member states will soon face a moment of truth in the next phase of negotiations on the upcoming MFF, when they will have to decide on the Commission's proposal to raise the share of the budget dedicated to innovation, including Horizon 2020 (H2020), by over 40%. While this is necessary, it will be equally important to ensure that the EU and national funds and initiatives work hand in hand to maximise impact. This will require better coordination between national strategies concerning the major sectors of technological innovation (e.g. AI), which are often developed in separate national silos. There will also be a need to build on the pilot experience of the European Innovation Council to target the most promising start-ups for funding under H2020. Crucially, Europeans must devise tools to provide more flexible financing to EU firms, particularly

high-potential start-ups that struggle to move from the research phase to market access.

- ▶ Thirdly, **the regulatory framework must be updated or even established to enable the deployment and leveraging of new technologies and maximise the advantages of the Single Market**, while ensuring security and seeking to establish a level playing field with external partners. As mentioned above, the EU's experience with the regulation of the free flow of data is a case in point. Besides, the AI HLEG's recent report fleshes out recommendations for a European approach to the governance and regulation of this crucial set of technologies. It calls for shaping regulation according to different types and levels of risk, reviewing existing legislation across various domains (from civil and criminal law to consumer protection and competition), expanding institutional capacity and expertise and fostering a Single Market for trustworthy AI in Europe.⁶² Additionally, building on the March 2019 Commission recommendations on the cybersecurity of 5G networks⁶³, a much stronger pan-European regime should be established to ensure that all member states and providers meet high security requirements.

4.3 STRENGTHENING EUROPE'S SECURITY AND DEFENCE

Today's European security and defence agenda features multiple dimensions including cybersecurity and cyber defence, crisis management and territorial defence. While the perception of their relative importance has been shifting over the years and remains uneven across member states, all of them have become more pressing. Drawing from the experience of the wars in the Balkans in the 1990s, the crisis management agenda drove the launch of the CSDP at the turn of the century. At that time, the priority was to project values and stability to the outside, rather than to protect Europe from external threats. However, since Russia's military intervention in Ukraine as of 2014, its military build-up from the Baltic to the Black Sea and the erosion of arms control regimes in Europe, the issue of territorial defence has made its way back to the top of the agenda, alongside new questions concerning the future of nuclear weapons and nuclear deterrence in Europe.

Meanwhile, the spread of digital technologies, vital to the functioning of all sorts of critical infrastructures and institutions, has opened a new boundless and ubiquitous virtual front. European economies, societies and political systems are vulnerable to cyberattacks, whose frequency and intensity has been fast increasing in recent years.⁶⁴ A large range of states are rapidly deploying not only defensive but also offensive cyber capabilities, which they can use either directly or through proxies and often as part of broader, hybrid destabilisation strategies. Beyond the serious and already diffused threat to citizens and civilian infrastructure (i.e. economic, financial, health,

communication, transport, energy), cyber capabilities are central to strategic affairs and warfare.⁶⁵ For example, using this digital weapon to undermine the functioning of complex armament systems could affect the strategic balance and cost-benefit calculations of rival powers in potentially destabilising ways. Advancements in AI and their application to military affairs engender further risks, favour offence, challenge deterrence and pose far-reaching questions concerning the control of future advanced autonomous weapons.⁶⁶

The spread of digital technologies has opened a new boundless and ubiquitous virtual front.

Europe has no choice but to close ranks and become more self-reliant in all of these areas⁶⁷, due to two concurrent factors. First, **the 'threat intensity' that Europe faces is unlikely to dim in the foreseeable future.** What is more, threats will increasingly intersect the dimensions outlined above. For example, non-state actors and state proxies could carry out cyberattacks on European forces deployed in crisis management theatres. Second, although it is unlikely that the US will fully disengage from European security or even withdraw from the North Atlantic Treaty Organization (NATO), there is broad consensus that the strategic centre of gravity of the US is shifting towards the Asia-Pacific region. It can be expected that the US will therefore become much more selective in their engagement in and around Europe while delegating more of the military burden to partners. If President Trump's disregard for key European allies is a distinctive mark of his administration, the recalibration of the US strategic focus is a structural trend that preceded and will most likely follow it.⁶⁸

In this context, **Europeans cannot continue to rely on the US to the current extent, not only for territorial defence but also for undertaking crisis management operations.** Europeans should take more responsibility for their own security and defence while placing more emphasis on the actual output of European efforts rather than simply the levels of national defence spending per se. It should be noted that defence spending in Europe has been growing since 2015⁶⁹, and is expected to continue to grow. This trend should not only be maintained but also accelerated, and resources should be allocated in more targeted ways to meet the high-end capability requirements highlighted by the Capability Development Plan (CDP). At the same time, it is only reasonable that as Europeans invest more in their defence capabilities, they also seek to strengthen their technological and industrial capacity to deliver the key assets they need; the institutional capacity to plan and run the operations they undertake on their own; and a common strategic culture to inform their

threat assessments, and their approach to the use of force.⁷⁰

In line with the broader definition of strategic autonomy, a more self-reliant Europe in security and defence matters is therefore one that can foster the political will and strategic culture to deal with shared threats, is endowed with the necessary institutional structures to effectively operate together (from intelligence to operational planning), and has the industrial capacity to develop adequate capabilities across all domains of potential conflict, including cyber and space. Of course, **European strategic autonomy does not imply that Europeans will or should operate solely through the EU.** For one, stronger European capabilities will reinforce NATO's core task of collective defence. For another, these capabilities can be deployed in crisis management operations undertaken under the aegis of different organisations (i.e. the EU, NATO, UN) or through ad hoc coalitions. However, strategic autonomy in this context means that Europeans would be able to achieve more on their own to fulfil a much wider spectrum of tasks, when need be.

In the field of crisis management, Europeans should further detail and fulfil the still loosely defined level of ambition they set out in the conclusions of the Foreign Affairs Council in November 2016.⁷¹ That requires the capacity to undertake all the crisis management tasks foreseen in Article 43 of the Treaty on European Union (TEU) and in particular the high-intensity peace-making operations in high-risk environments, rapid deployments, stabilisation, and air and maritime security operations. The ability of the EU to support its partner countries and institutions in this field through capacity building will be an increasingly important dimension of the EU becoming a more autonomous security provider, and one in line with using autonomy to expand cooperation. The establishment of a sizeable European Peace Facility, proposed by the Commission under the new MFF, would equip the EU for this task.

Coping with cyber threats and the hybrid strategies that weaponise digital connectivity will require the development of a European cyber strategic culture and the scale-up of resources and expertise.

Concerning territorial defence, advancing Europe's strategic autonomy is not intended to challenge NATO's core prerogative for collective defence (which is recognised in the TEU and EUGS)⁷², but instead to enhance the European contribution to protecting the continent, alongside allies. Ongoing EU initiatives to foster military mobility in Europe are an example of the added value the Union can bring to a joint effort, besides

the development of new capabilities, as described below. More attention should also be directed to the implementation of the TEU's mutual defence clause in Article 42.7, as a complement to NATO's guarantee, not least with a view to potential large-scale, high-impact terrorist or cyberattacks.

In matters of cybersecurity and cyber defence, Europe should aim to make its infrastructure more resilient, its mutual defence and assistance mechanisms (including the solidarity clause in Article 222 of the Treaty on the Functioning of the European Union) more effective, and its capabilities more robust.⁷³ Coping with cyber threats and the hybrid strategies that weaponise digital connectivity – from prevention and recovery to the attribution of malicious activities – will require the development of a European cyber strategic culture and the scale-up of resources and expertise. While some steps have been taken, strong political leadership, coordination and cooperation at EU level will be essential to overcome the current fragmentation of national and EU-level efforts and responsibilities; and to develop adequate capabilities while possibly pooling some of them.

This will need to be not just a 'whole-of-the-EU', but a 'whole-of-society' approach, relying on adequate skills and awareness; the engagement of all public services (and not just those operating in the security field), and a stronger level of cooperation with private actors, making them more resilient and (when relevant) responsible. There is a need to ensure the tight implementation of common standards, reinforce EU level bodies (e.g. the European Union Agency for Cybersecurity) and operationalise the recently adopted Cyber Diplomacy Toolbox to respond to cyber-attacks and the Cybersecurity Act.⁷⁴ Fostering ongoing cooperation with NATO in countering cyber and hybrid threats is yet another major area where Europe's strategic autonomy can serve a stronger alliance, benefiting the security of partners on both sides of the Atlantic.

Progress towards strategic autonomy in security and defence matters is inevitably a long-term undertaking.

As a recent study put it, neither the operational nor the defence industrial components of strategic autonomy can currently be achieved within the EU. However, "to fail to pursue them consistently for that reason would run the risk of denying the EU a security profile of its own."⁷⁵

Today, about 90% of European defence research and technology expenditure and 80% of defence procurement take place at the national level, resulting in a clear waste of resources. It is essential that Europeans better coordinate their defence planning cycles through the Coordinated Annual Review on Defence, consistently with the common priorities and requirements outlined in the CDP (which takes into account the NATO Defence Planning Process), so as to identify and fill common gaps through improved collaborative investment. This should contribute to the establishment of joint projects that EU countries wish to undertake, including within the Permanent Structured Cooperation (PESCO) framework,

which is based on the binding commitments that the 25 participating member states have taken on.⁷⁶ Alongside a rationalisation of the (too) many projects launched during the initial phase of PESCO, member states should further sharpen and above all implement said commitments⁷⁷, in particular those that concern their capacity to effectively carry out demanding military operations. Additionally, alongside the development of new capabilities, the availability and readiness of existing ones is an issue requiring urgent action. The economic incentive provided by the European Defence Fund to support collaborative research and capability development should create a strong incentive for member

states to work together on large initiatives that fill the capability gaps while dedicating more resources to breakthrough technologies that will define the security landscape in the coming decades.

These new arrangements are critically important but are not the only vector for defence cooperation in Europe. It will be crucial to ensure that these and other initiatives advance in consistent and mutually reinforcing ways. This applies, for example, to the European Intervention Initiative launched by France, directed to reinforce a common strategic and operational culture and draw up scenarios for possible interventions.

Conclusion: Strategic autonomy for a positive agenda

Tangible achievements will be the stepping stones on Europe's long road towards more strategic autonomy. Focusing on major policy initiatives brings the double benefit of generating concrete deliverables while steering clear of ideological debates. However, these achievements should be implemented as part of a larger strategic approach. Expectations should be managed, but a sense of purpose and direction should also be provided and consistently pursued. Strategic autonomy remains a contentious issue within the EU. However, if some are reluctant to endorse strategic autonomy, the alternative is very unattractive.

The prospect of indefinite strategic dependence in a very volatile and turbulent international context is not promising. Whether it be in military, technological or financial terms, however, this is precisely the outcome to be expected in the case that strategic autonomy is neglected. With multilevel competition on the rise, no major power – barring the EU, when it is united – is investing in a rules-based global order.

Dismissing strategic autonomy would not only weaken Europe but also be a symptom and multiplier of the hollowing out of the EU.

In this context, it would be a mistake to believe that strategic dependence is a politically sustainable condition, as was the case when Europe relied on the relatively benign hegemonic role of the US during the Cold War and its immediate aftermath. In a world where major powers seek to pull European countries apart in different directions, strategic dependence would aggravate Europe's fragmentation. In other words, dismissing strategic autonomy would not only weaken Europe but also be a symptom and multiplier of the hollowing out of the EU. If the mutual trust to pursue strategic autonomy is lacking, solidarity is considered issue-based and every country 'comes first', then there is no compelling reason as to why individual countries should not seek to fulfil their own distinct (short-term) agendas, regardless of its impact on other member states.

The only chance for Europeans to uphold their interests is by joining forces and, on that basis, working with their partners. The extent to which Europeans have already embedded their prosperity into deep institutions such as the Single Market and the EMU – alongside cooperation in almost all sectors of internal and external security – implies that the EU is an unparalleled structural platform for member states to operate at the international level.⁷⁸ A profound change in mindset is

required: EU leaders must accept that they cannot have it both ways; namely a stronger Europe 'on the cheap'. In the face of centrifugal forces across the continent, the choice is to either reassert Europe's unity and act accordingly, or lose it.

Contextualising strategic autonomy within the fraught and fluid politics of the EU also helps to make sense of its implications for transatlantic relations. **The argument that Europe's strategic autonomy would undermine the transatlantic partnership is flimsy.** The US has entered a phase of erratic unilateralism that is powered by an unapologetic nationalist narrative, which has created or widened gaps with Europe on important issues. This does not mean that Washington will withdraw from Europe, or that future US administrations will adopt the same approach as Trump's.

However, there are **structural trends at play that will likely make the US a more ordinary superpower** – one less invested in building or leading the international order and more focused on major national interests, working on its own or with allies.⁷⁹ In short, even in a post-Trump scenario, there is no going back to the comfortable, US-led post-Cold War liberal international order – so the transatlantic partnership must be adjusted accordingly.⁸⁰ **Preserving a strong transatlantic partnership is a core strategic interest for Europe.** With a view to that, Europe should gear up to be a stronger and more resilient partner. The US, for their part, must acknowledge that a stronger partner does not equate a follower and that **the alternative to a more integrated and autonomous Europe is a less transatlantic one.**

A profound change in mindset is required: EU leaders must accept that they cannot have it both ways; namely a stronger Europe 'on the cheap'.

The progressive unravelling of the EU would be a major geostrategic setback for the US. A stronger Europe grounded in liberal values and seeking to foster them beyond its borders would be a more robust partner to the US, including through larger military capabilities.⁸¹ Disagreements and irritants have punctuated the transatlantic relationship in the past and will surely still be present in a more mature and equal partnership. However, their relevance pales compared to the range of assets and political capital that Europeans can bring to the transatlantic table if they act together on matters of shared interests, such as the reform of global trade

regimes, the governance of new technologies, non-proliferation, the fight against terrorism, the handling of regional crises or the security of the commons.

The simple facts are that no country in Europe wishes to weaken NATO, that EU-US economic relations are by far the strongest in the world (taking into account trade and investment flows), and that people-to-people contacts are the most extensive, building on largely shared values. Trying to prevent or undermine Europe's strategic autonomy as opposed to encouraging it would be for the US a self-inflicted blunder. Beyond the very short term, a weaker and more divided Europe would not be a more docile Europe, but a Europe that becomes less liberal and is up for grabs amidst great power competition. Far from detracting from it, Europe's strategic autonomy is actually an essential contribution to an effective transatlantic partnership.

Europeans should unambiguously and jointly lay out the terms of engagement for their future partnership with China.

Strengthening Europe's strategic autonomy is also crucial for future relations with China. In coping with the surge of the new superpower, Europe must assess how much connectivity and interdependence can be advanced with a partner featuring a very different economic and political system, while still firmly defending its own interests and values. Besides, Europe will need to decide how to deal with the growing economic, normative and political influence that China projects on to the international stage, not least through the vast Belt and Road Initiative. Europeans should unambiguously and jointly lay out the terms of engagement for their future partnership with China.

The March 2019 EU strategy paper expressed the complexity of EU-China relations, identifying China as a partner, a competitor and a systemic rival simultaneously, and signalled a shift in the EU approach towards a more realistic and robust stance vis-à-vis Beijing.⁸² EU leaders should continue to build on these proposals and highlight that the future scope of their partnership will depend on defining a reciprocal level playing field for mutual relations. At the same time, any attempt to interfere in Europe's affairs must be countered.

Europe's credibility will critically depend on the strengthening of its own economic power base, its capacity for cutting-edge innovation and the updating of other internal policies, such as competition. **Europe should also seek to foster its dialogue with China on the future of the international order,** including respective approaches to multilateralism and connectivity. On this level too, Europe's weight will

depend on its ability to implement its own connectivity agenda through the effective coordination and targeting of adequate resources, and to leverage its rulemaking power at the multilateral level.

Appealing for more strategic autonomy is not just for the sake of Europe's future relations with the US and China. **Strategic autonomy is the necessary enabler for Europeans to make basic choices about their future.** Equipping Europe to cope with mounting challenges is the necessary starting point, and not the endpoint. Strategic autonomy is also about finding the resources, confidence and credibility to shape a positive global agenda for rules-based cooperation, which can resonate with many well beyond Europe and should be used to set the terms of engagement with its partners. In other words, strategic autonomy is not just an insurance policy but also a statement of European cohesion, and a platform for multilateral agenda-setting.

- 1 See Grevi, Giovanni (2019a), [“Shaping power: A strategic imperative for Europe”](#); Brussels: European Policy Centre; Grevi, Giovanni (2019b), [“Rules first: The way forward for ‘shaping power’ Europe”](#); in Rebecca Castermans (ed.), [Yes, we should! EU priorities for 2019-2024](#), Brussels: European Policy Centre.
- 2 European Union (2016), [Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy](#), Brussels, p.19.
- 3 On the diffusion of power, see Slaughter, Anne-Marie (2004), *A New World Order*, Princeton: Princeton University Press; Naim, Moisés (2013), *The End of Power: From Boardrooms to Battlefields and Churches to State, Why Being in Charge Isn’t What It Used To Be*, New York: Basic Books. On various aspects of the ongoing concentration of power, see Webb, Amy (2019), *The Big Nine: How the Tech Titans and Their Thinking Could Warp Humanity*, New York: PublicAffairs; Bremmer, Ian (2010), *The End of the Free Market: Who Wins the War Between States and Corporations?*, New York: Portfolio.
- 4 Nye, Joseph S. Jr. (2011), *The Future of Power*, New York: PublicAffairs.
- 5 On the profound impact of emerging technologies and their interconnections in different fields, see Brynjolfsson, Erik and Andrew McAfee (2014), *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*, New York: WW. Norton & Company; Manyika, James, Susan Lund, Michael Chui, Jacques Bughin, Jonathon Woetzel, Parul Batra, Ryan Ko and Saurabh Sanghvi (2017), [“Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation”](#), McKinsey & Company; Wittes, Benjamin and Gabriella Blum (2015), *The Future of Violence: Robots and Germs, Hackers and Drones. Confronting a New Age of Threat*, New York: Basic Books; Kello, Lucas (2017), *The Virtual Weapon and International Order*, New Haven: Yale University Press.
- 6 Leonard, Mark (2016, ed.), [“Connectivity Wars: Why migration, finance and trade are the geo-economic battlegrounds of the future”](#), London: European Council on Foreign Relations.
- 7 Mazarr, Michael J.; Jonathon Blake; Abigail Casey; Tim McDonald; Stephanie Pezard and Michael Spirtas (2018), [“Understanding the Emerging Era of International Competition: Theoretical and Historical Perspectives”](#), Santa Monica: RAND Corporation.
- 8 Kennedy, Andrew B. and Darren J. Kim (2018), [“The innovation imperative: technology and US-China rivalry in the twenty-first century”](#), *International Affairs*, Volume 94, Number 3, pp. 553-572; *The Economist*, [“The semiconductor industry and the power of globalisation”](#), 01 December 2018; Zwetsloot, Remco, Helen Toner and Jeffrey Ding, [“Beyond the AI Arms Race – America, China and the Dangers of Zero-Sum Thinking”](#), *Foreign Affairs*, 16 November 2018.
- 9 See *Foreign Affairs* (2019), [“The New Nationalism”](#), Volume 98, Number 2, March/April issue.
- 10 Grevi, Giovanni (2019b), *op. cit.*
- 11 Yan, Xuetong (2019), [“The Age of Uneasy Peace: Chinese Power in a Divided World”](#), *Foreign Affairs*, Volume 98, Number 1.
- 12 *The Economist*, [“A new kind of cold war”](#), 16 May 2019.
- 13 Landler, Mark, [“The U.S. adopts a hard line against China, and an era of engagement recedes into the past”](#), *The New York Times*, 25 November 2018; Luce, Edward, [“The new era of US-China decoupling”](#), *Financial Times*, 20 December 2018; Wolf, Martin, [“The challenge of one world, two systems”](#), *Financial Times*, 29 January 2019.
- 14 Hilpert, Hanns Günther and Gudrun Wacker (2015), [“Geoeconomics Meets Geopolitics: China’s New Economic and Foreign Policy Initiatives”](#), Berlin: German Institute for International and Security Affairs; Breslin, Shaun (2018), [“Global Reordering and China’s Rise: Adoption, Adaptation and Reform”](#), *The International Spectator*, Volume 53, Number 1, pp.57-75.
- 15 See Patrick, Stewart (2015), [“The New ‘New Multilateralism’: Minilateral Cooperation, but at What Cost?”](#), *Global Summitry*, Volume 1, Number 2, pp.115-134; Flockart, Trine (2016), [“The coming multi-order world”](#), *Contemporary Security Policy*, Volume 37, Number 1, pp.3-30; Grevi, Giovanni (2018), [“Diversity Management: Regionalism and the Future of the International Order”](#), *The International Spectator*, Volume 53, Number 1, pp.11-27.
- 16 Tocci, Nathalie (2018), [“The Demise of the International Liberal Order and the Future of the European Project”](#), Rome: Istituto Affari Internazionali.
- 17 European Parliament and the Council of the European Union (2016), [Regulation \(EU\) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC \(General Data Protection Regulation\)](#), Brussels.
- 18 *European Commission*, [“European Commission presents comprehensive approach for the modernisation of the World Trade Organisation”](#) (last accessed 10 July 2019); *European Commission*, [“EU proposes way forward on the functioning of the Appellate Body”](#) (last accessed 10 July 2019).
- 19 Emmanouilidis, Janis and Fabian Zuleeg (2016), [“Europe@60 - Countering a regressive and illiberal Europe”](#), Brussels: European Policy Centre.
- 20 Emmanouilidis, Janis (2017), [“Re-energising Europe: A package deal for the EU27”](#), Brussels: New Pact for Europe.
- 21 Popescu, Nicu and Stanislav Secieru (2018, eds.), [Hacks, leaks and disruptions: Russian cyber strategies](#), Paris: European Union Institute for Security Studies; European Commission and High Representative of the Union for Foreign Affairs and Security Policy (2019a), [Report on the implementation of the joint Action Plan Against Disinformation](#), Brussels.
- 22 Godement, François and Abigaël Vasselier (2017), [“China at the gates: A new power audit of EU-China relations”](#), London: European Council on Foreign Relations; *The Economist*, [“Chinese investment, and influence, in Europe is growing”](#), 04 October 2018.
- 23 United Nations (2018), [“Global Compact for Safe, Orderly and Regular Migration”](#), Marrakesh. Gatti, Mauro, [“EU States’ Exit from the Global Compact on Migration: A Breach of Loyalty”](#), *EU Immigration and Asylum Law and Policy*, 14 December 2018.
- 24 Mauro, Frédéric (2018), [“Strategic Autonomy under the Spotlight: The New Holy Grail of European Defence”](#), Brussels: Group for Research and Information on Peace and Security.
- 25 Rutten, Maartje (2001, ed.), [“From St-Malo to Nice. European defence: core documents”](#), Paris: Western European Union Institute for Security Studies, p.8.
- 26 Kempin, Ronja and Barbara Kunz (2017), [“France, Germany and the Quest for European Strategic Autonomy: Franco-German Defence Cooperation in A New Era”](#), Paris: Institut français des relations internationales, p.10.
- 27 Lippert, Barbara; Nicolai von Ordanza and Volker Perthes (2019, eds.), [“European Strategic Autonomy: Actors, Issues, Conflicts of Interests”](#), Berlin: German Institute for International and Security Affairs, p.5.
- 28 Timmers, Paul (2018), [“Cybersecurity is forcing a rethink of strategic autonomy”](#), *The Oxford University Politics Blog*, 14 September 2018.
- 29 Grevi, Giovanni (2019b), *op. cit.*
- 30 Leonard, Mark and Jeremy Shapiro (2019), [Strategic sovereignty: How Europe can regain the capacity to act](#), European Council on Foreign Relations, p.5.
- 31 Draghi, Mario, [“Sovereignty in a globalised world”](#), University of Bologna, 22 February 2019.
- 32 European Council (2019a), [European Council meeting \(21 and 22 March 2019\) – Conclusions](#), Brussels.
- 33 European Council (2019b), [European Council meeting \(20 June 2019\) – Conclusions](#), Brussels.
- 34 in’t Veld, Jan (2019), [Quantifying the Economic Effects of the Single Market in a Structural Macromodel](#), Luxembourg: European Commission.
- 35 Majone, Giandomenico (1994), [“The rise of the regulatory state in Europe”](#), *West European Politics*, Volume 17, Number 3, pp.77-101; Bradford, Anu (2012), [“The Brussels Effect”](#), *Northwestern University Law Review*, Volume 107, Number 1, pp.1-68; Damro, Chad (2012), [“Market power Europe”](#), *Journal of European Public Policy*, Volume 19, Number 5, pp.682-699.
- 36 Bjerkem, Johan (upcoming), [“Making Europe work: Launching a 2022 Single Market Programme for Europe”](#), Brussels: European Policy Centre.
- 37 European Commission (2019a), [Questions & Answers on the Japan adequacy decision](#), Brussels.
- 38 *European Commission*, [“Trade > Policy > Countries and regions > Negotiations and Agreements”](#) (last accessed 16 May 2019).
- 39 United Nations Conference on Trade and Development, [“World Investment Report 2018: Investment and new industrial policies”](#), Geneva: United Nations, p.188.
- 40 European Commission (2018a), [Towards a more efficient financial architecture for investment outside the European Union](#), Brussels.
- 41 European Commission and High Representative of the Union for Foreign Affairs and Security Policy (2018), [Connecting Europe and Asia – Building Blocks for an EU Strategy](#), Brussels.
- 42 Pagoulatos, George (2019), [“Deepening the EMU as a win-win: How to keep the reform debate alive”](#), in Rebecca Castermans (ed.), [Yes, we should! EU priorities for 2019-2024](#), Brussels: European Policy Centre.
- 43 Acedo Montoya, Lourdes and Marco Buti, [“The euro: From monetary independence to monetary sovereignty”](#), *VoxEU*, 01 February 2019; Cœuré, Benoît, [“The euro’s global role in a changing world: a monetary policy perspective”](#), Council on Foreign Relations, 15 February 2019.
- 44 Papadia, Francesco and Kostantinos Efstathiou (2018), [“The euro as an](#)

- [international currency](#)”, Brussels: Bruegel. Münchau, Wolfgang, “America’s exorbitant privilege is Europe’s sin of omission”, *Financial Times*, 26 May 2019. Leonard, Mark; Jean Pisani-Ferry; Elina Ribakova; Jeremy Shapiro and Guntram Wolff (2019), “[Redefining Europe’s economic sovereignty](#)”, Brussels: Bruegel.
- ⁴⁵ Law, Jacob J. and Richard Nephew (2018), “[The Use and Misuse of Economic Statecraft: How Washington is Abusing its Financial Might](#)”, *Foreign Affairs*, Volume 97, Number 6, pp.139-149; Hartford, Tim, “[How the US is weaponising the world economy](#)”, *Financial Times*, 14 June 2019.
- ⁴⁶ European Commission (2018b), [Towards a stronger international role of the euro: Commission contribution to the European Council and the Euro Summit \(13-14 December 2018\)](#), Brussels.
- ⁴⁷ Tooze, Adam and Christian Odendahl (2018), “[Can the euro rival the dollar?](#)”, London: Centre for European Reform.
- ⁴⁸ Emmanouilidis, Janis (2019), “[Re-unite EUrope: A shared leitmotiv for the next EU leadership](#)”, in Rebecca Castermans (ed.), *Yes, we should! EU priorities for 2019-2024*, Brussels: European Policy Centre.
- ⁴⁹ European Political Strategy Centre (2018a), [Report from the High-Level Hearing ‘Strategic Autonomy in the Digital Age](#)”, Brussels: European Commission.
- ⁵⁰ Timmers, Paul (2019), “[Strategic autonomy and cybersecurity](#)”, EU Cyber Direct, p.3.
- ⁵¹ High-Level Expert Group on Artificial Intelligence (2019a), [Ethics Guidelines for Trustworthy AI](#), Brussels: European Commission; High-Level Expert Group on Artificial Intelligence (2019b), [Policy and Investment Recommendations for Trustworthy AI](#), Brussels: European Commission.
- ⁵² Gillham, Jonathon; Lucy Rimmington; Hugh Dance; Gerard Verweij; Anand Rao; Kate Barnard Roberts; Mark Paich (2018), “[The macroeconomic impact of artificial intelligence](#)” PricewaterhouseCoopers.
- ⁵³ Ewalt, David M., “[Reuters Top 100: The World’s Most Innovative Universities - 2018](#)”, *Reuters*, 11 October 2018.
- ⁵⁴ Kyi, Gregor (2019), [First estimates of Research & Development expenditure: R&D expenditure in the EU increased slightly to 2.07% of GDP in 2017](#), Brussels: Eurostat. Figures for China, Japan, South Korea and the US refer to 2015.
- ⁵⁵ European Political Strategy Centre (2018b), [10 Trends shaping innovation in the digital age](#), Brussels: European Commission.
- ⁵⁶ Messas, Achour; Julien Huvé; David Luponis and Laurent Inard (2019), “[5G in Europe: Time to Change Gear! Part 1](#)”, Paris: Institut Montaigne. Bond, Ian (2019), “[Huawei, my way or the highway: Which way should the EU turn?](#)”, London: Centre for European Reform.
- ⁵⁷ *IoT One*, “[2018 Top 500 Industrial IoT Companies](#)”.
- ⁵⁸ European Political Strategy Centre (2018b), *op.cit.*
- ⁵⁹ Directorate-General Research & Innovation (2018), [Re-finding Industry: Report from the High-Level Strategy Group on Industrial Technologies](#), Brussels: European Commission.
- ⁶⁰ *Ibid.*
- ⁶¹ Rubio, Eulalia; Fabian Zuleeg; Emilie Magdalinski; Thomas Pellerin-Carlin; Marta Pilati; Philipp Ständer (2019), [Mainstreaming Innovation Funding in the EU Budget](#), Brussels: European Parliament.
- ⁶² High-Level Expert Group on Artificial Intelligence (2019b), *op.cit.*
- ⁶³ European Commission (2019b), [Commission Recommendation of 26.3.2019.: Cybersecurity of 5G networks](#), Strasbourg.
- ⁶⁴ Cisco (2018), “[Cisco 2018 Annual Cybersecurity Report](#)”.
- ⁶⁵ Kello (2017), *op.cit.*
- ⁶⁶ Payne, Kenneth (2018), “[Artificial Intelligence: A Revolution in Strategic Affairs?](#)”, *Survival*, Volume 60, Number 5, pp.7-32.
- ⁶⁷ Biscop, Sven (2019), “[Fighting for Europe: European strategic autonomy and the use of force](#)”, Brussels: Egmont – Royal Institute for International Relations.
- ⁶⁸ Grevi, Giovanni (2016), “[Lost in Transition? US foreign policy from Obama to Trump](#)”, Brussels: European Policy Centre.
- ⁶⁹ Schoeffmann, Elisabeth (2018, ed.), [Defence Data 2016-2017: Key Findings and Analysis](#), Brussels: European Defence Agency; North Atlantic Treaty Organization (2019), [Defence Expenditure of NATO Countries \(2012-2019\)](#), Brussels.
- ⁷⁰ Rizzo, Rachel (2018), “[The United States Should Rally Behind European Strategic Autonomy](#)”, London: European Leadership Network; Fiott, Daniel (2018), “[Strategic autonomy: towards ‘European sovereignty’ in defence?](#)”, Paris: European Union Institute for Security Studies; Biscop, Sven (2019), *op.cit.*; Howorth, Jolyon (2019), “[Autonomy and Strategy: What Should Europe Want?](#)”, Brussels: Egmont – Royal Institute for International Relations; Besch, Sophia and Martin Quencez, “[The importance of being protectionist: A long view of the European Defence Fund](#)”, *War on the Rocks*, 13 June 2019.
- ⁷¹ Council of the European Union (2016), [Council conclusions on implementing the EU Global Strategy in the area of Security and Defence – Council conclusions \(14 November 2016\)](#), Brussels.
- ⁷² Serrano de Haro, Pedro A. (2019), “[The bundle of sticks: a stronger European defence to face global challenges](#)”, Madrid: Elcano Royal Institute.
- ⁷³ Pawlak, Patryk (2015), [Cybersecurity and cyberdefence: EU Solidarity and Mutual Defence Clauses](#), Brussels: European Parliament. Montera-Martinez, Camino (2018), “[Game Over? Europe’s cyber problem](#)”, London: Centre for European Reform. Pupillo, Lorenzo; Melissa K. Griffith; Steven Blockmans and Andrea Renda (2018), “[Strengthening the EU’s Cyber Defence Capabilities: Report of a CEPS Task Force](#)”, Brussels: Centre for European Policy Studies.
- ⁷⁴ Ivan, Paul (2019), “[Responding to cyberattacks: Prospects for the EU Cyber Diplomacy Toolbox](#)”, Brussels: European Policy Centre. European Commission, “[The EU Cybersecurity Act brings a strong agency for cybersecurity and EU-wide rules for cybersecurity certification](#)”, 26 June 2019.
- ⁷⁵ Lippert, von Ordanza and Perthes (2019), *op.cit.*, p.18.
- ⁷⁶ Billon-Galland, Alice and Yonni-Stefania Efstathiou (2019), “[Are PESCO projects fit for purpose?](#)”, London: European Leadership Network.
- ⁷⁷ Zandee, Dick (2018), “[PESCO implementation: the next challenge](#)”, The Hague: Clingendael Institute.
- ⁷⁸ Lippert, von Ordanza and Perthes (2019), *op.cit.*
- ⁷⁹ Grevi, Giovanni (2017), “[Trump’s America: the ordinary superpower](#)”, Brussels: European Policy Centre.
- ⁸⁰ Polyakova, Alina and Benjamin Haddad (2019), “[Europe Alone: What Comes After the Transatlantic Alliance](#)”, *Foreign Affairs*, Volume 98, Number 4.
- ⁸¹ Polyakova, Alina and Benjamin Haddad, “[Is Going It Alone the Best Way Forward for Europe?](#)”, *Foreign Affairs*, 17 October 2018.
- ⁸² European Commission and High Representative of the Union for Foreign Affairs and Security Policy (2019b), [EU-China – A strategic outlook](#), Strasbourg.

The **European Policy Centre** is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decision-makers at all levels to make informed decisions based on sound evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policymaking and in the debate about the future of Europe.

The **Europe in the World Programme** scrutinises the impacts of a changing international system on Europe and probes how the EU and its member states can leverage their untapped potential to advance their interests and values on a regional and global level. It thus examines the evolution of EU relations with major powers, such as the United States, China and Russia, and how Europe can contribute to a rules-based global order. Second, the Programme focuses on the role of the EU in fostering reforms, resilience and stability in neighbouring regions. It looks closely at the developments in Turkey and Ukraine. Third, the Programme examines how the EU can strengthen its security in the face of terrorism, jihadist radicalisation or hybrid and cyber threats. It also seeks to advance the debate on Europe's defence policy.

With the strategic
support of



King Baudouin
Foundation

Working together for a better society



With the support of
Europe for Citizens Programme
of the European Union