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LIGHTS - Geopolitics

European strategic autonomy : A decisive response to geopolitical shifts

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Abstract

The announcement of a ‘geopolitical Commission’ by Ursula von der Leyen in 2019 has met unexpected results. The war in Ukraine, the rising tensions with China, the geo-economic fragmentation have put geopolitical factors at the centre of economic policies and business activities. The ‘European sovereignty’ promoted by President Macron since 2017, also mistaken with the objective of ‘strategic autonomy’, has taken shape first and foremost in the economic dimension. The EU is far from becoming a genuine and united geopolitical actor comparable with great powers like the US, China, Russia or India, but the shift taken is probably permanent.

Keywords: Europe, Geopolitics, Globalization, International Relations, Sovereignty

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European strategic autonomy : A decisive response to geopolitical shifts

In 2019, in her speech to the European Parliament preceding her confirmation as President of the European Commission, Ursula von der Leyen emphasized a 'geopolitical Commission' preferably to the thematic of 'European Sovereignty' as promoted by the French President Emmanuel Macron since 2017. This was a double break with the previous years. Firstly, the European Commission assumed fully the transformation from a technical body dedicated to economy and trade into a political authority confronted with world politics. Secondly, the word 'geopolitics' (which has long been a taboo in a German mouth, due to the legacy of Nazism) became part of European language and policy. As the High Representative Josep Borrell also put it at the same time, 'Europe should speak the language of power'.

Five years later, and waiting for Ursula von der Leyen's possible second term, the debates on geopolitics and European sovereignty have come together. The war in Ukraine, in particular, forced the European Union to develop a new geopolitical approach about the European continent but also the broader world, and to increase its strategic autonomy including in the field of defence. This has also impacted profoundly the evolution of the European economy and conditions for European business.

What kind of geopolitics for the European Union?

Geopolitically speaking, the war in Ukraine has produced a new approach on the organization of the European continent. Russia's aggression against Ukraine has dispelled for the time being all hopes of a European security architecture built on common OSCE¹ principles developed since 1990. Russia has been excluded from the Council of Europe. A new political organization, gathering the 46 Member States of the Council of Europe plus Kosovo, was launched in 2022: the European political Community, which is an informal forum fostering practical cooperations with the European Union at its heart. NATO has been confirmed as the key organization for the defence of its members, and it now includes 32 members following the admission of Finland and Sweden. The EU has also given new membership perspectives to Ukraine, Moldova and Georgia, which could lead to an organization encompassing 36 members (including 6 new Western Balkan countries). No matter how many new countries will effectively join the EU during the next legislative period (2024-2029), the EU will have to prepare without delay to become able to sustain an enlarged organization politically, institutionally and financially.

The EU, along with the US and other Western partners, has decided harsh sanctions against Russia. Aligning itself with the US policy on China, it has also acted more and more decisively towards this country, calling it a 'systemic rival' (2019) and engaging in a strategy of 'derisking' without 'decoupling' (a strategy proposed by Mrs von der Leyen in 2023). The EU has undertaken these moves while the polarization between the West under US leadership on one side, and a new Russian-Chinese axis on the other, is shaping the new international order more and more. There may be some nuances or differences between the two sides of the Atlantic, but the trend is clear.

The big question of 2024 is not to know what kind of European Parliament and of European leadership will emerge after the European elections in June. It is to know what will be the leadership of the US power. A second Trump administration could be more nationalistic, more unilateral, less aligned with its Western allies. It is possible that the

¹ Organization for the Security and Cooperation in Europe

hardening of positions towards China will continue whatever the next administration is. It is possible that a Trump administration would be more aligned with Israel and less inclined to restart a peace process for Palestine. It is possible that it would encourage some diplomatic 'deals' ignoring European positions and interests, for example between Russia and Ukraine. All of these issues could create severe challenges for the EU in a time as unpredictable as the years following the Brexit and Trump's first election (2016).

Another issue is the political and economic fragmentation of the world. Only Western countries have adopted sanctions against Russia. Other countries have condemned Russia's aggression without imposing sanctions, or preferred to remain neutral (which has been the case of India and South Africa). The fragmentation of the world order, mixed with a possible weakening of the transatlantic bond, will lead to a rethinking of the past models of international relations. The EU will have to define and defend its own interests, to ensure its own security, but also to reshape its relations with the 'global South' consisting of heterogeneous countries.

Strategic autonomy or European sovereignty?

Both wordings have emerged in the European debate. For example, the European strategic agenda defined by the European Council (the heads of state or government) in June 2019, before Mrs von der Leyen was even appointed, stated: 'We need to ensure that Europe is digitally sovereign.' The concept of 'strategic autonomy' has long been favoured in the context of the 'Common security and defence policy' (CSDP) – see the first mentions in the European Council conclusions of December 2013 and the EU Global Strategy of 2016. It was the prolongation of the European ambition – initially pushed by the French in cooperation with the British (Saint-Malo Declaration of 1998, bilateral Lancaster Treaty of 2010) – to develop an autonomous capacity of military action in the outside world. On this basis, the EU has launched more than 40 military and / or civilian CSDP operations in the world since 2003 (half of them are still in place at the moment). This is not an insignificant record although the EU is still far from the most ambitious military actions such as the ones undertaken by NATO in the Balkans, in Afghanistan, in Libya or in protecting the European Eastern flank against Russia.

The concept of strategic autonomy gained a new economic significance in the context of the COVID pandemic in 2020. Again it was pushed by the French but accepted by France's partners. This has to do with many evolutions such as the new China/US rivalry (the 'Thucydides' trap), the growing tensions with Russia in Eastern Europe, numerous conflicts fostered by growing nationalistic tendencies all around the world, the fragility of supply chains as exemplified during and after the pandemic, and the necessary transition towards a climate-neutral economy. The concept of 'open strategic autonomy' ('open' meaning that it's not autarky nor protectionism, so as to satisfy the pro-free trade countries of Northern Europe) has been endorsed in Council conclusions of 2020 with a list of concrete economic sectors: defence, space, health, energy, digital, raw materials. In the meanwhile, the list has been enriched with other economic sectors such as agriculture and microelectronics.

The practical scope of these policies is the development of an ambitious industrial policy combining national state aids and European subsidies. This orientation, which is a U-turn compared with the neoliberal logic prevailing since the 1980s, dates back already to the 2014 communication of the Commission about an 'industrial Renaissance.' Several European industrial projects² have been launched since then in the domains of batteries,

² IPCEI (Important Projects of Common European Interest)

semiconductors, hydrogen, and digital cloud. In the domain of space, a combination of EU and national funding has allowed the development of key common projects such as Copernicus (for earth observation) and Galileo (navigation satellite system), and a third satellite constellation (ISIR²) is under development for secured communications. On defence, a European Defence Fund has been created in 2021 to support the development of armament cooperation projects, and major strategic projects such as the future battle tank and the future combat aircraft are under development on the basis of French-German cooperation. On energy, the support to renewable (and also to nuclear) energy is part of the 'green deal' of the past legislative period and helps reduce the dependency on fossil fuels and on outside suppliers such as Russia, Gulf States or the USA. The EU has also developed (since 2011 already) a common strategy has to secure the supply of critical raw materials and is displaying its normative power by regulating the main actors of the digital economy and the use of artificial intelligence.

All these projects and developments are decreasing European strategic dependencies and increasing EU strategic autonomy in both the security and the economic dimensions. They are also reinforcing the EU's sovereignty, not in the sense of a federal state centralizing more and more competences, but in the sense of a growing cooperation to develop common endeavours increasing European independence (or at least autonomy) in a more and more geopolitically fragmented world. Unity makes strength – this was always a key motor of European integration. There is no contradiction between strategic autonomy and European sovereignty, but rather an overlap. And that's why the wording of European sovereignty in a broad sense (not only limited to digital or energy sovereignty) has also been endorsed by the European Council, from the 'Versailles agenda' (adopted by the heads of state or government meeting in Versailles during the French EU Presidency in 2022) onwards (see lastly the European Council conclusions of 17-18 April 2024 - § 11 – underlining the 'strategic sovereignty', a concept that pushed by the European Council on Foreign Relations since a long time ago).

Conclusion

When he first outlined his conception of 'European sovereignty' in 2017, President Macron listed several competences at the heart of national sovereignties (defence, foreign policy, control of borders) and insisted on sustainable development and on digital transition. He mentioned economy, industry and the European currency as a final catchall point, although the EU has primarily exclusive (i.e. almost federal) competences in these fields (trade policy, monetary policy, competition law for the single market). Whereas NATO remains the main organization for the defence of Europe and Member States hardly overcome their divisions on diplomatic issues, the concepts of European sovereignty and strategic autonomy have taken shape in a more economic sense. It remains to be seen if this will be sufficient to bring about a genuine 'geopolitical Europe' in the future.

For business actors the shift towards a more geopolitical Europe creates risks and opportunities at the same time. Risks arise when trade and supply chains are affected more and more by geopolitical troubles (see for example the war in Ukraine, the problems around the Red Sea, the tensions in the Gulf region or the growing problems between China and Western countries). But opportunities can also emerge with more public support for business activities at home and with the reorientation of trade towards friendly countries. And that's where European businesses have to become geopolitical as well as political actors.

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