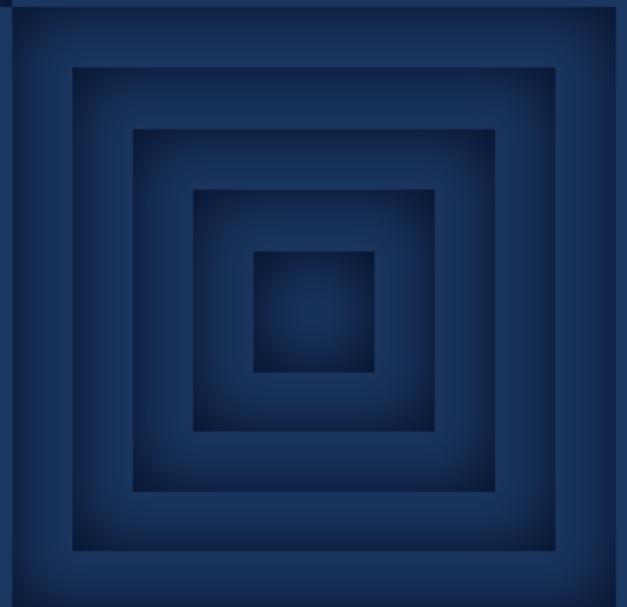
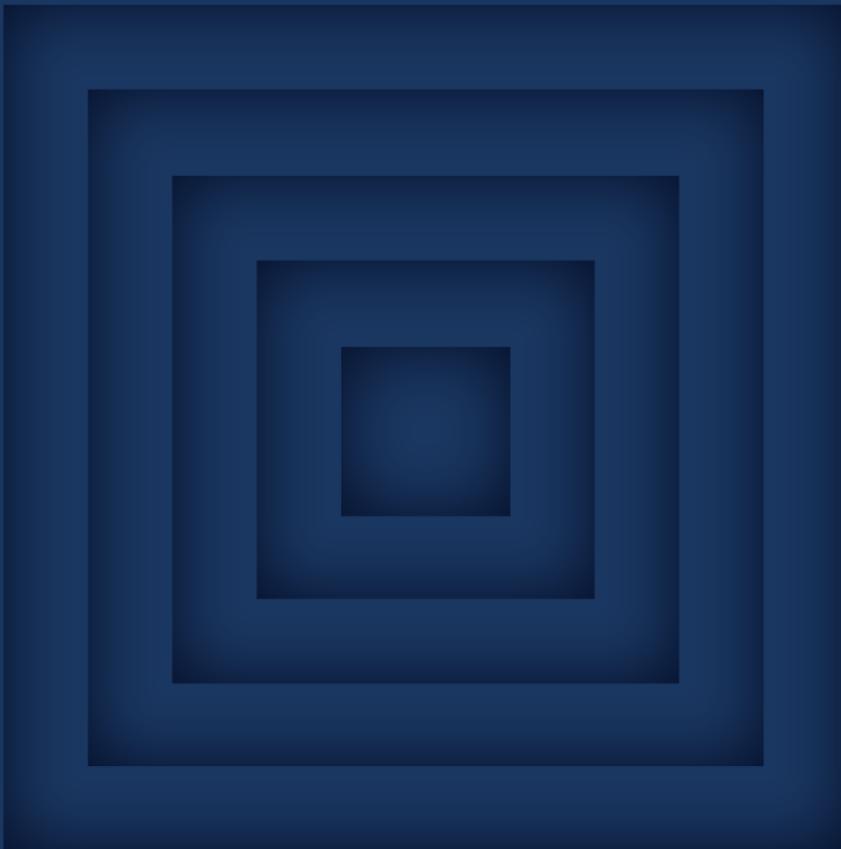




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The Future of European Strategy in a Changing Geopolitical Environment: Challenges and Prospects

Editors: Dr Michiel Foulon and Dr Jack Thompson
December 2021



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Introduction: How do we start thinking about European strategy?

Michiel Foulon and Jack Thompson

Even as European policymakers and analysts agree that the geopolitical environment is changing in ways that threaten Europe's interests and values, they differ, sometimes widely, as to how Europe should respond. China's global influence is rising, even as it becomes more assertive and authoritarian. In response, the United States increasingly prioritises the Indo-Pacific region. Yet its power is declining, at least gradually, and it is plagued by domestic problems. Russia increasingly challenges NATO, both through its rejuvenated military strength and its sophisticated use of grey zone operations to politically undermine the alliance. Various states are increasingly pursuing policies, on trade, security, and human rights that seek to rewrite some of the rules of the international order in ways that may undercut Europe's interests. Troubling aspects of globalization, such as the climate crisis and pandemics, require international cooperation that is difficult to facilitate.

In response to such upheavals, the European Union (EU) is inclined to pursue a more independent and assertive international role, one that is commensurate with its economic, military, and normative influence. However, Europeans have discovered that the pursuit of global power status is fraught with difficulties. Many critics doubt that an entity such as the EU, which is not a state but rather an international organization – albeit one with an internal market, a common currency, and supranational legal powers – can develop a coherent and effective grand strategy. Initial debates about the nascent strategy have revealed disagreements between member states about how to proceed, as well as shortcomings in the ability of EU officials and their

counterparts at the national level to coordinate and execute foreign and security policies.

At the same time, the EU's geopolitical awakening has engendered strong and often conflicting reactions from the other major powers. China wants a closer relationship with the EU. But it has bristled in response to criticism of its human rights record and economic policies, even as it targets Europe with espionage and resorts to tactics that seek to sow division among European states.

The United States has also reacted inconsistently to the EU's evolving role in the international system. At times it has reacted with suspicion, even hostility, to the notion of a more independent European foreign policy, yet it would like to work closely with its European allies to address new global challenges. It has voiced frustration with Europe's military and strategic shortcomings but has undercut attempts by Brussels to bolster European military industrial capabilities.

Russia appears to be ambivalent about fundamentally improving relations with the EU, even as it has welcomed overtures from figures such as French President Emmanuel Macron. It has shown little willingness to compromise when it comes to the main disagreements in the EU-Russia relationship, such as its unlawful annexation of the Crimea or its ongoing military intervention in the eastern part of Ukraine. After his visit to Moscow in February 2021, EU High Representative Joseph Borrell concluded that EU-Russia relations "are at a crossroads."

Confronted with this challenging landscape, Europe faces several pressing questions. One involves the debate about strategic autonomy. Broadly speaking, some conceptualize strategic autonomy as a way to bolster the transatlantic relationship¹ by increasing European capabilities, enabling the Europeans to carry more of the security burden in their backyard and thereby allowing the United States to focus more on the Indo-Pacific region. In this conception, strategic autonomy updates and optimises the transatlantic relationship. Others tend to conceive of strategic autonomy as a way to make the EU independent from all the major powers. According to this conception, the EU needs to pursue strategic autonomy to protect its interests and values from an autocratic China, a resurgent Russia, and a United States that will be an increasingly unreliable – and, as the Trump era demonstrated, possibly hostile – interlocutor.² But both conceptions — strategic autonomy as a means to bolster the transatlantic relationship, and as a way to make the EU independent from the US — are not necessarily mutually exclusive: the EU can leverage autonomy to strengthen the transatlantic alliance with the US while at the same time putting the EU in a stronger position should a version of Trumpism return to the White House.

An additional set of questions concerns process and institutions. As it develops a global strategy, does the EU need to embrace a fundamental, comprehensive effort to create and – more importantly – integrate the tools that other global powers wield, including trade, cyber, defence, energy, and industrial policy? Such a process would entail a long-term project. Some suggest that, at least in rudimentary form, the EU already possesses many of these tools and can leverage them at the global level.³

A third, more theoretical, debate concerns the nature of European global influence. Many analysts believe that the EU must become more power-oriented as it competes with China, Russia, and possibly even the United States. However, Europeans tend to view their international role as being fundamentally different from the other major powers, more elevated and less driven by self-interest, leading some to emphasise the importance of European normative power.⁴

The concept of “strategy” is contested. At its narrowest level, strategy has been defined as a way to combine ground, air, and naval power to protect interests from external threats.⁵ On the other end of the definitional spectrum, international strategy can be viewed more expansively, as “potentially applicable to any endeavour in which means must be deployed in the pursuit of important ends.”⁶ For the purposes of this forum, a more useful definition is located somewhere between these two extremes. Grand strategy refers to “the guiding logic or overarching vision about how a country’s leaders combine a broad range of capabilities linked with military, economic, and diplomatic strategies to pursue international goals.”⁷ It is a “grand plan”: the “product” of how state leaders formulate long-term goals and identify the means to achieve them; and it is the guiding idea about a state’s long-term goals and priorities.⁸

This forum includes contributions from experts in a variety of countries and from different disciplinary backgrounds. Inevitably, it encompasses different ideas about the future of European strategy. However, some consistent themes emerge. First, the changing international environment demands a new vocabulary to talk about European strategy. This would help Europeans to reconsider the type of security and economic relationships Europe may have with rising

¹ Jack Thompson, Danny Pronk, and Hugo van Manen, “Geopolitical Genesis: Dutch Foreign and Security Policy in a Post-COVID World” (The Hague Centre for Strategic Studies, 3 March 2021), <https://hcss.nl/report/strategic-monitor-2020-2021-geopolitical-genesis>.

² Sigmar Gabriel, “Europe in a Less Comfortable World - Speech by Foreign Minister Sigmar Gabriel,” Permanent Mission of the Federal Republic of Germany to the United Nations, Speech (12 December 2017), <https://new-york-un.diplo.de/un-en/news-corner/20171205-gabriel-koerberfoundation/1212264>; Michiel Foulon, “Turbulent Trade: Europe and the Biden Challenge,” *CSS Policy Perspectives*, 9:1 (2021), <https://doi.org/10.3929/ethz-b-000455258>.

³ Sven Biscop, *European Strategy in the 21st Century: New Future for Old Power* (Routledge, 2019); Philip Gordon in Missiroli et al., “Towards an EU Global Strategy: Consulting the experts” (European Union Institute for Security Studies, 2016), p. 11, https://www.iss.europa.eu/sites/default/files/EUISSFiles/EUGS_Expert_Opinions.pdf.

⁴ Zaki Laidi, “Can Europe Learn to Play Power Politics?” (Center for European Reform, 28 November 2019), <https://www.cer.eu/publications/archive/essay/2019/can-europe-learn-play-power-politics>; Michael Loriaux, *Europe Anti-Power: Ressentiment and Exceptionalism in EU Debate* (Routledge, 2016).

⁵ John Mearsheimer, *Liddell Hart and the Weight of History* (Cornell University Press, 1988), pp. 16-17.

⁶ John Lewis Gaddis, “What Is Grand Strategy?,” Duke University, Lecture (26 February 2009), p. 7, <http://tiss.sanford.duke.edu/documents/KEYNOTE.doc>

⁷ Avery Goldstein, *Rising to the Challenge: China’s Grand Strategy and International Security* (Stanford University Press, 2005), p. 19.

⁸ Nina Silove, “Beyond the Buzzword: The Three Meanings of ‘Grand Strategy’,” *Security Studies*, 27:1 (2018), p. 49.

powers like China (Breslin, forum), what Europe and the US should do to foster a stronger transatlantic relationship (Posen, forum), and how Europeans can focus joint policy efforts through NATO for new challenges like cyber threats (Smeets, forum).

Second, if EU foreign policy elites want to bolster Europe's defence, they require a solid understanding of both domestic and international challenges. For instance, understanding the challenge posed by Russia and the evolution of the US role in European security is essential if EU foreign policymakers are to craft an effective strategy (Carlson, forum). In addition, as EU officials seek to develop a Strategic Compass, they must ensure that the Strategic Compass enjoys wide support and is implemented within EU member states (Sus, forum). This Strategic Compass should outline how to manage crises and how Europe can take more responsibility for its own defence. This will allow Europeans to tackle not only conventional, but also non-conventional security threats, such as pandemics and climate change (Fiott, forum).

Third, the EU must use all the instruments in its toolkit. That will allow the EU not only to act as a mediating power that can work with all other great powers, but also to stand its ground when the interests of other great powers run counter to its own (Biscop, forum). Europe's normative power should serve as an important guide to its strategy, not least when it comes to promoting a rules-based, multilateral system that serves Europe's interests (Palm, forum). Europe should strive to strike a balance between maintaining a close partnership with the United States and protecting itself

when US actions run counter to European interests and values (Thompson, forum). Part of striking such a balance will entail Europeans and Americans sharing the costs of the transatlantic alliance more equally, as the US seeks to use its limited resources more efficiently and is inclined to prioritise China and the Indo-Pacific (van Hooft, forum). In the best-case scenario, European strategic autonomy could strengthen the hands of both Europe and the United States as they rethink their approaches to East Asia.

Finally, an effective European strategy will rely, in no small part, on a strong economic foundation. To maximise the benefits of international trade, Europeans should seek to preserve a version of the liberal international order that serves its interests. However, it should also take into account those concerns of economic nationalists that have merit (Foulon, forum). If the EU wants to remain an influential player in the domain of technology, it needs to do more to support its own industries (Larsen, forum). And as the energy transition changes Europe's needs and partnerships, the EU must develop an energy diversification strategy. This would not only serve Europe's strategic interest, it would also bolster the EU's status as a leading international actor (Criekemans, forum).

The bottom line is that action is now essential: EU foreign policy elites need to move beyond the declaratory and aspirational phase and develop a new strategy. As Europe's international environment transforms, then the way Europeans think about strategy should change, too.

Alliances

1.1. Do we need a New Vocabulary for talking about European Strategy?

Shaun Breslin

It is not surprising that the rise of China has resulted in a renewed focus on the potential for the future to look like the past. The tone of the language that is used by both those who criticise Chinese policy, on the one side, and those Chinese voices that respond to such criticisms, on the other, does indeed revive memories of back and forths across a previous Cold War divide. And the increasingly sharp divisions between competing value systems and conceptions of how the world should be governed and ordered do indeed look quite bipolarish. For example, the European Commission calls China “an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance.”¹ The UK similarly refers to the “systemic challenge” that China “poses to our security, prosperity and values – and those of our allies and partners.”² But identifying (some) similarities is not the same thing as finding an identical carbon copy, and it is important to try and work out what is different as well as what looks familiar. China might be a competitor in some areas, but it is also a significant (at least) economic partner for most states. In a new geopolitical environment, Europeans need to develop a new vocabulary to guide action that reflects the messy complexity of this newness, and not assume that what worked with the cleaner and clearer dichotomisation of the bipolar past will work in the future too.

There has been a hardening of positions on China in a number of western liberal democracies in recent years. And yet the future global order is unlikely to be one of clearly defined and shared single positions that split the world into two mutually exclusive blocs or camps.

Individuals, countries and organizations have a variety of different views of China in different issue areas, and a variety of different relationships too; or at least, this is the aspiration. The basis of a systemic China challenge has been identified in a number of areas. In the way that basic conceptions of how human rights should be defined, understood, and operationalised in key agencies of global governance for example. And through the promotion and validation of types of governments and governance that do not share European liberal preferences. And for some, through a challenge to the essential nature of a rules based international order per se. And yet, there is the recognition that finding effective solutions to most if not all of the major international global challenges will be at best less effective without China’s participation; and perhaps even impossible. The environment is a very good example, but not the only one. And this is why the argument that China was a systemic rival to the EU that was quoted above was immediately preceded by the assertion that it was “simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, [and] a negotiating partner with whom the EU needs to find a balance of interests.”

And then we come to economics. During the bipolarity of the Cold War, it would be highly unlikely (to say the least) for a country to be allied with the US on security issues or when it came to fundamental values and principles, but simultaneously to be strongly allied to the Soviet Union when it came to economic relations. That is not the case today. Even countries that have become the biggest critics of Chinese domestic policies or have territorial

¹European Commission, “EU-China – a strategic outlook” (The European Council and the Council, 12 March 2019) High Representative of The Union For Foreign Affairs and Security Policy, Joint Communication to The European Parliament, <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>.

²HM Government, “Global Britain in a competitive age: The Integrated Review of Security, Defence, Development and Foreign Policy” (HM Government, 16 March 2021), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/969402/The_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf.

disputes with China that could spill over into something else typically have extensive economic relations with China at the same time. To say that this is the modern-day equivalent of standing firm with the US and opposing the Soviet Union over a heavily militarised border, while at the same time having deep and extensive economic links across that very same border, is clearly an exaggeration. But it is an exaggeration that contains a germ of truth within it.

In fact, treating economics as a single issue area is problematic in itself, as China simultaneously presents different opportunities and threats to different countries in different economic areas. As China will, in the words of the UK integrated review, “contribute more to global growth than any other country in the next decades,” for a number of companies in a number of sectors, China represents the best chance for future sales growth and profits. As was the case in the aftermath of the global financial crisis, attracting Chinese investment might fill a gap as governments and companies deal with the commercial and financial consequences of the pandemic. But at the very same time, for a number of governments (and some companies) there is worry that Chinese investment might result in shifting economic (and subsequently) political geographies, disruption to the distribution and price of key resources, and vulnerabilities from being too dependent on interactions with the Chinese economy. And potentially the loss of technological advantages and leadership. This helps explain why half a year after the EU Competition Commission urged member governments do whatever it took to prevent European companies from being bought by foreign government-backed enterprises (with a particular eye on Chinese ones), the European Union sought to ease access to the Chinese market for European firms by reaching an investment agreement with China.

All this means that we are unlikely to see the emergence of a bipolar international system; or at least one that mirrors the bloc-type rivalry of the Cold War era. To be sure, one goal of decoupling from China is to reduce economic linkages. But a second reason for questioning the bipolarity argument is because it is companies, not governments, that make investment and trade decisions. And while governments can do a lot to influence company behavior by providing incentives or impediments, much will have to be done to replace China as a key source of a whole range of goods and

resources. The same is true when it comes to making China so unattractive (or alternatives so attractive) that investing and producing in China declines to the point that it makes a real difference. It is notable that, despite the language of decoupling and the economic impact of the pandemic, foreign investment into China actually increased in 2020 over 2019, with China overtaking the US as the biggest recipient of FDI that year.

A third reason is found in the nature of alliances. For the future world to be truly bipolar, we would need to see a coalescence of groups of states around each of the poles. There are signs of this, with China on the opposite side of dichotomised divides to western states on a number of issue areas. The coordinated imposition of sanctions on some Chinese officials, in response to Chinese policy in Xinjiang, by the EU, the US, Canada and the UK is a good example. But policy coordination cannot be assumed on all issue areas. The above-mentioned EU-China Investment Agreement was not met with wholehearted and total support. That was partly because of questions about its efficacy; would it really result in the political and economic changes in China that it was explained as seeking to attain? But it was also partly because it was seen as Europe doing things on its own rather than seeking a coordinated China position with the incoming Biden administration. When it comes to seeking economic gains, the idea of being in a race to gain an advantage in unlocking potential benefits still seems to influence policy making in a number of places.

Conversely, even those who share China's dissatisfaction with the current global order do so with different degrees of enthusiasm. That India and China share a desire to shift the distribution of power in global governance institutions and have worked together (and with others) to establish the New Development Bank doesn't stop them from being on the opposite side of debates on other issue areas. For others, a shared position with China on the failings of the existing global order does not always result in a shared position on how to reform it (or what to replace it with).

The challenge posed by a rising China is even starker for those states with closer ties to China than European ones. For many in China's region, it is an even more important economic partner and also a much more likely source of political instability and insecurity. Can countries like Vietnam and the Philippines, for example,

maintain their territorial claims and guarantee their security whilst simultaneously building a strong trade and investment relationship with China that will last? For Australia, the prospect of direct military conflict with China might be remote. But when China takes over a third of your exports,³ and specific sectors are even more dependent on a single market, how confident can you be that access to that market is guaranteed when even simply talking about the concerns you have about China can generate robust Chinese responses.

In the long term, it might not be possible to treat China as a key economic partner in some areas, whilst rejecting Chinese investment in other sectors. Or more fundamentally, to engage China economically, to seek common ground in dealing with common (non-traditional) security issues, and simultaneously confront and sanction it on other issue areas. But as long as the conception of China as an economic opportunity

remains – and of even greater potential opportunities in the future – then a world of fixed configurations of alliances and antagonisms does not seem the most likely outcome in the medium term. To be sure, some partnerships will be more comprehensive, deep seated and long lasting than others. But for a really bipolar order, all relationships on either side of the divide need to have bloc-type characteristics. Perhaps it is time to move away from trying to reuse concepts and terms designed to explain a previous era and come up with new ones instead. Ones that can capture the complexities of a world with some dichotomising characteristics, but which lack the bloc or camp-type relationships of the previous bipolar era. The search for parsimony and clarity is entirely understandable. But if the real world is messy and complex, then trying to impose clarity using concepts defined to describe previous eras isn't always wholly helpful.

³World Integrated Trade Solution, "Australia monthly trade data," Dataset (2021), <https://wits.worldbank.org/countrysnapshot/en/AUS/>.

Alliances

1.2. The transatlantic relationship: radical reform is in the U.S. national interest

Barry R. Posen

“The U.S. has allies because it has interests. It does not have interests because it has allies.”¹ The North Atlantic Alliance is now over 70 years old and much has changed since its birth. Indeed much has changed since the Soviet Union collapsed, thirty years ago. The United States role in the alliance, its interests and how best to pursue them, are due for a serious reconsideration, but the “Interim National Security Guidance” of the Biden administration instead simply valorizes all of the U.S. alliances, without saying much about their specific purposes. The U.S. has major reasons for a reappraisal. China is a tough strategic competitor, arguably tougher than the USSR. A militarily renascent Russia, though a shadow of the Soviet Union, is still troublesome. U.S. domestic political and social divisions, fiscal commitments, and economic imbalances combine to diminish the energy that the U.S. can bring to national security policy. And we do not know what the enduring impact of the Covid pandemic will be on the U.S.

The U.S. joined the Transatlantic Alliance for one strategic reason: the USSR emerged from the war stronger than any possible European military coalition at the time. U.S. strategists feared the specter of a Soviet Empire in Western Europe. Such an empire could have made life difficult on this side of the Atlantic. Only the U.S. could create a balance of power. Overtime, it created an imbalance of power in favor of the West, even as the USSR mismanaged its internal affairs, and ultimately imploded. One can excuse the U.S. for not then simply having a victory parade and coming home; prudence suggested a slow disengagement. Instead, the U.S. led the expansion of NATO eastward. Though strategic reasons were advanced for this policy, they were thin gruel. The U.S. caught the victory disease: an expanded NATO would be the vehicle for a liberal revolution across

Europe, which would not cost much because Russia was prostrate and destined for a cooperative liberal future itself. Some of us even then expected failure for this strategy, and it has failed.

The Biden Administration should look carefully at U.S. interests in Europe and the threats to those interests. The U.S. still has an interest in NO hostile empire in control of Europe. The odds of such an outcome are now very low, for two reasons. The first is that Russia is much weaker than the Soviet Union. The second is that the four principal European powers are much stronger than they were in 1949. Two of them are nuclear weapons states. Three are members of the European Union, and all are members of NATO. The Europeans collectively outspend Russia on military power and have more people in uniform. Whether the U.S. is or is not in Europe, the odds of Russia establishing an empire there are low. The U.S. might wish to do something to lower these odds further, but this is a far cry from the exigencies of 1949. And we must remember, in 1949 the U.S. was free to focus vast resources on Europe. Not so today. Given Europe’s strengths, Russian weakness, and the China challenge, the U.S. at minimum needs a different kind of strategic relationship with Europe, in which Europe carries most of the burden of its own defense.² This alone would free U.S. resources for other priorities, adding to U.S. power. Many have discussed a more specific way that the Transatlantic Alliance could add to U.S. military power, and that is the competition with China. We should be clear, however. Europeans are inefficient military partners in Asia simply because their assets must travel vast distances to get there. NATO, a military alliance, is simply not useful in Asia. It is highly useful defending Europe to free U.S. forces for Asia.

¹ I attribute this to Richard M. Nixon, though I cannot find a source.

² Here I argue from the standpoint of reform; in other work I have advocated more revolutionary changes in the Transatlantic Alliance.

The competition with China is multifaceted — economic, technological, political, and diplomatic. Here Europeans can add much, even though the U.S. and Europe will often disagree. Neither has an interest in China leveraging access to its giant markets to buy others' technologies at bargain prices, or steal them with impunity, and then lock-in any leads this might create. But the punch line here is that this is European Union business. Efforts to drag NATO into this struggle are mainly rhetoric. But recognizing the capacities of the European Union is not the same as mobilizing them in the service of U.S. purposes. This Transatlantic Alliance needs to be rather different than the past. Put bluntly, the U.S. cannot lead; it must partner. The U.S. will not always get everything it wants. More importantly, if the U.S. accepts that it needs the Europeans to look after themselves militarily, in order to free U.S. resources for the Pacific, U.S. diplomats will also need to give up a crutch they have long employed with the Allies, the implicit message that the U.S. security commitment depends on faithful followership in other domains. That tactic is fraying in any case, even given the U.S. commitment to NATO. A more balanced military relationship within the alliance would mean an even more balanced military relationship in other domains.

It is easy enough to suggest these changes in policy, but what might they look like in practice. Academics often understand little about the mechanics of security cooperation and diplomacy. So these are "Blue Sky" suggestions: First, the military missions on both sides of the Atlantic must be rearranged. A suggestive passage from the Biden Administration's new strategy points the way: "We will work with allies to share responsibilities equitably, while encouraging them to invest in their own comparative advantages against shared current and future threats." The comparative advantages that the U.S. brings to the alliance are Intelligence (where it spends 80 billion dollars a year), offensive nuclear forces (the tools of the much vaunted nuclear umbrella,) and naval power (especially the most costly and complicated assets— nuclear attack submarines and nuclear powered aircraft carriers, though these would be in great demand in any Asia conflict). The comparative advantage that the Europeans could bring to the alliance are ground force units and tactical aircraft. Yet, the Europeans have been rather lackadaisical—not in buying such units—they have plenty, but in bringing them up to standard and ensuring they can quickly get to eastern Europe where any trouble would likely start. This should be the new division of labor. To institutionalize it the Supreme Allied Commander

Europe (SACEUR) should be a European. The senior naval command that once existed, Supreme Allied Commander Atlantic (SACLANT), should be restored and should be held by an American. In 2018, NATO announced a goal of being able to bring 30 combat ready maneuver battalions, 30 fighter squadrons, and thirty warships to any challenge on Europe's periphery within 30 days. We should decide that the battalions and squadrons should be entirely European. And in the average peripheral contingency, most of the ships too should be European. The U.S. would guard the open oceans, assist Norway and Iceland, and deploy small contingents to Eastern Europe to remind the Russians that a war with Europe is a war with the U.S.

What can the U.S. do to institutionalize a stronger relationship with the European Union? The major European states themselves have a fondness for relating to the U.S. bilaterally when it suits them, so the under-exploitation of this institution is not only the fault of the U.S. In some sense, the U.S. must discipline itself and discipline the Europeans. For too long the U.S. ambassador to the European Union has taken a distant back seat to the U.S. ambassador to NATO. This has to stop, but it won't without effort. One constraint that might help is that the U.S. ambassador to NATO and to the EU should be the same person. NATO headquarters is not far from the EU's headquarters in Brussels. The deputy chiefs of mission could handle day-to-day relations with each institution, though these positions demand the most experienced veterans of the Foreign Service. A single ambassador would handle strategic relations with Europe, both security relations narrowly defined, and the geo-economic relations that are growing in importance.

The Biden Administration is staffed with security policy experts who spent the early part of their careers in the uni-polar moment. Their lodestar is the "U.S. led liberal world order." The distribution of raw power in the world is no longer uni-polar. The "liberal world order" is at best a "liberal coalition" within a much more competitive and familiar balance of power system. These experts need to change their frame, and return to a more traditional view of alliances as tools of power, rather than building blocks for a permanently transformed world.

Alliances

1.3. NATO allies' offensive cyber policy: a growing divide?

Max Smeets

NATO allies have made slow but steady progress when it comes to crafting policy to deal with cyber security challenges. Yet this progress has not always been made in a collaborative fashion. Especially when it comes to the development and deployment of offensive cyber capabilities, NATO allies are increasingly *diverging* in policy. This is a worrying development and deserves more attention than it has so far received.

Steady progress

Member states agree on the critical need for a coherent cyber policy. Almost all NATO allies have developed both a cyber security strategy and a cyber defense strategy.¹ Some states have published updated versions over the years to reaffirm cyber security as an issue of national security importance, to tweak institutional responsibilities, or to articulate changes in the threat landscape. In addition, since 2018, most NATO allies have established a military cyber organization (either a command or unit) with a mandate to conduct cyber effect operations – that is, cyber operations intended to disrupt, deny, degrade and/or destroy.² There is also shared recognition that international law applies in cyberspace, although allies have yet to spell out the legal procedures for operating in this new “domain of warfare.”

These developments have been both reflected in, and aided by, policy progress made at the inter-governmental level. At the Prague Summit in 2002, NATO for the first time recognized that the Alliance should “Strengthen our capabilities to defend against cyber attacks.”³ In 2008, at the Bucharest Summit, there was another milestone development, when NATO adopted a “Policy on Cyber Defense,” aiming to “protect key information systems in accordance with their respective responsibilities; share best practices; and provide a capability to assist Allied nations, upon request, to counter a cyber attack.”⁴ In the same year, the Cooperative Cyber Defence Centre of Excellence – a NATO accredited international research institution – was established in Tallinn, Estonia. In 2016, at the Warsaw Summit, cyberspace was officially recognized as a “domain of operations” and allies made a Cyber Defense Pledge to enhance their cyber defenses.⁵ The 2018 Brussels Summit and 2020 London Summit reiterated NATO’s commitment to implement the Cyber Defense Pledge and operationalize the Cyber Operations Center, responsible for situational awareness and the centralized planning of cyber operations and missions.⁶ In January 2020, the Allied Joint Doctrine for Cyberspace Operations was published “to plan, execute and assess cyberspace operations (CO) in the context of allied joint operations.”⁷

¹ See the NATO Cooperative Cyber Defence Centre of Excellence (CCDCOE), <https://ccdcOE.org/library/publications/>.

² Max Smeets, “NATO Members’ Organizational Path Towards Conducting Offensive Cyber Operations: A Framework for Analysis”, Conference paper, 11th International Conference on Cyber Conflict: Silent Battle, T. Minárik, S. Alatalu, S. Biondi, M. Signoretti, I. Tolga, and G. Visky (eds.) (2019), https://ccdcOE.org/uploads/2019/06/Art_09_NATO-Members-Organizational-Path.pdf.

³ NATO, “Prague Summit Declaration” (21 November 2002), https://www.nato.int/cps/en/natohq/official_texts_19552.htm

⁴ NATO, “Bucharest Summit Declaration” (3 April 2008), https://www.nato.int/cps/en/natolive/official_texts_8443.htm.

⁵ NATO, “Warsaw Summit Communiqué” (9 July 2016), https://www.nato.int/cps/en/natohq/official_texts_133169.htm.

⁶ NATO has developed the Sovereign Cyber Effects Provided Voluntarily by Allies mechanism. This is coordinated through the CYOC. See NATO, “Brussels Summit Declaration” (11 July 2018), https://www.nato.int/cps/en/natohq/official_texts_156624.htm.

⁷ NATO, “AJP-3.20: Allied Joint Doctrine for Cyberspace Operations” (January 2020), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/899678/doctrine_nato_cyberspace_operations_ajp_3_20_1.pdf.

Steady divergence

Yet when it comes to the direction of allies' cyber policy, growing differences are apparent – especially in the development and deployment of offensive cyber capabilities. First, even though most states now have – or are in the process of – establishing a cyber command, operational capabilities vastly differ across states. Whereas some governments are increasingly allocating significant resources to conduct cyber operations – and are now starting to benefit from these investments – the majority of allies still run their cyber commands on a budget of a few million a year – an amount that is insufficient for effective operations in the cyber domain.

Secondly, until a few years ago, NATO members' strategic visions were largely aligned. National cyber strategies shared a common threat focus on operations that could potentially cause major societal havoc, such as taking down the power grid. Allies' national strategies were also largely unified in their vision to address this threat, discussing the need for deterrence, resilience, and norms. However, this changed with the publication of the US Department of Defense's strategy on Defend Forward and US Cyber Command's vision on Persistent Engagement.⁸ The United States emphasizes the need to cause friction "wherever the adversary maneuvers," operating "globally, continuously and seamlessly" (potentially below the threshold of armed attack. "We must...maneuver seamlessly across the interconnected battlespace, globally, as close as possible to adversaries and their operations, and continuously shape the battlespace to create operational advantage for us while denying the same to our adversaries," in the words of NSA director and Cyber Command head Gen. Paul Nakasone.⁹ Whereas deterrence is about changing your adversary's cost-benefit calculus, Persistent Engagement is about taking the opportunity away from the adversary to act.¹⁰

Third, NATO member positions on how international law applies – particularly the obligations of states vis-a-

vis sovereignty – are now more divergent than a decade ago. Whereas countries like the Netherlands and France are located on the side of the "sovereignty as a rule" camp, the United Kingdom has taken the position that a remote cyber operation by one state into another's cyber systems or network does not violate the latter's sovereignty.

Where to go from here?

The divergence in cyber policy across NATO member states is problematic. Allies disagree on both the goals of cyber policy and the ways and means to achieve them. This can cause tension between allies, especially when it comes to the necessity and legitimacy of operating on each other's national systems and networks.

Some may argue that these differences result from differences in maturity. Some states simply have not caught up with the latest developments, goes the argument. This assumes a single path to cyber maturity or that the dynamics of cyberspace pull all states in the same direction. It suggests that – even without major policy coordination – allies' cyber policies will converge over time. But a more persuasive understanding of the current trend is that even though states can learn from each other's institutional progress, differences do not merely stem from states "lagging behind." These states are on a different policy path. This means it requires dedicated and sustained policy attention to, at a minimum, coordinating the different policies of states – and potentially bring them closer together. What can be done to ensure that this divergence in cyber policy does not cause further friction between allies?

I have previously proposed a NATO Memorandum of Understanding (MoU) to reduce discord among the allies; the goal would be to enhance trust, transparency, and confidence between allies and to improve the effectiveness of disrupting and deterring adversaries'

⁸ U.S. Cyber Command, "Achieve and Maintain Cyberspace Superiority: Command Vision for US Cyber Command" (2018), <https://www.cybercom.mil/Portals/56/Documents/USCYBERCOM%20Vision%20April%202018.pdf?ver=2018-06-14-152556-010>; Department of Defense, "Cyber Strategy 2018: Summary" (2018), https://media.defense.gov/2018/Sep/18/2002041658/-1/1/1/CYBER_STRATEGY_SUMMARY_FINAL.PDF.

⁹ Paul M. Nakasone, "A Cyber Force for Persistent Operations," *Joint Force Quarterly*, 92:1st Quarter (2019), <https://ndupress.ndu.edu/JFQ/Joint-Force-Quarterly-92.aspx>.

¹⁰ That said, there is a growing awareness amongst allies that activity below the threshold can be strategically meaningful. At the Brussels Summit in 2021, allies recognized that "the impact of significant malicious cumulative cyber activities might, in certain circumstances, be considered as amounting to an armed attack."

operations in cyberspace.¹¹ The main purpose of the MoU would be to reach an agreement on the equities involved in permitting signatories to conduct cyber

effect operations in each other's networks — and the relative weight of those equities.

¹¹Max Smeets, "U.S. cyber strategy of persistent engagement & defend forward: implications for the alliance and intelligence collection," *Intelligence and National Security*, 35:3 (2020).

Defence

2.1. The EU Strategic Compass' three principles: inclusivity, integration, and implementation

Monika Sus

Since the European Council's summit in December 2013, the improvement of the EU's ability to act collectively in the realm of security and defence has been higher on the political agenda. Successive geopolitical crises such as the annexation of Crimea by Russia or the terrorist attacks in Paris strengthened the sense of urgency. Since 2016, when the European Union's Global Strategy (EUGS) was published, more progress has been made with respect to EU's security and defence than in almost 20 years of the existence of the Common Security and Defence Policy. In essence, this progress included the launch of various initiatives like Permanent Structured Cooperation (PESCO), an instrument for enhanced cooperation between the Member States and the European Defence Fund initiated by the European Commission. This momentum in security and defence has been driven by various stakeholders – Member States and EU institutions – and the Union's "grand strategy"¹ has been perceived by some as an umbrella for the recent initiatives.² Yet, the EUGS was developed by the High Representative (HR) Federica Mogherini, whilst the involvement of the Member States was reduced to consultations and their buy-in was correspondingly limited. Mogherini managed to persuade the Foreign Affairs Council (FAC) to adopt the Implementation Plan on Security and Defence (IPSD) that followed the EUGS. But the EUGS itself was never adopted by the Member States. The EUGS was intentionally lean in terms of the operational side of

security and defence capabilities, leaving the implementation to subsequent sectoral documents.

The Strategic Compass is expected to rectify some of the deficiencies of the EUGS and it was inaugurated in the fall of 2020 as the flagship project of the German EU Council presidency.³ As the Union's key security policy document, the Strategic Compass will "enhance and guide the implementation of the Level of Ambition on security and defence" by defining policy orientations, concrete goals, and the Union's objectives for the next 5 to 10 years.⁴ Unlike in the case of the EUGS, the HR will present the draft of the Strategic Compass to the FAC in November 2021, and it will be subject to discussion by the Member States and possible changes they would like to introduce. The goal is to adopt the final document in March 2022 during the French presidency of the Council.

All of this means that there is a window of opportunity for EU member states to be more active in the security and defence realm. The Strategic Compass might be an important step forward — if all Member States declare their support for it. Against this backdrop, there are three things that should be considered when debating the chances of success for the Strategic Compass: inclusivity, integration, and implementation.

¹ Marie Cold-Ravnkilde Signe and Christine Nissen, "Schizophrenic Agendas in the EU's External Actions in Mali," *International Affairs*, 96:4 (2020), <https://doi.org/10.1093/ia/iiaa053>.

² Monika Sus, "Supranational Entrepreneurs: The High Representative and the EU Global Strategy," *International Affairs*, 97:3 (2021), <https://doi.org/10.1093/ia/iiaa037>.

³ European Union External Action Service, "Memo. Questions and Answers: Threat Analysis – a Background for the Strategic Compass" (20 November 2020),

https://eeas.europa.eu/sites/default/files/2020_11_20_memo_question_s_and_answers_-_threat_analysis_-_copy.pdf; European Union External Action Service, "Memo. Questions and Answers: Crisis Management basket – a Background for the Strategic Compass" (5 May 2021), https://eeas.europa.eu/sites/default/files/2021_05_05_strategic_comp_a_ss_-_crisis_management_basket_media_final.pdf.

⁴ Council of the European Union, "Council Conclusions on Security and Defence" (10 May 2021), <https://www.consilium.europa.eu/media/49527/st08396-en21.pdf>.

Inclusivity

The Strategic Compass is, unlike the EUGS, driven by the Member States, with Germany and France being in the lead. If, as envisaged, all Member States agree with its provisions and adopt the document at the FAC, it will send a clear signal of unity regarding the desirability of strengthening security and defence cooperation. The Strategic Compass was initiated by Germany in close cooperation with France. It is not a coincidence that the drafting process of the Strategic Compass extends from the German to the French presidency of the EU Council. The engagement of the two biggest players is not only indispensable but also highly valuable.

At the same time, the fact that France and Germany play such influential roles means that smaller Member States may not be sufficiently involved in the drafting process or able to pitch their ideas. Consider the joint threat analysis. It introduces a broad range of risks and challenges that determine the EU's security environment, even as threat perceptions of individual Member States differ considerably.⁵ Hence, the EU must prioritize the most urgent threats since the EU does not have the resources to tackle every conflict around the globe. To that end, the EU must convince 27 Member States, each with their own concerns, to agree on selected priorities. This constitutes a thorny test for the inclusiveness of the Strategic Compass. There are also other divisive issues among the EU countries, such as the attitude towards the introduction of Qualified Majority Voting in security and defence, or the relationship with NATO with regard to which a discussion about the division of labour between it and the EU in realm of security will be vital. If the Strategic Compass is to signal unity, all Member States must stand behind it — not only the big and powerful ones.

Integration

Equally important is that in order to enhance the EU's ability to act as a security provider, the Strategic Compass must be integrated into individual Member States' defence processes and strategies.⁶ Of course, embedding joint EU arrangements at the national level is

an incremental process that will take time. However, this is the only way the overarching vision that guides the idea of the Strategic Compass — bringing together strategic cultures of the Member States — can be realized. The gradual convergence of strategic cultures depends on the political will of each Member State. This, in turn, depends on the alignment of security interests of individual countries with those put forward by the Strategic Compass. Therefore, the challenge is to get all Member States to agree with priorities, mid-term goals and instruments introduced by the document. At the same time, the Strategic Compass should also serve as a link for the variety of tools and capabilities that already function at the EU level. To become the key document on the Union's security and defence, it should provide an institutional structure for the security architecture by linking and forming existing instruments into a coherent whole. In this manner, the Strategic Compass would, by its overarching character, put an end to the existing cacophony of multiple strategic documents that limit the role of the Union as a geopolitical player.

Implementation

A closely related issue is that the usefulness of this document will be judged by its implementation, which will occur during difficult times and most probably coincide with the end of the pandemic. The adoption of the Strategic Compass will mark the beginning of a process whereby the EU learns to speak the language of power. The Member States will be preoccupied by fighting the severe economic and social repercussions of the coronavirus outbreak and global security concerns will most probably play a secondary role on their agendas. Thus, a strong commitment to carrying out the arrangements of the Strategic Compass is needed, both at the level of heads of states in the European Council and on the operational level of the FAC. The recurrence of the EU's well-known tendency to create concepts not supported by concrete actions represents a risk that needs to be addressed by all the stakeholders engaged in the drafting of the Strategic Compass. One way to increase the chances of implementing the provisions of the Strategic Compass is to allow for greater differentiation in the EU's security

⁵ Hugo Meijer and Stephen G Brooks, "Illusions of Autonomy," *International Security*, 45:4 (2021).

⁶ European Union Institute for Security Studies, "Making the Strategic Compass work: How to embed EU ambitions in national defence planning?" (European Union Institute for Security Studies and Ministry of Defence of Republic of Croatia, n.d. 2021), <https://www.iss.europa.eu/sites/default/files/EUISSFiles/Strategic%20Compass%20and%20National%20Defence%20Planning%20-%20Final%20Report.pdf>.

and defence by promoting solutions such as constructive abstention from specific policies, lead groups, or coalitions of the willing.⁷ The flexibility afforded by such mechanisms would help reconcile other principles crucial to the Strategic Compass, like inclusivity, with the ambitious goals the Strategic Compass is expected to set. Yet, one should keep in mind that the Strategic Compass will not eliminate the

existing flaws of EU's security and defence — flaws such as insufficient military capabilities, the limited willingness of the Member States to provide resources, or inadequate military mobility. What it can do, however, is fill the as yet vague concept of the geopolitical Union with substance by clarifying what kind of security and defence player the EU wants to be and what its priorities for the next decade are.

⁷ For example: Giovanni Grevi et al., "Differentiated Cooperation in European Foreign Policy: The Challenge of Coherence," EU IDEA Policy Papers, Policy Paper 5 (2020); Steven Blockmans, "Differentiation in CFSP: Potential and Limits," Istituto Affari Internazionali, Paper (2017), https://www.iai.it/sites/default/files/eu60_5.pdf.

Defence

2.2. European defence and the demands of strategic autonomy

Daniel Fiott¹

Fundamental changes in the international system are calling into question the EU's understanding of itself as a security and defence actor. Challenges such as the rise of China, Russia's hybrid tactics, questions about the long-term durability of the transatlantic relationship, the risk that terrorist groups may seek to fill strategic vacuums, threats to the global commons and maritime routes, the COVID-19 pandemic, and climate change are driving debates on European Union (EU) security and defence. What is more, these threats and challenges are gradually becoming the yardstick against which EU strategic autonomy is being measured. The EU no longer inhabits the prosperous, secure or free world that it referred to in the 2003 Security Strategy. The 2016 EU Global Strategy made clear that the Union needs to invest greater energy into protecting Europe and its citizens. More recently, in November 2020, the EU conducted its first-ever classified intelligence-led threat analysis for security and defence. It painted a bleak picture for the Union over the next 5-10 years. The forthcoming 'Strategic Compass' is to serve as a pathfinder for a response to these challenges and threats by rejuvenating the EU's approach to crisis management, resilience, capabilities and partnerships.

Yet there is a disconnect between the threats facing the EU, the will that exists for political action, and the required capacities. Consequently, critics of the concept of strategic autonomy point to the mismatch between rhetorical ambition and the reality of (in)action. This contribution to the forum briefly probes this problem and argues that it will not be any easier for the EU to provide for its security and defence after the Strategic Compass is

delivered for two reasons: first, the original interpretation of crisis management is over; and second, the Union will over time have to assume more of a role for its own territorial security. Strategic autonomy will be forged in the Union's response to these dual concerns.

Managing the crises of the future

For more than twenty years, the EU has defined success in security and defence as an ability to autonomously undertake crisis management and capacity-building missions and operations. In a basic sense, it has achieved this goal as it has deployed over 30 civilian and military missions and operations to regions such as the Sahel, the Horn of Africa and the Western Balkans. However, for all of this success, there are questions about the EU's ability to comprehensively undertake and lead on military operations. The Union was absent from Libya and Syria, even though these conflicts were the type of operations the EU should have been able to conduct. What is more, even when European states did conduct air operations in Libya in 2011 they struggled: Europeans were responsible for 90% of all air-strike sorties, but the Americans contributed 85% of the fuel and intelligence, surveillance, and reconnaissance (ISR) capabilities required.¹ Beyond military operations, the EU will increasingly face risks when engaged with military capacity-building as adversaries could be better equipped and third states such as Russia or China could offer more attractive equipment packages to partner states.

It is worth asking whether the EU would be better prepared for a Libya-style campaign today than it was a

¹ The views expressed here do not necessarily reflect those of the EU Institute for Security Studies or the European Union.

¹ Elizabeth Quintana, "The War from the Air," in Adrian Johnson and Saqeb Mueen, eds., *Short War, Long Shadow: The Political and Military Legacies of the 2011 Libya Campaign* (RUSI Europe, 2016), pp. 31, 36, <https://rusi.org/publication/whitehall-reports/short-war-long-shadow-political-and-military-legacies-2011-libya>.

decade ago. Most contemporary crisis management concepts are emerging in response to the geopolitical realities of the day. Consider how Russia is embedded in Syria and Libya. Observe how Turkey's hostile actions in the Eastern Mediterranean are increasingly bound up with its interests in Libya. See how China, with its naval foothold in Djibouti, has also conducted live exercises in the Mediterranean. If the EU has struggled to militarily assert itself in the permissive environments that characterised the turn of the millennium, then there are legitimate questions about whether it can realistically cope in less permissive operational theatres characterized by the presence of great powers, continued asymmetric pressures (such as terrorism), sophisticated technology, hybrid threats (including cyber-attacks and disinformation campaigns) and structural risks (most notably climate change).

Protecting Europe

The EU has stated that it should be prepared to protect Europe. EU Treaties establish the political foundation for territorial defence, as the Mutual Assistance and Solidarity Clauses stress that the Union and its member states should come to the assistance of other member states that are subject to terrorist attacks or man-made and natural disasters on their territories. For reasons related to nuclear and conventional defence, most EU member states that are part of NATO stress Article 5 of the Washington Treaty as the bedrock of their collective defence. However, the EU's own provisions are particularly important for those EU member states that are not in NATO. In reality, even NATO-EU members can see merit in activating both the Alliance and the Union in times of crisis. Yet, what the protection of the EU means in practice remains unclear, especially when it comes to potential military support.

For the foreseeable future, the Union will not focus on nuclear deterrence or confront Russia militarily. In any case, there is a wider debate about whether European allies of NATO can deter Moscow without American support. Some scholars argue that Europe has 'sufficient force structure in terms of brigades and squadrons to do

so.² Others believe that self-sufficiency in defence is a mirage that would require rapid investments amounting up to US\$357 billion³ and the development of integrated command structures and relevant C4ISR capacities.⁴ However far apart EU members and European NATO allies are when it comes to this debate, it is perhaps noteworthy that the defence projects being developed under the European Defence Fund and Permanent Structured Cooperation (including unmanned ground systems, electronic attack capabilities and stealth technologies) seek to boost Europe's deterrence and military edge.

In search of credibility

The EU's ability to manage crises and to protect Europe will face significant challenges – in a more geopolitically hostile world, this much is clear. The question is how to remedy the situation. Some of the answers are staring EU governments directly in the face, and have been for years: 1) there is a need for more defence spending to sustain an expansion and modernisation of armed forces; 2) the EU needs to get better at mobilizing the political will to utilise the military before adversaries do so in zones of interest for the Union; and 3) there is a need to dedicate more armed forces for EU missions and operations, as well as to put in place an effective and robust command and control structure. We do not need the Strategic Compass to instinctively understand these challenges, but what if EU member states do not respond to them?

Short of these three factors, the EU can still re-conceptualise how it conducts crisis management and capacity building, and it can provide clearer guidance for what the protection of Europe means in practice from the perspective of security and defence. Here, geographical proximity and intensity should be the watchwords of EU engagement – the Union should be able to respond alone to crises that stand a chance of spreading into the EU and that close partners have no interest in conducting themselves. This means re-ordering how the EU rapidly deploys technologically advanced forces and capabilities to zones of interest. Additionally, the EU needs to prepare for how land conflicts will interact with the space,

² Barry R. Posen, "Europe can Defend Itself," *Survival: Global Politics and Strategy*, 62:6 (2020). See also: Barry R. Posen, "In Reply: To Repeat, Europe Can Defend Itself," *Survival: Global Politics and Strategy*, 63:1 (2021).

³ Douglas Barrie et al., "Defending Europe: Scenario-based capability requirements for NATO's European Members," *International Institute for Strategic Studies*, Research Paper (2019), <https://www.iiss.org/blogs/research-paper/2019/05/defending-europe>.

⁴ Stephen Brooks and Hugo Meijer, "European Cannot Defend Itself: The Challenge of Pooling Military Power," *Survival: Global Politics and Strategy*, 63:1 (2021).

maritime, air and cyber domains. In this regard, force packages need to be better integrated through mechanisms such as PESCO to provide the EU with the military capacities required to protect logistics and supply lines, deter action by third powers, and penetrate anti-access-area denial bubbles.

When it comes to protecting Europe, the first task will be fulfilling existing projects such as military mobility. In addition, there needs to be an expanded vision for critical infrastructure protection, critical supply security and border management. A direct military response will not always be required, but there is a need to have integrated planning between European Commission services, the EU Military Staff and the European External Action Service. What is more, the EU can focus its operational response on territorial security in the short term by rapidly investing in cyber defence and hybrid capacities and

response teams. There is a need to strategise about how the EU can proactively respond to hybrid threats; for example, this could involve significantly boosting the resources and size of the EU's Hybrid Fusion Cell while better linking it to NATO structures.

The EU's response to the disconnect highlighted at the start of this essay should be ambitious but gradual. Past failures and modest successes will cast a shadow over the Strategic Compass process. By March 2022, when the Compass is delivered, the EU should have a clearer understanding of the military and in what ways it could consider employing it in a more dangerous world. Once the Compass is delivered, there should not be any need for further reflection for the next few years – political action, investments and operational credibility will be the only measures of success.

Defence

2.3. Russia's challenge to European security

Brian G. Carlson

Russia remains the primary security concern for Europe and NATO, posing challenges to European security in the conventional, nuclear, and hybrid realms. The security relationship between Russia and the West deteriorated sharply in recent years following a series of disruptive events, notably Russia's war against Georgia in 2008, its annexation of Crimea in 2014, and its subsequent support for insurgents in eastern Ukraine. In the spring of 2021, Russia raised alarms with a major force deployment along Ukraine's eastern border. This situation raises concerns about the preservation of European security, especially in particular contingencies. An accurate understanding of Russia's challenge to European security is a precondition for European efforts to craft an appropriate strategic response.

For the past few years, as relations with Russia grew steadily worse, Western countries pursued a dual-track approach. On the one hand, the West sought to maintain dialogue with Russia and to pursue a political solution in Ukraine through the Minsk process. On the other hand, NATO took steps to bolster its deterrent capacity, especially along its eastern flank. Through its Enhanced Forward Presence (EFP) initiative, it deployed additional, rotating forces to Poland and the Baltic countries, which from NATO's standpoint are still in compliance with the NATO-Russia Founding Act. However, because EFP forces only establish a tripwire, concerns remain about NATO's ability to defend the Baltic states against a potential Russian fait accompli. Some recent studies suggest that NATO would have difficulty prevailing in such a scenario.¹

Russia's challenge and the U.S.' role in Europe's defense

Russia remains a formidable military power, though its conventional forces are inferior to those of NATO. The program of military modernization that Russia initiated around 2000 continues and has produced important results. Russia has improved its conventional military capabilities and conducted large-scale military exercises in its western regions, in some cases carrying out snap exercises with little advance notice. In conducting these maneuvers, Russia often ignored its commitments under the Vienna Document to implement confidence and security-building measures. The Conventional Forces in Europe (CFE) Treaty, which was negotiated at the conclusion of the Cold War, is no longer in place to regulate conventional force deployments. Russia suspended its participation in the treaty in 2007 and withdrew altogether in March 2015, one year after the annexation of Crimea. Russia also frequently conducts provocations such as bomber and fighter patrols that make incursions into the airspace of European countries. In 2020, the United States withdrew from the Open Skies Treaty, alleging Russian violations.

The nuclear dimension of security relations between Russia and the West remains crucial. Nuclear weapons play an important role in Russian strategic thinking. They compensate for Russia's inferiority in conventional military power in comparison to NATO. Russia's most recent nuclear guidelines, published in 2020, state that the Russian government views nuclear weapons as exclusively a means of deterrence. The document lists several conditions under which Russia would use nuclear weapons, including confirmation of an incoming ballistic missile attack against Russia or its allies, the use of nuclear weapons or other weapons of mass

¹See for example David A. Shlapak and Michael W. Johnson, "Reinforcing Deterrence on NATO's Eastern Flank" (RAND, 2016).

destruction against Russia or its allies, an attack on sites that would threaten Russia's ability to respond with nuclear weapons, or an attack on Russia with conventional weapons that would put the state's existence in jeopardy.²

Many outside analysts perceive a lack of clarity in Russia's nuclear doctrine, however. The most recent U.S. Nuclear Posture Review, which was released in February 2018, argued that Russia subscribes to the belief that it could use the threat of nuclear escalation or the actual first use of nuclear weapons in order to "de-escalate" a conflict on terms that it considers to be favorable.³ In addition to this concept of "escalate to de-escalate," other analyses posited that Russia adheres to a "theory of victory"⁴ or that its actual policy is "escalate to win."⁵ According to another view, the goal of Russia's nuclear doctrine is to maintain escalation control and dominance through all stages of a crisis.⁶ Such an approach would be consistent with what has been described as Russia's "cross-domain strategy of coercion."⁷

Russia's recent nuclear force modernization and deployments reflect the apparent pursuit of such capabilities. In addition to modernizing all three legs of its nuclear triad, it has developed new intercontinental-range systems such as a hypersonic glide vehicle, a nuclear-armed, nuclear-powered cruise missile, and a nuclear-armed, nuclear-powered, undersea autonomous torpedo. Russia has also established superiority in non-strategic, dual-capable systems that can be armed with either nuclear or conventional weapons. This includes the SSC-8/9M729, a ground-launched cruise missile that the United States alleged was in violation of the Intermediate-Range Nuclear Forces (INF) Treaty. The SSC-8/9M729 gives Russia the ability to place under nuclear threat important NATO choke points, such as ports and airports which are crucial for the alliance in terms of force deployments across the Atlantic.⁸

President Donald J. Trump's administration sought to address the issues raised by these deployments in nuclear arms control negotiations with Russia. The Trump administration insisted that the two sides, before renewing the New Strategic Arms Reduction Treaty (New START), should first reach a political framework agreement calling for a new treaty that would verifiably cover all nuclear warheads, establish updated verification measures, and include China. Russia made its own demands, insisting that a new treaty should address missile defense and other issues such as conventional prompt global strike systems. The fate of New START carried over into the early days of Joe Biden's presidency, when the United States and Russia agreed to a five-year extension of the treaty just days before it was set to expire.

The United States withdrew from the INF Treaty in August 2019 on the grounds that Russia's deployment of the SSC-8/9M729 was in violation of its terms. The treaty's demise raises the possibility that the United States could now deploy missiles of the previously forbidden range in Europe. These would most likely be conventional missiles, as NATO's June 2021 communique stated that the alliance has no intention of deploying nuclear missiles in Europe.⁹ Russia continues to insist that the deployment of the SSC-8/9M729 complied with the treaty's terms, but it also withdrew from the treaty. In response to the U.S. withdrawal, Russian President Vladimir Putin proposed a moratorium on the deployment of missiles formerly banned by the INF Treaty. His proposal included mutual verification measures focusing on the Aegis Ashore ballistic missile defense systems deployed at NATO bases in Poland and Romania and on Russian military facilities in Kaliningrad. Putin claimed that these measures would confirm the absence of the SSC-8/9M729, and he promised not to deploy these missiles in Europe as long as NATO refrained from deploying similar missiles in Europe. However, the United States concluded that Russia had already deployed four battalions of the SSC-8/9M729, for a total of about 100

² The President of the Russian Federation, "Executive Order: Basic Principles of State Policy of the Russian Federation on Nuclear Deterrence" (8 June 2020), https://www.mid.ru/en/foreign_policy/international_safety/disarmament//asset_publisher/rp0fiUBmANaH/content/id/4152094.

³ Department of Defense, "Nuclear Posture Review" (February 2018), p. 8, <https://media.defense.gov/2018/Feb/02/2001872886/-1-1/1/2018-NUCLEAR-POSTURE-REVIEW-FINAL-REPORT.PDF>.

⁴ See for example Brad Roberts, *The Case for U.S. Nuclear Weapons in the 21st Century* (Stanford University Press, 2015).

⁵ Hans M. Kristensen and Matt Korda "Russian nuclear forces, 2020," *Bulletin of the Atomic Scientists*, 76:2 (2020), p. 105.

⁶ Stephen Blank, "Reflections on Russian Nuclear Strategy," in Adam Lowther, ed., *Guide to Nuclear Deterrence in the Age of Great-Power Competition* (Louisiana Tech Research Institute, 2020), p. 231.

⁷ Dmitry (Dima) Adamsky, "Cross-Domain Coercion: The Current Russian Art of Strategy," *Institut Francais Des Relations Internationales (IFRI), Proliferation Papers No. 54* (2015), <https://www.ifri.org/sites/default/files/atoms/files/pp54adamsky.pdf>.

⁸ Department of Defense, "Nuclear Posture Review", pp. 8-9.

⁹ NATO, "Brussels Summit Communiqué" (14 June 2021), https://www.nato.int/cps/en/natohq/news_185000.htm.

missiles, in regions of Russia from which they could strike NATO countries. The United States rejected Putin's offer of a moratorium.¹⁰ Following the renewal of New START and the demise of the INF, therefore, many questions remain about the future of nuclear arms control and its implications for European security.

Russia also poses challenges to European security through its use of hybrid methods.¹¹ Such methods cover a wide spectrum of activities, ranging from action just below the level of open warfare to far more subtle efforts to interfere in the domestic politics of European countries. Russia's actions in Ukraine in 2014 exemplified the first concern. Russia employed "little green men" during its seizure and annexation of Crimea, and its support for the insurgency in eastern Ukraine remained unofficial. Future instances of such deniable interventions are a source of concern for European security. Russian cyber threats are a growing problem, as shown by the 2020 SolarWinds attack and other cases. Russia also seeks to sow division in Western societies and to undermine EU and NATO cohesion through interference in domestic politics.

Russia also threatens European security through attacks on enemies of the Russian government carried out on the territory of European countries, including chemical weapons attacks that violate the Chemical Weapons Convention. Alexander Litvinenko, a former Russian spy turned critic of the Putin regime, died in a 2006 polonium attack in London. Sergei Skripal, a former Russian military intelligence officer who served as a double agent for British intelligence during the 1990s, was the target of an attack in Salisbury, England, in 2018. Skripal was attacked with Novichok, a nerve agent originally developed by the Soviet Union and prohibited under the Chemical Weapons Convention. Skripal and his daughter survived the poisoning, but a bystander was killed. In 2020, Russian opposition leader

Alexei Navalny also survived a Novichok attack. This attack occurred on a domestic Russian flight, but it generated considerable outrage in the West. Russia conducted disinformation campaigns in connection with these attacks, suggesting that Western governments were the perpetrators. Germany also accused the Russian government of ordering the killing of a Georgian national and former Chechen rebel commander who was assassinated in Berlin in 2019.

Where to go from here?

Absent a significant improvement in relations with Russia, which appears unlikely in the near term, Europe will continue to face pressing security challenges from Russia. The United States, which continues to act as the guarantor of European security, maintains levels of defense spending that are significantly higher than those of Russia. In certain regional military contingencies, however, geography and recent force improvements could give Russia the upper hand. Such concerns are likely to become especially acute as the United States increasingly turns its attention to the Asia-Pacific to address the rise of China. The 2018 U.S. National Defense Strategy declares that the United States should maintain the capability to defeat one great-power adversary in one theater while simultaneously deterring, but not necessarily defeating, another great-power adversary in another theater. This would place the United States in a difficult position if it were called upon to fulfill alliance commitments in Europe and Asia simultaneously.¹² Such circumstances will place growing pressure on European countries to bear an increased share of the burden for their own security in the coming years. This imperative is likely to engender difficult conversations about the future division of labor in the transatlantic alliance, as well as discussions of whether and how Europe should pursue strategic autonomy.

¹⁰ Kingston Reif and Shannon Bugos, "Russia Expands Proposal for Moratorium on INF-Range Missiles," *Arms Control Today* (November 2020), <https://www.armscontrol.org/act/2020-11/news-briefs/russia-expands-proposal-moratorium-inf-range-missiles>.

¹¹ Lauren Speranza, "A strategic concept for countering Russian and Chinese hybrid threats" (Atlantic Council, July 2020).

¹² Hal Brands and Evan Braden Montgomery, "One War Is Not Enough: Strategy and Force Planning for Great Power Competition," *Texas National Security Review*, 3:2 (2020).

Strategy

3.1. Normative power and EU strategic autonomy

Trineke Palm

The EU is relatively new to the game of power politics and does not necessarily fit within existing classifications of the great powers. Traditionally, great powers politics and their grand strategies are associated with the realist schools of thinking (either in the academic discipline or in policy). In these debates, the EU is often dismissed as strategically illiterate. However, strategic thinking should not be reserved for realist theorists and realist powers. From the perspective of normative power, the EU may not be as strategically illiterate as traditional conceptions suggest. In fact, normative power is an essential instrument in the EU's foreign policy toolbox and should play a central role in the debate about strategic autonomy.

The limits of EU strategic autonomy

With the 2016 EU Global Strategy (EUGS), the EU set for itself the goal of "strategic autonomy." The EUGS discourse depicts the Union as being "under threat" and in an "existential crisis." Former Commission-President Juncker called for Europe to "toughen up." More recently, EU High Representative Borrell argued that the EU should learn "the language of power."

As a result, considerable emphasis is now being placed upon bolstering the EU's hard power. For example, PESCO projects have given the Member States valuable experience in launching cooperative projects in the development of defence capabilities.

Yet these initiatives lack clarity and consistency. Specifically, if member states drive European security

cooperation, then the EU runs the risk that its security and defence policy will be influenced by those member states' industrial interests, rather than by a shared threat-based analysis. Moreover, while boosting cooperation and integration in the area of security and defence may be groundbreaking for the EU, in terms of global power dynamics it seems little more than catching up in terms of effectiveness and efficiency. The sum of national budgets does not translate into the same fighting powers as when it would be spent as one budget. Furthermore, the anticipated Strategic Compass, centered on strategic autonomy and aimed at providing political guidance on the EU's military level of ambition, suffers from ambiguity and hides EU member states' fundamental differences about the EU's role in the world.¹ All of this may weaken rather than strengthen the EU's position as a geopolitical actor in the long run.

This lack of clarity and consistency in EU strategic autonomy and security cooperation raises two further ambiguities. First, strategic autonomy is often treated interchangeably with European sovereignty. The concept of strategic autonomy avoids attributing state characteristics to the EU. But the idea of European sovereignty that is sometimes used interchangeably with strategic autonomy implies, in fact, something else. The process of decades of European integration has not abolished national sovereignty, but relativized its importance. This new meaning of sovereignty has been a key contribution of the EU to a rule-based international order: EU sovereignty demonstrates that, despite its hiccups and limitations, protecting citizens is not a zero-sum game between national and European

¹Daniel Fiott, "Strategic autonomy: Towards 'European sovereignty' in defence?," EUISS Briefs, Paper (2018); Ester Sabatino et al., "The Quest for European Strategic autonomy – A Collective Reflection," Document IAI, Paper (2020); Dick Zandee et al., "European strategic autonomy in security and defence" (The Clingendael Institute, December 2020), https://www.clingendael.org/sites/default/files/2020-12/Report_European_Strategic_Autonomy_December_2020.pdf.

competences. This means that re-installing the notion of sovereignty at the European level with the same rigor national sovereignty is understood would be a serious mistake, as it would confirm the zero-sum thinking between competing interests on a global scale.

Second, strategic autonomy is often understood as autonomy from other great powers like Russia, China, or the United States. But allowing itself to become (too) independent from other great powers in areas such as critical infrastructure could be problematic for the EU. It would contribute to the emergence of geographical blocs that are increasingly detached from one another. A drive for European autonomy that goes too far would only intensify this tendency and would challenge the EU's emphasis on multilateralism.² It would undermine the objective of developing and maintaining international — or even universal — norms and rules in security and defence, like norms regarding cyber security, non-proliferation, and arms control.

Normative power as strategic instrument

As opposed to this realist view of strategic autonomy, taking normative power as a starting point for developing a strategic compass opens up space to embrace a different version of strategic autonomy. Specifically, strategic autonomy can serve to bolster the EU's normative power. For example, a version of strategic autonomy that would give the EU the capacity to act to “promote rules-based multilateralism and human rights in unstable and more competitive worlds...and help enforce those rules, including through use of force if so authorized by the UN Security Council” would make normative power more credible and aid making it into a strategic instrument.³

Normative power is more than rules-based multilateralism and an overarching identity that is associated with the promotion of particular values and norms. It also is an instrument. It is the ability to “shape conceptions of what is normal,” that is, to develop and

set norms that may shape other states' behavior.⁴ Focusing on a rules-based international order is as much a principled conviction as it is a strategic instrument. Rather than focusing on short-term scoring in the global game of power politics with little consideration for international treaties and regulations, a normative power approach concentrates on establishing rules and building coalitions for fair play. Normative power's importance for EU strategy is that it draws the attention to the importance of norms as a long-term strategic interest. For example, rather than engaging in an arms race (scoring), this would entail a continued advocacy of non-proliferation norms to address fears of nuclear proliferation.

This normative power not only helps in developing an EU Strategic Compass, it is also already well-established in the EU's arsenal. While it has become less prominent in the EU's policy discourse in recent years, the EU has long viewed itself as a normative power.⁵ Although the EU and its Member States do not always live up to the norms and values they set for themselves,⁶ some features of normative power have become institutionalized in the EU's foreign and security policy. For example, the Treaty still provides a clear normative benchmark to the EU's foreign and security policy: “democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.”⁷ As such, normative power still has a significant bearing on the way the EU behaves as an international security actor. An essential aspect of setting norms is developing a multilateral framework that upholds these norms. Hence, the EU needs to collaborate with other actors and, where possible, to discourage the emergence of opposing geopolitical blocs.

² European Commission and High Representative, “Joint Communication to the European Parliament and the Council on strengthening the EU's contribution to rules-based multilateralism,” JOIN (17 February 2021). See also the French-German initiative “Alliance for Multilateralism.”

³ Arnout Molenaar, “Unlocking European Defence,” IAI Papers, Paper 21|1 (2021).

⁴ Ian Manners, “Normative Power: a contradiction in terms?,” *Journal of Common Market Studies*, 40:2 (2002).

⁵ The article in which Ian Manners coined the term in 2002 has become one of the most cited studies in EU studies. Beyond the academic scene, it also has been picked up by policymakers.

⁶ The EU's normative power is questioned regarding both its internal affairs, for example the concerns about the rule of law in countries such as Hungary and Poland, and its external policies, for example the allegations about Frontex' involvement with illegal pushbacks of migrants.

⁷ “Treaty of the European Union,” signed: 7 February 1992, entered into force: 1 January 1993, Art. 21.1, https://eurlex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0023.02/DOC_1&format=PDF.

Conclusion

Strategic autonomy is not merely a question of material power capabilities and specifying what types of military operations the EU should be able to conduct independently. Instead, strategic autonomy reflects a more fundamental question about the way the EU positions itself as a normative geopolitical actor. Whilst measures that would strengthen the EU's hard power

are important, the Strategic Compass — which is centered on strategic autonomy — should incorporate the EU's normative power as a strategic instrument. Rather than viewing normative power as a relic of the past or as an unaffordable luxury in a dangerous world, it should be embraced as a guiding principle and instrument for the EU's Strategic Compass and influence the type of strategic autonomy it pursues.

Strategy

3.2. An ambidextrous EU approach to transatlantic relations

Jack Thompson

European debates about the future of US foreign policy tend to anticipate two interrelated types of behavior: that the US will become more nationalistic and will implement some degree of retrenchment – what US scholar Barry R. Posen calls “restraint.” The prospect that Europe will have to provide more for its own security as a consequence of changing US behavior has been a key factor in intensifying European discussions about strategic autonomy.¹

This expectation about US foreign policy is, to an extent, accurate. US behavior abroad will, partly as a result of domestic economic and political challenges, be more nationalistic. Furthermore, as Washington focuses on competition with China, and to a lesser extent Russia, it will expect allies in Europe and Asia to assume more responsibility for their own security. The US withdrawal from Afghanistan in August 2021 is the latest data point in another trend: reduced US willingness to sustain long-term military interventions and troop deployments. All of this means that US foreign policy and its role in the transatlantic relationship will be less consistent than in the past.

At the same time, even as it retrenches and pivots to Asia, the US will remain the most important security actor in Europe for the foreseeable future. And the US will remain a crucial facilitator for international cooperation and trade. It will continue what some in the academic world, like G. John Ikenberry, call the US’ role as “owner and operator” of the liberal international system. Or, more precisely, it will remain a central player in those elements of the liberal international

system that persist in an era of relative US decline and growing influence for illiberal powers such as China.²

An ambidextrous strategy: the ability to act with and apart from the US

This inconsistency in US foreign policy will be an important consideration for European strategy in the coming years. Europeans need to maintain a close partnership with the United States, but they also need to protect themselves when US policies run counter to their interests and values. In other words, when it comes to the transatlantic relationship, Europe will need to be ambidextrous: it will need to be able to pursue two different types of strategies vis-à-vis the United States and external challenges, depending on how the US operates in domains such as cyber, trade, or defense.

This means that European efforts to develop more independent and effective capabilities in security and foreign policy – strategic autonomy – will need to strike a careful balance between the two prongs of its ambidextrous strategy. On one hand, Europeans should remain prepared to cooperate with the United States. Partly, this will be a matter of need. Europe lacks the ability to fully provide for its own security, though it has sufficient economic resources and should plan to do so in the long run.³ But working with the US is also in Europe’s interest. Even as Donald Trump’s presidency accelerated certain long-term trends in US policy – placing more importance on the Indo-Pacific and less on Europe – the United States remains Europe’s global

¹Suzana Anghel et al., “On the path to ‘strategic autonomy’: The EU in an evolving geopolitical environment,” European Parliamentary Research Service, Study (2020); Ulrike Franke and Tara Varma, “Independence Play: Europe’s Pursuit of Strategic Autonomy” (European Council on Foreign Relations, 18 July 2019), https://ecfr.eu/special/independence_play_europes_pursuit_of_strategic_autonomy/; Barry R. Posen, *Restraint: A New Foundation for U. S. Grand Strategy* (Cornell University Press, 2014).

²G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton University Press, 2012).

³There is an ongoing debate about Europe’s ability to defend itself. I tend to agree with the argument that Europe’s shortcomings are primarily a matter of political will and not a lack of resources. See for example Posen, “Europe can Defend Itself”.

power partner of choice. And, in spite of the unilateralism that characterized Trump's tenure, the US remains the top funder for many vital international institutions and initiatives.⁴ It is also the only other global power that has an interest in defending democratic norms and values. Finally, Europe and the United States have many strategic interests in common, including deterring Russia in Eastern Europe and maintaining an open and free multilateral maritime order in the Indo-Pacific.

On the other hand, Europe will not be able to fully depend on the US, because Washington will oscillate between internationalist-multilateralist and nationalist-unilateralist phases. Domestic support for protectionism, unilateralism, and nativism, especially among Republican voters, is stronger than at any point since the 1930s and will remain so for the foreseeable future.⁵ Hence, there will be times when US foreign policy runs counter to EU interests and values.

In addition, even when the US is predisposed to an internationalist-multilateralist approach, China is likely to be a crucial issue on which US and EU agendas differ. Though both sides are increasingly inclined to view China as a competitor and are exploring potential avenues for cooperation in the Indo-Pacific, Europe will probably pursue a less confrontational relationship with Beijing. Europe will need to balance pursuing its economic and political interests vis-à-vis China, on one hand, and partnering with the US to curb Beijing's problematic behavior, on the other.⁶

Guiding principles for the future of transatlantic relations

Even as it seeks to maintain close and constructive ties, Europe should stop allowing Washington to dictate the terms of the relationship. In the last few years, European policymakers have begun to show signs of more self-assurance when dealing with the United States; this needs to be sustained. In addition, Europe

should focus on developing capabilities that, in the long run, will allow it to both act independently, when necessary, and be a more capable partner for Washington, when possible. A key advantage of developing more proactive and capable foreign and security policies is that this will make it easier to partner effectively with the US in maintaining those components of the liberal international system that are most important to Europe—and to fight for them during the US' nationalist-unilateralist phases. Finally, policymakers at the national and EU level should prioritize fostering greater inter-EU cohesion—a difficult and long-term undertaking, to be sure. This will make it easier to resist tactics designed to divide European states that US officials will sometimes be tempted to employ. Enhanced unity will also come in handy when dealing with other major powers, such as China and Russia.

Boosting European resilience to illiberal challenges

One way to boost Europe's resilience would be to cooperate with the United States on trade and economic policy. Europe should seek a compromise with Washington on reforming the World Trade Organization, specifically, and more broadly in promoting an international trading system that is conducive to liberal democratic values.⁷ One goal of such an effort should be to discourage the growing trend toward what the Information Technology and Innovation Foundation calls "innovation mercantilism." Innovation mercantilism is a trade strategy employed by (often illiberal) states designed to protect and promote domestic firms focusing on key emerging technologies, and to discriminate against those of competitors.⁸

When it comes to defense, Europe should prioritize developing the ability to deter Russia and to defend itself in the event of hostilities. The US can no longer simultaneously play the leading role in providing security for Europe and, at the same time, effectively

⁴ Two examples are: UN peacekeeping and the WHO, see United Nations, "How We Are Funded" (2021), <https://peacekeeping.un.org/en/how-we-are-funded>; World Health Organization, "United States of America: Partner in Global Health" (2021), <https://www.who.int/about/funding/contributors/usa>.

⁵ Laura Silver et al., "In U.S. and UK, Globalization Leaves Some Feeling 'Left Behind' or 'Swept Up'" (Pew Research Center, 5 October 2020),

<https://www.pewresearch.org/global/2020/10/05/in-u-s-and-uk-globalization-leaves-some-feeling-left-behind-or-swept-up/>; Chandelis Duster, "Bush describes GOP as 'isolationist, protectionist and, to a certain extent, nativist,'" CNN, 20 April (2021).

⁶ Robin Emmott et al., "Despite transatlantic 'love fest', EU charts third way in ties with US and China," Reuters, 12 March (2021).

⁷ Rob de Wijk, Jack Thompson, and Esther Chavannes, "Adjusting the Multilateral System to Safeguard Dutch Interests" (The Hague Centre for Strategic Studies, 1 October 2020).

⁸ Caleb Foote and Stephen Ezell, "The 2019 Global Mercantilism Index: Ranking Nations' Distortive Trade Policies" (Information Technology & Innovation Foundation, 18 November 2019).

compete in East Asia. Hence, Europe should invest in conventional precision strike capabilities and integrated air and missile defense systems in order to develop fully formed anti-access/area-denial (A2/AD) capabilities.⁹

Finally, Europe and the United States share an interest in boosting their resilience to gray zone operations and should act in concert to address common areas of weakness. This would include taking steps to prevent unfriendly countries from exploiting domestic problems, such as anti-globalization sentiment and political radicalization. One step European states could take on this front would be to augment funding for anti-disinformation – though such initiatives are at best a partial solution.¹⁰

Hence, boosting European resilience will also entail deterring hostile countries. US and especially EU policymakers will need to do more than implement targeted sanctions, as the EU did in 2020 against state-backed hackers.¹¹ There is reason to doubt the deterrence value of these sanctions, at least in their current incarnation, which often do not affect the officials ultimately responsible. New measures against some of the worst offenders – China, North Korea, and Russia – could include broader sanctions or exclusion from international meetings.¹² This is another area in which coordinated responses, involving both the US and EU, would serve the interests of both sides.

⁹ Thompson, Pronk, and van Manen, "Geopolitical Genesis".

¹⁰ James Pamment, "The EU's Role in Fighting Disinformation: Crafting A Disinformation Framework," Carnegie Endowment for International Peace, Working Paper (2020).

¹¹ On sanctions and hybrid warfare, see Henrik Larsen, "Containing Russia at Home," *RUSI Newsbrief*, 30 April (2021); Laurens Cerulus,

"EU Countries Extend Sanctions against Russian, Chinese Hackers," *Politico*, 17 May (2021).

¹² Sean Monaghan, "MCDC Countering Hybrid Warfare Project: Countering Hybrid Warfare" (UK Ministry of Defence, March 2019).

Strategy

3.3. The United States may be willing, but no longer always able: the need for transatlantic burden sharing in the Pacific Century

Paul van Hooff

Strategic autonomy is not a luxury; it is a necessity for Europe as the United States shifts focus to the Indo-Pacific. What passes for discussions about European autonomy tend to revolve around institution-building, percentages, and capability shortfalls. Only the shock of the Trump presidency revived a debate that had been dormant for more than a decade. This rude awakening for Europeans led to some blunt language from EU policymakers: German Chancellor Angela Merkel declared that Europe could no longer fully rely on the United States and French President Emmanuel Macron called NATO “braindead.”¹

It’s not just Trump

The recent European reappraisal of autonomy was triggered less by an assessment of the shifting strategic environment than it was by the actions of one man. As memories of the Donald Trump presidency recede, the risk increases that we overlook what happened to the transatlantic relationship because of the idiosyncrasies of Trump as a president. Obviously, Trump was uniquely abrasive and dismissive towards U.S. allies: “NATO was as bad as NAFTA,” the “EU is worse than China,” the Europeans were “ripping us off.”²

It was difficult to assess how real the threat of U.S. abandonment was. On the one hand, U.S. deterrence and reassurance initiatives in the Baltics continued; on the other, for four years Trump continued to use inflammatory rhetoric and explored ways to implement his most extreme policy proposals, up to and during the transition to the Biden presidency.³ It is not inconceivable that – had he won a second term – Trump would have so damaged the transatlantic relationship, and specifically NATO, that a formal U.S. departure would not have been necessary. The Trump presidency worried Europeans to the extent that they revived questions about nuclear weapons that had been dormant for half a century.⁴

In contrast, Joe Biden has promised to reinvigorate U.S. alliances, declaring the United States to be back because it simply “must lead.”⁵ It is tempting to embrace a reversion back to the imagined normal. The same amnesia took place in the wake of the transatlantic bust-up over Iraq. However, Europeans should not become complacent; not only because the voices in favor of restraint or offshore balancing in U.S. grand strategy have grown in influence across the

¹ Jon Henley, “Angela Merkel: EU cannot completely rely on US and Britain any more,” *The Guardian*, 28 May (2017), <https://www.theguardian.com/world/2017/may/28/merkel-says-eu-cannot-completely-rely-on-us-and-britain-any-more-g7-talks>; “Transcript - Emmanuel Macron in His Own Words (English),” *The Economist*, 7 November (2019), <https://www.economist.com/europe/2019/11/07/emmanuel-macron-in-his-own-words-english>.

² Shawn Donnan, “Trump Makes Clear EU Won’t Escape His Ire on Trade for Long,” *Bloomberg*, 30 August (2018), <https://www.bloomberg.com/news/articles/2018-08-31/trump-makes-clear-eu-won-t-escape-his-ire-over-trade-for-long>; Julia Manchester, “Trump told G-7 leaders that ‘NATO is as bad as NAFTA’: report,” *The Hill*, 28 June (2018).

³ President Trump pushed the idea to leave Germany, and attempted to set in motion a U.S. withdrawal from Europe during the transition period. “US considering troop withdrawal from Germany, report says,” *Deutsche Welle*, 30 June (2018), <http://www.dw.com/en/us-considering-troop-withdrawal-from-germany-report-says/a-44467117>; Jonathan Swan and Zachary Basu, “Off the Rails: Trump’s Failed 11th-Hour Military Withdrawal Campaign,” *Axios*, 16 May (2021), <https://www.axios.com/off-the-rails-trump-military-withdrawal-afghanistan-5717012a-d55d-4819-a79f-805d5eb3c6e2.html>.

⁴ Bruno Tertrais, “Will Europe Get Its Own Bomb?,” *The Washington Quarterly*, 42:2 (2019).

⁵ Joseph R. Biden, “Why America Must Lead Again: Recusing US Foreign Policy after Trump,” *Foreign Affairs*, 99:2 (2020), p. 64.

political spectrum,⁶ but for more structural reasons. After all, the Biden administration immediately underlined that China is the “pacing threat” and the clear priority within U.S. grand strategy.⁷

It's the structure, stupid!

At the core of the changes in the transatlantic relationship is the loss of the advantages the United States held in the unipolar era and, with them, the ability to maintain the role it played in Europe for decades. Those advantages may have been massive and unlikely to endure, even without the draining detour of the so-called war on terror, but U.S. competitors have also actively sought to counter the United States with technologies that undermine the very advantages the United States relied on during the previous quarter century – unimpeded power projection through its command of the global commons.⁸ At the same time, during the era of unipolarity it expanded and deepened its commitments in Europe, Asia, and the Middle East. Current force planning constructs anticipate the ability to win against one near-peer power while deterring a second in another region until reinforcements can be sent. This is less ambitious – in some regards – than in previous decades.⁹ Yet current U.S. capabilities still may not suffice to offer credible offers of protection to both European and Asian allies.¹⁰

The rise of China, and the challenge this poses to the U.S. interest in regional stability in the Western Pacific, represents a significant problem for Europe. China may not have the resources to challenge the United

States globally,¹¹ it may not be able to compete with U.S. military-technological superiority,¹² but it can drastically raise the costs for U.S. projection in its region by targeting ships, airbases, and ports.¹³ China has gained advantages locally that the United States is unlikely to overcome with investments in military-technological means alone. Given the limits on U.S. maritime capabilities – both ships and shipyards¹⁴ – the United States will be forced to make uncomfortable decisions.¹⁵

Europe will not be the first priority for the United States. For Europeans, accustomed to ruling the world for centuries – even when that role had ended, Europe still served as the focus of geopolitical competition – this is a novel situation. The United States will be forced into choosing between flashpoints in various regions, and with Europe no longer the primary concern, it is less likely to be the priority. Bluntly stated, if it had to choose, the United States is more likely to act on behalf of Taiwan than of Tallinn. Moreover, as U.S. focus shifts to Asia and the Indo-Pacific, and away from the Middle East, more regional instability is likely to land on Europe's doorstep, above and beyond what has been the case for the past two decades.

The real case for building European military capabilities that can be used autonomously from those of the United States is not based on objectionable rhetoric, a pernicious individual, or a single crisis – it is a matter of a shifting structural context for, and growing demands on, U.S. power.

⁶ Stephen Kinzer, “In an astonishing turn, George Soros and Charles Koch team up to end US ‘forever war’ policy,” *Boston Globe*, 30 June (2019); Peter Beinart, “It’s Foreign Policy That Distinguishes Bernie This Time,” *The Atlantic*, 21 February (2019).

⁷ Joseph R. Jr. Biden, “Interim National Security Strategic Guidance” (The White House, 3 March 2021), <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/03/interim-national-security-strategic-guidance/>.

⁸ Barry R. Posen, “Command of the Commons: The Military Foundation of US Hegemony,” *International Security*, 28:1 (2003).

⁹ Jim Mitre, “A Eulogy for the Two-War Construct,” *The Washington Quarterly*, 41:4 (2018).

¹⁰ Brands and Montgomery, “One War Is Not Enough”.

¹¹ Michael Beckley, *Unrivaled: Why America Will Remain the World’s Sole Superpower* (Cornell University Press, 2018).

¹² Andrea Gilli and Mauro Gilli, “Why China Has Not Caught Up Yet: Military-Technological Superiority and the Limits of Imitation, Reverse Engineering, and Cyber Espionage,” *International Security*, 43:3 (2019).

¹³ Stephen Biddle and Ivan Oelrich, “Future Warfare in the Western Pacific: Chinese Antiaccess/Area Denial, U.S. AirSea Battle, and Command of the Commons in East Asia,” *International Security*, 41:1 (2016); Evan Braden Montgomery, “Contested Primacy in the Western Pacific: China’s Rise and the Future of U.S. Power Projection,” *International Security*, 38:4 (2014).

¹⁴ Megan Eckstein, “No Margin Left: Overworked Carrier Force Struggles to Maintain Deployments After Decades of Overuse,” *USNI News*, 12 November (2020).

<https://news.usni.org/2020/11/12/no-margin-left-overworked-carrier-force-struggles-to-maintain-deployments-after-decades-of-overuse/>; Mallory Shelbourne, “House Lawmakers Call For Long-Term Strategy For Sealift After Decades of Neglect,” *USNI News*, 19 May (2021), <https://news.usni.org/2021/05/19/house-lawmakers-call-for-long-term-strategy-for-sealift-after-decades-of-neglect/>.

Loren Thompson, “Five Problems That Could Torpedo America’s Naval Shipbuilding Capability,” *Forbes*, 19 July (2019), <https://www.forbes.com/sites/lorenthompson/2019/07/19/five-problems-that-could-torpedo-americas-naval-shipbuilding-capability/>.

¹⁵ Paul van Hoof, “All-In or All-Out: Why Insularity Pushes and Pulls American Grand Strategy to Extremes,” *Security Studies*, 29:4 (2020); Paul van Hoof, “Don’t Knock Yourself Out: How America Can Turn the Tables on China by Giving up the Fight for Command of the Seas,” *War on the Rocks*, Commentary (23 February 2021), <https://warontherocks.com/2021/02/dont-knock-yourself-out-how-america-can-turn-the-tables-on-china-by-giving-up-the-fight-for-command-of-the-seas/>.

What to do: greater European responsibility within the transatlantic relationship

What should Europeans do, given these new structural realities? Unsurprisingly, I argue doing more to ensure their own security, specifically in ways which strengthen the transatlantic commitment. European states should take more responsibility for their own security in a manner that ensures they have an alternative in the unlikely event that the United States is unwilling to quickly reinforce Europe, but especially for the increasingly more plausible scenarios in which the U.S. lacks the ability to do so. The latter is the real problem: without a large forward presence of conventional forces in Europe, U.S. extended deterrence guarantees rely on increasing the flexibility of the U.S. nuclear arsenal and on the relative ease of reinforcing Europe during a crisis. U.S. promises to use low-yield nuclear weapons within the European theatre do not reassure European allies. The same is true for a policy that hinges on access to the European theatre, because this would require precisely the kind of naval capabilities that are likely to be in demand in the Pacific.

Fortunately, Europeans have more manageable security problems now than during the pre-1991 period. Russia is the primary threat to Eastern European member states of NATO and the European Union and can destabilize the Middle East. European investments in conventional deterrence would buy time to deal with the Russian threat. These capabilities would include air and missile defense, anti-submarine warfare, and mobility initiatives.¹⁶ Much of this would make a Russian attack on command and control, transport ships, and transport nodes less effective,¹⁷ while enhancing the ability to move forces from Western Europe. These European efforts could be bolstered by restoring and improving the readiness of heavy and light armored forces. This would require substantial investments, but would still represent relatively low-hanging fruit when compared to the cost of developing next-generation

fighters, expeditionary power projection, or other high-end military capabilities associated with great powers. The latter projects should not be the key priority or even the benchmark of what strategic autonomy means; Europe is not and does not have to be a leading military power to become more autonomous. Rather, European states need to generate a minimal level of security, one that can buy them time while the United States is otherwise engaged, to ensure that deterrence remains credible. Finally, investing in capabilities focused on the European theater would sustain a European defense industry, which would in turn produce positive spillover effects in other security domains relevant to autonomy, and make it easier to justify such investments to European publics that are frequently wary of spending on defense.

Rather than undermine the transatlantic relationship, strategic autonomy, conceived as such, would strengthen it. Europeans should therefore look beyond Trump, but so should Americans. The United States is not able to fulfill its multiregional commitments to the same degree as before. It may be impolitic to state this outright, given D.C.'s belief in the indispensability of U.S. leadership; it is certainly unwise to do so for reasons of effective deterrence in the European theatre, when it is a near-certainty that the Asian theatre will be prioritized. However, it is the reality both sides of the Atlantic should come to terms with.

Offloading security costs to U.S. allies is more likely to sustain long-held U.S. interests in Europe and elsewhere than attempting to unilaterally maintain global primacy. As Barry R. Posen, a U.S. scholar on grand strategy and prominent proponent of greater U.S. restraint, points out elsewhere in this forum,¹⁸ the United States should re-examine its strategic interests in Europe and elsewhere. An honest assessment would highlight the benefits of redistributing some of the security burden. Instead of ignoring calls to rethink the U.S. strategy of primacy, as they have in the past,^{19,20} Americans and Europeans should embrace such

¹⁶ Jacopo Barigazzi, "US to join EU project on military mobility," *Politico*, 5 May (2021), <https://www.politico.eu/article/us-united-states-canada-norway-eu-project-on-military-mobility/>; John Sheldon, "European Military Space: EU Pursuing Space-Based Early Warning, PNT, And SSA Projects Under PESCO Initiative," *SpaceWatch.Global*, 18 November (2019), <https://spacewatch.global/2019/11/european-military-space-eu-pursuing-space-based-early-warning-pnt-and-ssa-projects-under-pesco-initiative/>.

¹⁷ Maren Garberg Bredesen and Karsten Friis, "Missiles, Vessels and Active Defence: What Potential Threat Do the Russian Armed Forces Represent?," *The RUSI Journal*, 165:5-6 (2020).

¹⁸ Posen, forum.

¹⁹ Joshua R. Itzkowitz Shiffrin, "Eastbound and down: The United States, NATO enlargement, and suppressing the Soviet and Western European alternatives, 1990-1992," *Journal of Strategic Studies*, 43:6-7 (2020); Paul van Hooft, "Land rush: American grand strategy, NATO enlargement, and European fragmentation," *International Politics*, 57 (2020).

efforts. Scenarios in which it is overextended and unable to fulfill its commitments are bad for the United

States, just as they are problematic for its European and Asian allies.

Economics

4.1. European trade strategy: striking a balance between liberalism and nationalism

Michiel Foulon

Most observers agree that the US, with its historical advocacy of free trade, is in relative decline, while China, with its mercantilist economic model, is on the rise. Some in Europe view China's trade practices as unfair. Meanwhile, the US embraced a degree of economic nationalism under President Donald Trump that was unprecedented since the end of World War II. Whilst the Biden administration operates more through the means of the multilateral trade system, Biden also prioritises protecting the US economy from the negative effects of international free trade.

Overall, this has strengthened economic nationalist forces within the EU, even as economic nationalism manifests in different European states to different degrees. Key voices in the Netherlands, for example, are concerned that economic nationalism in Europe will harm the advantages the country reaps from its position as a trade powerhouse. In contrast, France and Germany are more inclined to take stronger state measures to stand up against the intensifying economic competition with the US and China.¹

The empowerment of economic nationalists inclines governments to pursue more protectionist policies, even as economic nationalists' view of what constitutes their state's security interest differs from that of EU policy makers. Germany's National Industrial Strategy 2030 advocates state support for important EU sectors and keeping value chains within the EU.² And

the European Commission has been influenced by the economic nationalist turn. For instance, in its Strategic Plan 2020-2024, it advocates a trade policy that "helps the Union to protect the EU market from unfair practices and to promote EU values and standards."³ China's rise, along with increasing US protectionism and its decline as the leading advocate of free trade, have played a major role in the growing acceptance within the EU of a less liberal trade system.

Against this backdrop, the challenge facing EU foreign trade strategy is clear: how can the EU preserve a version of the liberal order, which remains in its overall interest, while also integrating the concerns of economic nationalists, some of which have merit and some of which are necessary to address for domestic political reasons?

Balancing economic liberalism and nationalism

Incrementally adjusting the processes of the rules-based trade system should allow Europeans to protect key material trade sectors. This would help EU policy makers to limit the negative consequences of free trade, like the disappearance of manufacturing jobs, and thus to prevent further disintegration of the Union in the future. On the one hand, the threat posed by the nature of illiberal states' economic systems and trade practices necessitates some protectionism in EU trade policy. A prominent example of the challenges facing

¹ Jeronim Zettelmeyer, "The Troubling Rise of Economic Nationalism in the European Union," Peterson Institute for International Economics, Blog post (29 March 2019), <https://www.piie.com/blogs/realtime-economic-issues-watch/troubling-rise-economic-nationalism-european-union>.

² German Federal Ministry for Economic Affairs and Energy, "Industrial Strategy 2030: Guidelines for a German and European industrial policy" (Federal Ministry for Economic Affairs and Energy, November 2019), <https://www.bmwi.de/Redaktion/EN/Dossier/industrial-strategy-2030.html>.

³ European Commission, "Strategic Plan 2020-2024" (Directorate General for Trade, 14 September 2020), p. 4, https://ec.europa.eu/info/system/files/trade_sp_2020_2024_en.pdf.

Europe is China's use of subsidies to support domestic industries. The US, too, is pursuing increasingly nationalist economic and trade policies, to the detriment of the open international trade system. The Trump administration prioritised the protection of US jobs but so does the Biden administration, even as the latter seeks to work within the rules of the liberal international trade system.⁴ Europeans should be ready to protect crucial domains of trade policy including jobs, critical infrastructure, and emerging technologies like 5G.

EU foreign policy makers should not respond to the structural impetus toward a less liberal international order by ignoring economic nationalism: ignoring it would be undemocratic and would likely backfire. Economic nationalists' concerns include sharing sensitive technology; job losses and income distribution within their respective states; and amassing trade deficits that could leave them at a disadvantage vis-a-vis economic rivals. The gradual acceptance of more protectionist views in academia and think tanks, especially since Brexit and the Trump Presidency, increases the credibility of arguments for economic nationalism. It is not a coincidence that we are increasingly seeing elements of economic nationalism in Europe's external trade policy.

At the same time, Europe should resist the urge to fully embrace economic nationalism. Specifically, too much economic nationalism would deprive Europeans of the benefits of obvious comparative advantages. For example, not all manufacturing, like electronics, should be moved back to Europe when such products can be produced more efficiently elsewhere. After all, EU consumers are unlikely to be willing to pay the (possibly much) higher prices that would accompany Europe's higher wages in the manufacturing sector. Furthermore, if Europe were to go too far down the road of economic nationalism, it would undermine the EU's status as a leading advocate of the liberal trade order. "[T]he problem is," a Peterson Institute for International Economics report states, "that in their eagerness to push back against economic nationalism in China and the United States, EU politicians have begun to advance their own brand of economic nationalism."⁵

Instead, EU trade policy should mix a limited embrace of economic nationalism, where necessary, with incremental revisions to the existing trading order to defend Europe's interests: the best way to safeguard European jobs and industries is through a revised and reinvigorated international rules-based trade system.

Process issues and material trade issues

The EU should strive to achieve a balance between economic liberalism and nationalism by addressing process issues and material trade issues alike. Process issues involve those operational mechanisms — like conventions, treaties, and legal procedures — intended to regulate and standardise trade practices. One example is the dispute settlement mechanism in the EU-China Comprehensive Agreement on Investment, which was concluded in December 2020. Another example is reform of the World Trade Organization (WTO). A modernised and properly functioning WTO would allow Europeans to settle trade dispute through a rules-based mechanism, instead of volatile and costly trade wars. Debates about WTO reform pertain to the efficiency with which its trade dispute settlement mechanism operates. The US believes that the dispute settlement mechanism has accrued too much power. The US complains, for example, that the WTO's Appellate Body should refrain from interpreting WTO member states' domestic law. The US also believes the WTO falls short of dealing with challenges posed by China's trade policies. Though the EU's reform proposal addresses several US concerns, the EU also advocates strengthening the WTO dispute settlement mechanism. The EU should elevate modernisation of the WTO and resolution of the disagreement about the dispute settlement mechanism to the top of the transatlantic agenda. Fixing the dispute settlement mechanism is a matter of crucial importance to the EU, so it should be willing to compromise on some aspects of its vision for WTO reform in order to ensure an arrangement can be reached.

Though important, these process issues are valuable only to the extent they allow Europeans to protect key material trade issues such as goods and services that immediately affect industries' competitiveness and employment. For example, imports of agricultural

⁴ Michiel Foulon, "Turbulent Trade: Europe and the Biden Challenge," *CSS Policy Perspectives*, 9:1 (2021), <https://doi.org/10.3929/ethz-b-000455258>.

⁵ Zettelmeyer, "The Troubling Rise of Economic Nationalism," paragraph 4.

produce have long been a contentious issue for the EU. This was demonstrated by the EU-US trade dispute over beef, which the WTO adjudicated, and during the (failed) EU-US negotiations for a Transatlantic Trade and Investment Partnership. Imports of steel from non-EU member states have long plagued the steel industry in European states like Germany and Belgium. And the use of subsidies in the civil aircraft industry has challenged EU-US trade collaboration for years.

To address these trade issues, the EU would benefit from renewing collaboration with the US. US support for the liberal international order is less strong than it was during and immediately after the end of the Cold War. And the US is different from what the EU wants it to be. The European Commission has proposed a plan to foster renewed EU-US trade cooperation under the Biden administration. This EU plan should be taken further, and President Biden's meeting with European

Council President Charles Michel and European Commission President Ursula von der Leyen in June 2021 was a step in the right direction. Whilst trade in technology is not the only issue driving economic nationalist forces, the EU and the US would benefit from collaboration to set and modernise standards for trade and the use of emerging technologies like 5G⁶ and for investment in European and American companies.

Ultimately, a trade policy that safeguards European interests, jobs, and industries should be central to European grand strategy. And yet, the EU will be unable to protect its interests without a revised rules-based trade system that will allow the EU to benefit from its comparative advantages and to strengthen the EU's internal market.

⁶Foulon, "Turbulent Trade".

Economics

4.2. China's technological challenge to European strategic autonomy

Henrik Larsen

European policymakers only fully understood the implications of China's tech dominance after the onset of the COVID-19 crisis, which underlined the risk of dependency on an illiberal power with no meaningful distinction between public and private enterprise. Other than lower costs, the enhanced risk of espionage or disruption leaves no compelling argument in favor of integrating Chinese technology into Europe's critical infrastructure. 5G telecommunications networks remain the litmus test for Europe's tech autonomy that will affect other areas, like artificial intelligence, in the years to come. It is too soon to be optimistic about Europe's ability to guarantee the autonomy of its critical infrastructure: while most European countries are navigating around Huawei as a core provider of 5G, a number of key countries (Germany, Italy and Spain) are still on the fence, while a handful of smaller countries (Hungary, Greece and Serbia) likely will never phase it out.

Resilience

Chinese tech represents an immediate challenge to European resilience. There needs to be an overhaul of which sectors in which Chinese-European cooperation can be permitted. Import screenings are predominantly national competencies and require a high degree of coordination to be effective across countries that are highly integrated, economically, and socially. The need for investment screenings goes beyond 5G, as showed by last year's sudden controversy surrounding the Chinese social apps TikTok and WeChat due to suspicion about their treatment of user data. Because European countries, including the United Kingdom, share common values, in most cases it is feasible to develop common assessments of what could

constitute a threat to national resilience and citizens' privacy.

The EU last year endowed the European Commission with the competency of issuing warnings about foreign investments into critical sectors on the grounds of potential threats to security or public order. Decisions about whether or not to block a foreign company, however, will mostly remain a national responsibility. In addition, the Commission proposed that the EU grant it the ability to block state-subsidized foreign firms in order to protect its internal market from the challenge posed by Chinese companies. Huawei, as a company with unclear corporate structures and ownership, serves as a case in point. The inefficiency of the World Trade Organization's arbitration system and China's unwillingness to change its unfair trade and investment practices make it necessary for the EU to enforce a level playing field by its own means.

Innovation-at-scale

Screenings of foreign investments and companies are important defensive measures that safeguard resilience against an emerging tech power. However, they fall short of addressing a more fundamental problem, namely Europe's need to regain its capacity for high-tech innovation and to compete with China both domestically and globally in the development of new technologies. Europe is falling behind the US and China in terms of its capacity to innovate. To be a tech superpower in its own right, Europe must foster an environment in which its own industries can grow and innovate at scale. European societies and citizens demand the benefits of the use of high-tech, but need to be able to choose from providers from trusted host

countries, preferably from their internal market, to reduce their dependency on others. Resilience can therefore never really be separated from technological forwardness. It is in the EU's DNA to maximize internal competition, but the rise of China makes it more important than ever that the EU focuses its competition capacity outward.

The EU will not be able to position itself as a tech power comparable to China and the US if it does not prioritize the need for champions that can innovate at scale and compete globally. The EU suffers from a deficit of large tech companies. Earlier in its history, the EU made use of non-subsidized support, such as research, development and infrastructure in what is now a consolidated aerospace industry that competes globally (Airbus). Aerospace should serve as an example for the future. The tech industry operates in an oligopolized market with a handful of suppliers worldwide. As for 5G, Europe has its own technological superstars, Nokia in Finland and Ericsson in Sweden, whose market positions are growing because of the increasing number of countries opting against Huawei. There seems to be no alternative to supporting these companies in the competition to develop 6G, when or if further needs for data transmission will require a next generation of wireless networks. As for artificial intelligence, the EU is falling behind China and is already well behind the US. This is a consequence of its strong regulation of the use of personal data – the General Data Protection Regulation – that slows the development of AI. It is a matter of urgency that the EU complete the digital single market to avoid the emergence of diverging national regulatory frameworks that would further complicate the sale and deployment of AI technologies.

Declining Brussels effect

The EU's ambition to grow its own high-tech capacity in order to reduce its dependence on others goes hand-in-hand with countries' desire for the integration of ethical concerns into AI governance at the European and global levels. The EU faces a reality in which the 'Brussels effect' – the externalization of its regulations and norms through market mechanisms – works well when it comes to liberal democracies but less so vis-à-vis developing countries that prioritize inexpensive technology over safeguarding individual liberties. Chinese tech has enormous allure throughout Africa,

the Middle East and parts of Asia. Even within Europe, Hungary, Serbia and Greece's tech cooperation with China shows how difficult it may be to enforce ethics-driven AI governance. The General Data Protection Regulation is the EU's flagship example of international norm setting, but the enhanced risks connected to Chinese technology raise doubts about the EU's ability to enforce it. The security implications of China's worldwide sale of high-tech means that the EU should assume a more activist approach to the promotion of norms for the use of surveillance and facial recognition technology, as well as for the storage and use of personal data.

Competition with China

Europe is being drawn into US-China competition, not by choice, but because of irreconcilable value systems. Global tech standards cannot be seen as separate from the defense of the liberal order that is being challenged by China's autocratic model. It is a global competition in which developing countries opting for Chinese investments and technology may develop lasting dependencies on China and drift further away from liberal democratic states. Norm setting for tech in global standardization bodies matters because they shape new technology and because it adds legitimacy to how the technology is used. While the EU must become more active, its more measured approach to regulation within these bodies (such as the International Telecommunications Union and 3GPP) has proven more conducive to coalition building than Washington's more confrontational approach to Chinese companies under the Trump administration. At the same time, the EU will wield little influence if it does not have globally competitive tech companies that can shape decisions within the industry-led standardization bodies.

The EU cannot prevail in the global competition against China's autocratic model without the United States (or the United Kingdom). Despite different rules for data privacy and regulations, and despite being traditional trade rivals, the US and the EU share fundamental values that are different from China's authoritarian approach to autonomous systems and data storage. While Donald Trump's tenure disabused Europe of the belief that the vicissitudes of US politics would not exceed acceptable limits, Washington also has reason to doubt the reliability of the EU when it comes to

balancing their common strategic interests in the preservation of free societies and criticism of Chinese human-rights violations against its own narrower business interests. The Comprehensive Agreement on Investment, which China and the EU Commission concluded in December 2020, fails to strike this balance. It also came at a politically unfortunate moment, in the midst of efforts to renew the transatlantic partnership after the election of President

Biden, although the European Parliament has effectively frozen the ratification process.

In the end, successfully competing in the tech arena must be a cornerstone of European aspirations for strategic autonomy in other areas of international affairs. However, European countries will not achieve it in the absence of globally competitive tech industries that will allow Europe to propagate its norms for the governance of technology.

Economics

4.3. Energy transition, Europe and geopolitics

David Criekemans

Whilst current European strategy debates tend to focus on military capacities or the defence industry, one of the key challenges with which continental Europe will be confronted in the upcoming years will be in the domain of energy. The world is currently undergoing a fundamental transition from fossil forms of energy such as coal, oil, and later natural gas towards renewable energy. The ongoing debate about so-called strategic autonomy in Europe will hence need to be expanded to the energy domain. Access to basic resources needed in the renewable energy economy, but also developing renewable energy technologies, intellectual property and standards, will be crucial. In the not-too-distant future, European countries will face a vastly different world in which renewable technologies will fundamentally shift our energy and resource needs whilst being confronted with challenges relating to scarcity and renewed resource competition. Geo-economic needs and geopolitical realities may not always be in sync. Strategies will be needed to overcome this gap.

The energy transition of continental Europe will pick up steam in the coming years. This will also start to affect continental Europe's geopolitical needs and partnerships around the world. If the EU is to remain a relevant actor in world politics, Europe's energy policy will have to be firmly on the radar of those who are carving out and implementing a more comprehensive European strategy in an age of increased competition. Failures to incorporate the energy domain in such a

strategy could undermine Europe's geo-economic and geopolitical position in the world. Whilst the demise of the 'old energy regime' will create geopolitical fallout, the rise of a new energy regime will need to be guided into a more favourable configuration for Europe's immediate geo-economic needs and longer-term geopolitical interests.

Changing energy mixes, changing geopolitics

Many governments around the world are already changing their respective energy mixes. In the past, that mix constituted a combination of coal, oil, and some natural gas. In the upcoming decades, oil will not decline in absolute but in relative terms. By contrast, the share of various renewables will grow in combination with natural gas – both in absolute and relative terms. This may provoke crises in the business models of traditional oil producers such as in the Middle East, which could produce domestic societal instability. Countries like Saudi Arabia are already trying to diversify their respective business models, but it remains a race against time.¹ The natural resource wealth of the past made the rulers of such countries more autonomous vis-à-vis their citizens. Internally, the decarbonization of the European energy market may put the social contract in particular oil regimes under pressure.² Externally, such countries may fall into the sphere of influence of other powers, such as the People's Republic of China. Several geopolitical theatres around Europe may reconfigure as a result of

¹ One option for Saudi Arabia could be to harness the power of the sun and become a global hub for green hydrogen. With 'Helios Green Fuels', Saudi Arabia tries to become the world's largest hydrogen producer; 650 tons a day by electrolysis – enough for conversion to 1.2 million tons per year of green ammonia, to be shipped abroad. Read more: Verity Ratcliffe, "Saudi Arabia's bold plan to rule the \$700 billion hydrogen market," *The Economic Times*, 7 March (2021), https://economictimes.indiatimes.com/news/international/saudi-arabia/saudi-arabias-bold-plan-to-rule-the-700-billion-hydrogen-market/articleshow/81374199.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst.

² Daniel Scholten, David Criekemans, and Thijs Van de Graaf, "An energy transition amid great power rivalry," *Journal of International Affairs*, 73:1 (2020).

decarbonisation and energy transition. As a consequence, some voices from the European think tank world, such as Leonard et al., propose to help neighbouring oil and gas-exporting countries manage the repercussions of the European Green Deal. In their opinion, the EU should engage with these countries in order to encourage their economic diversification, including into renewable energy and green hydrogen that could in the future be exported to Europe.³

Natural gas will grow in relative importance as a 'bridge fuel' towards a renewable energy future. Compared to oil and coal, natural gas is 'cleaner,' provided there is no methane evaporation at production sites. On the demand side, a growing number of countries are hence opting for an increased share of natural gas in their national energy mixes. Important changes are also taking place on the supply side. Thanks to innovative exploration techniques, novel supplies of natural gas are being discovered. This is prompting new shifts in geopolitical relations, potentially weakening Russia's geostrategic position because of added supply and competition.⁴ Over the last decade, innovative exploration techniques have uncovered several substantial natural gas fields off the coast of Israel, Cyprus, and Egypt. There are signs of more to come. This has led to geopolitical tensions between Turkey and Greece over their competing claims to natural gas deposits in the Eastern Mediterranean.

Equally important is that the electrification of transportation in the EU will change Europe's dependencies towards horizon 2030 and beyond. We may start witnessing scarcity and supply problems when it comes to key resources such as nickel, cobalt, copper, silver, scandium, lithium, and rare earth materials. This has led to calls for a European critical materials strategy. For the European Commission, critical raw materials have a high economic value and supply risk. Building on the EU's Raw Materials Initiative and in the wake of the COVID-19 health crisis, the Commission published a report in which the EU 2020 list of critical raw materials is developed.⁵ In addition, the report identifies challenges to obtaining a secure

and sustainable supply of critical raw materials and proposes steps to increase EU resilience and strategic autonomy. The European Commission has already developed the Raw Materials Information System and will further update and refine it, but more is needed. The Commission will strengthen its work with Strategic Foresight Networks to develop robust evidence and scenario planning on raw material supplies, demand, and use for strategic sectors. These networks ensure long-term policy coordination between all Directorates-General in the Commission. The methodology used to assess the criticality of certain resources may also be reviewed for the next list (2023) to integrate the latest knowledge.

Meanwhile, in February 2021 U.S. president Joe Biden signed an executive order that addressed critical materials, essential goods, supply chains, and key technologies for the energy sector.⁶ Europe could find itself in a world in which the US-China rivalry will affect its own options for developing its continental-wide geopolitical strategy in terms of renewable energy. European countries must avoid a scenario in which US and Chinese led-blocs drive renewable energy technologies and standards and redirect relevant natural resources towards their respective economies.

European countries will also need to re-evaluate their relations with countries in Africa, Asia, and the Americas in order to balance and diversify their needs. Increased competition may also mean that, in addition to China, the US could sometimes function as a competitor. Europe's energy transition thus creates several new energy security risks. If the EU is to develop its own strategy, its altered energy needs will need to be taken into account in order to avoid dependence. Strategic autonomy in energy would mean that a well-diversified portfolio of external suppliers is maintained. In this way, European companies and governments will not become overly dependent on others.

³ Mark Leonard et al., "The geopolitics of the European Green Deal," Policy Contribution, 21:4 (2021), <https://www.bruegel.org/wp-content/uploads/2021/02/PC-04-GrenDeal-2021-1.pdf>.

⁴ David Crieckemans, "Geopolitiek van aardgas: brug naar de toekomst?," *Karakter: tijdschrift van wetenschap*, 16:62 (2018), <https://www.tijdschriftkarakter.be/geopolitiek-van-aardgas-brug-naar-de-toekomst/>.

⁵ European Commission, "Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability" (3 September 2020), <https://ec.europa.eu/docsroom/documents/42849>.

⁶ The White House, "Executive Order on America's Supply Chains" (24 February 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/24/executive-order-on-americas-supply-chains/>.

Conclusion

Decarbonization and the energy transition means much more than adapting the EU's energy mix to meet climate challenges. It requires a fundamental rethinking of Europe's geo-economic needs and developing a geopolitical strategy for the longer term. It involves essentially changing our energy dependencies. It entails systematic and coordinated efforts to jointly develop renewable energy technologies. It is a process which needs to be structured and consolidated through a standardization of renewable technologies by EU entities, as a response to similar Chinese and US regulation efforts to shape world markets. But there will be winners and losers. And those countries in Europe's neighbourhood that feel they are losing could resort to

power politics or might change alliances. The concept of strategic autonomy, often used in European discussions on defence, will therefore need to be expanded to the energy domain. The EU will need an adapted energy diversification strategy and renewed technological alliances. This means that Brussels will have to do more than desk research. Instead, the EU must develop an adapted geopolitical and diplomatic strategy whilst making sure that the internal industrial and geo-economic needs are addressed for the longer term. Europe's energy needs may ultimately also have to be defended geostrategically via a credible defence posture. Through such an integrated strategy, geopolitics itself may be reshaped in a scenario that remains favourable to EU interests.

Looking Forward

EU strategy: resolutely moderate

Sven Biscop

As competition and rivalry between the great powers increase, the overriding challenge for international politics in the first half of the 21st century is to maintain “one world”: one international order to which all states contribute, because they all subscribe to its core set of rules, which give all states the opportunity to build stable and mutually beneficial relations with any other state.¹ Ideally, a concert of the great powers embedded in strong multilateral institutions would play a leading role.

The alternative would be for the world to break apart again as the great powers gradually decouple from each other and try to forge mutually exclusive blocs. This would not be a cold war like the Cold War, since power is distributed more widely today than it was in 1945, when the US and the USSR towered above everybody else and decolonisation had yet to happen. But it would still spell economic crisis and render it impossible to address global challenges such as the climate crisis or a pandemic.

Moderation

Given its principled commitment to multilateralism, the European Union is well placed to foster multilateral cooperation – the only way to promote trust and mitigate tensions between the great powers. The EU could act as a mediating power: the one great power that can work with all of the others. Another reason why the EU is suited for this role is that as a state-like organisation, rather than a state, it does not have to care about national prestige. Great power status is not

what legitimises the Union in the eyes of EU citizens; using its power to deliver effective governance does.

Absolved from the need to seek status at the expense of other powers, the EU can take a moderate stance. Brussels can focus on diplomacy rather than sabre-rattling; on fostering compromise rather than scoring points; on pragmatic solutions rather than prestige projects; on the common interest rather than rivalry. A moderate stance means favouring win-win solutions; pursuing one’s interests while respecting as much as possible the legitimate interests of others. It is a necessity in order to moderate great power tensions.

The EU already announced the leitmotiv of this moderating or mediating role in 2019, when it characterised China as a partner, a competitor, and a rival at the same time. Or, in other words: “cooperate when you can, but push back when you must”. Seek to involve all states in running the world order, but take action when they break its rules for interstate relations. This can be the EU’s approach toward all states, including the great powers.

The aim is not equidistance: the EU will obviously remain much closer to the US than to any other great power. The US is a partner (even an ally) as well as an economic competitor, but rarely a rival (though under Trump it certainly behaved as such on more than one occasion). But the EU approach does imply strategic autonomy: the independence to make its own decisions, and the capacity to implement them. Even in an alliance, one has to look out for one’s own interests.

¹Sven Biscop, *Grand Strategy in 10 Words. A Guide to Great Power Politics in the 21st Century* (Bristol University Press, 2021).

Resolve

The downside of the EU's ongoing development as a state-like organisation is that in many areas it still lacks sufficiently centralised decision-making, particularly in diplomacy and defence. Moreover, the EU's strategic culture is young and immature. In spite of the announcement of a "geopolitical Commission", the EU is still getting used to thinking about power, let alone employing it to achieve its moderate goals.

But let there be no misconception: even moderate goals cannot be achieved without power. EU objectives can be moderate or realistic in that they can be achieved through win-win solutions. But they must still be real, i.e. ambitious enough to safeguard the Union's vital interests. Even moderate goals, therefore, demand the proactive use of all instruments of power: political, economic, and, if and when required, military. EU decision-making often produces timidity instead of moderation, however, and irresolution instead of circumspection. That makes a real Grand Strategy impossible. The EU must be moderate – but resolutely so.

To create that resolve, and then to translate it into effect on the ground, the EU must first of all think of itself as a great power. A power with its own distinctive role – a mediating role – but a power nonetheless; a pole of the multipolar world, on the same level as the US, China and Russia.

Compartmentalisation

Putting "cooperate when you can, push back when you must" in practice means compartmentalising: not letting a dispute in one area contaminate all dimensions of a relationship with another power, unless vital interests are at stake.

Thus, the EU could announce the Comprehensive Agreement on Investment (CAI) with China in December 2020, and adopt (mostly symbolic) human rights sanctions against China in March 2021. China, however, refused to acknowledge this as an example of finely calibrated diplomacy (which one hopes it was on the part of the EU), and massively overreacted by targeting members of parliament, academics, and entire EU bodies. The European Parliament rightfully

refuses to even consider ratifying the CAI as long as the Chinese countermeasures are in place.

Some, however, go much further and cannot see the CAI enter into force until the human rights situation in Xinjiang or in China as a whole improves. That would be the end of compartmentalisation and would constitute a major change of strategy. Now that the US has actually moved closer to the EU compartmentalisation approach (the communiqué of the June 2021 EU-US Summit copied the language of partner – competitor – rival), the EU should not unwittingly stray from the course itself. For the alternative to compartmentalisation is ever greater strain on relations, ever less cooperation, and eventually decoupling.

The EU's course does require patience, as well as a keen awareness of what is vital and what is not, and of what leverage the EU has. The EU has a moral duty to criticise human rights violations everywhere, but it must understand that this will not result in short-term change – not even if it applies sanctions that bite – if the targeted state judges its vital interests to be at stake. Having once adopted a universal human rights instrument, the EU could not not apply it to Russia and China (though such an instrument seems more reflective of the power relations of the 1990s than the 2020s). But Russia and China are authoritarian states; new grounds for sanctions can be found every single day – yet sanctions will not improve the human rights situation on the ground.

A much more effective instrument would be binding due diligence legislation, obliging any product or service that is offered on the EU's single market to adhere to certain minimum conditions throughout the supply chain (such as the absence of forced labour). The EU should also signal that without the CAI, it is not just business as usual. Reciprocity in market access and applying the rules of the international economic order (towards which the CAI would be a small step) should be a precondition for any further opening of the EU's market; reciprocity could also be a criterion in the EU's investment screening mechanism. Otherwise, there is little incentive for China to make a move to revive the CAI, since it logically mostly contains obligations for Beijing – the onus is on China to offer the EU the same market access that it has long enjoyed in Europe.

Meanwhile, the EU would do better to reserve effective sanctions for cases when other powers cross the line in their foreign policies, rather than their domestic policies, and directly threaten Europe's security or international peace. Russia's annexation of the Crimea and China's de facto annexation of much of the South China Sea are cases in which real pushback is needed. But whereas the former has led to sanctions, the latter has been met only with a weakly-worded EU declaration.

More effective pushback is also required when the EU itself is targeted by Chinese and Russian hybrid actions, such as espionage, sabotage, and disinformation, including in cyber space. In July 2021, for the first time, the EU openly called out the Chinese government for malicious cyber activities undertaken from its territory. But Brussels ought to go much further. The EU requires a doctrine of deterrence of hybrid threats. Building up resilience is the passive element: deterrence by denial. But the active element, deterrence by punishment, must be added. In a spirit of solidarity and mutual assistance, the twenty-seven ought to consider a cyber-attack or economic blackmail against one Member State to be directed against them all, and respond collectively by taking diplomatic or economic sanctions – or by launching a counter-attack in cyber space.

If the EU does not muster the resolve to push back when it must, it will not be taken seriously as a great power by the other great powers, who will then see cooperation as a chance to take advantage of the EU rather than as a quest for win-win solutions. Once more, a moderate stance requires power and the will to use it.

Connectivity

The EU's connectivity strategy is a key instrument to pursue the overall objective of "one world". The aim is to put an appealing investment offer on the table so that no country has the option only of working with China's Belt and Road Initiative (or Russia's Eurasian Economic Union). By building deep economic relations with all great powers rather than putting all their eggs in one basket, states can safeguard their sovereignty, while the EU can prevent the emergence of exclusive spheres of influence. The main condition is that states create a level economic playing field and treat all foreign investors equally. Moderation is called for:

overloading the connectivity agenda with other conditions (on democracy and human rights) risks being counterproductive. As stated above, effective due diligence legislation has much more potential to create real improvement for workers on the ground.

In 2018 already, the EU adopted an EU-Asia Connectivity Strategy, and in 2019 a connectivity partnership was concluded with Japan. But apart from announcing a second partnership – with India, in 2021 – little or nothing of concrete value has happened. The strategy remains sound, though; indeed, the Building Back Better for the World initiative that the US announced at the June 2021 G7 meeting in Cornwall is exactly the same approach. In July 2021, the Council of the EU reiterated its commitment to the connectivity agenda. The EU will not get a third chance to make this crucial instrument work.

Conclusion

EU Grand Strategy has always been moderate in terms of its ends: the EU aims to safeguard its way of life (that is the point of Grand Strategy), but it harbours no expansionist designs, nor does it dream of domination. For as long as possible, it must also be moderate in terms of the ways: pursuing its interests by working with rather than against others. But when others forswear moderation and act as rivals, the EU must resolutely stand up for its vital interests.

The one issue on which the EU cannot afford to be moderate is the defence of its own democracy. The greatest threat to the European way of life is not external, but internal: Europe's very own antidemocratic forces. They fester in all EU Member States; in some, alas, they even control the government. Having too long believed that democracy is irreversible (though the history of the interbellum period suggested otherwise), the EU was far too slow to react to the hollowing out of democracy. Finally, in 2021, the EU firmed up and decided to stop subsidising would-be autocrats in its Member States. The Hungarian government's scandalous anti-gay legislation was one provocation too many. Member States that do not respect the fundamental rights and freedoms and democratic principles that are enshrined in the Treaty on European Union will suffer severe financial punishment.

In the end, however, the aim is to restore EU unity. That will remain a significant challenge. It is self-evident, however, that only a fully united and resolute EU has a chance of safeguarding its vital interests in a world shaped by great power competition. A nuanced approach, a resolutely moderate Grand Strategy, will

not be possible if any Member State can selfishly undercut EU policy whenever it sees a short-term national advantage. Unity in Diversity, is the EU's motto; but the Belgian motto is even more apropos: *L'Union Fait la Force*.

