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Rethinking Strategic Sovereignty

Narratives and Priorities for Europe after Russia's Attack on Ukraine

Nicolai von Ondarza and Marco Overhaus

The Russian war of aggression against Ukraine is forcing Europeans into a confrontational security order. This also makes European strategic sovereignty – in defence policy, but also in economics, technology, energy policy, and institutional framework – a more significant goal for the European Union (EU). Until now, however, a central narrative has been that the EU must be able to act autonomously without the United States (US). In the new security environment, the primary aim of strategic sovereignty should be protecting EU member states and asserting common European interests. For the foreseeable future, however, the Union remains confronted with a fundamental dilemma that can only be attenuated but not fully resolved: In Europe's new confrontational security order, its strategic dependence on the US is likely to grow, while America's long-term alliance commitments remain fraught with question marks. Strategic sovereignty must therefore include the pursuit of Europe's collective defence capability in close cooperation and coordination with the EU and the North Atlantic Treaty Organization (NATO).

The Russian war of aggression against Ukraine and the resulting shifts in European security will permanently change the political narrative on European strategic sovereignty. Because of the direct military threat on its own borders, it is no longer primarily a matter of the EU gaining greater autonomy vis-à-vis the US. Rather, the Union must above all become more capable of acting to help protect its member states, its citizens, and assert European interests in a global politics environment characterised by great power rivalries.

In the aftermath of the Ukraine war, the core questions relating to strategic sovereignty must therefore also be raised anew:

How can this be secured militarily? How are thematic priorities shifting? What institutional reforms will create greater capacity to act? How should the EU adapt its enlargement policy in the future? How will the EU's relations with partners and third countries change?

Europe's New Confrontational Security Order

Over the last three decades, the idea of a European security order has degenerated from the hope for a "lasting and just peace order from Vancouver to Vladivostok"



(Hans-Dietrich Genscher) to an increasingly antagonistic constellation between the West and Russia under the leadership of President Vladimir Putin. This has already manifested itself in the Georgia war, the annexation of Crimea, and Russia's actions in Syria.

With the Ukraine war, the transition towards a confrontational European security order is becoming apparent. This manifests itself not only in Ukraine and the relationship between the EU and NATO states and Russia, but also in the EU's wider neighbourhood, such as the Western Balkans, the Middle East, and Mali.

At the same time, the EU and NATO continue to exist as essential pillars of the "old order" and have even gained in importance in the wake of the Ukraine war. In contrast, those institutions that served to integrate Russia into the European order have been seriously damaged, especially the Organization for Security and Co-operation in Europe and the Council of Europe. The NATO-Russia Council and the NATO-Russia Founding Act might be permanently dismantled.

This new constellation has direct implications for European strategic sovereignty. Firstly, EU member states as well as European NATO partners will have to shoulder considerable costs to decouple themselves from Russia in terms of energy policy, while at the same time containing the Kremlin's territorial and power ambitions. This leaves less attention and fewer resources for policy areas that are not directly related to this challenge.

Secondly, Putin has made it clear that his focus is not only on Ukraine, but also on a more fundamental reorganisation of European security, including the restoration of Russian supremacy in the "post-Soviet" space, reaching as far as EU and NATO member states. Closely linked to this is the goal of pushing the US out of Europe politically as well as in terms of security policy. From the perspective of the EU and European NATO states, on the other hand, the Ukraine war is once more underlining the importance of US security commitments.

Thirdly, the EU and NATO will have to clarify how they will adapt their respective enlargement processes under the conditions of a confrontational security order. In the short and medium terms, it is primarily Sweden and Finland debating whether or not to join the alliance (see SWP Comment 24/2022). So far, there is little indication that other non-aligned EU states such as Ireland, Malta, and Austria are also seriously reconsidering their status.

The question of how to integrate the states in the EU's eastern neighbourhood into Euro-Atlantic security structures is also becoming much more relevant. Ukraine, Moldova, and Georgia have now applied for EU membership, and geostrategic competition with Russia in the Western Balkans is increasing. Ultimately, the question is how far – also in terms of strategic sovereignty – the borders of Euro-Atlantic security extend and how this security can be guaranteed, especially for those states that have no foreseeable prospect of NATO membership.

What Strategic Sovereignty Now Means

These fundamental upheavals in Europe make it necessary to redefine the goals of strategic sovereignty. In recent years, the debate on the strategic sovereignty or – depending on the definition – strategic autonomy of Europe has been a focal point in the discourse on European policy. The notion of Europe's "self-assertion" (*Selbstbehauptung Europas*), Helmut Schmidt has been a central aspect of the European political discourse since at least the founding of the EU with its Common Foreign and Security Policy. However, it was only during Donald Trump's term as US president that the question of strategic autonomy was brought to the fore. Despite – or precisely because of – the high level of security dependence on the US, the advocates of strategic autonomy were primarily concerned with Europe's ability to set its own interests and priorities autonomously from third parties. This concerned not only the

US but also the other “great powers” China and Russia (see SWP Research Paper 4/2019). The goal of “more autonomy vis-à-vis the US”, however, resulted in many Central and Eastern European states rejecting the idea. Even if they are supportive of strengthening European (military) capabilities, with a view to Russia they have regarded US security guarantees as existential, long before the start of the Ukraine war.

In consequence, much of the debate about strategic autonomy and/or sovereignty has been driven by disputes over definitions rather than by what steps are necessary to achieve these goals. Looking ahead, it is therefore important to distinguish between three specific terms and their different levels of ambition.

Capacity to act refers above all to the political and material preconditions for common European action in foreign, security, and defence policy. The capacity to act requires political institutions inside or outside the EU to take binding decisions as quickly as possible. It also requires the appropriate resources to act militarily, economically, technologically, or politically. However, the goal of having the capacity to act does not, in itself, say anything about the appropriate fora in which Europeans should act together.

Strategic autonomy goes beyond the mere capacity to act because, at its core, it means the ability to set one’s own priorities, make decisions, and implement them (SWP Research Paper 2/2019). Autonomy vis-à-vis the US and its security commitments to European NATO members is therefore especially controversial.

Finally, *strategic sovereignty* is the most ambitious goal. First introduced into the debate by French President Emmanuel Macron in his Sorbonne speech in 2017, the political concept of sovereignty implies a common political authority. In democratic states, such authority can only be derived from the people. Even more than strategic autonomy, strategic sovereignty requires a political construct that – beyond the nation-state – only the EU can offer. Although the EU is far from being a sovereign

state, it is nevertheless a unique political entity that is capable of jointly exercising sovereignty across the full range of state policy.

Strategic sovereignty thus also has the potential to become a central narrative for the deepening of the EU. Since the start of the Ukraine war, the idea of sovereignty has taken on a new meaning. Ensuring security and personal integrity is one of the core tasks of states. Just as in the Covid-19 pandemic citizens expected the EU to take responsibility for public health (regardless of formal competences), in the face of the Russian invasion of Ukraine, they expect the EU to take care of the security of its states *as well as* its citizens.

Despite this debate, EU Europeans have made little progress towards greater sovereignty in concrete and practical terms since Donald Trump’s inauguration as US president to the beginning of Russia’s war against Ukraine. Until the war against Ukraine, defence budgets in most EU and NATO countries had increased only moderately, but for the most part remained far below the NATO-agreed target of 2 per cent of GDP. Although the EU has created institutional procedures in the form of Permanent Structured Cooperation (PESCO) and the European Defence Fund, it has so far barely strengthened its military capacity to act. In the economic arena, more tangible progress has been made with regard to protection against economic coercion, technological resilience, and the projection of European economic power outside of the EU (Global Gateway).

More than just military security

The short- and long-term consequences of the Ukraine war also raise the question of what priorities European policy should set in the future. The goal of strategic sovereignty encompasses the entire spectrum of external relations, not just the defence policy dimension. Nevertheless, the latter will assume a far more prominent position in the future than it has in the past. This concerns the development of military capa-

bilities, the coordination of growing defence spending, the maintenance of the nuclear deterrent, and the associated strengthening of cooperation with the US.

In addition, the ambition for strategic sovereignty should also include all policy areas in which an independent capacity to act on the part of the EU and its member states is relevant for their own protection under the new geopolitical conditions. Beyond the military sphere, there are three areas in particular whose importance for strategic sovereignty has further increased since the start of the Russian war against Ukraine.

The first is autonomous trade policy, the area in which the EU already has exclusive competences and, given its economic weight, considerable instruments of power. In the context of the Ukraine war, the focus is on economic sanctions against Russia that are coordinated with partners, but also on expanding trade relations with third countries to reduce dependencies on Russian resources. In addition, protecting the European economy from strategic takeovers is becoming increasingly important to ensure economic sovereignty.

The second issue concerns the international role of the euro, and thus financial sovereignty. Together with the US and the United Kingdom (UK), the EU has imposed unprecedented financial sanctions on Russia and its central bank. However, due to the central position of the dollar in the global financial system, the US sanctions have the strongest impact. In the long term, Europe can only remain a capable actor in this area if a strong financial market emerges in the EU after Brexit and the euro strengthens as an international reserve currency.

Third, the reduction of Europe's dependence on energy imports and other strategic raw materials is critical. It has already been shown in recent years how vulnerable the EU is when actors such as the US and China compete for essential raw materials and/or when EU states rely too heavily on individual countries to build up and sustain supply chains. In view of the current security

situation in Europe and the continuing existential challenge posed by climate change, the question of how coal, oil, and gas from Russia can be substituted in the short and medium terms through diversification and conversion to renewable energies is particularly urgent. In doing so, it is important to avoid new dependencies on other authoritarian regimes.

In addition to these three areas, technology and digitalisation also remain important dimensions of strategic sovereignty. At least in the short term, however, they might partially fade into the background. This is due to the fact that technological and digital sovereignty are especially relevant in relation to China — as well as to the US to a certain extent. But the conflict with Russia has made it clear just how much long-term dependencies can limit Europe's room for manoeuvre, and this applies to an even greater extent in relation to China. Finally, technological sovereignty also includes space policy, in which European countries have often depended on Russian capabilities, such as for the now suspended ESA ExoMars Mission.

Institutional capacity to act

Progress towards greater strategic sovereignty for Europe also depends to a large extent on the institutional framework for action and the institutional capacity to act. The complex institutional Euro-Atlantic security structures remain problematic. Memberships of the EU and NATO overlap only partially. In addition, numerous unilateral and ad hoc coalitions have emerged — a problem exacerbated by Brexit.

With regard to the non-military aspects of strategic sovereignty, only the EU offers a suitable institutional framework for action. For only the EU combines the formal competences, the political framework, and — although with some room for improvement — the democratic legitimacy to take and link far-reaching decisions on sanctions, energy policy, trade policy, space programmes, and the euro as a common currency. With its single market and its economic programmes,

the EU also has something to offer Ukraine, Moldova, and Georgia as well as the Western Balkan states that are not yet EU members. If the EU wants to claim to be a sovereign actor on the global stage, it must nevertheless examine how it can effectively integrate the different strands of strategic sovereignty and strengthen its respective decision-making processes.

In the foreseeable future, however, the EU and its member states will neither be able to provide for a nuclear umbrella like that of the US, nor for a credible conventional defence commitment based on Article 42 (7) of the EU Treaty. More importantly, past debates on strategic autonomy and sovereignty have shown that playing the EU and NATO off against each other hinders any progress and opens rifts among EU states.

In the medium term, it should therefore be clear that the collective defence of its member states will have to be realised by NATO and that military integration needs to be coordinated as closely as possible with the transatlantic alliance. Here, the EU can make a substantial contribution by coordinating the increases in the defence spending of its member states in close cooperation with the transatlantic alliance, strengthening the European defence industrial base, and seriously tackling the development of its own integrated capabilities, which will then also be available for alliance defence.

European defence capability in NATO means that the alliance must still be able to credibly protect its members in five or ten years' time, even if by then the US has reduced its political commitment and military contributions in Europe.

Reassessing Relations with Partners and Third Countries

Strategic sovereignty requires cooperation both with close partners who essentially share the EU's values and goals, but also with those third countries where this is not the case. Dealing with Russia as well as with the economic and security-political

consequences of the Ukraine war will be a focus – perhaps even the point of gravity – for European foreign and security policy in the foreseeable future. For the EU, this means that patterns of interaction with, and dependencies on, the world outside the Union are also changing.

Europeans in the EU and NATO will thus have to re-evaluate their partnerships: What are they needed for? What role will like-minded partners play? And to what extent will a new “realism” be required?

Partners for Euro-Atlantic security

A key challenge for strategic sovereignty will be to engage the UK. This challenge will increase as the EU establishes itself as a framework for action on strategic sovereignty. After all, the UK did not simply leave the EU; rather, the Johnson government negotiated a hard Brexit with the greatest possible degree of separation from the EU. This also deliberately excludes structured cooperation with the EU in foreign, security, and defence policy.

At the same time, the war in Ukraine has underlined that the UK remains essential for European security. It has the largest defence budget in Europe and, along with France, is the European state with the largest deployable armed forces and an independent nuclear deterrent capability.

Even before the war began, London supported Ukraine with arms deliveries and training. It also plays an important role in enforcing Western financial sanctions. For many Central and Eastern European partners, the UK is a more trustworthy security partner than France or Germany (see SWP Comment 14/2022).

Engaging London in European strategic sovereignty is another important reason for intensifying the EU-NATO partnership. With the emergence of a confrontational European security order, London and Brussels should put their Brexit grievances behind them and establish a new security partnership. For this, the UK could participate in EU programmes such as the PESCO

project for increasing military mobility. Moreover, the EU should offer London more flexible conditions to participate as a preferred partner in other defence-related programmes and initiatives.

Even during the Trump presidency, the US has been the EU's most important non-European partner. Due to the security and defence-related consequences of the Ukraine war, as well as the foreseeable "securitisation" of numerous non-military policy areas, Europe's dependence on the US will only grow in the next five to ten years. This also applies, for example, to the energy sector.

Washington's immediate reactions to the Ukraine war are encouraging from a European perspective: The Biden administration underpinned its commitment to NATO security with the deployment of more than 11,000 additional army and air force troops to Europe from early February to the end of March. Bipartisan majorities in both chambers of Congress also support humanitarian and military aid – the latter in the form of arms deliveries – to Ukraine.

Nevertheless, it should not be forgotten in European capitals that the long-term domestic, economic, and social problems that contributed significantly to Trump's election victory in 2016 have by no means disappeared. These include, in particular, political polarisation, growing social inequality, and structural upheavals in the economy at the expense of the industrial sector. A leitmotif in US President Biden's "State of the Union" speech at the beginning of March 2022 was "Buy American" – thus, the US should make itself independent of international supply chains and manufacture as many product components as possible in the US.

Unlike in Europe, the challenge posed by China and its political and military engagement in Asia will remain the long-term focus of US foreign and security policy. Therefore, Washington also has a great interest in Europeans being able to provide for their own security to the greatest possible extent.

Europe cannot rely on the fact that in 2024 Trump himself or a "Trumpist" will

not be elected US president again. Moreover, regardless of internal US politics, Washington could be forced to focus more on Asia again in the event of an open confrontation with China, rightfully expecting Europeans to take care of their own security.

Third countries: *Realpolitik* compromises are necessary

The Ukraine war will also have an impact on the EU's relations with China. In the past, the Union had resisted American calls to view China primarily as a systemic rival and to clearly side with the US in its rivalry with Beijing. Instead, the EU cultivated a differentiated view that sees China as a cooperation partner, competitor, or systemic rival, depending on the specific issue at hand.

Today, the question for Europe is whether it will also have to withdraw economically from China if, as many expect, the partnership between Russia and China becomes even closer.

At the same time, China's importance for Europe is also increasing because Western sanctions are unlikely to be effective in the long term if China decides to systematically circumvent them. China could step in as a buyer of Russian gas, oil, and other raw materials as well as a supplier of equipment and consumer goods.

As a major exporter of oil, gas, wheat, and weapons, Russia continues to exert political and economic influence in many countries. The Russian war of aggression is not likely to divide or even polarise the international community. A large majority of UN member states (141) condemned the Russian attack on Ukraine at the General Assembly in early March 2022. But the image of a united international community certainly has cracks. After all, 35 states abstained from the vote, including India and South Africa as international heavyweights and valued partners of the EU.

Finally, in its quest for greater independence from Russian energy, Europe will – at least in the short and medium terms – be-

come more dependent on other actors who share European values only to a very limited extent. For example, in addition to the US and Norway, Algeria, Azerbaijan, Qatar, and Egypt are also considered potential energy suppliers that could replace Russian gas. In view of rising oil prices, countries such as Venezuela and Saudi Arabia are once again being courted by the West. Diversification in access to alternative energy sources thus requires Europe to make compromises in terms of Realpolitik, which at times puts the importance of human rights and democracy on the back burner.

Conclusions

The quest for European strategic sovereignty has gained new urgency with the return of a major military conflict to Europe. The transformation towards a confrontational European security order requires a rethinking of the goals, frameworks, priorities, and partners with which strategic sovereignty can and should be implemented. German and European policy should draw four conclusions from this.

First, the EU should change course. Strategic sovereignty, rather than autonomous capacity to act, should come first. In doing so, the EU should focus on the security of its members, with all that that entails. The EU is the political framework for action in which strategic sovereignty could operate to its full extent, for example in areas such as trade policy and sanctions; energy security and reducing dependence on strategic resources; digital and technology; and economics and financial policy. This is where the EU can and should play to its strengths.

Second, the Russian war against Ukraine also puts into focus, once again, the EU's "Achilles' heel" with regard to strategic sovereignty, namely the continued weakness in defence policy. It is very likely that the EU and NATO states will significantly increase their individual and collective defence efforts in the years to come. It will also take years before these funds – such

as the €100 billion investment in the German armed forces for the next years announced by Chancellor Olaf Scholz in February – are actually translated into noticeably increased military capabilities. Moreover, it remains to be seen to what extent the new security situation will also increase the necessary political will and coherence within the EU to jointly build up capabilities and also deploy them in the event of a crisis or war. In the medium term, the US and NATO will remain indispensable for the defence of the EU and its member states.

Strategic sovereignty in its entirety can therefore only be thought of in Euro-Atlantic terms – with the aim of successively strengthening European defence capabilities within the alliance framework. In view of the uncertainties about the long-term orientation of US policy, the EU must pursue this goal even more consistently and forcefully.

Unfortunately, the EU's "Strategic Compass", adopted in March 2022, does not have the necessary level of ambition for this. It is particularly problematic that the document continues to focus on civilian and military crisis management rather than European defence.

Third, it must be emphasised that strategic sovereignty cannot be achieved through minor reforms at the European level. It is not enough to just push for – the still blocked – majority voting in foreign and security policy or to fine-tune PESCO projects. Rather, European policy and politics need their own "Zeitenwende" in which every effort is made to orient EU policies towards common strategic sovereignty. This can become a unifying narrative for European integration that also brings together the interests of its various member states.

The recommendations at the Conference on the Future of Europe also indicate that many EU citizens see the motif of security and self-assertion as a pillar for the EU in the 21st century. For this to happen, however, strategic sovereignty would have to be thought of and implemented together with the economic transformation (Green Deal)

and digitalisation as the third major political project of European policy.

Fourth and finally, the pursuit of strategic sovereignty also requires more German leadership and commitment. The initiatives for strategic sovereignty have so far come primarily from France, while Berlin has played more of a wait-and-see role.

As the largest European economic power, Germany has a special leadership responsibility. This applies both to the non-military components of strategic sovereignty within the EU framework and to the strengthening of military capabilities in close cooperation with the EU and NATO. Strategic sovereignty – for example by reducing dependencies on energy imports and strategic raw materials – can only be achieved through internal burden-sharing and more budgetary flexibility.

From the perspective of many Central and Eastern European partners, however, the Russian war of aggression also marks the failure of Germany's foreign policy of "*Wandel durch Handel*" (i.e., the idea that economic exchange automatically leads to political rapprochement). Germany's credibility suffered greatly in the run-up to the war. Although Berlin has scrapped Nord Stream 2, disappointments amongst some European allies is growing again over a reluctance to deliver heavy weapons to Ukraine and extend sanctions to Russian oil and gas. If strategic sovereignty is to be successfully advanced, Berlin – but also Paris – must keep the interests of all member states in mind and protect them jointly at the European level.

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