

TEPSA EXPERTS' DEBRIEF

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STRATEGIC AUTONOMY IN AN AGE OF POWER POLITICS

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Foreword

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We now live in a new world, defined less by rules and convergence than by power, rivalry, and uncertainty. The paradigms that shaped European integration for decades have eroded. The assumption that economic interdependence would tame geopolitics, that multilateralism would steadily expand, and that Europe could indefinitely outsource its hard security to others has been overtaken by events. War has returned to our continent. Great-power competition structures global affairs. Technology, trade, energy, and finance have become instruments of influence and coercion.

This edition of our Experts' Debrief series brings together contributions by 14 experts who confront this challenge head-on. We are deeply grateful to them for having accepted to participate and for writing such thoughtful and thought-provoking texts. They all share a common premise: autonomy is about capacity and choice, not isolation. It does not mean disengaging from the world or rejecting alliances. On the contrary, it requires Europe to act as a stronger, more credible partner, capable of shaping outcomes rather than merely reacting to them.

Across the chapters runs a call for a new mindset. Europe must reason in terms of power as well as values. It must build an industrial and security base that can withstand crises. It must equip itself with institutions capable of acting even amid political divisions. And it must leverage partnerships intelligently, diversifying where necessary, differentiating where useful, and reinforcing ties where interests align.

A recurring theme is the need to reframe the debate. Too often, strategic autonomy is presented as being costly and bearing risks. The contributions collected here reject this simplistic view. They argue that the cost of non-autonomy is far higher: strategic vulnerability, diminished geopolitical standing, weakened domestic credibility, and ultimately the erosion of Europe's own political DNA. A purely transactional approach to international affairs would hollow out the very values Europe seeks to defend. Autonomy, properly understood, is a means of safeguarding those values in a harsher world.

Nowhere is the tension between dependence and agency more visible than in security and defence. Several authors urge Europeans to move beyond denial

about the evolving United States (U.S.) trajectory. Political trends in Washington, debates over burden-sharing, and episodes that have shaken trust all underscore a simple reality: while a rupture in transatlantic ties is neither certain nor desirable, things must change.

Europe must rethink its security governance along clear guardrails. First, emancipation from excessive reliance on the U.S. without calling NATO into question. But within NATO, a stronger and more coherent European pillar is indispensable. Second, the European Union (EU) must assume a far more substantial role as an enabler, strengthening the defence industry, coordinating procurement, investing in capabilities, and reinforcing its military footprint where appropriate. Third, Europe should preserve its integrated civil-military approach, including crisis management and long-term stabilisation efforts. Building credible deterrence requires sustained investment, regulatory adaptation, and the capacity to scale up production rapidly. Reinforced cooperation among willing and capable Member States can help overcome blockages, provided that the process remains anchored in the EU framework and open to others when ready.

Trade is one of the EU's greatest assets. The Single Market, regulatory power, and a wide network of trade agreements give Europe significant leverage. Yet the mindset must change. Defending multilateralism remains in Europe's interest, but it must prepare for autonomous action where rules are flouted or coercion deployed. The contributions in this section argue for a dual approach. Europe should multiply trade agreements with like-minded partners, deepening regulatory cooperation and shaping global norms and standards. At the same time, it must be ready to use traditional trade defence instruments and newer tools, such as anti-coercion measures or investment screening, when confronted with unfair practices. In relations with China, this may include demanding technology transfers or joint ventures where justified when Chinese companies want to invest in the EU.

The objective is not to weaponise interdependence indiscriminately. On the contrary, Europe must avoid a tit-for-tat escalation that would ultimately backfire. But organised interdependence, structured, reciprocal, and resilient, is preferable to vulnerability disguised as openness.

Europe's dependencies extend beyond trade. They exist in defence supply chains, critical raw materials, digital infrastructure, and financial markets. A clear message emerges from this edition: security must come first. Productivity and competitiveness cannot be sustained if the foundations of economic sovereignty are fragile. It is about ensuring secure imports, diversified supply chains, and the capacity to respond to shocks.

Financial architecture is central to this effort. The call for a genuine European safe asset, through true Eurobonds with several and joint liability, reflects a recognition that NextGenerationEU (NGEU) borrowing backed up by the EU budget, while innovative, is limited in scale and temporality. Overcoming the sterile debate between risk-sharing and risk-reduction requires political trust and a shared understanding that collective resilience enhances national stability.

Digital sovereignty is another battlefield. Europe finds itself squeezed between American and Chinese technological dominance. Yet simplistic solutions, creating “European champions” based on nationality, chasing prestige projects, or pursuing unrealistic self-sufficiency, are misguided. Instead, Europe should leverage what it does best: regulation grounded in values, clear criteria to define and mitigate threats, investment in innovation and infrastructure, and a zero-tolerance policy in critical dependencies. Interdependence can be recalibrated by using Europe’s strengths, such as leadership in advanced semiconductor equipment, to shape more balanced global relationships.

Energy policy encapsulates the broader autonomy debate. Full self-sufficiency is neither realistic nor necessary. The aim is to reduce excessive fossil fuel imports, diversify suppliers, and accelerate the deployment of renewables, while carefully managing new dependencies in critical raw materials and technologies. This transformation must be accompanied by system flexibility: robust infrastructure, interconnections, storage, and capacity remuneration mechanisms. Overreliance on any single source, including liquefied natural gas (LNG) imports from the U.S., carries risks. A diversified and progressively decarbonised energy mix enhances both strategic resilience and climate credibility.

If the diagnosis is clear, the prescription requires political courage. Europeans are worried about the future. They perceive hesitation, fragmentation, and a tendency to react rather than act. What is missing is not only policy innovation but an inspiring and coherent narrative explaining why deeper integration and tougher choices are necessary.

Better governance is part of the answer. Federalising certain policies where scale is indispensable, strengthening executive capacity, and making fuller use of reinforced cooperation can enable progress even in the face of unanimity constraints. Crucially, EU institutions must be closely involved to preserve coherence and legitimacy. The European Council should mandate a comprehensive assessment of Europe’s strengths and weaknesses, regularly reviewing progress at the highest political level.

Recent landmark reports by Mario Draghi, Enrico Letta, and Sauli Niinistö offer valuable roadmaps for enhancing competitiveness and autonomy. The EU has already taken major integrationist steps in response to successive crises. What remains is to articulate clearly how these measures fit into a broader strategic vision. In this context, the words of Canadian Prime Minister Mark Carney resonate: “We must rely not only on the strength of our values, but also on the value of our strength.”

Strategic autonomy is ultimately about choice. It is about ensuring that Europe can decide, rather than having others decide for it. It is about accepting that agency entails responsibility and cost. And it is about recognising that strong alliances are built on capability, not dependency.

The 12 contributions that follow do not offer a single blueprint. They reflect different emphases and perspectives. Yet together they form a compelling argument: in an

age of power politics, Europe must rediscover the logic of power, without abandoning its principles. It must build resilience at home to act effectively abroad. And it must transform its relationship with the U.S. from one of structural reliance to one of balanced partnership. The alternative is gradual marginalisation. The choice is ours.

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ABBREVIATIONS

CBAM Carbon Border Adjustment Mechanism

CRM Critical raw materials

FTA Free Trade Agreement

EPF European Peace Facility

EU European Union

LNG Liquefied natural gas

NGEU NextGenerationEU

U.S. United States of America

WTO World Trade Organisation

Strategic autonomy is about power and capabilities



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Strategic autonomy, especially in the area of security and defence, is often reduced to a plea to 'spend more'. Yes, spending matters, but it is not really Europe's main constraint. What it lacks above all is a strategic mindset, an industrial-security base that can surge, and institutions that enable action even amid political divisions.

Everything starts with the need for Europe to think and act in terms of power

In the EU, we pride ourselves on our normative power, or the 'Brussels effect': our ability to link market access, standards, finance, technology, and diplomacy. But these assets only shape outcomes in a power-based political world when we learn to deploy them deliberately and consistently. Too often, Europe behaves as if economic instruments are "non-political", or as if the cost of inaction is small.

We need a new mindset and practice, meaning:

- A willingness to use existing leverage with fewer self-imposed restraints. The Anti-Coercion Instrument is explicitly designed to respond to economic coercion without requiring unanimity. But it has not been used even in the cases where the EU clearly faced economic coercion by China and the U.S., respectively. Likewise, enforcement of the Digital Services Act and Digital Markets Act must be *credible*, meaning timely investigations and penalties that are large enough to alter behaviour, not merely to signal that Europe is concerned and monitoring developments.
- A strategy that sees "partnerships" as strategic diversification. Middle powers want reliability and non-predatory terms, but they also watch whether Europe can follow through under pressure. The EU should translate its "open for business" narrative into policy packages that combine trade, infrastructure finance, technology cooperation, and security capacity-building. It should be explicit that access and support come with expectations – not with narrow alignment on specific issues but with a shared commitment to uphold international law and resist coercion.

Europe must make a success of its current rearmament drive by spending more together and more European

Money is flowing into the defence sector. Indeed, hundreds of billions are being added to national defence budgets. But this effort remains a story of fragmented demand, national preferences, and ultra-slow procurement procedures. With Russia's imperial war against Ukraine entering its fifth year, Europe still has too little air defence, too limited Intelligence, surveillance and reconnaissance, and too few strategic enablers.

The European Commission's '[Readiness Roadmap 2030](#)' sets a concrete milestone: at least 40% of defence procurement organised as joint procurement by the end of 2027. That is the right direction and helpful with a clear timetable to judge success. But today's baseline is poor: in 2021, [only 18%](#) of equipment spending went to EU collaborative defence procurement. To close that gap, Europe should not launch yet another defence initiative with yet another acronym, but rather focus on making sure the new instruments it has in place actually deliver. Concretely, this means:

- Aggregate demand around a short list of priority capability areas (air and missile defence, drones and counter-drones, long-range fires, ammunition, strategic enablers).
- Make "buy European" a capacity-building norm. The European Defence Industrial Strategy proposes that by 2030 Member States should buy at least 40% of defence equipment "together" and spend at least half of procurement budgets on products made in Europe. The point is ensuring European industry can deliver in wartime conditions, including through surge production capacity, stockpiles, and repair capacity.
- Treat energy and critical inputs as defence issues. Resilience in defence depends on secure access to critical raw materials, components, and energy. This requires diversified suppliers, stockpiles, and rapid permitting for infrastructure and industrial expansion.

Fix the unanimity trap: Accept differentiated integration

Strategic autonomy is incompatible with paralysis, which is the inevitable outcome of the explosion of vetoes in an area where unanimity rules. The answer is coalitions of the willing. Europe needs to move at the speed of strategic relevance, while always keeping the door open for others to join later. The current moment illustrates yet again the core problem: a proposed EUR 90 billion EU loan to Ukraine can be stalled by one or two capitals, undermining EU credibility with both partners and adversaries.

As Treaty change is politically unavailable, the EU should normalise pragmatic solutions: enhanced cooperation, opt-ins, and coalitions of the willing.

Above all, Europe needs more success stories. The European public is looking for

protection in a world of escalating threats. It supports ambitious steps to, finally, achieve Europe's strategic autonomy, often proclaimed in speeches but still far from a reality. The route to get there is clear: think and act in terms of power, make a success of Europe's rearmament, and design decision-making rules that still work under disagreement.

Europe's costs of non-autonomy

Debates in Europe over the past decade have often portrayed strategic autonomy from the U.S. as a risky and expensive ambition. Especially Atlanticist EU Member States such as Poland, the Baltics and Germany perceived strategic autonomy as a luxury and preferred the perceived safety of the U.S. security umbrella. Today, the calculation has changed significantly. Given the hyper-transactional approach of the current

U.S. administration, the real question is no longer whether Europe can afford greater autonomy, but whether it can afford continued dependence.

The costs of increased strategic autonomy are easy to enumerate. European leaders who attempt to confront the Trump administration must consider tangible and immediate risks, including strained transatlantic relations, retaliation in trade and – worst of all – the possibility of reduced U.S. military support for Ukraine. It is understandable that European governments hesitate to provoke confrontation with a security guarantor that still underwrites much of the continent's defence. Yet this focus on short-term disruption obscures a subtler reality: non-autonomy carries its own, accumulating costs.

The first is strategic vulnerability. If Europe relies heavily on external actors for its defence, it remains exposed to conditionality. The hyper-transactional approach of the current U.S. administration, willing to link security guarantees to economic concessions, transforms interdependence into leverage. The tariff confrontation in 2025 demonstrated how quickly trade and security can become entangled. Faced with the prospect of losing U.S. military support to Ukraine, the EU settled for a mediocre trade deal. The episode revealed not institutional incapacity – the EU possesses ample regulatory and trade power alongside a growing economic security toolkit – but political caution under pressure. Clearly, Europe's military dependence narrowed the EU's room for manoeuvre.

The second cost is the loss of domestic credibility. If European governments repeatedly signal that they cannot defend their own preferences without risking external backlash, European citizens will draw their conclusions. Their trust in public institutions rests on the perception that elected leaders are capable of acting in the collective interest. The current pattern of yielding to external demands feeds narratives of weakness and risks fuelling anti-elite resentment. Ongoing dependence thus generates the very instability it seeks to avoid.

The third cost concerns geopolitical standing. The EU continues, rightly, to present itself as a champion of a rules-based international order built on open markets, multilateral cooperation and respect for fundamental rights. These liberal principles

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have not fully delivered on their original promise and are increasingly contested. Yet they remain attractive to many global partners. At a time when the U.S. is embracing an overtly power-based approach, countries in Asia and Latin America are interested in engaging a Union that combines regulatory consistency with a multilateral outlook. However, the EU's credibility depends on the coherent application of its principles. If Europe appears hesitant to defend its own standards – whether in trade disputes, technology regulation or responses to coercion – its claim to offer a reliable alternative weakens.

A further cost lies in the normalisation of transactionalism itself. Each concession to coercive U.S. diplomacy – whether adopting a 5% spending target in NATO or accepting tariffs as part of a forced deal – reinforces the perception that Trump's "cowboy politics" works. The cooperative, rules-based engagement – similar to that of U.S. administrations under Obama and Biden – begins to look electorally unrewarding, while assertiveness yields visible gains. It is not unlikely that future U.S. administrations internalise this lesson. The continued accommodation of coercive tactics risks normalising them as an effective instrument in international politics.

None of this implies that strategic autonomy should be confused with isolation or equidistance between great powers. Europe's security architecture remains deeply intertwined with NATO, and the transatlantic relationship will continue to matter. But strategic autonomy is not about severing ties; it is about managing interdependence so that it does not become political vulnerability.

Ultimately, the debate on strategic autonomy is about political risk tolerance. European leaders often fear the immediate repercussions of assertiveness more than the long-term consequences of inaction. Yet credibility, once eroded, is difficult to rebuild. Strategic autonomy is therefore not an ideological ambition but a question of preserving European agency. The costs of strengthening that agency are visible and politically uncomfortable. The costs of neglecting it are slower, more diffuse and ultimately more damaging: diminished leverage, weakened domestic trust, and fading global relevance.

The debate should thus be reframed. The issue is not whether autonomy will create friction. It inevitably will. The issue is whether Europe is prepared to accept limited friction today to preserve its agency tomorrow. In an increasingly transactional and contested international environment, dependence is no longer the safe option it once appeared to be.

Beyond de-risking: Strategic autonomy through mutual interdependence

European integration has always advanced through crises. Today's crisis is structural, characterised by Russia's direct military threat and the challenge posed by China and the U.S. to Europe's competitiveness and to the broader, open, rules-based order that underpins our prosperity. The appropriate response is twofold: deepen EU integration to unlock scale and replace real and perceived one-sided dependencies on Washington and Beijing with mutual, managed interdependence.

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Starting with the internal challenges: the EU's handicap is less the absence of resources than their fragmentation and the lack of credibility in using them. In defence, [Russia devoted 7% of GDP \(USD 149 billion\) to military spending in 2024, while EU Member States together spent around USD 370 billion](#), but dispersed across 27 procurement systems, duplicated platforms and incompatible standards. Moreover, it is far from clear, both for allies and adversaries, that when push comes to shove, the EU can take decisive and sustained action.

To build credibility, the EU requires institutional change. Where treaties allow, foreign, security and industrial policy should move away from unanimity towards qualified majority voting. A “Europe of several speeds” should become a normal feature, not a stigma: coalitions of the willing must be able to build capabilities — air and missile defence, ammunition, cyber, space — without being vetoed by the least ambitious. EU-level joint procurement and common standards would lower unit costs and raise readiness. At the same time, both politicians and think tankers must be far more vocal in explaining to our societies that nationalist forces opposing further integration do not defend prosperity or sovereignty; they undermine both, making Europe collectively poorer and more vulnerable in an era of great-power competition.

In the economic area, [Mario Draghi](#) has argued that Europe needs a step-change in investment to restore competitiveness; Enrico Letta has called for completing the Single Market, especially in capital, energy, and digital. Scale is Europe's missing ingredient: a genuine Capital Markets Union, integrated electricity and hydrogen grids, and streamlined permitting for clean industry would allow European firms to grow, finance innovation and compete globally. The lesson of Airbus is that pooled sovereignty can create world-class champions; Europe now needs “Airbus moments” in next-generation batteries, quantum, advanced chips, and defence-relevant dual-use technologies. The United Kingdom should be systematically involved where interests align. Britain remains a major European military power

and London is still Europe's financial centre; excluding it weakens the continent's ability to mobilise capital and project power.

The outside game is equally important. The EU cannot be fully self-sufficient: it lacks many critical raw materials and sufficient energy sources, and pursuing autarky would be prohibitively inefficient. Strategic autonomy must mean the ability to choose and manage interdependence, not to abolish it. The key is to identify where others depend on Europe, and to turn those asymmetries into credible deterrence.

Europe has more leverage than it often admits. As [Martin Sandbu](#) argued in the Financial Times, the EU should be prepared to “weaponise” certain chokepoints rather than only defensively “de-risk”. [A Geostrategic Europe Taskforce](#) mapping, cited by Sandbu, identifies inputs where China and the U.S. heavily rely on the EU — from insulin and pharmaceutical intermediates to specialised machinery for agriculture and industrial processing. Europe also leads in extreme ultraviolet lithography through ASML, a technology that remains indispensable for cutting-edge semiconductors. [Dezernat Zukunft's policy paper](#) ‘Europe's Trump Cards’ goes further by highlighting Europe's additional strengths: its USD 10 trillion consumer market and industrial chokepoints such as low-enriched uranium (where European suppliers provide about 80% of U.S. imports) and medium-sized gas turbines (where Siemens Energy has a strong position). Ideally, these are not tools for reactive coercion, but for deterrence against coercion by foreign powers.

To use such strengths responsibly, [Europe needs instruments and political will](#). [The Anti-Coercion Instrument](#) is a start, but deterrence depends on credibility. That means pre-agreed “burden-sharing” arrangements so that any Member State or company bearing the cost of retaliation is compensated by the Union, and faster procedures for activating measures. Europe should also develop priority procurement powers for strategic goods beyond defence, to secure supplies before a crisis breaks out, not after. Market access and regulatory recognition should be treated as strategic assets to be defended and, when necessary, leveraged.

Finally, interdependence must be created, not merely discovered. The EU should invest in scientific and industrial leadership where it can become strategically indispensable — standard-setting, advanced manufacturing equipment, clean-tech supply chains, and digital infrastructure — rather than focusing only on catching up with U.S. or Chinese incumbents. At this stage, we should focus on 6G instead of 5G. If Europe can offer capabilities that others need, it gains room for manoeuvre; if it merely remains a client and rule-taker, it invites pressure.

Strategic autonomy will not be achieved by slogans or by retreat. It will be built by integrating Europe's resources, reforming decision-making to act at speed, and turning asymmetric dependencies into balanced interdependence. Ideally, these are not instruments of reactive coercion, but credible deterrents against coercion by foreign powers.

Guardrails for a future European security governance

The EU created by the Treaty of Maastricht in the early 1990s benefitted from a benign transatlantic environment and a global system playing to its strengths. While NATO catered for European security, the EU could develop its economy. This division of labour suited Europe quite well.

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The subsequent treaty reforms culminating with the Treaty of Lisbon in 2009 enabled the EU and its Member States to further develop a genuine approach to European security, without at the time challenging the fact that European security ultimately relied on U.S. security guarantees within NATO.

Over the years, successive U.S. Presidents repeatedly asked the Europeans to take their own security more seriously and warned them against complacency. However, Europe failed to understand that this was not only a warning against increased threats, but also a reflection of domestic developments in the U.S.: Washington was less and less willing to bear the brunt of the burden to keep Europeans safe.

Then two major shocks changed the situation. In February 2022, Russia started its full-scale invasion of Ukraine. And in January 2025, Donald Trump returned to the White House. Ever since, the U.S. administration has undermined both the predictability and the trust that had been underpinning the transatlantic relationship for decades. While the EU's Single Market and its clout in trade have increased its power and the means to push back on coercive measures, at least in theory, Europe remains dangerously exposed due to its dependence on the U.S. when it comes to its security.

As Russia's war of aggression against Ukraine enters its fifth year with no end in sight, the Europeans over the past months have woken up to the possibility of the U.S. turning against Europe. President Trump's suggestion to "take over" Greenland marked a watershed moment. Yet, in the foreseeable future, Europe cannot keep its citizens safe without the U.S..

Europe's leaders have been struggling to navigate this increasingly precarious dependence at a time of war, oscillating between the hope that ultimately things will not turn out so bad, that intense courting may help influence the erratic moods of the most powerful leader in the world, and that increasing investment in NATO will help keep the alliance alive, at least for the time being.

What Europeans need to do decisively now is to renew their choice for a genuinely

European security governance strongly aligned with European interests. They have started creating their own security groupings, such as the Coalition of the Willing in support of Ukraine, and the E-5 Group of France, Germany, Italy, Poland, and the United Kingdom. Europe is also looking at pooling resources from various contexts, including the EU, in support of the European pillar of NATO.

But there is a need to look beyond ad hoc coalitions and to map a landing pad for Europe's emancipation. What are the relevant tables around which decisions on European security will be made in the future, who should be sitting around them, and what kind of resources need to be mobilised to create a genuine European security governance?

There is a range of possible institutional options that have been put forward over the past months, and a plethora of views on where to place NATO, the Coalition of the Willing or other groupings, as well as the EU and its institutions in a future security landscape. The time has come for rethinking Europe's security governance and for leaders to define the normative assumptions or 'guardrails' that will help guide the choices ahead.

Here are the guardrails that could be included: (i) Europe needs to emancipate regardless of where current and future U.S. administrations stand. The need for European emancipation is here to stay. (ii) The path towards emancipation is not a decision against existing security alliances. It is not a decision for or against NATO; NATO is here to stay. It is rather a renewed choice for Europe, following up on initial ideas after the Second World War. (iii) European security will continue to be cooperative by its very nature. It cannot be monolithic or seen as an "either NATO or the EU" choice, but rather should build on a landscape of institutions and legal arrangements. (iv) The EU has a vital role to play in the future security governance of Europe. While the role of Member States will remain key, including in groupings moving ahead at times, an institutional setting in which the supranational elements of the Union are not compromised will require strong political attention. (v) EU enlargement is a key building block for European security. The strategic option of a 'big bang' enlargement, including Ukraine, is a significant contribution to European security.

The EU's expanding role in European security architecture



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The development of the EU's security role has traditionally been guided by a pursuit of some degree of strategic autonomy, but has been constrained by concerns about overlaps with NATO's tasks. Consequently, the EU's action has primarily focused on civilian activities. However, since the late 2010s, the EU has also increasingly acted as an "enabler" of European defence, supporting the Member States in developing their military capabilities and seeking to strengthen Europe's defence-industrial base.

Russia's full-scale invasion of Ukraine in 2022 has reshaped the EU's security role. It has led the Union to extend its military footprint, especially in its neighbourhood. This is a new development; in the past, the fear of a confrontation with Russia made the EU and most of its Member States shy away from military cooperation with Ukraine and other partners in the East.

The steps that the EU has taken since February 2022 are historic. The Union has financed weapons deliveries to Ukraine through the European Peace Facility (EPF), adopted a three-track ammunition initiative, and launched a military mission to train and equip Ukrainian soldiers across Europe. Each of these steps has broken earlier taboos. Moreover, what was born as a direct response to the outbreak of the full-scale war in Ukraine has gradually translated into a broader and longer-term focus on defence, which now ranks among the key priorities of all EU institutions.

In the context of Russia's war on Ukraine, the EU's expanding defence role has filled a critical gap. The United Nations Security Council and the Organisation for Security and Co-operation in Europe have been paralysed because of Russia's role within both organisations. NATO, in turn, has mostly acted in the background due to escalation risks. At the same time, no individual state has been able to respond to all of Ukraine's needs for defence materiel. Coordinated joint action was therefore needed, and this is what [the EPF has enabled](#).

While the EPF as such no longer operates as a tool for supporting Ukraine following Hungary's veto, it remains a valuable instrument to provide security assistance to the EU's partners, and potential new members, in the Eastern neighbourhood and the Western Balkans. Meanwhile, the EU's support for Ukraine, now managed through other channels, has become even more crucial, as the U.S. government has

drastically reduced its commitments. Ukraine is increasingly becoming a test case of European strategic autonomy, even if few European leaders believe the war can be settled and Ukraine's security guaranteed without any U.S. involvement.

However, beyond Ukraine, the old division of labour in European security has remained unchanged: NATO continues to be responsible for collective defence, whereas the EU focuses on funding and facilitating the development of military capabilities and strengthening the European defence-industrial base as well as on external crisis management. Even the 2025 transatlantic turbulence has not altered the state of play: no institutional alternatives for NATO have been identified. Instead, the European pillar of NATO is to be strengthened, including through cooperation within smaller groups of countries. Ideally, the EU and NATO complement each other: in the Western Balkans, for instance, EPF support currently helps build the capacities of local NATO allies.

While in the case of Ukraine, the emphasis is now on defence and military support, the Union has also continued some activities aligned with its traditional security approach, for example, the new civilian monitoring mission in Nagorno-Karabakh. However, resources are not unlimited: as attention shifts towards defence support, [civilian Common Security and Defence Policy has come under strain](#). This poses a risk. If the EU's integrated approach erodes, a gap may emerge in the European security architecture. In many conflict contexts, the EU is the only international organisation addressing security in a comprehensive manner.

Another recognised niche of the EU is its ability to incentivise reform. With its merit-based enlargement policy, the EU is in a unique position to support the rule of law, effective security governance and democratic control over security forces in its neighbourhood. This enhances European security in a comprehensive sense. Especially now that the EU has rebooted its enlargement policy, this leverage should be understood as part of the Union's security role. While military aid addresses immediate security needs, enlargement contributes to long-term, comprehensive security on the continent.

The [InvigoratEU long policy report](#) highlights a new dimension of the EU's security role: the neighbourhood is no longer seen only as a recipient of security assistance but is also increasingly expected to contribute to Europe's security. Ukraine's experience and capabilities, in particular, would crucially add to the EU's security and defence policies. The EU plays a pivotal role in enabling these contributions by integrating candidate countries into its security and defence policies while incentivising essential reforms.

In sum, while the EU's security role has expanded to include defence-related tasks, the long-standing division of labour in the European security architecture largely remains. Importantly, the EU's earlier niches – its ability to address security comprehensively and to incentivise reforms – continue to constitute its key contributions to European security.

This contribution is drawn from the findings of the following publications:

- Karjalainen, T. & Iso-Markku, T. (2026) The enlarging EU as a security actor: Capacity building in the Eastern Neighbourhood and the Western Balkans. *InvigoratEU Policy Report*. [10.5281/zenodo.18374761](https://doi.org/10.5281/zenodo.18374761).
- Nizhnikau, R., Karjalainen, T. and Jokela, J. (2025) Demands for European Security and Defence Cooperation in Ukraine after Russia's Invasion. *InvigoratEU Policy Paper*. [10.5281/zenodo.17366216](https://doi.org/10.5281/zenodo.17366216).

Transatlantic ties are unravelling: Europe must step up

Few have done more for European integration than Donald Trump. In a little over a year, he has fundamentally undercut transatlantic relations. It is not certain that a successor will want to or be able to undo the damage. The Europeans politicians overall have been slow to understand the enormity of the change. One of the first to understand was the Danish

Prime Minister, Mette Frederiksen, confronted with Trump's attempt to annex Greenland. Already in [March 2025](#), she told Danish media that there was now uncertainty regarding whether the U.S. could be relied upon in matters of security. Another country to adjust quickly was France, not so much because of a trauma comparable to the Greenland crisis, but because it has been advocating for European strategic autonomy from the U.S. for years.

For the majority of Europe, however, the shift happened gradually as a response to U.S. behaviour across a broad range of issues. First came the infamous dressing down of Ukrainian president Volodymyr Zelenskyy in the Oval Office in February 2025, followed by a [temporary stop of military and intelligence aid](#). This did much to sow doubts in Europe that the U.S. was still mindful of core European security priorities (such as avoiding a Ukrainian defeat), or even if the U.S. could be trusted as an ally at all. Second came the U.S. coercion of the rest of NATO to accept the new 5% defence and security spending goal for 2035, while at the same time refusing to give assurances on Article 5 of the Atlantic Charter. Third, the one-sided U.S. support for Israel in the Israel-Palestine conflict rankled people in Europe. Fourth, the coerced EU acceptance of a trade 'deal' foreseeing 15% tariffs on EU goods going into the U.S., but tariff-free trade for U.S. goods going into the EU.

But it was the deepening of the Greenland crisis in January 2026 that really changed the mindset in Europe. Europeans heard Mette Frederiksen explain that a U.S. invasion of Greenland would mean the end of NATO, and soon after asking for a limited number of European troops to be sent to Greenland to send a strong message to the U.S. and show support for Greenland, even though it was officially presented as a way to give protection against Russia and China. Initially, seven European countries sent troops, and the EU was united in meeting Trump's threats of tariffs against those countries with economic measures of their own. The crisis was de-escalated late January, when Trump promised not to invade Greenland. But the damage was done. The U.S. had proved to be an utterly undependable ally. At the same time, however, the crisis

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also showed that Trump had responded better to a hard European line than he had ever done to European appeasement. That holds important policy implications.

Europe must now acknowledge that transatlantic relations are unravelling. Cutting ties with the U.S., of course, is neither feasible nor advisable. European security dependency on the U.S. is simply too big, especially in terms of deterring Russia. For that reason, managing relations with Trump remains critical, and Europe should consider giving ground on his more reasonable requests, while standing firm against preposterous bullying. It also means, however, that Europe must quietly begin to emancipate from the U.S.. Not because the transatlantic alliance should be given up just yet. The door should remain open for rapprochement with the U.S., in the hope that it might again behave as an ally sometime in the future. However, a serious European security policy should not be based on hope alone. For that reason, Europe should work from the assumption that transatlantic relations may be failing in a medium- or long-term perspective, and Europe should not waste the time period, however long it may prove to be, when one can still count on a semi-functioning American security guarantee.

Europe must rearm as quickly as possible to be able to deter Russia on its own without relying on the U.S.. That means following through on the new 5% target, but it also means targeting those new investments on developing capacities such as command and control, intelligence gathering, space and more, where Europe has traditionally been relying on the U.S.. The idea of a division of labour across the Atlantic, where Europe focused on bulk and less on high-tech capacity, is no longer acceptable. A division of labour requires trust, and that trust is now gone.

Strategic autonomy in trade

Strategic autonomy in trade means that the EU should behave like the trade superpower it is, while respecting the multilateral and bilateral rules it has committed to. This was the case until the U.S. adopted 'coercive protectionism' under Trump's second administration and China moved towards a more predatory behaviour. Traditionally, the EU showed:

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- A readiness to conclude the Doha Round, which failed in July 2008 because of the U.S., India, and, to a lesser extent, China;
- A successful development of an ambitious bilateral network of free-trade agreements with nearly all developed and emerging countries, with the exception of China and the U.S.;
- Retaliation against the first Trump administration's non-World Trade Organisation (WTO)-compliant national security tariffs on steel and aluminium;
- The preservation of the WTO dispute settlement through the alternate appellate body between the 60 most important WTO members, with the exception of the U.S. and India. This alternate appellate body has already shown its usefulness. Last July, the EU won on appeal an important systemic case on patents against China that it had lost in the first panel;
- The development of WTO-compliant protective regulations since 2016 (strengthening of the anti-dumping and of the enforcement regulations, the Anti-Coercion Instrument, foreign subsidies regulation, international procurement instrument, investment control regulation).

Unfortunately, the EU has been shy in showing its strength under the new circumstances. Instead of retaliating immediately after the 2 April 2025 U.S. tariffs 'liberation day', as China did, the EU engaged in a negotiation with Donald Trump on his basis and in a position of weakness. This has led to the unbalanced Turnberry agreement, which violates the WTO rules on Free Trade Agreements (FTAs) and the Most-Favoured-Nation clause. One reason for this weakness was the fear that Donald Trump would give up Ukraine. As we see now, Donald Trump is giving up Ukraine anyway; the only question is when, how, and to what extent. Furthermore, after the cancellation of the reciprocal tariffs by the U.S. Supreme Court, the European Commission oddly keeps pleading in favour of the application of the Turnberry agreement instead of playing 'wait and see' followed by retaliations if necessary.

But the real economic threat is less the U.S. than China. Since the end of 2021, the EU industrial costs have increased by 15%, and the Chinese ones have decreased by 7%. Now the competitiveness gap lies between 30% to 40% for products of the same or at times better quality. After its promises to rebalance its economic model between 2015 and 2019, China is now back to 'all for exports'. In a normal world, there would be an alliance between the U.S., EU, Japan, and others to force China to modify its unbalanced model and accept a hardening of the WTO subsidies rules. Donald Trump is doing the opposite and therefore plays in favour of China.

The EU industry is confronted with an existential threat. It is possible to take a set of measures to protect the EU industry, but it necessitates the respect of two conditions: first, strengthening EU competitiveness on the basis of the Draghi report; second, resisting the temptation of WTO non-compliant measures.

The protective measures should follow four strands. First, the trade defence measures should be used more intensively. This requires more human resources for the Directorate General for Trade and Economic Security and a change in the anti-dumping regulation authorising the use of criminal law in order to accelerate the provisional duties. Safeguard clauses could be used when a whole branch is threatened, as was the case for steel in 2018. Part of the chemical industry could be in this situation. Deconsolidating some of our WTO Most Favoured Nation duties could be envisaged and would not be too costly, considering the number of FTAs.

Second, the EU should use more consistently its new instruments, and notably the Anti-Coercion Instrument. The three recent Chinese anti-dumping agriculture cases against the EU's agriculture are pure retaliation against the EU anti-subsidy case against Chinese electric cars. It is close to coercion. The EU should, at a minimum, go to the WTO for the anti-subsidy case against dairy products. China could be eliminated from EU public procurement, for which there is no WTO commitment on our side. This represents 14% of EU GDP.

Third, the EU should do to China for its investments in the EU what China did over 20 years to European companies: compulsory joint-ventures and transfer of technology in areas where China now has the lead.

Fourth, the EU should stop penalising its own industry with overly accelerated decarbonisation. The Green Deal has created massive difficulties for the car, steel, and chemical industries. The rationale behind the Green Deal has not worked as intended: nobody is following the EU example except some developed countries, and China has taken the lead in nearly all green technologies. Why should the EU aim for net zero in 2050 when it emits only 6% of greenhouse gases and has reduced its emissions by 37% since 1990, while China is emitting five times more, has just peaked and is aiming at net zero in 2060? This is the time to revisit the Green Deal and the Emissions Trading Systems parameters. The Carbon Border Adjustment Mechanism (CBAM) is not part of the solution. It is bureaucratic, full of holes, and hardly WTO compliant (definitely not if it is reimbursed for exports). However, the carbon market as such is an interesting tool. Rather than applying the CBAM, it could be considered to negotiate an international agreement between countries having a carbon market and applying border measures reflecting the

difference between the carbon prices.

The urgency of reacting against the Chinese threat is obvious. Those who think that they can preserve their market and their investment in China if the EU does not react are wrong. Just remember how Nokia and Ericsson opposed measures against Huawei to protect their markets in China have now completely disappeared from the Chinese market. But the reactions should not lead to WTO non-compliant measures like a 30% across the board duty applied only to China, as proposed by the French High Commission for Strategy and Planning under the pretence that it is a WTO safeguard. The local content measures presently considered by the Commission, pushed by Executive Vice President Sejourné, are not WTO-compliant either.

In the meantime, the EU should continue to build its network of FTAs with emerging and developed countries. The agreement with India is particularly important. The last agreements to be concluded in Asia will follow soon. It is logical that the EU looks for new markets in view of American protectionism and Chinese predation. It is a pity that the Mercosur agreement, which is very favourable for the EU and not threatening its sensitive agricultural products, is opposed by a minority of Member States and meeting resistance in the European Parliament.

The EU does not need that kind of shortsightedness. It needs a cool head and full determination to defend its interests. In one word, as in a hundred, it needs strategic autonomy.

Europe's productivity drive needs an economic-security foundation

Europe is right to worry about productivity. Weak growth and an enormous investment backlog have made 'competitiveness' the organising slogan in Brussels and EU capitals. But that is not all. Europe's ability to pursue a new growth agenda is severely constrained by deep dependencies on other geographies. And in a world where geography matters, everything and anything can be weaponised. A growth agenda that solely relies on grounds of efficiency is no longer a [safe organising principle](#), and this is where strategic autonomy comes into play.

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Europe's dependencies: In need of correction

The EU's vulnerabilities run across sectors. Defence dependencies constrain choices; reliance on external suppliers for energy, critical raw materials, and advanced technologies can be leveraged for coercion. Europe's financial and payments infrastructure can become a strategic exposure when it depends heavily on [a U.S.-centric system](#). And the recent trade wars simply show that relying on external demand as a main driver for jobs and growth is risky.

Some dependencies are the legacy of rational optimisation in an era of stable globalisation. Firms stretched supply chains to cut costs; governments tolerated concentrated sourcing because it delivered cheap energy or cheaper intermediates. But this is no longer safe. Business continuity now requires [de-risking and greater self-sufficiency](#), even if that carries a price.

Economic security first, productivity second

The crucial factor here is choices. The quest for productivity growth when our hands are tied by uncomfortable dependencies simply will not deliver. This is why economic security becomes the first-order objective, which, when achieved, will provide the choices the EU needs to redesign a future growth model. In the process, de-risking takes centre stage: not decoupling, not autarky, but systematic diversification that reduces single-point dependencies and expands Europe's room to manoeuvre.

That pivot cannot be achieved with slogans. Industrial policy — once taboo in Europe — will be unavoidable, but only if used as a tool for capabilities rather than as a permanent subsidy race. [The aim is to achieve scale](#), Europe's chronic

weakness, and build capacity where markets underinvest because the benefits are strategic and the risks are large. The most prosaic strategic autonomy agenda is therefore the most powerful: deepen the Single Market, mobilise private finance, and invest together where European public goods are at stake.

But 'security first' is not a licence for protectionism. De-risking is a shift from optimising only for cost, to optimising also for business continuity: build own defence capacity, diversify energy sources and advance the green transition, shorten supply chains when complexity becomes fragility. The investments these steps necessarily entail will also drive a pivot from external to internal demand and, therefore, reduce dependence on trade.

Protect trade, use chokepoints with caution

Putting economic security first does not mean putting openness last. Europe's prosperity depends mainly on domestic productivity, and trade boosts productivity largely through imports: capital goods, intermediates, energy, and embedded know-how. Protecting trade should therefore start with [protecting Europe's capacity to import](#): keeping critical channels open, diversified and contestable, while expanding domestic production only in the most disruption-prone areas.

That logic argues for restraint on tariffs and export restrictions. Targeted trade defence can be justified where competition is distorted, but broad protectionism raises costs for Europe's downstream industries and undermines resilience. With multilateralism under strain, Europe will need more partnerships and bilateral deals to widen options — not as a substitute for the rules-based order.

Finally, a word on chokepoints. Europe is developing economic statecraft — sanctions, export controls, anti-coercion tools. In reality, however, not only are these instruments hard to calibrate and [slow to bite](#), but weaponising interdependence can invite retaliation and accelerate fragmentation - dangerous for an open economy reliant on imported inputs. So far, the EU has done well to apply policies that are based solely on what is in its best interest. But the temptation to escalate is imminent, an action that would only prolong the long-winded road to the desirable destination of global cooperation.

The long game

Strategic autonomy is not a retreat. [It is a redesign](#): diversify dependencies, build scale at home, strengthen domestic financial and payment infrastructure, and keep trade open enough to feed productivity — while using chokepoints sparingly and proportionately. And it should complement alliances: Europe is a better partner when cooperation is a choice, not a vulnerability. This is the only sustainable way to productivity growth in the long run.

Paying for strategic autonomy: The need for a safe asset

The pursuit of strategic autonomy has become very fashionable in European circles, given the “rupture”, as Canadian Prime Minister Mark Carney described, of the liberal international order. How can the EU take control of its own destiny as its major alliance wavers and previously reliable institutions now have question marks attached to them?

Countries face different fiscal challenges in the aftermath of the debt accumulated during the COVID-19 economic crisis. Achieving strategic autonomy requires more decisive action than the ‘mobilisation’ of resources frequently used by the EU, which relies on the hope of funding from alternative (or shuffling of) resources. This demands further fiscal and financial integration, specifically the creation of a safe asset at the EU level.

This debate is not new. Have we settled it with the NGEU budget? Yes and no. The Eurobond debate emerged during the euro crisis but faltered due to the disagreement on risk sharing versus risk reduction. While some Member States (such as France and Italy) advocated for greater risk sharing in order to quell market speculation by providing more potential financial resources through borrowing on financial markets via a safe European asset, i.e. a Eurobond, others (in Germany and the Netherlands, in particular) viewed such discussions as premature. Indeed, trust between Member States had deteriorated significantly during the euro crisis, and so-called frugal countries demanded that more risk reduction (primarily through reduced exposure to sovereign debt risk by lowering government debt levels) occur prior to considering further risk sharing within the euro area, as implied by a Eurobond. Numerous proposals on how a Eurobond could be structured emerged, and joint debt appeared in most proposals regarding the future of the euro area, including official proposals from the EU institutions (see the [Four Presidents' Report](#) [2012], the [Five Presidents' Report](#) [2015] and the [Commission's White Paper](#) [2017]).

With the COVID-19 crisis, joint debt once again came on the table: a corona bond proposal eventually led to an agreement on the issuance of common debt to finance the NGEU budget. This was a considerably more modest proposal, however, than the Eurobond proposal, in that the debt was guaranteed by the EU budget and not a joint and several liability shared by the EU Member States. In the case of the NGEU budget, no Member State can be responsible for the repayment of the share of another Member State. If one of the Member States defaults on its obligation, for example, the other states are not liable. The risk is

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pooled (but not legally mutualised) at the level of the EU through the backing of the EU budget (and future own resources). In contrast, with joint and several liability, the risk is fully mutualised, and a creditor could go after more solvent Member States should there be a default by any of the Member States. Nevertheless, the issuance of common rather than joint debt enabled the EU to move forward with the ambitious (by EU standards) NGEU budget on the condition that it be created as a temporary measure.

Of course, calls for its continuation have abounded, including within the [Draghi report](#) (2024). Unfortunately, the potential size of such a common debt issuance market is limited by the size of the EU budget that guarantees it. Moreover, some Member States resist extending what was supposed to be a temporary measure and has come to be viewed as a transfer of resources between Member States. Finally, concerns continue that further risk sharing would encourage greater spending rather than necessary fiscal consolidation, particularly in Member States facing high debt levels and little fiscal space.

This calls for a reconsideration of the Eurobond debate in terms of its potential size, liability and accountability structure. Basing it on the EU budget would be insufficient given the spending needs of the EU in the coming years. In terms of liability, proposals from the Eurobond debate era should be reconsidered in light of the new geopolitical climate. Finally, a Eurobond requires greater fiscal integration to ensure adequate accountability.

Joint debt issuance involves a significant pooling of sovereignty among the Member States. While politically difficult, it is necessary if the EU hopes to be able to finance its geopolitical ambitions.

A blueprint for a European Digital Sovereignty Strategy

Europe's sovereignty is imperilled. The U.S. government and government-linked social media now openly interfere in European politics. Enforcing European rules relating to fundamental rights, such as privacy, risks provoking digital shutdowns and severe economic disruption due to clashes with U.S. law. Europe's digital rules about safety and fundamental rights are the subject

of U.S. economic pressure, trade tariff threats, and now sanctions against EU officials. The ultimate fear is a kill-switch scenario in which American-provided digital infrastructures and services are shut down at the order of the U.S. government, as has happened with the International Criminal Court. The good news is that European digital sovereignty is achievable, provided sovereignty is understood to mean the upholding of Europe's values, policy preferences, and self-determination. Doing so will be challenging. It will require innovative policies, outside-the-box thinking, and discipline. And it requires Europe to discard dangerous delusions which risk leading it astray - three of which are currently prominent.

The first delusion is that European tech champions will make Europe sovereign. European companies can threaten Europe's values and self-determination in the same way that American tech giants are accused of undermining American values, harming American democracy, and interfering in American politics. Thus, proposals to water down Europe's regulations to promote European tech giants are profoundly misguided. Regulations are needed to ensure that companies are aligned with Europe's values and sovereignty.

The second delusion is that Europe must have a high degree of self-sufficiency in key technologies. The most recent manifestation of this trend is the push for "Buy European" and "Made in Europe" policies. These policies could be enormously detrimental to Europe's pursuit of sovereignty. They would delay or prevent Europe's diversification away from American technologies to technologies provided by other international partners. Such policies risk legally locking Europe into unhealthy dependencies on European companies, which may be economically uncompetitive and contemptuous of European values, while being sustained through public money and legally protected from competition. Europe can reduce dependencies in ways that are far more cost-effective and likely to succeed.

The third delusion is the simplistic association of digital sovereignty with 'flashy'



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high-prestige technology. Such technology may be economically important. But this does not necessarily mean it is relevant to Europe's digital sovereignty, that is, Europe's fundamental values, democratic systems, and social functioning. The term 'sovereignty' risks being misapplied to an excessive range of sectors, from the metaverse to blockchain. A plethora of industry lobbyists now market their sectors as essential for Europe's 'sovereignty'. Europe needs to distinguish the narrow range of areas relevant to Europe's sovereignty; otherwise, the pursuit of sovereignty will dilute Europe's resources and energies and is destined for failure.

Europe needs to adopt a digital sovereignty strategy that determines real sovereignty threats using clear criteria and methodology. Stretching the meaning of sovereignty or conflating sovereignty with competitiveness risks corroding the concept into meaninglessness and leaving Europe unprotected from real sovereignty risks. A digital sovereignty strategy should address the areas where Europe's fundamental values, democracy, and societal functioning are severely and directly at stake, but exclude everything else. This strategy can harness various tools, including regulation, investment, diversification, and interdependencies.

Regulation is essential; otherwise, companies will not necessarily be aligned with Europe's values and can threaten European society and democracy regardless of whether they are European or not. Regulation can also play a role in promoting diversification and enhancing resilience (e.g., the Digital Markets Act, the Cyber Resilience Act), but gaps in Europe's regulatory framework remain. Europe could consider adopting a digital resilience, diversification and contingency act to address such gaps to protect Europe's sovereignty.

Investment is an important tool that can be used when European solutions are the most practical option. For instance, investing in building public service social media, based on the principles of traditional public service media, with legal independence, pluralism, diversity, interoperability and portability as democratic safeguards, may be a useful option to reduce Europe's dependence on politicised foreign social media. Europe could also develop a "Zero-Trust Sovereignty Framework" where it is technically feasible, to facilitate even foreign companies to build European infrastructures and technologies, with design principles ensuring they (and therefore their governments) are incapable of subsequent influence.

Diversification is critical. Reliance on a small number of companies or a particular country will always make Europe vulnerable. Instead of ineffective "Buy European" and "Made in Europe" policies, however, the EU could adopt "Open Sovereignty" purchasing policies to increase diversification and reduce dependencies by promoting the purchasing of critical technology from a greater range of companies and countries, both European and non-European.

Europe could also proactively seek interdependencies – what might be called 'interdependification' - instead of a futile quest for self-sufficiency. Europe could pursue interdependification by building on its strengths so that its partners and global supply chains become dependent on Europe to the same extent that it depends on them. This limits the ability of other actors to coerce Europe. Europe's importance in semiconductor supply chains through companies such as ASML

represents the type of role it could try to emulate in other sectors.

Protecting Europe's sovereignty is too important to wait for Europe to become a global tech powerhouse. Thankfully, it does not have to. If Europe adopts a rigorously focused and innovative strategy, it can already begin safeguarding its values, democracy, and society from digital sovereignty risks.

From fossil dependence to strategic energy autonomy

Fossil fuel dependency has emerged as one of the EU's most critical structural weaknesses. It exposes Europe to external supply shocks and volatile energy prices, limiting its room for political manoeuvre while undermining security and industrial competitiveness. In an increasingly fragmented and unstable global order, strengthening strategic autonomy in energy has become an imperative. [Strategic autonomy](#) should not be understood as

self-sufficiency, but as the capacity to build a resilient, diversified and sustainable energy system that allows the EU to manage interdependence on its own terms.

The principal pathway to achieving this lies in accelerating the transition towards homegrown energy. Given Europe's limited domestic fossil fuel reserves, the health and environmental costs of coal, as well as the supply chain constraints and long lead times associated with nuclear energy, renewable-based energy sourcing offers the most viable and scalable option. By structurally reducing dependence on imported fossil fuels, renewables can significantly lower exposure to price volatility and geopolitical pressure.

That being said, the transition comes with new vulnerabilities too, shifting the focus of strategic autonomy from fuel supply to infrastructure, technologies, and critical raw materials (CRMs). Europe therefore needs to adopt an integrated approach that combines diversification of energy sources, system flexibility, and clean energy value chains to transform current vulnerabilities into long-term strength.

Diversification beyond fossil fuels

Diversifying external dependencies has become central to the EU's strategic autonomy agenda. The decision to ban imports of Russian gas by the end of 2027 marks a structural shift in Europe's energy landscape. However, diversification has so far relied heavily on imported LNG, particularly [from the U.S.](#), which is significantly more expensive than the Russian pipeline gas it replaces and creates new forms of concentration around a single supplier. While switching suppliers can alleviate immediate pressures, it does not eliminate structural vulnerability, as LNG trade remains exposed to geopolitical leverage.

A more durable diversification strategy must go beyond fossil fuel substitution. It requires gradually reducing the role of fossil fuels and moving towards a diversified power mix dominated by different sources of renewables – such as solar, wind, hydro and geothermal – as well as nuclear energy, where politically viable. Energy

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efficiency and demand reduction are equally important, as they directly lower import needs. This approach can lead to a more diversified and resilient energy mix by increasing the share of homegrown clean energy while reducing reliance on imported fossil fuels.

System flexibility

As the share of renewables grows, strategic autonomy increasingly depends on a flexible and interconnected power system. Unlike fossil fuels, variable renewable sources – including wind and solar – require infrastructure capable of storing or transporting electricity from where it is produced to where it is needed in real time. Therefore, grid infrastructure and battery storage are essential to improve system stability and harness renewable energy more effectively.

The already interconnected European grid is a critical strength that can be further leveraged. As Member States share more electricity among each other, they can alleviate price spikes and minimise supply disruptions. At the same time, the expansion of [batteries](#) can further boost resilience by storing renewable power when supply is higher than demand. [Green hydrogen](#) could also play a role as energy storage, although costs and infrastructure constraints mean it is not yet commercially scalable. These solutions not only enhance internal security of supply; they also contribute to more predictable and stable electricity prices.

However, Europe still faces bottlenecks, including congested networks, slow permitting procedures, and fragmented planning. The proposed [European Grids Package](#) presents an opportunity to address these weaknesses with EU-level planning, accelerated permitting and financing for grids and storage.

Clean energy supply chains

Another pillar of strategic autonomy is access to materials and technologies needed for the energy transition. Europe faces significant concentration risks across clean energy value chains: from CRM – such as lithium, cobalt, nickel and rare earths – to the processing and manufacturing of intermediate and finished goods – like semiconductors, cells, but also batteries, wind turbines and solar photovoltaic systems. China currently holds a dominant position across upstream and downstream segments of clean-technologies value chains, creating strategic vulnerabilities for Europe.

While initiatives to strengthen domestic capacity in mining, processing and manufacturing are required, the EU is unlikely to become completely self-sufficient in the foreseeable future. The EU needs to remain 'open' to collaborate with trusted partners to secure strategic agreements for a diversified and resilient value chain, from CRM to clean tech, embracing a '[Made with Europe](#)' approach. At the same time, the EU can scale up recycling and circular economy solutions to reduce primary material demand, while investing in innovation, including alternative materials and next-generation technologies.

Conclusion

Energy strategic autonomy is a precondition for the EU's security, competitiveness, and political agency. To boost resilience, first, the EU needs to structurally reduce fossil fuel imports and fully leverage homegrown renewable resources. Second, renewables need to be accompanied by investments in system flexibility as well as stronger cross-border cooperation among Member States. Third, building a robust clean energy system requires strengthening domestic industrial capacity while diversifying supply chains in partnership with trusted countries. Although the EU will remain dependent on others for its energy sector, pursuing these priorities can shift vulnerability to managed interdependence, strengthening Europe's capacity to act in an increasingly unstable world.

Strategic autonomy in energy policy

The EU remains highly dependent on energy imports from abroad. Dependence concerns primarily the fossil fuel sector, which made up over 15% of all EU imports in terms of value in 2024, despite decreasing EU demand and the substantial decline in gas prices compared to the annus horribilis of 2022. Moreover, as the EU seeks to transition to a renewables-based economy, a new type of energy dependence has emerged: imports of critical raw materials indispensable for low-carbon technology and of renewable infrastructure from heavily subsidised or more cost-competitive foreign producers.

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To pursue strategic autonomy in the energy sector, the EU needs to focus on two goals. The most important, immediate, and long-term goal is increasing in-house production of renewable energy, while simultaneously improving energy efficiency and pursuing green electrification of the economy and society. As achieving this goal will take time, in the short and medium term, the EU needs to carefully manage its decreasing, yet still vast reliance on fossil fuel imports by truly diversifying its suppliers.

Renewable energy accounts for around [one quarter](#) of the EU's total final energy consumption, where petroleum products still make up the largest share. This highlights how much remains to be done in terms of decarbonising the EU's economy and society to achieve the 2030 emission reduction targets and climate neutrality by 2050. Deploying renewable energy infrastructure quickly and on a large scale also requires extensive upgrading of energy grids, careful assessment of local impact (to avoid the "Not in my backyard" [NIMBY] effect) and facing the adverse economic and societal effects of phasing out the fossil fuel sector.

EU dependence on minerals critical to the green transition cannot be eliminated in the foreseeable future. However, the EU can take measures to mitigate this dependence while upholding supply chains from key providers such as China. Indeed, the EU has already adopted relevant targets and legislation, most notably the Critical Raw Materials Act. Likewise, the Net-Zero Industry Act sets a target for domestic (EU) manufacturing capacity of renewable energy technologies. The main weakness of the current framework is that the EU has limited resources to financially support the deployment of renewable energy. Hence, the focus has been on simplifying red tape and allowing state aid to support renewables. Another issue is that, due to the different energy mix and preferences of Member States, the EU has so far failed to prioritise specific types of renewable energy generation and included also nuclear energy and gas in its taxonomy of sustainable activities (even if only as 'transitional' sources). The failure to prioritise risks diluting investments across too many technologies, thus preventing the EU from becoming a leader in

any of them.

Meanwhile, fossil fuels remain key to the European energy sector. The EU has drastically reduced its dependence on imports from Russia compared to 2022. However, insufficient attention has been paid to the emergence of new dependencies, partly because of limited valid alternatives. As recent [policy studies](#) have shown, this has led to a worrying dependence on imports of LNG from the U.S. This is problematic in several respects. LNG may end up creating carbon lock-in in an area where the EU will never be strategically autonomous. LNG is expensive and even more polluting than pipeline gas due to the energy needed for liquefaction, transport (across trans-oceanic routes, in the case of U.S. LNG) and regasification. The growing share of LNG in the EU's gas portfolio exposes Europe to global LNG price volatility, as markets transmit shocks and disruptions rapidly across regions via spot prices. This affects European wholesale gas prices, which in turn strongly influence wholesale electricity prices.

The negative implications of Europe's growing reliance on LNG were made more acute by Trump's return to power. The U.S. is now by far the largest supplier of LNG to Europe. Trump sees the EU as an economic and ideological rival, rather than as a like-minded ally. The Trump administration has already intervened extensively in domestic and global markets; it has declared the goal of achieving energy dominance as a top strategic priority and sees energy exports as a power projection tool. Indeed, in July 2025, the U.S. extracted a political commitment from the European Commission to buy USD 750 billion in American fossil and nuclear energy products. The U.S. actively opposes EU climate legislation and could eventually leverage its LNG supplies to Europe as part of a strategy to influence EU policies and politics.

To prevent this, the EU should proceed swiftly with decarbonisation and ensure that its portfolio of fossil fuel providers is truly diversified. Cutting imports from Russia while it wages its war against Ukraine is not sufficient; new large-scale dependencies should be avoided, especially on countries whose leadership has taken a clearly anti-EU stance and has multiple cards to blackmail the Union. While strategic autonomy in the energy sector remains a long-term prospect for the EU, significant progress can also be made in the short run, and the emergence of new dependencies on individual suppliers should be addressed immediately.

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