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European sovereignty between autonomy and dependence: A guide for EU policy

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Summary

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Is the idea of 'European sovereignty' still relevant? It was originally developed as an EU response to the rise of populism within its territory and the disruption of transatlantic relations brought about by the Trump presidency. But today its relevance appears uncertain in the face of Russia's invasion of Ukraine and the growing assertiveness of China. This brief argues that European sovereignty (and related concepts such as strategic autonomy) is still an important and necessary guide for EU policy, but only if it is dissociated from some of the excessive and over-ambitious definitions given to the concept when it was first developed. European sovereignty is bound to fail if it is defined as taking an equidistant position between the US and China or as aiming for the atavistic goal of autarky in all conceivable policy areas, from security and energy to economy and technology. Instead, the brief argues, European sovereignty must be understood as a moderate and pragmatic agenda of defending EU interests and priorities within the wider framework of the transatlantic relationship, protecting the EU's internal liberal political and economic order, and defending international openness where the EU still has comparative advantages. Most of all, the necessary objective of protecting European sovereignty against external forces must not become a backdoor for the undue centralisation of political and economic power inside the EU, a process that would be bound to generate new populist reactions and constrain the EU's room of manoeuvre internationally. The brief concludes by proposing an understanding of European sovereignty as a compound term, containing both the ideal of EU autonomy of action internationally and the protection of the Union's internal heterogeneity, diversity and level playing field. Understood in this way as a 'sovereignty of sovereignties', European sovereignty can serve as an important guide for EU policy.

Keywords Sovereignty – Strategic autonomy – Security – Trade – Technology
– West



Introduction¹

The expressed intention of the EU to act in a more ‘sovereign’, ‘autonomous’ or ‘geopolitical’ manner has complicated its relationships with its partners, especially the US. Even though the change of US presidency in 2021 created hopes that the transatlantic relationship would be mended, the chaotic US withdrawal from Afghanistan, the AUKUS² controversy and the protectionist economic measures taken by the Biden administration have meant that the EU’s search for sovereignty has remained strong.

From its perspective, even with a new president, the US counteracted these complaints with ones of its own about the reliance of Europeans on Russian energy and Chinese technology and markets, as well as Europe’s continuing inability to step up in security and defence. Although the two sides agreed in theory that a strengthening of transatlantic cooperation and the EU acting on its own on the international stage need not be contradictory goals, how this could be achieved in practice was unclear.³

The rift temporarily narrowed after the outbreak of the war in Ukraine, but it was not bridged. After the initial outpouring of solidarity, the sense of drift made its way back into the relationship. Although European societies have proved more resilient to the economic and energy shocks than originally expected, the EU’s limits of sacrifice are objectively narrower than those of the relatively sheltered US. The recent actions of the Biden White House, particularly in the economic sphere, have reinforced European moves towards sovereignty.⁴

In light of these contradictory trends, this policy brief aims to explore the ways in which the EU’s goal of sovereignty can be reconciled with the renewed purpose of the West, while also safeguarding the foundational values of European integration. Has the war made European sovereignty obsolete in the face of a direct military threat to the whole of the West? Or is it still the right answer

¹ The author would like to thank Federico Ottavio Reho and Peter Hefele for helpful comments on previous drafts of this brief.

² The trilateral security pact between Australia, the UK and the US, whereby the US and the UK will assist Australia to acquire nuclear-powered submarines and bolster its security policy in the Indo-Pacific.

³ N. K. Gvosdev, ‘Why NATO Must Transform for the Twenty-First Century’, *The National Interest*, 12 October 2021, accessed at <https://nationalinterest.org/feature/why-nato-must-transform-twenty-first-century-195027> on 20 January 2023.

⁴ M. Scott, B. Moens and D. Palmer, ‘Bitter Friends: Inside the Summit Aiming to Heal EU–US Trade Rift’, *Politico*, 2 December 2022, accessed at <https://www.politico.eu/article/trade-tech-council-china-subsidies-ira-joe-biden-emmanuel-macron-summit-ttc/> on 20 January 2023.



to every possible question, as its proponents argue? If immediately before the war the concept of European sovereignty was interpreted expansively and even excessively, this brief argues that the goal today must be to revisit it from a clearer perspective, replacing oversized ambitions with realistic expectations as to what a sovereign, strategic EU can achieve.

This brief will assess how the idea of European sovereignty has evolved since it first surfaced in official EU discourse. It begins with a theoretical discussion to show that European sovereignty still remains a largely undefined, contradictory and fragmented concept. Building on this, the brief then discusses how early definitions of European sovereignty have been proven wrong by recent developments, but also how the idea is still relevant in a world shaped by the war in Ukraine and looking for an adequate response to the constant rise of China. The final section summarises these discussions and offers suggestions about how EU policymakers should think, talk and apply the concept of European sovereignty in the coming years.

What does it mean to be sovereign?

Sovereignty is one of the most important and contested terms in international relations.⁵ Historically, it is linked with the era of modernity and its attendant institutions, of which the main one is the state.⁶ But the meaning of sovereignty is never fixed in terms of the expectations attached to it and its subjects. Indeed, the latter question—who is sovereign?—is at least as important as the question of what sovereignty entails.

The idea of integrated political rule over a specific territory is relatively novel, as for most of human history authority has been divisible, layered and shared horizontally, across space, and vertically, across levels of power. Sovereignty on the other hand promised a streamlined and effective exercise of authority, which was vindicated in the gradual imposition of the centralised state over other forms of political rule such as empire.⁷

⁵ For a comprehensive critical overview of the concept and its many meanings and uses, see H. Kalmo and Q. Skinner (eds.), *Sovereignty in Fragments: The Past, Present and Future of a Contested Concept* (Cambridge: Cambridge University Press, 2010).

⁶ N. G. Onuf, 'Sovereignty: Outline of a Conceptual History', *Alternatives* 16/4 (1991), 425–46.

⁷ H. Spruyt, *The Sovereign State and Its Competitors: An Analysis of Systems Change* (Princeton: Princeton University Press, 2006).



Sovereignty is multifaceted. Internal sovereignty embodies the modern understanding of the territorial state as an integrated authority that has the monopoly on force within its borders. External facets of sovereignty include freedom from external influence, autonomy of action and even autarky.⁸ Thus, claims to external sovereignty, such as the EU's 'strategic autonomy', are always a subset of a broader project, as external and internal dimensions of sovereignty are inherently linked.⁹

Sovereignty is never a given or static, but has evolved throughout history. The idea of sovereignty as absolute and inviolable, for example, only became dominant after the nineteenth century. And even then, it remained bounded by understandings of values and standards of civilisation that had to be respected.¹⁰ If sovereignty, then, is often presented as an absolute, in practice its ideological content is constantly contested domestically while being constrained internationally by generally accepted standards of the appropriate exercise of political rule.

If the question of *what* sovereignty means is inherently political and open-ended, so too is the question of *who* is sovereign. In the modern era, this question has mostly received two answers. One is the *state*, an impersonal organisation holding an exclusive monopoly of authority over a population within a certain territory. The other is the *people*, in whose name decisions are made. While these two answers are in one sense antithetical, in another they betray a common unitary mindset—the idea that there is no space for multiple and overlapping claims to authority within a territory. Despite their differences, both state and popular sovereignty express a fundamentally anti-pluralist view of authority.

Both conceptions of sovereign subjects are obviously complicated for a political entity built on the principles of multilayered governance such as the EU. On the one hand, there is no federal European government akin to the US government in Washington, DC. On the other, despite talk of a common European public sphere, there is also no 'European people' as the source of political legitimacy for the EU—according to its treaties, this lies in its member states. Logically, any discussion of 'European sovereignty' should invoke one or other of these two entities on a pan-European level, yet the EU is clearly in no position politically or legally for this to be the case.

⁸ S. D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999).

⁹ D. Philpott, 'Sovereignty: An Introduction and a Brief History', *Journal of International Affairs* 48/2 (1995), 353–68.

¹⁰ L. Glanville, 'The Myth of "Traditional" Sovereignty', *International Studies Quarterly* 57/1 (2013), 79–99.



Finally, any discussion of sovereignty must acknowledge that, as was well recognised by legal theorists in the twentieth century, it contains a paradox: it endows a certain actor with supreme authority, while at the same time expecting (or hoping) that actor to be constrained by law. Nationalist and reactionary thinkers resolved this dilemma in the interwar period by invoking the absolute power of the sovereign state that acts in the name of a homogeneous nation, dispensing with the law altogether, a view that is of course patently inconsistent with the EU's values today.

The liberal/progressive alternative of sovereignty as vested in the rule of law is no less problematic, however. It also necessarily adopts the logic of an absolute authority with both the ability to create rules for others and the privilege to decide when only itself can be exempted from them. Thinking of a legal system as a sovereign may appear benign in comparison to a totalitarian state. But, especially in moments of crisis, sovereignty endows this system with the same exclusive right to 'authorise itself as the authority'¹¹ that totalitarians apply to the state. Even if one understands the EU as such a complex system of law, for it to proclaim itself 'sovereign' would drastically change the nature of European integration.

In sum, the idea of sovereignty is inherently contested and constructed. Its internal and external facets are mutually interconnected and reinforcing. It is not an objective condition or goal in itself, but expresses ulterior ideological understandings about the nature and purpose of a political community. Finally, unitary sovereignty claims (even seemingly progressive ones centred around the law or the people) entail a conception of power as absolute, exclusive and self-contained.

All of the above show that the sovereignty debate is very complex for the EU. On the one hand, understood purely in terms of external autonomy, the EU's effort to protect itself from external interference is not an unreasonable goal.¹² As a voluntary union of 27 nation-states that have transferred parts of their own sovereignty to it, the EU can legitimately claim to embody a collective expression of its constituent units' desire to protect themselves from external interference and maintain their ability to make decisions for themselves.

But at the same time, any discussion of external sovereignty necessarily has implications for power inside the EU as well, for it raises the question of who the 'sovereign' is. Recent rhetoric and action by European leaders shows that

¹¹ H. Suganami, 'Understanding Sovereignty Through Kelsen/Schmitt', *Review of International Studies* 33/3 (2007), 511–30.

¹² H. Thompson, 'The Case for External Sovereignty', *European Journal of International Relations* 12/2 (2006), 251–74.



external autonomy is increasingly understood as part of an agenda to further strengthen the prerogatives of EU institutions internally,¹³ especially in the areas where member states still hold some sway.¹⁴

The idea of European sovereignty thus links the external goal of autonomy with major questions about power and authority inside the EU. If it is true that the new geopolitical context calls for a thorough re-evaluation of the EU's character and abilities as an international actor, it is paramount to think how this can be achieved without jeopardising its unique nature as a complex and diverse system of governance. Not only this, but as the subsequent sections will show, it is these unitary and crude conceptions of sovereignty aimed at centralising power inside the EU that precisely undermine the external goal of autonomy as well.

What proponents of European sovereignty previously got wrong

The EU can (and should) seek an autonomous course outside the transatlantic framework

Arguments in favour of European sovereignty and autonomy have rarely been expressed outright in terms of a de-alignment from the transatlantic relationship, not least because to do so would immediately cause a backlash from Atlanticist EU members. Having said that, the context in which the European sovereignty debate has emerged has made it difficult to avoid the impression that, since 2016, sovereignty and autonomy have primarily been defined in juxtaposition to the US.¹⁵

Arising during the Trump presidency, the desire for European sovereignty could be articulated as the EU's response to what was seen at the time as a global confrontation between populism and liberalism. In this context, the new French President Emmanuel Macron, elected in 2017 after defeating Marine Le Pen, jumped on the opportunity to adopt the concept of European sovereignty and present it as a counterweight to the global populist wave.

¹³ S. Barbou des Places, 'Taking the Language of "European Sovereignty" Seriously', *European Papers* 5/1 (2020), 294.

¹⁴ For instance, in foreign affairs. See J. Mintel and N. von Ondarza, *More EU Decisions by Qualified Majority Voting—But How?*, Stiftung Wissenschaft und Politik (Berlin, 2022), accessed at https://www.swp-berlin.org/publications/products/comments/2022C61_EUQualifiedMajorityVoting.pdf on 20 January 2023.

¹⁵ P. Järvenpää, C. Major and S. Sakkov, *European Strategic Autonomy: Operationalising a Buzzword*, International Centre for Defence and Security (Tallinn, 2019).



The ideological proclivities of politicians such as Macron, however, were not the only reason for European sovereignty to be defined in anti-Atlanticist terms. The shock of Trump's election and the permanent deadlock in Washington challenged the perceptions of even pragmatic Europeans. It was well known, for instance, that Angela Merkel had come to the conclusion that the US was a terminally unreliable partner and that Trump's election was not an accident but a sign of deeper structural changes in US politics, society and foreign policy.¹⁶

In security and defence, the call for European strategic autonomy had always been ripe for adoption by anti-Atlanticist ideologues.¹⁷ But Trump's tariffs and the dynamics of rising technological competition helped to expand this logic to other policy areas. While Covid and the resulting global scramble for medical equipment and vaccines, as well as the persistence of Trump's protectionist measures under new US President Biden, reinforced the anti-Atlanticist instincts of some proponents of European sovereignty, the outbreak of war in Ukraine dealt these ideas a fatal blow. With one swing, Russia's invasion reminded Europeans of their vulnerability outside the protection of the US umbrella.¹⁸

While the EU has been relatively quick and effective in mobilising a variety of diplomatic, economic and even military tools to support Ukraine, it has become clear that, as things stand now, only NATO provides an adequate guarantee against Russian aggression. Already reticent about the impact of ideas of sovereignty and autonomy on transatlantic relations, EU members with a fear of Russian expansionism feel vindicated in their hesitation.

As the war has vividly embodied the clash of values and ideas between the democratic West and its authoritarian adversaries, any lingering differences between the EU and the US appear very small indeed by comparison. In this context, European strategic autonomy cannot mean more than the development of EU capabilities as essentially complementary to transatlantic security, not antagonistic to it.¹⁹ For some, broader talk of European sovereignty has proven to be an unnecessary distraction in the face of Putin's efforts to undermine

¹⁶ T. Benner, 'The Undeniable Pessimism of Angela Merkel', *Foreign Policy*, 14 July 2021, accessed at <https://foreignpolicy.com/2021/07/14/the-undeniable-pessimism-of-angela-merkels-worldview/> on 20 January 2023.

¹⁷ Gvosdev, 'Why NATO Must Transform for the Twenty-First Century'.

¹⁸ Friedrich Ebert Stiftung, *The Return of the West? Thirty Years of the 'End of History'* (New York, December 2022), accessed at <https://library.fes.de/pdf-files/international/19816.pdf> on 20 January 2023.

¹⁹ A convincing analysis of this understanding of strategic autonomy is carried out in J. Howorth, *Strategic Autonomy: Why It's Not About Europe Going it Alone*, Martens Centre (Brussels, 2019). For a recent policy document reflecting this logic, see C. Michel, U. von der Leyen and J. Stoltenberg, 'Joint Declaration on EU–NATO Cooperation' (10 January 2023), accessed at https://www.nato.int/cps/en/natohq/official_texts_210549.htm on 25 January 2023.



Western unity with military, energy and ideological tools. The new reality is, quite simply, that any vision of a sovereign Europe is not viable if presented as equidistant between East and West.

Everything is about sovereignty

European sovereignty has been presented as a concept that can integrate EU thinking and action across politics, defence, economics and other policies. The ultimate objective is for the EU to reach the point where it could act coherently across all these areas, using a variety of tools to achieve its objectives and with policies in all areas supporting others in working towards common goals.

However, after its introduction the concept of sovereignty very quickly became expansive, appearing in an ever-increasing number of policy areas. Thus, the EU at times has been said to be pursuing everything from digital²⁰ and technological²¹ to vaccine²² and even food²³ sovereignty (or autonomy, depending on the choice of words). Once identified with the principles of open economic exchange, the EU began to articulate its trade objectives as strategic goals. The objections of liberal member states forced the EU to strike an uneasy, and contradictory, compromise by adopting the convoluted goal of ‘open strategic autonomy’ in its trade policies.²⁴

The drawback of making everything a question of sovereignty, however, is that it sets an impossible benchmark for success. Strategically consistent action across all external and domestic policies is certainly an objective for all great powers, but in practice even unified nation-states routinely fail to meet this standard. This is all the more difficult for a heterogeneous union containing a multitude of strategic traditions and priorities.

The reality is that today no international actor, including global and regional powers, is fully sovereign and autonomous. Being strategic cannot mean striving

²⁰ H. Roberts et al., ‘Safeguarding European Values With Digital Sovereignty: An Analysis of Statements and Policies’, *Internet Policy Review* 10/3 (2021), doi:10.14763/2021.3.1575.

²¹ F. Crespi et al., ‘European Technological Sovereignty: An Emerging Framework for Policy Strategy’, *Inter-economics* 56/6 (2021), 348–54.

²² K. Adler, ‘Covid: Why Is EU’s Vaccine Rollout So Slow?’, *BBC*, 29 January 2021, accessed at <https://www.bbc.co.uk/news/world-europe-55844268> on 20 January 2023.

²³ L. Cristobal, ‘Madrid to Push for EU Strategic Food Autonomy, Says Agriculture Minister’, *Euractiv*, 18 January 2023, accessed at www.euractiv.com/section/politics/news/madrid-to-push-for-eu-strategic-food-autonomy-says-agriculture-minister/ on 11 May 2023.

²⁴ European Commission, ‘What Is Open Strategic Autonomy?’, accessed at https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc_159434.pdf on 20 January 2023.



for an idealised standard of self-sufficiency across the board, but should mean being able to manage interdependence, drawing benefits from it while preparing for contingencies or disruptions. And sovereignty and autonomy cannot resolve inevitable contradictions without a prior agreement on the objectives and values of EU external policies. Merely being ‘autonomous’ is not a substitute for a basic agreement on what the EU stands for in the world and what its core interests are.

Energy is an instructive example. Despite successive crises of supply and geopolitical tensions with Russia since the mid-2000s, the EU (under German leadership) continued to tap into its energy resources in a way that made objective material sense in terms of pricing and vicinity. Perversely, this choice could plausibly have been presented as something that, divorced from any normative considerations of European values and their incompatibility with the Kremlin regime, was literally ‘strategic’. The war in Ukraine, of course, has shown that defining sovereignty based purely on crude cost–benefit calculations is not just morally questionable but also strategically myopic.

This is just one example of why viewing all EU action through the lens of sovereignty is far from a blanket solution to the puzzles of European foreign policy. Not only does it set an impossible benchmark for strategic action, it also dictates a single-minded approach that neither satisfies EU interests in all policy areas nor takes EU values and ideals seriously.

Sovereignty necessarily means a more centralised EU (and this is what citizens want)

Behind the idea of European sovereignty lay a shrewd political calculation: by usurping a concept associated with Euroscepticism and populism, the EU could beat populists at their own game and hijack their promise of sovereignty. This idea was encapsulated in Emmanuel Macron’s definition of European sovereignty as a ‘Europe that protects’.²⁵

With this powerful rhetorical twist, Macron linked economic concerns about globalisation with cultural concerns about immigration. Emerging from the eurozone and refugee crises of the 2010s, which had generated waves of both

²⁵ Z. Young and N. Vinocur, ‘Macron Criticizes “Ultra-Liberal” Europe’, *Politico*, 6 November 2018, accessed at <https://www.politico.eu/article/french-president-emmanuel-macron-criticizes-ultra-liberal-europe-calls-for-eu-army/> on 20 January 2023.



left- and right-wing populism, the EU could show that it understood the call from citizens for ‘protection’ against outside forces.²⁶

While this idea paid dividends, not least for Macron’s electoral victories over Marine Le Pen, in practice it has proven problematic. European sovereignty was introduced as an external-facing concept and to that extent it indeed addressed popular concerns about immigration, security threats such as terrorism and economic competition with other global powers. The implicit promise was that sovereignty from outside forces would safeguard Europe’s distinctive socio-economic model and diversity.

Since 2019, however, European sovereignty has increasingly been construed as a project to centralise political and economic power within the EU. The logic is familiar: for the EU to be effective, it has to act more ‘with one voice’, and ‘more Europe’ is the solution to every problem.²⁷ It is in this sense, for example, that bigger member states and the Commission are currently clamouring to turn EU competition policy from a tool protecting the common market from non-European actors into a de facto pan-European industrial policy supporting ‘European champions’. The ambiguity of sovereignty has allowed for the goal of protection to be supplanted by that of competitiveness, reflecting the interests of specific (big) states and economic players.

Although ‘more Europe’ is often seen as a way to deliver on the wishes of citizens, a more centralised EU may end up failing the tests of both effectiveness and legitimacy. It is not only that actions associated with European sovereignty create major (although rarely discussed) questions of control and accountability—witness the advertised ‘Hamiltonian’ Covid-19 recovery fund that has seen the Commission manage debt in the name of member states while gaining unprecedented powers of control and intervention in national politics. It is also that the Commission wants new powers in the name of efficiency but deflects criticism when it fails to deliver.²⁸

In a hybrid system, this transfer of authority to a supranational actor with little justification beyond a mechanistic understanding of effectiveness can only presage a major crisis of public trust when that actor inevitably fails to fulfil its over-ambitious agenda. This is all the more likely since, while the EU constantly

²⁶ Barbeau des Places, ‘Taking the Language of “European Sovereignty” Seriously’, 290.

²⁷ V. Roeben and J. Snell, ‘The German or French Way? International Interdependence vs European Sovereignty’, *UK in a Changing Europe*, 10 November 2022, accessed at <https://ukandeu.ac.uk/the-german-or-french-way-international-interdependence-vs-european-sovereignty/> on 20 January 2023.

²⁸ See, for example, how the Commission responded to criticisms of its handling of Covid-19 vaccine procurement: *The Economist*, ‘How Europe Dodges Responsibility for its Vaccine Fiasco’ (3 February 2021), accessed at <https://www.economist.com/europe/2021/02/03/how-europe-dodges-responsibility-for-its-vaccine-fiasco> on 20 January 2023.



seeks more powers, the absence of both an effective European public sphere and direct processes of democratic control and accountability at the European level means that democratic sovereignty is being eroded at the national level without being effectively reconstituted at the supranational one.²⁹

What proponents of European sovereignty are still right about

Economic policy is a critical component of security

In the first two decades after the end of the Cold War, most in the West were content to view economic policy as a matter for technocrats and the globalised market. International economic interdependence was an unalloyed good and it was thought that globalisation would eventually lead to ideological convergence around the world. As a result, markets and economics were largely seen as depoliticised and insulated from security and geopolitics. The EU espoused this perspective internally, with its single market, and externally, with its support for trade liberalisation and interdependence across the globe. In this period, the EU's most ambitious foreign policy initiative was its enlargement, a far-reaching project of exporting its rules-based liberal economic order.

However, the EU today faces a very different international environment where the geopolitical reading of economic and regulatory issues is spreading rapidly, not only among non-Western challengers of the liberal economic order such as China, but also in the very heartland of that order, the US. The Trump presidency was a watershed moment, although the ease with which many of his geo-economic ideas were adopted by much of the policy establishment in Washington suggests that Trump's election was symptomatic of deeper underlying processes and ideas that were already percolating through US politics. Geopolitical competition with China, the closing economic gap between the US and other major powers, and the rise of digital and green technologies as new frontiers for geopolitical competition³⁰ have all conspired to undermine the spirit of an open global economy.

²⁹ S. Bartolini, *Restructuring Europe: Centre Formation, System Building, and Political Structuring between the Nation State and the European Union* (Oxford: Oxford University Press, 2005); P. Mair, *Ruling the Void* (London: Verso, 2013).

³⁰ M. Champion, 'What Countries Will Fight Over When Green Energy Dominates', *Bloomberg*, 16 March 2021, accessed at <https://www.bloomberg.com/news/features/2021-03-16/what-countries-will-fight-over-when-green-energy-dominates> on 19 January 2023.



The EU may not have created this situation but it must respond to it. In this sense, European sovereignty is indeed a powerful concept. By building on the pre-existing debate over strategic autonomy in security, the concept of European sovereignty can be transposed to economic, technological, environmental and other regulatory issues. In this way, it bridges, to use the legal terminology used prior to the Lisbon Treaty, the old first (economy and single market) and second pillars (foreign and security) of EU governance, two areas that up until recently had been seen as largely separate. European sovereignty frames elements of the EU's socio-economic and technical governance in geopolitical and security terms, and calls upon EU foreign and security policy to incorporate economic and regulatory considerations. As such, it is a concept in tune with our times.

The resistance to this geo-economic vision of European sovereignty among economic liberals is understandable.³¹ European sovereignty can be used as an excuse to push aside the principles of the single market; oppress smaller states and firms in the name of ambitions to create European champions; and move power away from the member states and towards Brussels institutions bound by imperfect structures of oversight, representation and accountability.³²

This all is true. But the EU is not creating this new reality of 'weaponised interdependence',³³ revival of industrial policy, covert and overt protectionism, and great power competition for new technologies, data and resources. Even against its own instincts, however, the EU must respond. The precise content of European sovereignty may still be indeterminate, but at the very least the concept describes an inescapable reality: that the traditional areas of strength of the EU—the economy, trade and technocratic regulation—now have important security and geopolitical repercussions.

If it is directed primarily at the external environment of the EU, European sovereignty leaves the question of domestic governance largely up to interpretation and contestation. Economic liberals must engage with it, if anything, to keep it from being monopolised by centralisers and protectionists. It should be possible to rearticulate European sovereignty as a tool to safeguard the EU's decentralised domestic character, while acknowledging the strategic nature of international economic and technological policy.

³¹ Roeben and Snell, 'The German or French Way?'

³² M. Bauer and F. Erixon, *Europe's Quest for Technology Sovereignty: Opportunities and Pitfalls*, ECIPE Occasional Paper 2/2020.

³³ H. Farrell and A. L. Newman, 'Weaponized Interdependence: How Global Economic Networks Shape State Coercion', *International Security* 44/1 (2019), 42–79.



EU and US interests do not align naturally anymore

The war in Ukraine may have put on hold any adventurous ideas about the EU de-aligning from the US, but this does not mean it has unequivocally revived the spirit of the transatlantic community. The war may have reminded us that there is much that divides the EU and the US from autocratic challengers in the East, but recent developments also show that there is still much more that divides the EU from the US than in the past. Finding a balance between maintaining a common transatlantic front against Russian aggression and Chinese assertiveness, and safeguarding a distinctly European conception of its own interests is a difficult act indeed. But it is vital.

Since early 2022, the US has been much more effective in sheltering itself from the worst effects of the Russian invasion. The EU on the other hand has borne the brunt of the consequences. It has undertaken successive rounds of sanctions at significant economic cost, it faces a steeper increase in energy prices than any other region in the world, and it is in danger of losing industrial production due to rising costs and inflation. Of course, this impact was factored in when the EU decided to stand up to Russian aggression. One could also argue that the EU's woes are due to its inability to adopt effective common solutions against the effects of the crisis, as in the case of the impasse over a gas price cap.

Yet it is also true that in all these ways the US could have assisted the EU more. Cutting off dependency from Russian gas has reoriented the EU, leading to it importing more expensive American liquid natural gas. While the move away from Russian gas was long overdue, the US has made little effort to assist the EU with this painful transition. It is also since the outbreak of the war in Ukraine that the Biden administration has decided to adopt protectionist measures that directly hurt Europe, the most egregious example being the Inflation Reduction Act.³⁴

Some defenders of the transatlantic relationship maintain that at least the Biden administration is not motivated by explicit malice towards Europe, as was the case with Trump. But in a way, Biden's attitude towards Europe is worse than hatred: it is indifference. The US appears to be single-mindedly pursuing its key interests—standing up to China and shoring up its domestic economy—while completely disregarding those of the EU. The exit from Afghanistan without any prior consultation with NATO allies, the AUKUS bombshell, the persistence of Trump-era protectionist measures, and a rhetoric of 'Buy American' and 'foreign

³⁴ Scott, Moens and Palmer, 'Bitter Friends'.



policy for the American middle class' all are examples of the Biden administration conducting foreign policy with an eye explicitly on the populist threat within US society rather than on the needs of its allies.³⁵

One could counter that there have been transatlantic rifts before, for instance, during the Iraq War in 2003. But recent tensions have revealed a systemic change in how the US views the relationship, one that ultimately flows from changes inside the US itself. Ideological trends in both big US parties, with polarisation around identity politics, point to a fracturing of America's self-perception as a liberal Western power on the international stage. Ongoing demographic and value changes, with the strengthening of both the illiberal left and right in US society, point in the same direction.

Many Europeans still hold an overly idealised view of the US, especially progressives enthralled by the Democratic Party and the cultural products of the progressive American establishment. The notion of European sovereignty is an important corrective to these submissive instincts, providing the mental roadmap for a healthy relationship with the US based on an honest assessment of what unites the two sides and, most importantly, an understanding that the EU has its own interests (securing itself in an uncertain neighbourhood, protecting its economic prosperity, safeguarding its internal unity) and will be vigilant in promoting them.

This vigilance can and must coexist with a strong security relationship in facing up to Russia, terrorism and other threats; frequent and honest cooperation on a variety of global issues, such as climate change; and a strong mutual commitment to democracy and liberal values. But the issues that unite the US and the EU must not become excuses for European complacency or subordination.

The EU needs a new foreign policy identity

The war in Ukraine has brought about a renewed mobilisation of the concept of the 'West'. Donald Trump had already initiated a trade war with Beijing and Joe Biden has cast opposition to China as the global struggle of an 'alliance of democracies' against authoritarianism. Both logics seek to mobilise allies against the enemies of the West. Each, however, understands the 'West' in very different ways. The implications of both for the EU are quite concerning.

³⁵ N. Vinocur, 'Biden Keeps Ignoring Europe. It's Time EU Leaders Got the Message', *Politico*, 25 November 2022, accessed at <https://www.politico.eu/article/joe-biden-ira-inflation-reduction-us-ignores-eu/> on 19 January 2023.



The identity of the West has long been undergoing a fundamental restructuring. The post–Second World War West merged two different understandings: one of a civic political identity, embodying universal values based on a specific model of political and economic rule; and one of a cultural identity, which saw these values and institutions emerging from and steeped in a specific historical, cultural and spiritual context in Europe and North America. These two understandings underlined both the international confidence and the strong internal consensus of Western liberal democracies.

This consensus has today, as we well know, been shattered. The populist right is challenging the notion that Western values are universal by presenting them as part of an exclusive ethnic, and even racial, identity. The illiberal left presents any effort to underpin international politics with universal values as inherently colonialist and oppressive. Thus, the civic and the cultural understandings of the West have become dissociated and even antithetical to each other.

Trump doubled down on the exclusivist, civilisational understanding of the West. This vision of an ‘alt-West’ was appealing to European right-wing populists, although some of them felt uneasy about Trump’s equivocation towards Russia.³⁶ Were the EU to subscribe to this vision, it would not only be committing to a perpetually confrontational relationship with China and the Muslim world, but would also be undoing the civic values upon which the European integration project has been built.

Since entering office, Biden has tried to find a balance between the Trumpian culturalist vision and the radical relativism of the illiberal left that rejects both the civic universalism and cultural rooting of the West. Biden’s response on the international level has been to project the US establishment’s anxiety about the future of American democracy by articulating the geopolitical competition with China and Russia as a fight against autocracy. The initial concept that underwrote this reassessment of the Western identity was his ‘alliance of democracies’, through which he tried to connect the old transatlantic alliance with democratic states in other parts of the world, especially Asia.³⁷

Although more attuned to its civic and liberal values, an alliance of democracies in a binary ideological struggle against Eastern autocracies is not any less problematic for the EU than the racialised alt-West. In both cases, Europe

³⁶ A. Chryssogelos, *Is There a Populist Foreign Policy?*, Chatham House (London, 2021).

³⁷ R. Haas, ‘Ten Lessons From the Return of History’, *Project Syndicate*, 13 December 2022, accessed at <https://www.project-syndicate.org/commentary/ten-international-relations-lessons-of-2022-by-richard-haas-2022-12> on 20 January 2023.



is bound to be on the front line of a new global confrontation and subject to US leadership and the fluctuations of the permanent crisis in American democracy. If the Trumpian alt-West is Atlantic-centred but fundamentally illiberal and chauvinist, a global alliance of democracies intensifies the shift away from the Atlantic and towards the Indo-Pacific, turning Europe into a mere link in a trans-continental, trans-oceanic chain of US-led alliances encircling the authoritarian powers of Eurasia. The Trumpian West might have been distasteful, but there the EU at least maintained its centrality. The civic alliance of democracies, on the other hand, threatens to literally peripheralise Europe.

The EU is thus forced to establish its own strategic identity in order to maintain its relevance internationally, while fostering unity at home. To avoid a US-style polarisation in its politics, it must pick up the pieces of the fractured West (civic as well as cultural) and reassemble them in a new robust conception of Europe's distinctiveness and place in the world. By combining Europe's geopolitical and economic interests and civic values with a distinct sense of its historicity and culture into a coherent identity in need of protection, European sovereignty can play this role.

An instruction sheet for European sovereignty

The above analysis shows that, when assessing the EU's sovereignty claims, it is important to unbundle their external and internal dimensions. Most shortcomings in how the concept of European sovereignty (and associated ideas such as 'strategic autonomy', 'geopolitical Europe' etc.) is thought about, articulated and deployed stem from a conflation of the legitimate objective of protecting European interests from external forces with the agenda of the domestic institutional, political and economic centralisation of the EU. This conflation is not only questionable for the internal European order. It also overstretches the ambitions of the EU and sets it against the impossible benchmark of a self-sufficient sovereign with perfect strategic foresight.

The point of sovereignty, of course, is that it links the external and internal dimensions of a polity's purpose and identity. The goal of European sovereignty is not reducible to external autonomy; it necessarily involves articulating a conception of political authority inside the EU as well. This brief does not argue against the idea of sovereignty in general. Rather, it argues against the use of the legitimate goal of external sovereignty to impose a simplistic, uniform and centralising vision of internal political rule, presented as the only logical



and inevitable model of sovereignty the EU can strive for. As we have seen, sovereignty is an inherently fluid concept. The EU must dare to reimagine it in a way that does justice to the core norms and values of the integration project.

A related temptation that must be resisted here is the conceit that ‘this is what European citizens want’. This is a self-serving interpretation of the willingness of Europeans to see the EU being more effective in defending its interests against geopolitical, economic and ideological foes internationally. This optimistic perspective of the EU among its citizens only seems to have been bolstered by the war in Ukraine. But it would be wrong to equate this willingness to make the EU stronger externally with *carte blanche* to centralise it internally, as the current leadership of EU institutions is attempting to do by presenting every crisis that comes its way—the pandemic, the war in Ukraine, the energy transition—as proof that more centralisation is needed.³⁸

Sovereignty is a powerful normative argument and policy guide. However, it must be used with both caution and originality. Below are some suggestions about what this might mean in practice.

How to speak about European sovereignty I: emphasise the external dimension

European sovereignty must be emphasised primarily in terms of its external-facing functions. The ‘Europe that protects’, as articulated by Emmanuel Macron, is a useful guide here. The EU has already invested in elements of protection that European citizens are concerned about, most notably to reduce illegal migration. This has been necessary in order to undermine the support for right-wing populists, and in recent years has been yielding some tangible, if modest, results. Of course, when speaking about ‘protection’, Macron did not only have illegal immigration in mind, but also the distinctly French protectionism that economic liberals understandably mistrust. However, economic sovereignty need not mean protectionism in the traditional, unproductive sense of the word. The EU’s internal market can work only to the extent that all its participants (including non-Europeans) adhere to a set of robust rules ensuring a level playing field. Faced with the questionable practices of gigantic non-European tech corporations and a subsidy race in the US and China, *protecting* the internal market and its European participants is indeed a worthy free-market goal.

³⁸ This point is made very forcefully, and backed up by significant empirical data, in F. O. Reho and A. Blanksma Ceta, *Standing in Unity, Respecting Diversity: A Survey Into Citizens’ Perspectives on the Future of Europe*, Martens Centre (Brussels, 2022).



How to speak about European sovereignty II: be realistic and modest

The EU must be careful to protect the idea of external sovereignty from maximalist objectives. One expansive understanding of sovereignty is, for example, the obsession with what is essentially autarky. This is evident in the preoccupation with reshoring supply chains and the intention to redirect large sums of money, some of it sourced from new joint borrowing, to support the homegrown development of green and digital technologies. This logic of sovereignty-as-autarky, however, is so ambitious it becomes self-defeating. It overlooks for example, the fact that, despite proclamations by US and Chinese policymakers, even these global powers with their continental domestic market size remain fundamentally interconnected with other economic players (and not least, each other). Decoupling, if and when it occurs, will not be painless for anyone who seriously pursues it—as the EU is realising all too well today as it undergoes its own process of decoupling from Russian energy. Adopting over-ambitious goals without honestly acknowledging the costs of getting there, or without actually having the ability to deploy adequate resources for them, only lays the groundwork for the next major crisis of EU legitimacy.

Build policies of sovereignty on existing strengths, and protect existing accomplishments

For the EU to protect itself economically, the first port of call must be the effective external deployment of its existing domestic rules. The EU's powerful competition regime can protect the single market from the external distortions arising from foreign subsidies and anti-competitive practices. The foreign subsidies regulation,³⁹ a new anti-coercion instrument⁴⁰ and foreign-direct-investment screening mechanisms also serve this goal and, as such, represent the original idea of economic sovereignty at its finest: refashioning existing regulatory and market-based tools to meet new external challenges.

However, at the same time as the EU is seeking to protect its internal market from foreign subsidies and state-backed corporations, its regulatory authorities are under immense pressure from the larger member states to loosen its domes-

³⁹ A. Beattie, 'Brussels Sharpens a Weapon That Might End up Spearing Its Friends', *Financial Times*, 18 July 2022, accessed at <https://www.ft.com/content/b3a41c87-ff37-49e6-8967-4120730179b5#comments-anchor> on 20 January 2023.

⁴⁰ M. Duchâtel, 'Effective Deterrence? The Coming European Anti-Coercion Instrument', *Institut Montaigne*, 2 December 2022, accessed at <https://institutmontaigne.org/en/expressions/effective-deterrence-com-ing-european-anti-coercion-instrument> on 11 May 2023.



tic competition regime in order to allow more state aid and the development of European champions. This inconsistency severely undermines the EU's moral case to protect its market from foreign state-backed companies, while also means that it is entering a subsidy race to the bottom against the US and China that it is highly likely to lose.⁴¹ The most this agenda will accomplish is to skew the balance of power inside Europe against smaller states and companies, with all the attendant discontent this would cause in the EU's northern, eastern and southern peripheries. Rather than thinking of ways to bypass the rules of the single market to artificially boost the size of some economic players, the EU must instead focus on the still-unfinished business of market integration upon which economic growth genuinely relies, such as its still-incomplete capital markets union.⁴²

Being strategic means pursuing one's own interests and values, not reacting to those of others

Even if the world is now in an era of weaponised interdependence, this does not mean that the EU must make the actions of others the benchmarks for its own policies. If it is dependent on other countries for crucial components of the modern economy such as semiconductors, what is often unacknowledged is that these countries are themselves dependent on European firms for crucial components in their own supply chains as well. Rather than adopting the quixotic goal of replicating global supply chains inside Europe, the EU must instead leverage its comparative advantages in multiple supply chains while carefully assessing its dependencies and evaluating alternatives and the diversification of its imports.⁴³

Of course, the EU must be vigilant against the geo-economic actions of others. The current controversy over Biden's Inflation Reduction Act and its extensive subsidy programme vindicates one argument in favour of European sovereignty, namely that the EU cannot take the US for granted as an economic ally, even if the war in Ukraine has regenerated the two sides' strategic and military alignment. Responding to some of the protectionist policies of the US with its own calibrated and proportionate countervailing measures may be inevitable for the EU in the immediate future. But before the EU too easily adopts the US advice to simply follow it down the path of a state-directed economy, it must ex-

⁴¹ S. Stolton and P. Haeck, 'Europe Embarks on Subsidy Race It Can't Win', *Politico*, 1 February 2023, accessed at <https://www.politico.eu/article/europe-subsidy-green-deal-industrial-plan-state-aid/> on 15 February 2023.

⁴² V. Dombrovskis, F. Timmermans and M. Vestager, 'Europe Cannot Afford to Engage Tit-for-Tat With the US', *Financial Times*, 26 January 2023.

⁴³ On semiconductors, see C. Miller, *Chip War: The Fight for the World's Most Critical Technology* (New York: Simon and Schuster, 2022).



plore ways to coordinate European and American economic measures in order to maintain openness between the two allies, while pursuing with renewed vigour traditional free-market objectives such as striking ambitious new trade deals with other countries.⁴⁴ Simply emulating the state-capitalist model of its rivals will not make the EU ‘strategic’ or ‘sovereign’. However, forcefully projecting its own model and values, even towards partners such as the US, would.

Redefine ‘European sovereignty’ as the protection of the EU’s internal diversity

If the EU understands the goal of external autonomy and protection from aggressive foreign competition as part of a broader agenda of sovereignty, it is imperative that it defines its internal dimension in a way that respects and preserves its polycentric and diverse character. In contrast to the centralising, and rather dystopian, instinct of making the EU itself some kind of a ‘sovereign’, the EU is in fact the sum of *27 pooled sovereignties* of states that have willingly submitted to a rules-based process of integration, wherein power is intentionally diffused and decentralised across multiple levels of governance. In this sense, the internal ‘sovereignty’ that the EU’s external autonomy is meant to protect is not a unitary European sovereignty but that of the multiple national societies that form part of it. Articulated in this innovative way—as a *single external sovereignty/autonomy* aimed at protecting the integrity of *multiple internal sovereignties*—European sovereignty could become a powerful political argument.

This is not a purely values-driven goal but also has very practical consequences. It could help to square the circle of developing effective responses to the subsidy race of its main economic rivals without compromising on the principles of competition and equity in the single market. For example, the fascination with the centralising conception of sovereignty has led European leaders to view the US push to support digital and green technologies as a set of subsidies that requires an equivalent response in terms of centralised spending by the EU itself. However, a major part of the US support handed out to green technologies is in the form of fast, easy and directly applicable tax breaks. The equivalent European response to this would not be the centralisation of public spending through new funds and subsidies, but the coordinated adjustment of the EU’s fiscal rules to allow member states more leeway to design and attract green

⁴⁴ This careful multi-tracked approach seems to be the Commission’s current preferred course of action. See S. Lynch, ‘Von der Leyen’s Davos Tightrope: Calm Europe, Reframe US Spat’, *Politico*, 17 January 2023, accessed at www.politico.eu/article/ursula-von-der-leyen-davos-calm-europe-reframe-us-spat/ on 27 January 2023.



investments.⁴⁵ A similar logic could be used for public investments in education and research to foster the local ecosystems out of which emerge the companies competing and succeeding in the single market.

Keep calm and pursue strategic autonomy

The war in Ukraine may have put a lid, probably for good, on over-ambitious ideas about the EU becoming a fully independent security actor outside the US and NATO umbrella. This means that the current juncture also provides an opportunity for the European strategic debate to go back to basics and accept that a strong European defence can only take place in a broader Atlanticist framework.

Despite the renewed commitment of the US to the European strategic theatre due to Russia's invasion of Ukraine, Europe should be under no illusions about the fact that the long-term orientation of the US is towards Asia and the Indo-Pacific. This makes the argument for an autonomous European defence more pertinent than ever for two reasons. First, as part of the intra-Western distribution of labour and as the US concentrates on Asia, the EU knows that it will soon have to assume more responsibility for its security, including its defence against a perennially disgruntled and aggressive Russia.

Second, the EU must be more ambitious about its autonomous international presence, especially in the new hotspot of the Indo-Pacific. Today the EU is present there primarily through the individual actions and deployments of some member states (especially France), and as part of a patchwork of minilateral groups with an interest in the region. This state of affairs fragments the autonomous presence of the EU in the Indo-Pacific and does not allow its member states to act as equal interlocutors with US-led structures such as the Quad. The volatility of Europe's presence in the Indo-Pacific became starkly obvious during the AUKUS debacle, when France was outmanoeuvred by the UK, in a rare diplomatic success for post-Brexit Britain.

Here too, the goal is not to antagonise or replace the US, but to demonstrate the EU's ability to be a serious security actor, allowing it to maintain its autonomous identity and pursue its distinct interests as an equal partner.⁴⁶ Just like maintaining

⁴⁵ M. Sandbu, 'The EU Should Welcome a Green Subsidy Race', *Financial Times*, 29 January 2023, accessed at <https://www.ft.com/content/cb8c5590-ad1f-4213-b8e1-ce4a41b76eaa> on 15 February 2023.

⁴⁶ M. Schneider-Petsinger et al., *Transatlantic Cooperation on the Indo-Pacific: European and US Priorities, Partners and Platforms*, Chatham House (London, 2022), accessed at <https://www.chathamhouse.org/sites/default/files/2022-11/2022-11-17-transatlantic-cooperation-indo-pacific-schneider-petsinger-et-al.pdf> on 20 January 2023.



a home defence against Russia, external power projection requires the EU to take the task of strategic autonomy seriously. This entails, among other things, finally leveraging the strengths of the common market for strategic purposes, for example, by integrating its defence industry and boosting its funding.⁴⁷

Be serious about enlargement again

There are few ways that the EU can demonstrate its strategic credibility more powerfully than becoming serious about enlargement again. The war in Ukraine has forced the EU to rekindle this debate. Given the magnitude of today's challenges, the EU simply cannot afford to prevaricate for reasons that often have to do with petty domestic politics—indeed, it is interesting that perhaps the biggest objections against enlargement emanate from France, the same country that, otherwise, loudly proclaims its support for a 'strategic' Europe. The EU will only be successful as a strategic actor once it completes this task, which includes the accession of not only Ukraine (along with Moldova), but also the long-tormented region of the Western Balkans, as well as Georgia, which would allow it to acquire a strategic foothold in the Caucasus.

Conclusion

Sovereignty is a multifaceted concept. For the EU it can be valuable in defining a new political purpose and reconnecting with its citizens. However, as this brief has argued, there are uses of sovereignty that can be counterproductive. Adopting an unsophisticated reading of the concept of sovereignty as it emerged during modernity—as an indivisible, uniform and centralised political rule over a certain territory—may end up harming the EU more than benefiting it.

Rather, the EU must enact and articulate sovereignty in a way that reflects its nature as a union of member states, national societies and socioeconomic models. The EU legal order is already de facto a system of concurrent and overlapping sovereignties that ensures no actor grows strong enough to oppress others. Ultimately, this nuanced understanding of sovereignty can fulfil the wish of European citizens to see both the national distinctiveness of their countries inside the EU and Europe's distinctiveness in the world preserved and defended together.

⁴⁷ M. Karnitschnig, 'Europe's Anti-American Itch', *Politico*, 30 November 2022, accessed at <https://www.politico.eu/article/eu-us-anti-american-biden-trade-gas-weapons-economy-inflation-reduction-act/> on 20 January 2023.



Contrary to the instincts of centralisers and their unitary conception of sovereignty, effective external European sovereignty must rely upon an idea of internal sovereignty that takes the EU's heterogeneity and diversity seriously; in other words, one European (external) and many national (internal) sovereignties working together and reinforcing each other. This understanding of a *sovereignty of sovereignties* is not only normative, but also highly practical, as it can help the EU to prioritise specific areas where it must seek strategic autonomy and act 'geopolitically'.

Moving up from the European to the international level, this understanding of multilayered sovereignty could help the EU articulate another important nuance, namely the idea that the EU's own sovereignty can coexist with its participation in a larger Western identity that embodies higher-order values in world politics. This idea of the West can, depending on the issue, encompass the classical transatlantic community or be broadened to include other like-minded democratic allies around the world.

This adds another layer with which the EU can engage to define its sovereignty: just as the EU contains and preserves multiple national societies that maintain their sovereignty through their participation in the Union, the EU promotes its interests and capacity of action within a broader Western community that must itself safeguard its values and interests in an increasingly challenging world. It is only this layered, differentiated and nuanced understanding of how sovereignty works inside the EU and globally that can guide effective strategic action.

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