European Strategic autonomy and Spain’s interests

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Theme

This paper aims to provide ideas to better understand the concept of European strategic autonomy as well as to make it match Spain’s interests, such as preserving an open economy and maintaining good relations with the US.

Summary

Recent events have once again highlighted the chance to make progress towards European strategic autonomy. This paper argues that taking this issue further entails neither protectionism nor isolationism, nor should it be understood in opposition to the transatlantic relationship. The goal is for the EU to be able to develop its own capacity for action and, as part of this, to be more prepared to continue working with the US and to better defend its traditional open and multilateral approach to the rest of the world. The analysis addresses the instruments and possible means for strengthening Europe’s strategic autonomy from a Spanish perspective.

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Analysis

This analysis aims to contribute ideas towards both a greater understanding of European strategic autonomy and how to make it match Spain’s interests. The Government already officially indicated how it understood the concept within the framework of the 2020 Spain-Netherlands non-paper, presented in March 2020. This paper aspires to contribute to the debate from the point of view of Spain’s own interests and, at the same time, make further progress in identifying the elements for a shared vision of strategic autonomy along with the Netherlands. Offering a joint reflection on this matter from two member states pertaining to different geographical parts of the EU, which are objectively so important (the fourth and fifth largest by GDP) and are especially concerned about the risks that economic divergences between countries represent for internal European cohesion and for the maintenance of the single market, constitutes a primordial pro-EU contribution in its own right.

It is not a matter of putting forward an alternative to the indispensable proposals set out by the Franco-German axis in this area, but rather devising a complementary proposal that, first, may help to assuage the doubts other capitals might harbour in relation to strategic autonomy (if they see the risk that this is skewed in such a way as to benefit French and German industrial interests) and, secondly, contribute to creating a synthesis between the divergent interests of Paris (more focused on European sovereignty) and Berlin (with its longstanding instinct of geopolitical proximity to the US). Nor is this in any way a proposal that is hostile to the transatlantic relationship. The European ‘autonomy’ that is posited here can continue to rest, as it has rested up until now, on the NATO system; a NATO more focused on the challenges that emanate from Russia and the new threats. In any event, the reflection is shaped by a desire to reduce the current strategic dependence, a goal that Washington also shares when it rightly urges its allies to take on more security and defence commitments.

Conceptualising strategic autonomy

European strategic autonomy is not a new concept. Indeed, it is not a subject that should cause controversy in Europe. It was used and approved for the first time by the Council in November 2013, to be subsequently developed in the EU Global Strategy, implementation of which was unanimously authorised by the 28 member states (including the UK) in November 2016. It was not questioned then, and there is no reason why it should be now (despite the protests of some central and eastern European countries).

The most immediate prior reaction to the Spain-Netherlands non-paper appears in the Conclusions of the European Council of 1 and 2 October 2020, which declare that ‘achieving strategic autonomy while preserving an open economy is a key objective of the Union’. Strategic autonomy is not an ambiguous concept. As the etymology of the word ‘autonomy’ suggests – autol/self and nomos/law- it refers to the capacity to live in

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accordance with our own (European) laws without these being affected by undue interference, attack or destabilisation from outside. Put another way, European strategic autonomy should ensure that the EU (and its member states) is not compelled by third parties to do what it is not disposed or does not want to do. It should also enable initiatives to be undertaken (alone or with others) independently of what other powers might pursue.

Our laws and values—national, European and international—are neither protectionist nor autocratic. Nothing could be further from the truth. Therefore, autonomy cannot be equated to autocracy or protectionism, or even independence (or, as is pointed out below, to sovereignty). In fact, Europe’s new commercial policy strategy precisely envisions an open strategic autonomy. Strongly rooted in the context of the EU, which in itself represents the most established model of multilateralism in history, the concept of strategic autonomy involves Europeans having the ability to live in accordance with their own laws by means of cooperation with third parties and, only when necessary, going it alone. Indeed, as far as the EU is concerned, autonomy and interdependence (although not dependence) are not contradictory. International relations are sometimes anarchic, but the anarchy attaching to zero-sum games can be restricted with relations that are win-win. It was the Europeans themselves who devised the first virtuous systems in this regard, although over the course of their history there have also been numerous examples of negative dynamics and, since 1945, a reality in which the continent has been subordinated to other great powers; despite the fact that one of them was its great ally.

However, the present authors maintain that Europeans will be better equipped to work with the US and their other partners when they are able to develop their own capacity for action. Thus the goal of autonomy should not be confused with acting ‘against’ or ‘without’; rather it is a case of acting together with our partners, from our own viewpoint and position and on an equal footing, fully aware of the advantages of interdependence.

The EU should choose to act unilaterally only as the second-best alternative. As was made clear in the Implementation Plan on Security and Defence, unanimously approved in November 2016, ‘Europe’s strategic autonomy entails the ability to act and cooperate with international and regional partners wherever possible, while being able to operate autonomously when and where necessary’.

In any event it is important to differentiate between autonomy (an instrumental concept) and sovereignty (an ideological principle that in Europe is more related to civic participation and protection and with the demos, when it is obvious that for now there is no such thing as a European demos). Therefore, it is not appropriate to equate sovereignty (to which it is also possible to attach the tags economic, health, technological, etc) with autonomy. Spain is more comfortable with the term autonomy than with sovereignty. Lastly, it must be emphasised that strategic autonomy necessarily springs from internal European strength and cohesion. Therefore, the effort expended in creating strategic autonomy cannot overlook the internal policies of the EU that make it possible to avoid economic divergence and tackle the increase in inequality and other elements that underlie the increase in nationalism and anti-European strands present in some member states. Failure to address this internal challenge will make it difficult to
construct a shared European narrative for external consumption and equip it with instruments needed to put it into operation. Internal cohesion is therefore key to the way the EU projects itself externally.

Strategic autonomy and transatlantic relations

President Biden’s arrival to the White House in 2021 heralded a new optimism about the possibility of restoring a relationship of trust with the US, a relationship damaged during the Trump era. The change in the US Administration could, however, be used by some Europeans to avoid making progress with the EU’s global ambitions.

Recent events, however, have highlighted the need for the EU to go further with its strategic autonomy. The hasty and ill-coordinated withdrawal from Afghanistan and the European dependency on the US to ensure the security of the airport and the evacuation of Afghans laid bare the European weaknesses in military and defence matters. Similarly, both the AUKUS (Australia, the UK and the US) agreement and the recent Quad summit (the US, Japan, India and Australia) also crystallise the change in US priorities, focusing now on its strategy in the Indo-Pacific to contain China, to the detriment of its European partners, particularly France.

Others meanwhile may say that the pursuit of European strategic autonomy is incompatible with strengthening transatlantic links, and that with Biden installed in the White House the priority should be the latter rather than the former.

European autonomy is not incompatible with a stronger transatlantic relationship; on the contrary, it is a necessary precondition for attaining it. Only a more capable, and therefore a more autonomous, Europe can cooperate with Biden’s US to restore multilateralism to the leading role that it formerly played. Whether it is in the response to the pandemic, trade, security or the climate, Europeans and Americans will go back to working together, but European autonomy is indispensable in order to produce results.

The US has also been calling on its European partners to increase their military capabilities. The latest evidence of this was the statement released following the conversation between presidents Biden and Macron in the wake of the AUKUS agreement, which declared that: ‘the US recognises the importance of a stronger and more capable European defence, that contributes positively to transatlantic and global security and is complementary to NATO’. An EU with greater strategic capability can strengthen its role in the eyes of the US, showing itself to be a partner with which it shares values and principles in the face of non-democratic regimes, and is dependable when it comes to tackling shared challenges.

Similarly, the EU should consider what its relationship should be with NATO. The joint declaration on which both parties are working presents an ideal opportunity for the EU to emphasise that strategic autonomy is a project that is complementary rather than antagonistic towards its commitments in the context of the Atlantic alliance. In general, as is pointed out below on the section regarding instruments, the strategic objective of Spain within the EU and the new transatlantic relationship should be to reduce dependence (in general and military industry, in healthcare supplies, in semiconductors,
in R&D, etc) on the US (and on China), while also avoiding a situation in which some member states take more advantage than others of the European response. This is why European cooperation projects that create European public goods paid for by European funds (the NGEU, or Next Generation EU recovery package, offers major opportunities here) are essential. But this should always be, as far as possible, accompanied by a commitment to interdependence, which must be multidirectional (and not to independence, as the UK government advocates).

The new transatlantic relationship should also ensure diplomatic room for manoeuvre with the US against countries such as China and Russia, and enable the EU to maintain its own stance in neighbouring regions (North Africa, the Middle East and eastern Europe) and in other geographical areas such as Latin America, sub-Saharan Africa and the Asia-Pacific. It does not mean equidistance with regard to the US, when there are so many shared values (democracy, rights and freedoms) and interests, but rather shared agendas, albeit not identical on many issues. The missing word in the new transatlantic relationship (including technological standards that need to be coordinated, although not necessarily duplicated) is ‘interoperability’. If there are two words that must therefore accompany European strategic autonomy, these are ‘interdependence’ and ‘interoperability’.

Thus, in light of the profound transformations that are taking place in the international system, European strategic autonomy and a renewed transatlantic relationship must not be interpreted as a mutually exclusive choice. The decline of the international liberal order, founded upon US hegemony, presents a regrettable picture. We now live in a non-liberal world in which liberal and illiberal states compete for power. We still have an opportunity to protect the standards, rules and laws of our liberal democracies on the domestic stage and to promote these values in a rules-based international order, so long as we understand that European strategic autonomy and a renewed transatlantic relationship are two sides of the same coin. One cannot exist without the other in the 21st century.

The scope of strategic autonomy and its instruments

The ambition to become autonomous, on the basis of solid internal foundations, needs to cover all aspects of foreign policy.

The most striking (and most difficult) aspect concerns security and defence. There is a need to develop greater planning and decision-making capabilities, civilian and military instruments and the concerted will to deploy them. Thus, for the EU and Spain, autonomy in military and security terms means Europe being capable of acting without the participation of the US, for example in Africa. For participation in conjunction with the US there is NATO, which will continue to be operational and will mark our main alliance. This does not mean running counter to the US or being dragged along by the US. A new
transatlantic relationship with the Biden Administration should not entail less strategic autonomy. But to increase military autonomy, Europe needs its own military capabilities and industrial base. This does not mean having to buy what we do not possess from the US, but being capable of producing it autonomously, such that the positive spin-offs that stem from this type of investment can be exploited. The path to be pursued involves supporting an EU that is more able to reduce dependency on the US and having insurance against the possibility of a US abandonment, confirmed by the Trump years as a genuine prospect. It also involves not simply spending more but spending better. This should go hand in hand with improving interoperability between European systems and working jointly in identifying capability shortfalls and better coordination when it comes to investment and deployment of such capabilities.

The EU also needs to be more flexible in decision making, and it would therefore be advisable to extend the use of qualified majority voting rather than unanimity, which reduces the Union’s ability to react to events rapidly and decisively.

A number of events scheduled for the months ahead are likely to be important: first the presentation of the Strategic Compass and secondly the European Defence Summit under the French presidency of the Council of the EU will be fundamental in mapping out the future of the EU’s security and defence policy. The EU already has tools at its disposal in this area, such as Permanent Structured Cooperation, so the goal should not simply be to propose new tools but to consolidate the existing ones and build on their foundations.

Moreover, the EU faces the challenge of making headway in the traditional areas of security and defence while also establishing a strategy against new threats, such as cyberattacks. The proposal for a European cyber-defence policy set out by President von der Leyen in her state of the union address ought to play a leading role in the European conception of strategic autonomy.

In any case, making progress on autonomy is not by any means limited to defence. Other areas are equally important. Indeed, given the EU’s weaknesses in security and defence matters, the economic sphere, where the EU has greater strengths, could provide a good starting point for underpinning European strategic autonomy.⁴

In this context the economy is understood in a broad sense, taken to encompass the single market, energy policy and industrial policy (at the interior level) and trade, finance, investment and climate diplomacy (at the exterior level), although of course the domestic and the foreign overlap.

With regard to the single market, making more progress in the creation of a single market in services, overseen by a strong Commission, is of overarching importance. It is not a new goal, but in the digital era it is even more necessary to create greater competition and scale to enable European companies to compete with their Chinese and US counterparts.

European projects must be taken further at both the digital and industrial levels, especially those relating to data, communications, 5G, 6G and artificial intelligence. In fact, there is no 5G industrial project in the US, although there is in China and Korea. And there are European companies in this sector (Ericsson and Nokia) that must be supported so as not to miss out in this race. It would also be advisable to tap into the NGEU fund to make progress in any trans-European projects in the digital and green domains where cooperation between different states and companies contributes to an improvement in productivity.

For example, in the digital and artificial intelligence domain, the next frontier to be crossed by innovation and industrial output will be the software used by the internet of things on 5G and 6G networks. Europe must avoid focusing exclusively on building the infrastructure for these networks, as happened previously with Internet broadband and fibre optics, only for US and Chinese service platforms such as Amazon, Facebook and Alibaba, among others, to subsequently monetise them.

In the energy and climate arenas, the EU (and particularly Spain, which is virtually an energy island) must redouble its efforts on energy security, the establishment of a global price for coal, the transformation of transport and funding to offset and adapt to climate change. In this context, Spain must persevere in improving electricity connections, support an adjustment mechanism for coal at its borders (a CBAM) as an instrument of fair competition and taxation, invest in green innovation such as electric vehicles and low-consumption aircraft and in ensuring European green bond markets become world leaders. The NGEU funds could be used to catalyse the deployment of renewable energies to address European energy dependence. The current scenario of rising prices in electricity markets, and the absence of a concerted response, is an example of European vulnerability in this area.

In an era marked by the geopolitical rivalry between the US and China, digital transition and the energy transformation needed to combat climate change it is highly likely that we stand on the brink of an age of great innovations (many stemming from the military industry, as has always been the case in the past), from which the EU cannot afford to miss out. A commitment to disruptive technologies, at the boundary of the possible, ought to be a priority, once again leveraging European funds and cross-border innovation projects: from the fight against cancer to the use of robots to improve our well-being and the creation of new materials and energy sources capable of improving our modes of transport, particularly hydrogen and batteries. Airbus is already developing a zero-emissions aeroplane. In order to undertake innovative and strategic investments the EU needs to put an end to its dependence on critical raw materials (lithium, for example), and technological components such as microchips. Here it will be interesting to find out the substance of the European Chips Act being proposed by the Commission.
Meanwhile it should not be forgotten how the pandemic revealed that European dependencies are not limited to the most innovative sectors, but also extend to the supply of basic products. This requires improving the diversity and structure of value chains. The current general scarcity in the global supply chains shows how urgent it is to make progress on this issue.

European industrial policy is the appropriate instrument for setting investment priorities at the European level. It also has great potential for underpinning the interests and strategic autonomy of the Union. At the start of 2020, during the first stages of vaccine distribution, the EU seemed to be left behind in the supply of vaccines compared to the US and the UK. Commissioner Breton’s initiative however, involving a task force to coordinate all the industrial stages of Europe-wide vaccine production, enabled the EU to manage the shortcomings identified in the value chain and thereby increase the supply of vaccines to member states, which eventually led the international vaccine rankings. All this was achieved without banning the export of doses to other countries, as the US and UK resorted to.

Boosting investment in strategic sectors should not lead to divergences within the single market. It is essential to underpin the cohesion of the single market and to protect the competition rules, avoiding the creation of a scenario of winners and losers to the exclusive benefit of industrial interests in countries with the greatest fiscal leverage. Spain will need to ensure that industrial and technological autonomy are not monopolised by Franco-German champions, as has already been witnessed with initiatives such as the European cloud project, Gaia-X. The NGEU offers major advantages in this respect: it enables member states to invest in shared priorities, regardless of the fiscal leverage each state might possess; moreover, it provides the EU with the ability to respond to external shocks in a joint way, cushioning any economic and social impact that might lead to an unequal single market.

Moreover, it is essential to protect the single market against external threats. The instruments put forward by the European Commission to this end, such as the initiative to monitor foreign investments and the mechanism to protect the single market from the unfair competition of external companies in receipt of state aid, are a step in the right direction.

On the purely external side there is a need to galvanise the internationalisation of the euro, with attempts to create a European sovereign debt market capable of competing with America’s (a market that will help to finance domestic innovations and investments and should grow naturally with the transfers of the NGEU) and actively encouraging the use of the European currency in bilateral economic transactions with countries that are not firmly tied to the orbit of the dollar, as is the case with many African and Asian countries.

In addition, the EU’s economic and trading potential could be a powerful tool for defending its interests and strengthening its role on the international stage, simultaneously enabling it to exert its influence from the economic angle and offset its shortcomings in the realm of defence. That is how it is envisioned by the new commercial policy strategy, which advocates a more open, green and sustainable commercial policy.
This implies avoiding a protectionist stance, presenting the role of commercial policy as an instrument for climate diplomacy and energy transition and, at the same time, promoting a greater assertiveness in protecting Europe’s economic interests, while always attempting to defend multilateralism and the reform of the World Trade Organisation.5

When it comes to bolstering its role as a world actor, the Global Gateway announced by von der Leyen, which seeks to boost investment in the world’s infrastructure, can also play a major role. It may help to strengthen the EU presence in regions such as Africa and counteract China’s influence at the same time. The recent request made by Montenegro to the EU for help in tackling its debt to China is evidence for the potential offered by the Global Gateway. The challenge for the EU will be whether it is able to design investment instruments that respect environmental standards and human rights while at the same time being simple and attractive to the potential recipients.

Similarly, by promoting European energy autonomy the EU can evolve from being dependent to being a trustworthy partner in energy matters, thereby reinforcing its relations with other countries and strengthening its global presence. Proof of this is the current energy crisis affecting Moldova, which, in view of the increase in the price of gas from Russia, is seeking energy sources in EU countries such as Poland and Rumania.

Lastly, and returning to the idea that European autonomy requires healing internal rifts (both between and within countries) and creating a shared narrative, it will be important to back innovations that favour the internal cohesion of the Union and are sometimes rarely mentioned, for example encouraging collaborative pan-European media platforms, now that the UK has left a major vacuum in this area. There will also be a need to foster the inclusion of the EU in history and civic education textbooks, and lend backing to simultaneous interpretation services accessible to the general public and capable of overcoming language barriers. The expansion of the Erasmus programme to the jobs market, taking it beyond education, using the matching opportunities offered by new technologies, would also be good as a means of making progress in the construction of a shared European identity, thereby facilitating the deployment of a strong and autonomous foreign policy.

Conclusions from a Spanish perspective

As mentioned at the outset, the concept of strategic autonomy is not new to the European debate. Similarly, the EU has previously undergone repeated attempts to equip itself with greater capabilities in security and defence (for example, with Permanent Structured Cooperation and the combat groups created in 2005).

Recent events and increasing tension and complexity on the international stage have once again highlighted the need to make progress on the EU’s strategic autonomy. The issue appears more pressing than ever and the interest among heads of state and heads of government in Europe is evident.

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government is especially striking. The challenge lies in transforming this opportunity into tangible advances.

For this however the EU needs to resolve well-known weaknesses, especially member states’ varying sensitivities about what strategic autonomy should mean. In this context it is necessary to bear in mind not only the reluctance of eastern European countries to advance towards European autonomy to the detriment of US protection but also the differences within the Franco-German axis itself regarding the concept.

Secondly, European strategic autonomy must be made to work for the entirety of member states, involving all of them on an equal footing. Again, this rests primarily with the two principal member states: avoiding an interventionist tendency towards defence policy on the part of France –the only member state with genuine military capabilities— and reorienting German reservations on military issues due to historical reasons.

While strategic autonomy should not be understood as being inimical to the EU’s American partner, taking it further will require a great deal of dialogue and trust between the two parties. The US should be aware that if the EU strengthens its military capabilities it could be in detriment to the interests of American industry. Moreover, the EU needs to be capable of combining its relations with the US with pursuing an autonomous agenda with China on such important matters for the EU as climate change.

Spain, as the non-paper drawn up jointly with the Netherlands shows, has managed to position itself with an intermediate and alternative stance: marrying defence of strategic autonomy with bolstering the Atlantic alliance, as well as advocating investment in industrial and technological capacities while simultaneously ensuring the protection of the single market from a discourse of winners and losers.

Spain can play a key role in this context, for example in mapping out a European strategy on Africa. Moreover, the fact that the next NATO summit will be held in Madrid could provide it with a leading role in the current context of shaping EU-NATO relations. The Spanish initiative during the crisis in Afghanistan, offering itself as a European hub for arriving Afghans, has bolstered its credibility as a European partner while simultaneously signalling a clearly humanitarian approach.

While steps are being made towards European strategic autonomy, Spain must not forget that the decisions made by member states continue, for now, to be mainly based on national sovereignty. Evidence of this is the agreement on security and defence struck by France and Greece following the AUKUS pact. Thus Spain should be capable of forming its own alliances with other states, both on the European and wider international stages. Offering the Morón and Rota bases to the US during the Afghanistan crisis is a good example of how to forge intergovernmental partnerships without encroaching on a coordinated European response. Meanwhile Spain should bear in mind that the positions

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and stances taken by the EU continue to a large extent to be influenced by the interests of the largest countries, as shown by the statements made by the leaders of the European institutions in reaction to the AUKUS agreement, in clear support of France. It follows that Spain must strengthen its visibility, as well as the defence of its own interests, with regard to the European institutions.7