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Unraveling EU's Strategic Autonomy

Analysing the EU's Path to Independence amidst Global
Interconnections

By

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Abstract

This thesis investigates the EU's strategic autonomy which refers to the EU's strive for increased independence without having to rely on other countries in important policy areas. EU strategic autonomy was introduced in 2013 and has become a higher priority due to recent geopolitical changes. The research question is how the EU balances strategic autonomy with their commitments to multilateralism and global governance where EU policy papers, white papers and official reports will be used. Consequently, current literature summarising global trends will be used to create an analysis combining other circumstances relevant to the current situation. The material will be analysed through qualitative content analysis combined with conceptual combinations of theories. The theoretical frameworks are International Political Economy, describing the relationship between politics and the economy, International Relations Theory, Globalization theory, Social Identity Theory and Cooperative Sovereignty. The way that Strategic Autonomy works in practice will be analysed through three key policy areas being security & defence, economy & trade and digital & technology. The balance between independence and multilateralism will be weighed within the different policy areas compared with the theoretical frameworks to investigate the meaning of the EU's strategy and its relation to the world economy.

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1 Introduction

The European Union (EU) has experienced a strategic shift politically and economically. Currently, there are opposite trends due to a number of factors accounting for changes in power balances and international relations. Pawlak (2017) confirms that the world is currently experiencing two trends. The first trend is the long known globalisation trend with regional economic integration processes and free trade. The other is the tendency of protectionistic endeavours recently and generally in times of crisis (Riksbanken, 2017). The European example EU Strategic autonomy seems to be protectionistic from an outside perspective but has to be further analysed to reveal its true meaning since one of the founding pillars of the EU is multilateralism. The aim of this thesis is hence to investigate the concrete meaning of EU strategic autonomy in terms of the EU's multilateral and global governance commitments with an analysis of three important policy areas Strategic Autonomy has been focal within. This thesis aims to bring further clarity to the rather recent and sometimes misunderstood policy strategy of the EU implemented to strengthen their global position.

To explain the terms presented, strategic autonomy refers to the EU acting autonomously as a cluster and describes their strategy on how to interact with the world (Damen, 2023). Hence the EU strives to act independently in relation to other countries in key policy areas. In order to improve their global position, the EU wants to be able to function more independently. The EU wants a strong defence, economy and democracies, Damen (2023) underlines. By pursuing the road to strategic autonomy, the EU hopes to combat recent geopolitical challenges that have put stress on the functioning of the EU. The term multilateralism can be explained as cooperation between states backed up with an international organisation (Coulibaly & Dervis, 2022). The first examples of multilateralism are the League of Nations created after World War I, the International Labor Organisation (ILO) created in 1919, and the United Nations (U.N.) created after World War II, the authors write. These cooperations have in common aiming for security, peace and fairness which is prevalent today and is one of the areas where the EU also is multilateral having its pride of preserving peace for a long time (Coulibaly & Dervis, 2022). Together with the U.N., the EU is one of the world's leading multilateral organisations and global governance systems (European Union External Action, 2021).

Starting from the onset of EU strategic autonomy, the term was first discussed in 2013 (Damen, 2023). The main geopolitical challenges that have led to the implementation of Strategic Autonomy are the following. Firstly, Russia has increasingly established its threat since the war with Georgia in 2008, invasion of Ukraine in 2014, the annexation of Crimea and the current ongoing Ukraine-war since February 2022 (Posen, 2020; Statista, 2023). Secondly, the US, a major contributor to the military force of NATO, has expressed discontent for more than a decade (Kundnani, 2017). Defence secretary Robert Gates said in 2011 that America might not see the point with NATO and that Europe has to increase military independence. The US hence wanted the EU to improve their military situation before the EU had to face Brexit. With Brexit, the EU lost its largest military force worsening their standpoint in relation to the US. Another expression of concern was Gates accusing Germany for “free riding” because of Germany’s low level of military spending. The case is the same for many other EU-countries since war has not been a threat until now (Kundnani, 2017).

Moreover, the rise of China has led to power shifts in the world trade setting. The EU has experienced a significant drop in share produced by the world economy – from 20% to 11% of world trade GDP – in the last decade, while China has progressed significantly and rapidly (Pawlak, 2017). Lastly, COVID-19 has been a major geopolitical challenge testing European markets’ abilities in times of shortages due to changes in trade flows. One example is the crisis of insufficient medical supplies. COVID-19 followed by the ongoing Ukraine-war are two challenges for the EU that have pushed them to strive for a more self-sufficient and nondependent standpoint. Hence, the changing geopolitical environment has made previous EU strategy unsatisfactory and led them to pursue the road of EU strategic autonomy, with hope to reach a better position globally. This makes it relevant to analyse the tradeoff between the seemingly opposite forces of multilateralism and global governance in comparison to EU strategic autonomy. It also leaves one curious to unravel the true idea of the EU’s new strategy and what one of the world’s leading economies envisions with the policies that will further be presented, compared and discussed to investigate how it relates to its founding force: multilateralism.

1.1 Aim and Scope

The EU's response to the recent geopolitical challenges just mentioned is the implementation of Strategic Autonomy (Damen, 2023). The strategy was first discussed in 2013 but has experienced increased importance ever since, thus the scope of research will be 2013-now. The aim of this research is to investigate in what ways this shift in trend, shouldered by EU's Strategic Autonomy, can be viewed through the lens of multilateralism and global governance due to the strategy being focused on becoming more independent from other countries. The reason behind choosing this topic is because of the recent increased focus on Strategic Autonomy which seems like a controversy against one of EU's pillars on which it was founded: promoting openness and cooperation across borders. The European Commission (2018) does highlight that they want to keep the benefits of an open economy but other sources such as Andersen, Goldthau and Siter (2017) argue that there are mercantilist features similar to what happened after the 1930s and 1970s (Cohen, 2008).

Since EU strategic autonomy is a fairly new strategic endeavour, there is limited literature analysing important areas in depth despite extensive EU policy papers, white papers and official reports available. For example, there are a limited number of research papers investigating the combination of global trends, challenges and governance and EU strategic autonomy. The more common areas that have been investigated are the proceedings of EU strategic autonomy, characteristics of specific policy areas and how the policy affects international relations. Hence, the aim of this study is to combine multiple research areas in order to give nuance to the current situation of EU strategic autonomy regarding which primary data has been released by the EU itself. This thesis will analyse the balance between EU Strategic Autonomy in relation to multilateralism and global governance. The discussion will be combined together with global trends and theoretical frameworks constituting a conceptual combination. Hypotheses and the research question are as follows.

H1: Strategic Autonomy is not working against multilateralism and global governance. The EU aims at strengthening independence while on the other hand also supports strengthening multilateral partnerships.

H2: Strategic Autonomy benefits from cooperation generally, and cooperation between Member States particularly, that in a cluster can be independent towards external threats due to recent geopolitical setbacks.

1.2 Research Question

This thesis answers the following research question:

“How does the EU balance its strive for Strategic Autonomy with its commitments to Multilateralism and Global Governance, according to recent EU Policy Papers and Theory?”

2 Theory and Background

There is a growing body of literature regarding EU strategic autonomy that investigates the causes leading up to the implementation. This literature review will instead focus on the research question previously mentioned, being how the EU can balance their desire for strategic autonomy with multilateralism and global governance. The initial step is presenting the global trends and current challenges of the EU and to scour EU policy papers, white papers and official reports and in a broad manner. The reason why is because it will provide an overview of the area as well as reveal the relevance of strategic autonomy in relation to multilateralism and global governance when challenges are mentioned. The first relevant theoretical framework is International Political Economy Theory (IPE), covering the impacts of the economy and politics on each other. Other relevant theories and areas that nuance this discussion further are research within International Relations Theory, International Trade, Globalization, Social Identity and Sovereignty and International Cooperation. The next part of this literature review is connecting the information that is already analysed by scholars and their take, showing there is need for thorough investigation in depth qualitative manner with connection to the theoretical frameworks. At last it will be clear that the research areas reviewed are in need of a comprehensive analysis where these topics that have been researched independently are combined to reach a unique point of view.

2.1 EU Policy Papers, White Papers and Official Reports

Outlining the objectives of the EU recently, there are a few concerns that are raised in many of the EU white papers. The European Commission (2020) regards the aftermath of COVID-19 and how the EU can get back on their feet economically. The EU aims to strengthen their Strategic Autonomy while keeping the benefits of an open economy, they write. Strategic autonomy is further a higher priority after the pandemic. The commission predicted a severe recession in 2020 and argued for intervention since the EU's GDP fell 15% in 2020, and expected another 7% in the overall economy, the authors continue. This shows the need for increasing independence and capabilities to participate in the world economy.

Apart from the economic consequences of COVID-19, social consequences include how individuals and businesses were affected and how jobs were put at risk. Unemployment was expected to increase to 9% in the EU. The most affected group during COVID-19 according to the European Commission (2020) were low skilled workers, temporary workers, younger people and poorer households. This in turn means the most vulnerable groups of society took the worst hit of this crisis and the EU strategic autonomy wants to ensure further stability in these matters. They emphasise however that it will depend on each state's demographic and economic structure. Hence, this crisis put more pressure to strengthen European independence and led the EU to pursue action in the form of strengthening Strategic Autonomy which included a call for investment. The EU estimated a need for €1.3 trillion of further private and public investment in 2021 and 2022. Hence, the projection of this white paper shows the consequences of increased independence when it was forced onto Europe because of the pandemic and how it led to a focus on strengthening European autonomy to be able to withstand similar circumstances and not suffer from too much dependence.

The economic implications of the pandemic and aim to strengthen strategic autonomy in the process, is described by the European Commission (2020) with two pillars. The first pillar is supporting Member States with investment. The Second pillar focuses on kick-starting the EU economy through private investment incentivising which includes a Strategic Investment Facility of €150 billion invested in strengthening Strategic Autonomy. Another economic consequence of the aim for Strategic Autonomy is the investment in connectivity with 5G and infrastructure which they believe will increase EU's Strategic Autonomy. Next, they emphasise stronger industrial and technological presence strengthening the EU supply chain.

Concerning economic and political consequences, Andersen, Goldthau and Siter (2017) convey a change in EU energy policy where they investigate whether the EU is shifting from a liberal approach to a liberal mercantilist approach. Thereby, apart from economic consequences there are also political effects fostered by EU strategic autonomy affecting the economy.

Karaboytcheva (2021) from the European Parliament brings up another measure that was introduced. The EU aimed to foster competitiveness and innovativeness of European defence with the European Defence Fund, the authors write. Like the report by the European Commission, the EU was beforehand also focusing on the industrial sector and encouraged small and medium sized businesses. They highlight that an implication of wanting to preserve strategic autonomy is to increase market share of European Defence Policy. Hence, a significant implication is the increased focus on defence capabilities which in turn has consequences unique to every Member State. In sum, the authors agree on broad socioeconomic influences of the EU Strategic Autonomy are changes in trade patterns, international relations, investment, defence capabilities, financial investment, securing jobs, protecting businesses, investment in infrastructure and strengthening the supply chain Karaboytcheva (2021).

This section further provides the main socioeconomic trends, challenges and opportunities and hence the societal point of view connected to autonomy and multilateralism (European Commission, 2021). The authors start with a crucial aspect that strategic autonomy cannot be achieved without the society being open and if the EU keeps their commitments to rule of law and fundamental values. The authors continue that the current situation has room for improvements in the socioeconomic sphere. Inequalities is a problem that is persisting and also the unequal distribution of digital skills and education in general which also could spur the general inequality. One of the arising challenges is the risk of increasing polarisation of internal affairs and internal cohesion, while the European Commission (2021) also states that one of their main strengths is cohesion among Member States. Furthermore, demographic challenges such as an ageing population are prevalent like in any other developed region. What the European Commission (2021) highlights as the main societal opportunities for Open Strategic Autonomy is firstly citizen engagement in policy making with reason to improve democratic validity and trust.

2.2 Theoretical Frameworks

2.2.1 International Political Economy (IPE)

In 1975, International Political Economy (IPE) was defined as the reciprocal and dynamic interaction in international relations of the pursuit of wealth and the pursuit of power. This statement represents the theory's main objectives being analysing the political and economic realm and how they affect one another (Gilpin, 1975). Cohen (2008) writes that there was a long period in history where scholars aimed to separate international relations theory from international economics. He underlines how that led to an academic void in the subject where many changes in the world economy were overlooked. Cohen (2008) describes IPE as a “marriage of two disciplines”.

Cohen (2008) further discusses some historical events relevant for this thesis. He describes the 1930s crisis where mercantilist aims imprinted the economy. Furthermore, the 1970s crisis of slow growth and high inflation, stagflation, led to protectionistic endeavours. Today, it is seen yet again in a time of slowed growth and high inflation in Europe, leading to in some areas protectionist endeavours such as polarisation and need for independence. This is also disclosed as a new global trend where Sweden’s Central Bank (2017) wrote an article about the economic consequences of increased protectionism. They confirm that protectionistic endeavours rose after the financial crisis in 2008 and that since then, world trade growth has decreased (Sveriges Riksbank, 2019). IPE theory was developed and relevant in the same circumstances as it seems today in another age of crisis with a similar reaction. Germain (2021) further describes IPE as a framework explaining the situation of the current international, economic and political system. Accordingly, it seems relevant to use this theory in order to more in detail account for the balance between EU strategic autonomy and multilateralism by connecting them to the economic and political relationship.

Frieden & Martin (2003) further present the main findings of IPE that can be applied to this thesis. They mention that including both the domestic and international level is important for a nuanced understanding of international relations. Frieden & Martin (2003) highlights three factors that IPE uses to understand the interaction between domestic and international markets: interests, institutions and information. The connection between domestic and international, is how domestic interests and institutions affect international interaction and the

other way around, the authors write. Furthermore, a significance IPE suggests is that the interests of political and economic actors are drivers of economic policy decisions but that these decisions further rely on institutions and information just as mentioned. IPE also mentions that institutions are a cluster of interests which then impacts policy choice. Accordingly, these three factors are highly intertwined but serve key roles in describing economic and political interactions both domestically and internationally (Frieden & Martin, 2003)

Another approach of IPE is the direct relationship regarding how the international economy affects domestic markets – hence domestic interests, institutions and information – and how that leads to new domestic policies, Frieden & Martin (2003) continue. They write about two ways. Firstly, the direct way from the global economy to the national political and societal actors. Trade policy is one policy area commonly modified for these reasons when new export or import possibilities can change domestic markets and political decisions such as openness and protectionism. Secondly, the global economy can also affect domestic institutions, the authors add. One example is when international financial activities boomed in the 1980s and 1990s making it much harder for governments to control and regulate cross-border investment (Frieden & Martin, 2003). It became a general unavoidable factor that the global economy had such increased influence on domestic matters. Economic and technological trends dramatically changed and restricted feasible policies for governments to implement altogether since countries and economies became more and more interconnected. In fact, the Economic and Monetary Union (EMU) was argued to have been created because of rising difficulties for European countries to keep capital controls essential for running their independent monetary policies (Frieden & Martin, 2003). Hence, the global economy inevitably influences domestic measures and thus the EU and their policy decisions.

This can be connected to what Frieden & Martin (2003) further argue which is that globalisation can be seen as development in international economic integration and that it changes the strategy possibilities for national governments. Further, it affects national policy where it can continue onto affecting the international arena again. The overall effects international factors have on domestic economies are restriction of policy possibilities, constraining domestic institutions, changing domestic information or changing feasible policies and behaviour of domestic actors toward international matters. International agreements also have to consider uncertainty (Frieden & Martin, 2003). When there is an

agreement between two countries, it is uncertain regarding what exact economic implications will follow the domestic actors and also what domestic actors will have to implement political measures if negative economic consequences arise. The authors emphasise here that deeper cooperation hence leads to mutual advantages but also higher unilateral risks. This further requires more flexibility in agreements since these are uncertain factors that cannot be prearranged. Hence, multilateralism or deep international cooperation can change the set of policies available to implement, brings more risks and leads to more diffuse agreements to allow for unexpected consequences in the economy (Frieden & Martin, 2003).

2.2.2 International Relations Theory (IR)

Anne-Marie Slaughter (2011), American international lawyer, summarises the prominent areas of International Relations Theory (IR), including Realism, Institutionalism, Liberalism, Constructivism and The English School.

Realism argues the international system should be anarchist with no central authority (Slaughter, 2011). The way in which a state should operate is to survive militarily, economically and diplomatically. Thereby, the states need to have independence and sufficient resources to defend themselves and ensure survival of the state. Next, Realists also assume states to be rational actors acting in favour of their own interests. Towards neighbouring states, the relationship is unreliable and a Realist does not expect to know their intentions. Hence states expect uncertainty and strive to maximise their power relative to other states. Lastly, according to realism, international law may be created but as a symptom of how the state behaves and not the cause (Slaughter, 2011).

Next, Slaughter (2011) presents Institutionalism which aligns with Realism regarding the anarchist view, states fulfilling their own interests in order to survive and the view of uncertainty towards neighbouring states. Institutionalism differs from Realism in that it relies on Microeconomic Theory and Game Theory arriving at a conclusion that collaboration between states is achievable. Slaughter writes that, apart from Realism, rules, norms and practices can overcome uncertainty towards other states and support free trade to reach a win-win situation. Lastly, she writes that institutions are perceived to increase information about the state, that institutions increase efficiency, reduce transaction costs, and therefore are pro collaboration (Slaughter, 2011).

Liberalism on the other hand is different from the two in a more complex and detached way, Slaughter (2011) argues. Liberalists believe in the unique behaviour of each state and that this matters for international relations in contrast to Realism & Institutionalism which assumes the same behaviours in all states. Apart from only survival, Liberalism emphasises commercial interests and ideological beliefs.

Constructivism is according to Slaughter an ontology with assumptions of the world and human agendas. In this theory the focus lies not on military power, trade relations, international institutions but on culture, identity and belief. Social norms are important for Constructivists in international politics. Along this route, they hence emphasise non-state actors like NGOs since they believe these can iterate states' beliefs regarding for example international trade.

Lastly, she writes that The English school resembles Constructivism since it agrees on the value of social norms and centrality in the international system. Unlike any other theory, this theory has the goals similar to an historian: to observe and interpret reality to reach a conclusion about what strategy to choose. They believe that in order to understand states' behaviour, one needs historical context and understanding of what happened before in order to project future motivation or threat (Slaughter, 2011).

2.2.3 Globalisation Theory

The globalisation of Europe had its influence on the world economy by their technological advances in the energy sector as in transportation and communication (Monaco, 2023). These were results of many European innovations revolutionising the global economy such as the steam engine, telegraph and telephone along with the maritime travel advancements. All this favoured the movement of goods and people around the world. Later came further developments in transportation and communication such as air travel, the internet, smartphones and social media. After a summary of the global trends of trade, globalisation in its own will now be addressed with its advocates and critics in order to later connect it to EU strategic autonomy and if it imposes a threat to globalisation that is important to address since globalisation is intertwined with multilateralism that dictates the playground of which globalisation and trade operates. What also will be investigated is to what extent globalisation

needs to be protected while making room for strategic autonomy and vice versa making this area relevant literature to include for this research.

Pro-Globalisation

Globalisation has for long been seen as being the modern economy's highway to prosperity. Monaco (2023) summarises the arguments pro-globalisation stance as well as the anti-globalists stance. The global economic order today was established partly with the Bretton Woods Conference in 1944 with the main inspirations being liberalism and capitalism, and not mercantilism. Liberalism induced the wealth of individuals and encouraged entrepreneurship while limiting governmental involvement in the economy (Monaco, 2023). The detailed inspirations for the Bretton Woods however, came from even earlier ideas stemming from colonialism in the 1800s characterised by precisely liberalist features such as openness and free flow of goods, capital, resources and people, Monaco (2023) highlights. Dependent on the economic prosperity achieved through cooperation, this "golden-era" was free from conflicts and war. The disruptions of this prosperity that was created were due to precisely conflict and war with the two world wars and a depression in between. Pro-globalists hence highlight this as a major argument that globalisation and cooperation being the "right way", of course if the goal is maximising GDP and economic growth without considering the current environmental problems of that goal. This disruption period nonetheless shows a reversal of openness and prosperity in 1800 as a consequence, the author argues.

The second argument that Monaco (2023) mentions, is the poverty reduction as a result of globalisation and indirectly also an upside to multilateralism and global governance. Jumping to the last few decades, global poverty has drastically declined and the number of people living in extreme poverty went from 2 billion in 1800 to 1 billion today. The counterview is that despite major prosperity being created all over the world, the prosperity has mostly been spread unequally. The following challenges are income inequality within and between countries, rural vs. urban settlement and access to healthcare and education (Monaco, 2023). Pro-globalists underline their argument that poverty reduction comes proportionately from the grade of openness to the world and the degree to which the country allows free flows of goods, services, capital, resources, people and ideas. The features of free flows, according to Oatley (2012), significantly contribute to growth. Oatley (2012) further argues that

cooperation can be connected to the Prisoner's dilemma in Game Theory where countries are at power play with each other in order to reach the most economic benefits of trade versus no trade which is also confirmed by Institutionalists (Oatley, 2012; Adinoyi, 2015)

Finally, pro-globalists argue that over time, the country should through trial and error find their most competitive and productive sectors in comparison to other countries and focus on those, while trading in less productive sectors (Monaco, 2023). What is described here is the theory of 'Comparative Advantage' and the gains from 'Economies of Scale' where all parts will enjoy better goods at a lower price when trading where better goods are a result of more competition and price race to the bottom. Comparative Advantage and other economic theories are describing competition and profit maximisation from Microeconomic Theory (Varian, 2014). Furthermore, profiting from comparative advantage depends on establishing stable trade relationships since the prosperity of openness also comes at the costs of dependence since the country will not be able to produce everything it consumes – either not be able to produce it as effectively or not at all depending on the country's resources – when relying on trade.

In sum, the list goes long of countries that boomed after the implementation of free trade and an open economy towards the world (Monaco, 2023). The developing world from East Asia to Africa to Latin America all enjoyed the fruits of openness and boomed thereafter while the total opposite can also be found today shouldered by North Korea, Cuba and Myanmar all focusing on self-sufficiency and has for a long time been struggling to keep up. This too accounts as a pro-globalisation argument. In the next part, the arguments against globalisation will be discussed to gather the whole view of the globalisation paradigm to later be able to compare it with the case of EU balancing between autonomy and independence as well as being an organ created for Multilateralism and international trade.

Anti-globalisation

The first historical evidence that globalisation might not be the only way to prosperity is the case of the Nordics in the late 1900s (Monaco, 2023). The Nordic countries have been pro globalisation for a long time but when looking at the specific policies and strategies used in the mid 1900s it can be seen that they in fact had some elements of protectionism, strong state control, subsidies and outright ownership. Monaco (2023) writes that protectionism allowed

the Nordics to first create strong self-sufficient states, only to after that was accomplished, open up to international competition and privatisation in the 1980s. Moving to the pro-globalists claim of poverty reduction, critics seem to have a different view (Monaco, 2023). When observing the data from a regional perspective, it reveals that the one country responsible for most of the decline in income poverty is China. When China is excluded from the data, the data shows a much weaker decline, if any at all the author underlines. This side shows that globalisation was not in all cases crucial to reach economic prosperity such as the onset of the Nordics' development, and the poverty reduction can be viewed as insignificant since the numbers show a much weaker decline overall.

Moreover, inequality is another downside to globalisation. However, this argument can be dependent on the stage of development the inequality is present in. More generally, needed to mention is the growing gap between the 'have' and the 'have-nots' on a global scale (Milanovic, 2012). The problem in this area is that the 'haves' being the most influential actors tend to direct the global playground to fit to their interests and agendas which often deviate from the greater good (Monaco, 2023). Also, the south still lacks the financial and technical resources and hence still depend on the North making the south in a worse position for the implementation of the 2015 Paris Agreement on climate change, as well as implementation of COVID-19 related measures in the past. Critics emphasise how both climate change and the pandemic in fact were to large extent brought about by globalisation making this a lose-lose game for the South (Monaco, 2023). Finally, the criticism of globalisation finds its root in the creation of dependency cycles where some countries act in favour of influential actors, inequality persisting, poverty reduction only significant in one country and the gap between "haves" and "have-nots" growing (Monaco, 2023; Milanovic, 2012).

The stance of anti-globalists can be compared to pro-protectionistic endeavours aforementioned. Sweden's Central Bank (2019) emphasises that the world is in constant change and that despite 30 years of freer trade where multilateral and regional trade agreements have decreased the global average tariff rate from around 14% in 1990 to an estimated 5% today, tariffs have risen again recently. The reason behind the increase is the United States and China that implemented a rise in 2018-2019 due to their conflict. As Milanovic (2012) and Monaco (2023) both stressed, there are some negative effects of free trade despite the general consensus that free trade generates growth and increased

productivity, as Sweden's Central Bank (2019) confirms. The effects are mentioned as unequal distribution among different groups and that low-skilled workers often are disadvantaged in this equation when companies change production sites abroad or file bankruptcy due to increased import competition. These situations lead to lower incomes for the workers as well as higher unemployment, both affecting the vulnerable part of society (Sveriges Riksbank, 2019)

Regarding free trade that becomes more restrictive, the previous cheaper products existing thanks to increased competition and supply lowering prices, will not be available for the same societal groups anymore – the other way around means more expensive products and less supply (Sveriges Riksbank, 2019). Furthermore, the global value chains that used to be a factor increasing recently along with freer trade, has now stagnated, the author continues. This can explain the lower growth in world trade. When trade started to become more restricted due to these recent protectionistic trends or that companies have deconstructed their global value chains, shows how protectionism increases uncertainty (Sveriges Riksbank, 2019). There is an alternative explanation which is that recent digitalisation and automation of production thanks to new technologies have made it less incentivised for companies to outsource production to countries with low labour costs since labour is less demanded overall and production can move back to the home market. This is contradictory since globalisation then has led to technological advances then on the other hand requiring less human labour making the developed countries not dependent on the developing countries with low cost labour anymore and could hence mean even further inequalities in the world if the length of the global value chain keeps decreasing.

2.2.4 Social Identity Theory (SIT)

The Social Identity Theory (SIT) aims at explaining how different types of interests are forming different social identities and how these identities are affecting policies cooperation between countries, hence affecting Multilateralism and Global Governance (Curley, 2009). Strategic Autonomy is an objective that depends in one way on what the European Identity looks like and how that identity can affect the implementation of the policies and the level of multilateral cooperation. The theory assumes that a too strong group identity can lead to harder to expand and cooperate with other identities where both could benefit from a cooperation. This is confirmed by Constructivism in IR conveying that the focus should shift

from international relations, military and trade to culture and identity, supporting the inclusion of SIT in the analysis. Further, The English School in IR also aligns with Constructivism regarding identity supporting this but highlights the importance of also including the historical context. One example of identity affecting politics is the context of France and Germany having strong European group identity making the opposition to Turkey entering the EU a response of protecting the group identity instead of extending multilateral cooperation.. Hence, Social identity can become an obstacle but could also be a driving force of Strategic Autonomy since it favours independence and a stronger Europe within its borders and between current Member States.

2.2.5 Cooperative Sovereignty

The two seemingly contradictory terms sovereignty and international cooperation have been debunked by Loewenstein (1954) in the time of the cold war. He underlines that these terms are fully able to be combined and should not be seen as antithetical and in fact could benefit from being combined – especially in a time of uncertainty as the cold war constituted. Cohen (2008) as previously mentioned, writes that mercantilist aims included Europe in the same way as today’s recent protectionistic trends. Loewenstein’s words hence accentuate that the recent protectionistic wave does not have to be feared as for example Engels (2022) claims by writing an article looking at if the recent protectionistic and independence measures taken by states after the Ukraine-war started will lead to a form of de-globalisation. He also highlights that the most urgent problem today has to be solved by international cooperation since it regards the environment, in which the EU is seen as a leader being active in creating green policies. Engels (2022) also phrases the question if strategic independence could lead to the end of multilateralism, where Loewenstein (1954) simply argues that states never have been and will never be equal – hence they will vary in independence. In 1954 when the so called ‘super-states’ where the US and the Soviet, Loewenstein (1954) argued that despite their supremacy, none of them could call themselves independent in the way the EU describes for strategic autonomy’s goal being non-reliant on other countries (Damen, 2023).

The head of the International Affairs Division Franz Perrez, wrote a book called “Cooperative Sovereignty” (2000) covering the notion of sovereignty being confused with justification for non-cooperation. He highlights that cooperation should be regarded as crucial within sovereignty and that it is not a negative principle. Perrez (2000) stresses that apart

from independence it also concerns a state's actual participation in the global community and further their own authority, and ability and responsibility to act within that community. Accordingly, sovereignty is independence along with the responsibility to cooperate (Perrez, 2000). In contrast, Tocci (2023) argues that European Strategic Autonomy can be confused with sovereignty, independence, unilateralism and sometimes autarky implying that it is neither of the mentioned. Tocci (2022,p. 3) writes: "As the Greek etymology of the word suggests, autonomy means the ability of the self – autos – to live by its laws – nomos." and hence defining the strategy as non-protectionistic.

3 Methods

For this thesis, the chosen methodology is qualitative content analysis (Creswell, 2017). This contains an in depth analysis of primary sources being official EU documents and reports as well as from Think Tanks and other influential actors working in the field of international affairs. Hence, the perspective will be both from EU documents describing their strategy as well as think tanks providing research of the EU making them relevant as well to get different perspectives of the matter and later combine them with the theoretical frameworks. The method matches this research since it provides the EU's view of their strategy, why they implement it and what it will implicate. This information will consequently be compared with already existing literature and theory, more specifically International Political Economy, International Relations Theory, Globalisation Theory, Social Identity Theory and Cooperative Sovereignty. The reason for including five theoretical perspectives is in order to provide answers to current research and strategies and how they can be explained by past research in order to understand the current state possibly leading to policy recommendations in the future. All of the theories may not be referred back to in every section, but gives important knowledge in the areas they are relevant in to describe the strategy with a good foundation of past research and theory.

The focus will be on current challenges where some factors are income, education, employment, technology, innovation, growth, globalisation. environmental sustainability, poverty, inequality and international relations. These challenges will then be discussed in the light of how they are approached in actual policies in the most influential policy areas of achieving Strategic Autonomy. The three areas are security and defence, economy and trade, and lastly digital and technology being three areas that strategic autonomy concerns the most.

The reason why I picked three key policy areas is to be able to focus on the more practical matters regarding Strategic Autonomy and the actual expected effects of it. These areas are also the ones being most in question at the moment connecting back to the current geopolitical challenges. Therefore, these three policy areas were chosen. Furthermore, the theories and comparative analysis between different strategies and what consequences they have geopolitically is included since past research and results show how different strategies affect the society and political sphere. These theories were chosen in terms of what areas were focal, for example globalisation theory being relevant for the opposite side of protectionism that is a part of Strategic Autonomy. This theory provides the effects of the different measures taken under the title of Strategic Autonomy making them relevant for this research. Consequently, how the EU balances their autonomy with multilateralism will best be explained in a qualitative way since that will allow for in depth analysis using both EU sources and theory. Qualitative content analysis will therefore be the most fitting since it provides options to evaluate incomplete or conflicting evidence and interpreting meaning and explore different approaches since this thesis aims to debunk the term Strategic Autonomy due to its confusion regarding its definition and what it means in practice (Creswell, 2017).

Due to the interpretational issues of Strategic Autonomy, the term will be explained by the EU sources and compared with other scholars' and influential actors' takes. Next, there will be an account for how the global trends are at the moment in order to understand the context in which this strategy plays out. Afterwards there will be a final analysis where the term will be debunked by showing in three different policy areas, how strategic autonomy is being implemented. It will also be compared with theory and previous research on important concepts such as globalisation, protectionism, social identity and sovereignty and multilateralism in order to compare the concrete implications to what it means in theory and practice. These theories and concepts are relevant since EU Strategic Autonomy regards becoming more independent while keeping an open economy which affects relations with other countries and globalisation which further affects economic liberalisation, technology, investment and so on. In sum, this thesis fills the gap of literature regarding the strategic autonomy in practice and how it relates to multilateralism and global governance which connects two subjects that are currently not appearing together. This thesis will gather views on the strategy and connect it to its relation with the world and its own future.

Finally, in order to gather the full view, the sources that have been used are both from EU sources as well as think tanks and other sources covering the same topic. Initially, the plan was to only gather the perspective of the EU regarding their own strategy however, along the way it has been useful to include additional publications and scholar's commenting on the strategy and connecting it to current and past research of the geopolitical situation. The focal factors are the comparisons made with existing theories that can be used to interpret the policy recommendations, hence it being relevant to use outside sources and other scholar's work on similar topics. This means that the descriptions of Strategic Autonomy are mainly gathered from EU based think tanks and official EU publications while the analysis including theory and previous research includes other sources.

4 Data

Regarding the data being used in this thesis, the main sources will be the European Parliament itself, the European Commission, European Union External Action and other organs within the EU releasing material, descriptions and aims for current and future policies and strategies. The upside with using the EU itself in this context is that this thesis investigates one of the EU's strategies. This means that it will be explained from the perspective of the EU and how they are planning to achieve their goals. However, it can be seen as subjective since the EU can control what they release in their policy documents. To combat this, I will also include the perspective of important actors within the field of international affairs who are working with the EU but I will also use research from influential think tanks and organisations. Hence, the data from the EU will be combined with other actors connected to the EU and working with them providing research and recommendations. Since it is the EU ultimately performing this strategy, I will put the most weight on the definitions and practices layed out from the EU itself since they will be the ones putting it to practise. The reason why is that many outside scholars have compared strategic autonomy with protectionism creating a misunderstanding of the term since it is more complex than just increasing the EU's independence. For these reasons, the analysis will attempt to present a clear view of the matter, comparing it to already existing theories to investigate the plausibility and practical implementation of Strategic Autonomy.

5 Empirical Analysis

Both EU actors and scholars have pondered and feared the idea of EU strategic autonomy becoming a protectionistic force counteracting free trade and globalisation. Since this topic is highly debated it makes it relevant to analyse how these different views are being handled in reality and how these two seemingly different strategies are currently coexisting. If the protectionistic trend keeps increasing, it would lead to lower productivity and less specialisation hence restraining global growth (Sveriges Riksbank, 2019). However, there is still the fact that the EU is experiencing external threats due to the recent geopolitical changes requiring the EU to become more independent since the COVID-19 crisis created setbacks due to the EU's dependencies, as mentioned in theory, thus wanting to increase capabilities. This leads to the research question of how to balance the EU's strive to strategic autonomy with multilateralism and global governance. The main primary source is the EU and policy papers and to connect it to previous research, the literature review, IPE theory and IR theory, Globalisation, SIT and Cooperative Sovereignty. Moreover, the scope of the analysis will be stretching over the most important and well-described policy areas being defence and security, economy and trade, digital and technology, and climate change where strategic autonomy is most prominent within.

In the start, there will be an introduction to the current global situation, moving further to discussing the different approaches presented by policy papers and how the perspectives look in terms of balancing the two focuses. In the section after, there will be a discussion of the different policy areas mentioned above with also a connection to the challenges the EU is facing in these areas brought up in the theory section. Doing the analysis including more than one policy area will lift the analysis to give a broader view and also to open up for comparison and implications for future policy formation. Lastly, there will be a comparative analysis bringing comparisons and contrasts to how the balancing acts out and what is recommended in the fields. Further there will be a discussion about the similarities and differences of the challenges the EU is facing and lastly a summarising part declaring the main trends in how the EU balances Strategic Autonomy with multilateralism and global governance in important policy areas to unravel more in detail what Strategic Autonomy implicates in practice.

5.1 Global Trends, Challenges and Perspectives

The European Commission released a policy report in 2021 describing the main challenges to EU strategic autonomy with its future outlook for the year 2040 (European Commission, 2021a). These challenges are grouped into the following areas: geopolitics, technology, economy, environment and society. Firstly regarding the geopolitical trends for future Strategic Autonomy, the authors begin with presenting the increasing geopolitical rivalry and how that creates opportunities for international cooperation (European Commission, 2021a). This hence should be good for multilateralism despite it being a threat. Further, foreign powers are at risk of exploiting geopolitical relations for economic benefit as well as a general growing interdependence of the global economy. Interdependence hence becomes a positive precondition for evolving multilateral cooperation also when considering future opportunities. However, as presented in the literature review, this can also increase unilateral uncertainty further leading to flexible agreements that are diffuse (Frieden & Martin, 2003). Next, the international dominance of the US dollar in the financial system will face increasing hindrance, allowing the international euro to gain stability and resilience which would increase the EU's economic sovereignty. Lastly, the climate crisis poses an increasing risk of climate change-related economic disadvantages bringing more dependencies of resources that Strategic Autonomy cannot generate autonomy within. In order to increase the economic resilience of the EU, it is necessary to have a more inclusive economic model that allows for both digital and green transformation of the economy according to the European Commission (2021a).

Secondly, the report also covers more in detail the environmental trends and opportunities. This is relevant for comparing what the EU labels as opportunities since that also reveals how they balance strategic autonomy with multilateralism. The green transition just mentioned is portrayed here to be crucial and a global effort (European Commission, 2021a). Hence, the EU plans to keep this leading position in this area while also contributing to a global movement against climate change. Next, they emphasise how climate change already has detrimental implications for society hence implicating that adaptation also needs to be prioritised to manage climate risks. Here it includes protection of exposed assets with higher climate risks, such as the risk for flooding, and disaster prevention. The green transition also allows the EU thanks to its leading position to also become a pioneer in green technological innovation and revamp the EU industry. Lastly, since EU companies have higher

environmental standards than global competitors, they might experience a competitive disadvantage. The green transformation is hence a multilateral aim from the EU since it requires global cooperation and the European Commission (2021b) adds that tackling climate change can solely be done with openness, global engagement and cooperation.

Third, there are two main social trends for future open strategic autonomy where the initial one is the increased polarisation in society and populism (European Commission, 2021a). However the authors do highlight that a strength is the cohesion between the Member States which contributes to Strategic Autonomy. Further, there is a need for inclusive and participatory governance when creating policy solutions in order to increase trust, in accordance with IPE and Institutionalism in IR. Hence, the EU suggests that governance increases trust which can be seen as contradicting Frieden & Martin (2003) about multilateralism creating more unilateral risks since trust has no more insurance than agreements. This can be connected to IR where Institutionalism and Liberalism are in favour of collaboration while Realism for example does not believe in cooperation. Also, strengthening democracy is fundamental yet important to ensure justice, fairness and solidarity. Furthermore there is a problem in EU regions that education and digital capabilities are not equally distributed which is crucial for the development of the EU to remain competitive in the global market. A major focus is investment in digital skills, critical thinking, analytical thinking and problem solving in order to prevent brain drain present in many regions today (European Commission, 2021a).

For the EU to become more autonomous and capable it can also be connected to the expansion of the EU in order to counteract the recent decrease in share of world GDP for example. This can be related to the Social Identity Theory (SIT) conveying that the EU in order to become stronger and more autonomous has to include development of a national identity (Curley, 2009). The author argues that this is the most significant factor determining how well EU policies are able to expand the EU as mentioned. Curley (2009) uses the example of Turkey as an applicant country and looks at the approaches of decision in influential countries in the EU being Germany, France and Britain (before Brexit). He discovers that Britain, while it was still in the EU, had a stronger national identity and weaker European identity. In alignment with SIT, Britain was more supportive of Turkey joining the EU than any other EU leader. Germany has had different approaches to Turkey due to the EU leaders divisiveness and different identities. France on the other hand has an identity of a

strong united Europe and accordingly, France was opposed to Turkey joining in order to protect their European identity (Curley, 2009). This is an example of how identity plays a significant role in policy making and decisions made that could reasonably have an impact on the progress of the EU.

SIT can also be connected to IR theory and Curley (2009) argues that it strengthens the rationalist and constructivist approach utilised to interpret EU expansion policies. He further writes that constructivists state that identities are on the basis of interests, however not what identity will lead to what interest. So, in order to become a stronger Europe it is assumed to also enhance the European identity as aforementioned. SIT however shows that a strong European identity encloses them from policies pro-expansion while stronger national identities will be more open, according to the European example that is (Curley, 2009). Henceforth, EU strategic autonomy being focused on cooperation between member states to fight rising populism and nationalism hence also works towards a stronger European identity which hence can be tricky according to SIT with establishing consensus and also potentially a threat to creating new partnerships to further increase multilateralism and global governance. Curley (2009) states that in order to create an inclusive EU it seems necessary to weaken the ideas of what is European. Lehne (2017) confirms by stating that a goal of European policy is stepping up diplomatic engagement but also building alliances to preserve global governance. This foreign policy goal conveys that no other international actor is as suited for global governance as the EU. Hence, in combination with SIT and strategic autonomy, it will be interesting to further observe the coming balance between autonomy, cooperation, identity, inclusion, polarisation, multilateralism and global governance in the near future.

5.2 Policy Areas Analysis

In order to analyse how the EU balances strategic autonomy and independence with nurturing their multilateral cooperations, there are some essential policy areas that can be used to concretise the matter. Burni, A., Knudsen, E., Nogarede, J., Pirozzi, N., & Rinaldi, D. (2023) at FEPS (Foundation for European Progressive Studies) highlight the importance of the areas: economy and trade, security and defence, and digital and technology. The before mentioned are areas where EU's strength and independence can be built and thus why it is important to analyse in the context of strategic autonomy. Hence, the following part will constitute an analysis of how the balance is looking within these policy areas when implementing strategic

autonomy. Apart from looking at strategic autonomy, what makes this analysis unique is that it also takes into account how multilateralism and global governance is being affected. Lastly, there will be a concluding comparison between what the balance between strategic autonomy and global governance looks like, if they even have to be balanced and if it has significance for the future of the EU. One possibility is that strategic autonomy does not include too extensive protectionistic measures but the conclusion will tell however this strategy impacts openness using important policy areas to exemplify.

The focus on EU strategic autonomy has had its rise in relevance as the introduction displayed due to many geopolitical changes such as the rise of China, Russia, Brexit, discontent from the US and COVID-19, as the introduction conveys. Ever since Russia invaded Ukraine, the situation has altered into a significantly more urgent matter, Burni et. al. state, 2023). This section will cover the economic policy areas and how strategic autonomy is being implemented. Burni et. al. (2023) present the most consequential changes that occurred in the EU due to the ongoing Russia-Ukraine war. There was an immense rise in the cost of living in the EU and the energy and food security has been debilitated. The following part will present in what ways the EU implements measures that work towards strategic autonomy in the three most crucial policy areas today where strategic autonomy is central. Choosing these policy areas for this analysis is relevant since these areas are where strategic autonomy is needed and in the following sections they will be discussed from a perspective of how the strategic autonomy parts in these areas relate to multilateralism and global governance.

The policy areas that will be presented are the following:

- Security and defence
- Economy and trade
- Digital and technology

5.2.1 Security and Defence

One of the first notions of strategic autonomy appeared in the area of security and defence in 1999 by the European Council in Helsinki (Burni et. al., 2023). The idea came forward in the EU's Common Security and Defence Policy, CSDP. The CSDP specifically targeted a goal that the EU should be able to deploy up to 50-60 000 soldiers within 60 days and sustain it for minimum a year, the authors cite. The goal set from CSDP has not been met, which

reasonably adds to why more autonomy and investments in the area are needed. However, having such a goal also indicates a form of protectionistic endeavour since other multilateral cooperations are disregarded that otherwise would provide the EU with that safety if it would be needed. Moving on to more recent activities, the Permanent Structured Cooperation (PeSCO) was launched, followed by Coordinated Annual Review of Defence (CARD), the European Defence Fund (EDF) and the European Peace Faculty (EPF) delivering military backing to partners. Furthermore, in March 2022 the Strategic Compass for Security and Defence was implemented and confirmed the desire of all member states to commit and strengthen their collective political-military engagement to a European defence, with the Ukraine war in mind (Burni et. al., 2023). With these measures, the EU aims to protect Europe from external crises by creating cooperation between member states, but they also require industrial and technological capabilities to enable autonomy thus showing multilateralism within the EU and not essentially protectionistic tendencies towards external actors since it regards if the EU would accept any contribution (European Union Global Strategy, 2017).

The following quote defines Strategic Autonomy in the defence area (Morilla, 2021, p.6):

“European Strategic Autonomy is about having the necessary means to achieve predefined foreign policy objectives, while cooperating with partners or acting alone if necessary.”

European Union Global Strategy (2017) confirms the policy document from 2023 by stating that Europeans have to invest more in security. In addition to Burni et. al. (2023), the authors emphasise that both Europe has to take greater responsibility and that each member state has to stand up for each other if needed. This also incorporates joint action when facing threats to security, such as terrorism, hybrid threats, cyber and energy security, organised crime and external border oversight. Furthermore, what European Union Global Strategy (2017) also adds is the importance of European autonomy since that will enhance the cooperation between Europe and the US which is contradictory since strategic autonomy is referred to an autonomous EU as a cluster but then the EU also wants to improve its relationship to the US. The reason why is, as mentioned in the introduction, the discontent from the US and NATO that Europe does not invest enough in military independence (Kundnani, 2017). Also, as mentioned in theory there is an increased focus on defence capabilities already. The reason

for the EU to become autonomous has a strong objective to enhance transatlantic relationships hence showing how European Strategic Autonomy works in favour of Multilateralism and partnership overall.

However, this also shows that the EU still wants to rely on support from the US and not fully become independent. Burni et. al. (2023) confirms the EU being in favour of partnership by establishing that strategic autonomy does not imply ending collaboration but conversely that it can be crucial for the EU's capacity and that the challenge and problem is the EU not using their partnerships to their full potential. Hence, the issue seems to be that the EU has not put in the efforts to fulfil all parties of their multilateral cooperations while not ensuring security independently either. Thus being in a form of middle ground. In the globalisation section, it is presented according to theory how openness in general has generated more progress than the counterpart which reasonably led to critiques worrying about the European autonomy leading to a closed-off Europe that wants to be independent in itself. However, that seems to not be of importance since strategic autonomy in this case includes cooperation. The matter more concerns how the EU performs their policies and partnerships than if the strategy itself is cooperative or protectionist.

5.2.2 Economy and Trade

Moving on to the area of economy and trade, it has been prevalent since the 2010s to project geopolitical power which has enhanced the focus on autonomy for the EU (Burni et. al., 2023). Currently, the EU still has to build a stronger economic and monetary union. The authors further write that it becomes increasingly clear in economic policy that the EU needs more autonomy since also the situation in this policy area is seen as one of the main drivers of why strategic autonomy was implemented in the first place. The severity has also been further accentuated since the invasion of Ukraine in February 2022 (Burni et. al., 2023). Europe implemented financial sanctions, export bans, import restrictions of key commodities and suspension from international institutions to inhibit Russia's endeavours. Despite this being a good example of the EU's capabilities to sustain political sovereignty and external power, there remains other areas where strategic autonomy needs to be implemented. However, these measures constituting restriction essentially, are examples of the protectionism that strategic autonomy has evoked but it is significant to mention that these measures are taken in special circumstances due to the war on the continent. Also, it is

interesting that these measures are seen as insufficient to what they would want making it unsure how much protectionism is in their aim. The way that the EU implements strategic autonomy within economy and trade is hence protectionistic due to the Russia-Ukraine war and further the parts preserving multilateralism and global governance will be covered in the next section.

The authors divide the focus of strategic autonomy in economic policy to five specific policy areas: trade, industrial policy, sanctions, the international role of the euro, and development policy (Burni et. al., 2023). The history of trade policy was being disconnected from broader strategic objectives for decades but that has changed in recent years. This is an example of the EU implementing more multilateralism. Another example is the EU's trade policy review from 2021 'An Open, Sustainable and Assertive Trade Policy'. In this review it successfully emphasises trade but specifically the importance of trade being green and steered towards a digital transition with cooperation with other global powers in order to spread a green transition as well since EU is a green leader (Burni et. al., 2023). Moreover, the European Commission (2021b) as mentioned before, underlines that the EU might experience a competitive disadvantage due to these higher environmental standards leading to higher prices. However, this connects to the EU's global governance where they hope to influence globally with their green transition.

Fabry also underlines how the view of China has become less positive due to substantially increasing rivalry, also being one of the main drivers of Strategic Autonomy (Burni et. al., 2023). This reasonably means challenges for global governance since China has global economic power being the largest economy, but since the EU also cooperates with China the EU will have to not see them as a systemic rival in order to achieve both autonomy and work in line with their commitments to multilateralism and global governance. The author also mentions that these developments in Strategic Autonomy were due to the EU realising the risks of overreliance on global trade while knowing that international commerce is a crucial part of the European economy which seems very contradictory but has its reasons – hence also why this analysis focuses on the relation between autonomy and multilateralism.

Overall, what is unavoidable in these policy areas within economy and trade is the growing interconnection between economics and geopolitics which Europe has to adapt to (Burni et. al., 2023). The authors strongly present excessive dependencies of the EU as a significant

threat that needs to be managed. To truly achieve Strategic Autonomy, the authors propose three major issues with solutions being ingenuity, technical expertise and European unity where the latter is seen as the most important. As previously mentioned in the area of security and defence, European unity is also brought up and connected with issues regarding identity and unification in ratification of new regulations and partnerships in the EU. This is interesting since unity was seen as a strong European identity which leads to harder to implement multilateral treaties and for example include new member states, while in this policy document the authors mean that it is crucial for achieving strategic autonomy due to the “increasing economically nationalist allies and more assertive geopolitical challengers” (Burni et. al., 2023, pp.12).

5.2.3 Digital and Technology

The digital and technology aspect of strategic autonomy is relevant due to the increasing prominence of technology in Europeans’ daily life, economy and society such as within public services, education and healthcare (Burni et. al., 2023). When looking at what could boost strategic autonomy as a whole, the EU's digital infrastructure is one of four main suggestions, accompanied with regulatory capacity, alliance policy and skills of the population. These are aspects that could enhance autonomy according to the authors. Connecting the digital sphere to multilateralism, the acknowledgement of digital infrastructure improving Strategic Autonomy could be seen as Europe wanting to produce more domestically and have more innovation within Europe, hence protectionism. However, another standpoint is in fact that the current world of technology is highly concentrated in the US (Burni et. al., 2023). Hence, the notion of digital innovation and independence in Europe is of a developmental manner where Europe could advance and create better, more competitive products and services generating growth instead of importing from the US since dependence has been revealed as a weakness in uncertain times.

Europe today is seen as a leader in green technology, as mentioned. Imagine further if Europe would increase their dominance in the market – that could further lead to more power in global governance and hence more influence towards a sustainable future in combination with more technological innovation that is green since that is a major focus in Europe and an important one. Hence, Europe’s focus on autonomy in the digital sphere is reasonably due to establishing their one dominant power house which could lead to more sustainable

development in the area if they continue the focus on a green transition which ultimately requires multilateral cooperation. Anderson confirms in a policy brief about Europe being in need for high-tech talent to counter the oligopolistic trends and dependence of technology, where Burni et. al. (2023) emphasises this as a problem for strategic autonomy. One example is during COVID-19 when tracing apps were created but governments realised that the key operating systems were controlled by foreign firms hence an argument for protectionistic measures for Europe's security and stability.

If autonomy was to be increased, one can view it as countering globalisation since it should not matter where something is produced and everything should be tradeable at a lower cost when everyone focuses on their own comparative advantage, as mentioned in the theory. On the other hand, one can also argue that in a large market such as technology in a world where a digital transition is coveted, it can also be seen as a form of natural monopoly for the leading producer. Hence, it seems reasonable to further develop the high-tech market in Europe to participate in the market since a natural monopoly can create excessive prices without competition that would make the products better and cheaper, according to Microeconomic Theory (Varian, 2014). Furthermore, this opens up for multilateralism and global governance as well since multiple actors allow for cooperation plus more regions are contributing creating competition increasing the quality of products and services. The authors confirm this view by stating that autarky is not the solution, like seen in the case of China, since it is too costly for the EU and needless – thus showing a clear pull towards multilateralism and globalisation still.

What the European Commission (2021b) implemented in this area is the language of autonomy and sovereignty in digital strategies in combination with increasing activity in general regarding recent digital policies. However, the authors state that the EU's main focus still is risk management as seen in new regulation proposals regarding AI and other tech platforms covering information sharing, transparency and reporting. The Digital Single Market Act, Digital Services Act and the proposal of an AI Act are all policies aiming at elongating the single market through rules for the market actors, which supports globalisation and trade at least within Europe. This is a significant example showing that strategic autonomy firstly enables growth in the sector as well as promoting common laws and cooperation. Moreover, when laws in general become unified within the EU this can result in the 'Brussels effect' which refers to the phenomena when trading partners to the EU tend to

adopt the same regulations. This hence means both growth and development in tech as well as a bridge to ease multilateralism and global governance if such a large sector implements common laws. This is especially important since the EU market is shrinking in dominance globally meaning less influence on regulations on technology making this sector highly important to develop, also since the EU provides focus on sustainability hence could have a positive impact globally if they increase dominance in the digital sector (Burni et. al., 2023). The general idea of this analysis is confirmed here (Renda in Burni et. al. (2023, pp. 14):

Counterintuitively, to become more autonomous, the EU should cooperate more internationally, and depart from the default mode of unilateral regulation with extraterritorial effects.

5.3 Discussion

Distinguishing whether Strategic Autonomy is cooperative or protectionist might be unnecessary since scholars claim that it can be combined and does not have to be contrasts. However it makes sense for this thesis since it is said that strategic autonomy cannot be achieved without openness as the theory part conveys. Loewenstein (1954) confirms that despite that the terms sovereignty and international cooperation may seem like opposites, they do go together as well which supports the findings of this analysis on recent EU policy papers and think tanks describing Strategic Autonomy. What is interesting with implementing it in this analysis is that it confirms that Strategic Autonomy does not have to be one or the other but an act of what is best in each policy area (Loewenstein, 1954). For example, in the section of security and defence, there is a more protectionistic mindset since there is a war on the continent creating more extreme measures. However, in the next two policy areas there will be more examples of how the two forces are in fact combined and why this can also be crucial since there are both upsides and downsides to either strategy. Loewenstein (1954) conducted his research during the cold war which as previously mentioned was a period where protectionism had arisen which was compared to today's situation with similar circumstances. He underlines that the importance of the polarisation of international relations actually has complementary characteristics and can hence support EU's strategic autonomy.

The definition of strategic autonomy set by numerous researchers at the European Parliament, might be leading to other directions than desired which Tocci (2022) presents. As previously mentioned, European Strategic Autonomy can be confused with sovereignty, independence and unilateralism. Two of these terms are argued by Perrez (2000) to be more complex saying that autonomy is sovereignty since sovereignty is independence with the responsibility to cooperate which goes in line with her claim that strategic autonomy means the ability to live by its laws. The interpretation is that both authors want to highlight that strategic autonomy does not seem to aim at protectionism but understands that it can be interpreted in such a way. Here is an example of how the definition of a strategy varies and how it makes it change due to the mere interpretation of it, which is why it has led to scholars fearing that it will be interpreted as protectionistic. Without taking into account literature before mentioned by Perrez (2000) and Loekowenstein (1954) for example, it becomes harder to interpret strategic autonomy due to their focal objective of independence. This leads into how different the view of strategic autonomy is when discussed from a meta perspective compared to when it is investigated within the context of specific policies. In the meta perspective there is a large focus on independence while the actual policy papers reveal that cooperation and partnerships are crucial for the future of the EU and that the EU has to actually increase their cooperation while also increasing their capabilities.

The first hypothesis of this thesis is that strategic autonomy is not working against multilateralism and global governance through strengthening independence while also supporting multilateral partnerships. The second hypothesis is that strategic autonomy supports cooperation within the EU to protect the region as a cluster towards external threats which also has been presented in what ways strategic autonomy is contributing. Both of these hypotheses were focused on the research question being how the two approaches relate and how Strategic Autonomy is implemented. The way strategic autonomy works can be compared to Realism in IR theory since it assumes a state to have independence, however, it also assumes that trusting neighbouring states is unreliable, confirming more H2 than H1. IPE theory also discusses the drivers of policy decisions affecting these matters and that IPE depends on three factors: interests, institutions and information. In this case, they argue that strengthening a cluster, like the EU wants, means strengthening institutions since institutions are a cluster of interests. IPE further states that institutions and interests are what impacts policy decisions. Hence, IPE theory supports strengthening the EU as a cluster in order to achieve more political influence and hence achieving the goal of Strategic Autonomy.

Regarding deeper multilateral cooperation, IPE highlights that it leads to higher unilateral risks making agreements diffuse which also is confirmed by Frieden & Martin (2003). Institutionalism in IR seems more descriptive since it also supports Microeconomics and Game theory which has been brought up already in this thesis when arguing for why multilateralism is achievable.

In the section of digital and technology, it is argued how the EU can prevent the natural monopoly in technology by strengthening their own position internationally, aligning with H2, and then cooperating with other states, aligning with H1 and Institutionalism. This shows how the two hypotheses are focused on precisely the goal of Strategic Autonomy being an independence that has previously been confused with protectionism, but in reality serves to increase the independent region in order to cooperate more effectively. However, theory also mentioned that full independence will never be possible (Loewenstein, 1954; Damen, 2023) Moreover, the European External Action Service (2020) brings up the main reason why Strategic Autonomy is more important than ever. The reason is as aforementioned, the shrinking of the EU in the global economy which will lead to China taking over followed by India. The author explicitly concludes that if they don't act now, the EU will become irrelevant and lose political power highlighting that alliances are essential. This statement supports both H1 and H2. The European Commission confirms and adds by stating that the lack of cooperation between Member States is what is impeding strategic autonomy, meaning that strategic autonomy is strengthened by multilateralism and global governance (European Parliament, 2018).

6 Conclusion

This last chapter will summarise the key findings of this research, answer the research question, discuss contributions and give recommendations for future research within the topic. This study aimed to investigate the balance between the EU's implementation of Strategic Autonomy, and weigh it with commitments in multilateralism and global governance being founding principles since the EU was created. The two hypotheses mentioned in the beginning of this thesis will be further discussed. The first hypothesis made is that strategic autonomy is not working against multilateralism and global governance and after investigating the policy areas of security and defence, economy and trade as well as digital and technology in the analysis, it appears that this hypothesis holds true. To more

specifically explain why strategic autonomy is not a force against multilateralism and global governance, I will further present the main points from the analysis strengthening this view.

In the theory of this thesis, the definition of the word written in the policy papers is that strategic autonomy refers to independence and being able to act without relying on other countries. In reality, it still assumes a clear focus on multilateralism and the goals of global governance are persisting. This is supported in IR theory by Institutionalism confirming that cooperation is attainable and high-yielding. In addition, the 'Brussels Phenomenon' addresses exactly how the EU benefits from when their regulations become common practice among its partners contributing to global governance. Furthermore, the theory presented how the EU is making vast investments for strategic autonomy which are inherently focusing on increasing the capabilities to reestablish the EU's presence globally, hence being in favour of multilateralism. Another example is that they are investing in connectivity, 5G and other technological presence which is directly linked to their weakness in the technology area previously mentioned, aimed to be strengthened in order to improve their participation in world trade. This can be connected to the Liberalist view in IR saying that actors all have different agendas that matter for international relations and not like Realism and Institutionalism assuming the same behaviours of all states. The European Commission (2021b) also explicitly wrote that strategic autonomy cannot be achieved without an open society and hence shows the Institutionalist view that cooperation and free trade can become a win-win situation according to globalisation, IR theory and Microeconomic theory.

Further, in all of the policy areas, the main focuses were partnership regarding practical measures. In security policy the EU states that they want to increase autonomy in order to improve their cooperation with the US, thus showing how Strategic Autonomy is about strengthening multilateralism and not the opposite. In economy and trade, the EU were forced to become autonomous due to the Ukraine-war and implement sanctions towards Russia. This revealed the EU's weak spots and led to realisation of the risks of over-reliance on free trade showing that the EU also wants to reconsider their free trade. One part discussed is the EU's goal of a green transition and not solely growth. Further, it also regards the notion that the EU has to act now in order to not become irrelevant in the global economy and then lose all political influence domestically and of course not being able to influence global governance. Europe reasonably desires independence due to their decreasing share of world trade, and losing political influence thereof, and in order to benefit from openness they have to

themselves have strong market contributions in areas of comparative advantage as theory of globalisation and Microeconomics suggest. Hence, if Europe becomes more inventive, increases technical expertise and European unity, they will benefit from trading with other countries further leading to digital policies which in that same way are seen as desiring a stronger position in the market – not an exit from the world market.

This last part above is supported by all of the aforementioned theories as well as Social Identity Theory and Constructivism. Furthermore, it was explained how Europe becoming stronger can lead to new digital policies, however, IPE theory also emphasises that the global economy has significant impact on domestic markets and leads to a restriction of possible policies since the world economy will lead to a changing economic playground that affects all domestic markets. Another domestic effect mentioned by IPE is that deeper cooperation also leads to higher unilateral risks which is confirmed by Realism in IR theory mentioning not trusting partners and expecting uncertainty leading to diffuse agreements. When connecting IPE and IR, IPE states that the world economy affects agreements and Realism in IR assumes uncertainty and diffuseness with these agreements. Institutionalists argue against uncertainty and hence against IPE that assumes risks and agreements not being certain in how economic implications will affect the country. This means that the relationship between international cooperation and domestic policies are highly intertwined and depend on what view and theory one uses when analysing it. However, in this case of autonomy the EU seems to be more Institutionalist.

When looking at the distinct definition of European Strategic Autonomy, it is easily interpreted as a strategy that aims at independence from other countries which can be interpreted as a turn towards protectionism. Moreover, probably the most important finding of this thesis is that Strategic Autonomy is not protectionistic and serves many objectives and purposes beyond the aim of independence and non-reliance on other countries. This is what was mentioned in both of the hypotheses as well when it was said that Strategic Autonomy is not against multilateralism and that it is used to create a stronger EU and Europe when participating in partnership and international relationship agreements. Furthermore, this comes down to stating that the balance between strategic autonomy and multilateralism, does not have to be seen as one way or the other. It seems as if the two are not taking from each other, but that Strategic Autonomy is one step to reaching a better outcome in the EU's aspiration of multilateralism and global governance.

That brings us to a limitation being the opinion based foundation where the EU's aim is a political view of openness. Hence this thesis is not analysing whether autonomy, multilateralism and global governance are good or bad. Free trade and globalisation sceptics may bring forward all protectionistic parts of Strategic Autonomy and argue for why that is good. However, this analysis was made using the policy papers in a proportionate way of which sides were being argued for and to what extent they were present in the policy. Accordingly, this thesis does not aim at one side or the other but claims to create a fair investigation. For that reason, the matter was analysed from both perspectives and unraveled what the important policy areas describe in terms of practical measures. For example, the anti-globalist view was included in the theoretical framework to show that the strategy of openness, which the EU is supporting, does not have to be the best option. Another limitation is that more criticism against Strategic Autonomy could be brought up, however that becomes another perspective. This was the reason to focus on how the EU themselves present how they work with Strategic Autonomy and not what outside actors believe the EU is aspiring, but future research could use a different perspective analysing outside actors' view.

Due to this thesis investigating how the EU is balancing the emerging focus on independence, it is relevant to assume that the conclusion of this thesis being that the EU are working in favour of multilateralism and global governance, should not be a surprise. Both sides of the matter have been analysed and compared, and Strategic Autonomy seems to pick good parts from each of the independence and multilateral benefits combining them to a strategy. Regarding global governance, the EU has significant influence on international agreements due to them being such a large and influential market. The recent decrease of the EU as a part of the international market is one of the main reasons the EU wants to become stronger, in combination with current challenging geopolitical circumstances aforementioned. What is left for future research is analysing the global market and strategic autonomy with a quantitative method. Future research could also cover how well Strategic Autonomy helps multilateralism and global governance. In conclusion, with becoming more capable and less dependent, the EU aims for stronger partnerships and international cooperation with further influence on the global market and global governance.

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