

SHOCKWAVES: HOW DOES THE WAR IN UKRAINE IMPACT THE EU'S GRAND STRATEGY?

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TABLE OF CONTENTS

INTRODUCTION	5
IS THE EU FIT FOR GRAND STRATEGY?	6
STRIVING FOR STRATEGY	8
ELEMENTS OF EU (GRAND?) STRATEGY ON THE EVE OF THE WAR IN UKRAINE	10
WAR IN EUROPE: STRESS TESTING EU GRAND STRATEGY	12
CONCLUSION: WHERE NEXT FOR EU GRAND STRATEGY?	19

Abstract

Grand strategies define what an international actor stands for, what it wants to achieve and how. They encompass a coherent set of ideas, narratives, flagship plans and policy initiatives. Can a complex and collective political actor like the European Union (EU) craft a grand strategy? This In-Depth Paper contends that it can, it should and, to some extent, it has. However, it now needs to scale it up to match a new strategic landscape. Before Russia's attack on Ukraine, the EU devised elements of a strategic approach for Europe to stand its ground in a more competitive and contested world. The outbreak of the war has put the EU's fledgling grand strategy under a severe stress test.

This In-Depth Paper illustrates the implications of the conflict for EU grand strategy in terms of shifting priorities, new challenges, emerging debates and critical questions that need addressing. The EU has reacted swiftly and firmly to Russia's attack on Ukraine. However, the important steps taken so far do not yet add up to a deeper, joint assessment of how the war's repercussions affect the purpose, priorities and cohesion of the Union. This In-Depth Paper argues that EU institutions and member states need to match their grand strategy to the scale of the challenges they face, or risk losing agency on the global stage. At this stage, the EU need not draft a grand strategy, but, at the same time, it cannot afford not to think in terms of grand strategy, and act accordingly.

Introduction

Strategy is about directing resources to deliver outcomes. Grand strategy defines what an international actor stands for, what it wants to achieve and how. It consists of setting overarching priorities on the international stage and aligning all relevant policies and resources to achieve them. As such, grand strategies stand at the interface between domestic politics and international affairs. They are supposed to be resilient, reconciling a long-term assessment of large priorities with the flexibility to adapt to changing circumstances and sudden crises. Crafting and implementing a grand strategy sets, therefore, a tall order for any international actor, all the more so during times of structural change in international relations. Importantly, grand strategies do not necessarily amount to a flagship strategic plan, but involve a consistent approach encompassing ideas, narratives, blueprints for action and related policy initiatives – a grand strategy “ecosystem”.

Russia’s war on Ukraine has marked a major inflection point, destabilising the international order and engendering much uncertainty about its systemic implications. The ripple effects of an event of this magnitude are affecting the grand strategies of all major global and regional actors. This In-Depth Paper reviews the main features of the fledgling grand strategy of the European Union (EU) before the outbreak of the war in Ukraine, and it seeks to ascertain how the latter has impacted, and is shaping, EU grand strategy.

Tackling this question requires taking a step back, since the contention that grand strategies matter, and the proposition that the EU has one in the first place, are far from consensual. On one level, critics argue that grand strategic designs rarely work, whether because of the intricacy of international affairs, the resistance of entrenched bureaucracies or the volatile preferences of individual leaders. On another level, sceptics stress that many of these challenges appear amplified in the case of the EU. The latter is a collective international actor endowed by its member states with uneven competences across critical fields of internal and external action. Besides, action at the EU level depends on the often cumbersome convergence of diverse national interests around joint positions. Grand strategy may well prove a too comprehensive, targeted and long-term undertaking for such a complex and asymmetric political actor.

This In-Depth Paper contends, however, that the EU has sought to develop an overarching strategic approach, which presents at least some features of grand strategy. It also argues that pursuing efforts in this direction becomes increasingly critical the more intricate a policy-making system is, the more heterogeneous the interests that co-exist therein are and the more competitive the strategic context becomes. For the EU, the alternative to engaging in grand strategy is to lose agency on the global stage.

The first section of the In-Depth Paper frames the topic by looking at how to think of grand strategy and it addresses the question of whether an international actor like the EU can aspire to pursue one. The second part briefly reviews the evolution of the EU’s strategic approach with a focus on developments since 2016. The third section assesses the main dimensions of the EU’s overall strategic stance on the eve of Russia’s aggression of Ukraine. The fourth and final part of the In-Depth Paper illustrates the implications of the war for the grand strategy of the EU, and it outlines some of the main questions that will need to be addressed to cope with the war’s shockwaves.

Is the EU fit for grand strategy?

Asking whether the EU can have a grand strategy and assessing how it could change presupposes a clear understanding of what a grand strategy is. The vast literature on grand strategy encompasses a variety of definitions.¹ The distinction between strategic plans, organising principles and patterns of behaviour is a very useful starting point.² Some identify grand strategy with one or more deliberate strategic plans (i.e. the United States' (US) national security strategies) that outline core interests and direct available resources towards the achievement of priorities.³ Others understand grand strategies as broad ideas or organising principles that frame and mobilise action across multiple domains, such as “containment” during the Cold War.⁴ Yet others equate grand strategy to the by-product of a – mostly – consistent pattern of behaviour, whether or not a comprehensive plan is drafted or principles are formulated.⁵

The point is that these understandings of grand strategy are not mutually exclusive: different manifestations of grand strategy can co-exist.⁶ A pattern of behaviour over time can be consolidated into a plan, organising principles are supposed to guide behaviour and the overarching ideas that structure strategic debates can translate into strategic blueprints. The focus on the interplay between different expressions of grand strategy is particularly relevant if we are to explore whether and how the EU has developed one.

This is also the reason why it is important to frame this debate in terms of the evolution of the EU's grand strategy “ecosystem”, encompassing overarching ideas and narratives, major strategic plans and policy initiatives. This “ecosystem” needs assessing on the basis of two parameters. For one, the consistency between its various components and dimensions. For another, the effectiveness of such an approach to deal with change and challenges on the international stage. Crafting grand strategies, or thinking and behaving in strategic terms, can deliver three principal benefits:⁷

- The first element consists of looking beyond the emergencies that inevitably capture the attention of policy-makers. The advantage is to focus minds on the structural features of the international system, the trends that are shaping it and the long-term priorities that flow from them. In other words, grand strategies can help reconcile the *urgent* and the *important*.

¹ To take only a few examples, see Kennedy, P., “Grand Strategy in War and Peace: Toward a Broader Definition”, in Kennedy, P. (ed.) *Grand Strategies in War and Peace* (New Haven, CT: Yale University Press, 1991); Gaddis, J.L., “What is Grand Strategy?”, Karl von der Heyden Distinguished Lecture, Duke University, 26 February 2009; Posen, B., *Restraint: A New Foundation for U.S. Grand Strategy* (Ithaca, NY: Cornell University Press, 2014); Brands, H., *What Good is Grand Strategy? Power and Purpose in American Statecraft from Harry S. Truman to George W. Bush* (Ithaca, NY: Cornell University Press, 2014); Friedman Lissner, R., “What Is Grand Strategy? Sweeping a Conceptual Minefield”, *Texas National Security Review*, 2(1) (2018), pp. 52-73; Freedman, L., “Grand Strategy: The History of a Concept”, in Balzacq, T. and Krebs, R.R., (eds.) *The Oxford Handbook of Grand Strategy* (Oxford: Oxford University Press, 2021), pp.25-40; and Biscop, S., *Strategy in 10 Words: A Guide to Great Power Politics in the 21st Century* (Bristol, Bristol University Press, 2021).

² Silove, N., “Beyond the Buzzword: The Three Meanings of “Grand Strategy””, *Security Studies*, 27(1) (2018), pp. 27-57.

³ *Ibid.* Silove traces this conception back to Basil Liddell Hart (with a focus on the conduct of wars) and to the work of Paul Kennedy.

⁴ Posen, B. and Ross, A.L., “Competing Visions for U.S. Grand Strategies”, *International Security*, 21(3) (Winter 1996-1997), pp. 5-53. See also, Dueck, C., *The Obama Doctrine. American Grand Strategy Today* (Oxford: Oxford University Press, 2015).

⁵ Silove refers to the work of, among others, Edward Luttwak, who argued that ‘all states have a grand strategy, whether they know it or not’. See Luttwak, E.N., *The Grand Strategy of the Byzantine Empire* (Cambridge, MA: Harvard University Press, 2009), referred to in Silove, *op.cit.* “Beyond the Buzzword”.

⁶ Hemmer, C., *American Pendulum. Recurring Debates in U.S. Grand Strategy* (Ithaca, NY: Cornell University Press, 2015).

⁷ For a broader assessment of the relevance of grand strategy, see *op.cit.*, “What Good is Grand Strategy?” and *op.cit.*, “Strategy in 10 Words”.

- The second benefit of grand strategy is that it seeks to bring coherence to the pursuit of different objectives by various political or bureaucratic actors within large policy-making systems. If achieving full coherence may prove arduous, thinking in terms of grand strategy can help anticipate, reduce or better manage inconsistencies among multiple objectives.
- The third, and related, advantage of grand strategy is that pursuing one requires actors to rank priorities and work out trade-offs across multiple domains of action, based on the consideration of available resources. Grand strategy, therefore, entails not just coherence but choices. The principles and priorities informing grand strategy can help guide these important decisions.

Critics of grand strategies, and, in particular, of the efforts to codify large strategic blueprints, highlight a number of flaws or challenges that often befall grand strategic designs.⁸ They question whether grand strategy can work in a highly volatile world and favour a more nimble, problem-oriented approach to work out a suitable course of action in international affairs. It is very important to review this criticism when assessing whether the concept and practice of grand strategy can apply to the EU. The features of the EU as a polity, and an international actor, have in fact drawn much scepticism on its ability to think and act strategically. Three main forms of critique need addressing:

- According to the first one, grand strategic blueprints fail to provide relevant guidance to decision-makers, as they lack the necessary level of detail in terms of actionable objectives and the means by which to attain them. This line of argument has also applied to the two documents most often associated with the EU's attempts to devise a grand strategy, namely the 2003 European Security Strategy (ESS) and the 2016 EU Global Strategy (EUGS). If grand strategies devoid of clear objectives are of limited practical value, however, disjointed decisions made with little appreciation of how they connect to overarching priorities, and to each other, may lead to poor outcomes. In other words, despite their limitations, grand strategies can help bring structure to multiple strands of external action.⁹
- A second criticism directed at grand strategies is that they often feature a disconnect between overarching goals and available resources. When it comes to the EU, this argument exposes two sets of challenges, which could be summed up as a grand strategic "capability-aspirations gap". First, EU strategic statements, such as those concerning the European Neighbourhood Policy or defence, have often featured a high level of ambition that is not well calibrated to available means. Second, the EU is not in control of most of the tools of statecraft because it relies on national assets. These reservations can be addressed at two levels. For one, failing to strike the right balance between ends and means concerns the quality of a grand strategy, not whether one can or should be crafted. For another, the fact that member states have only marginally pooled their resources at the EU-level suggests that they need a much more thorough reflection on their common interests and priorities. Nobody believes that a single EU country is capable of achieving its principal goals on the global stage on its own, while the EU offers critical mass and political clout.
- The third dimension of scepticism is not directed to grand strategy as such, but concerns the ability of the EU to devise one, given its political heterogeneity and institutional complexity. Different national strategic cultures and priorities co-exist, compete and occasionally clash. At the institutional level, multiple policy-making sites intertwine at the EU-level, which

⁸ Drezner, D.W., Krebs, R.R. and Schweller, R., "The End of Grand Strategy. American Must Think Small", *Foreign Affairs*, 99(3) (May/June 2020), pp. 107-117; Edelstein, D.M., "The Limits of Grand Strategy", in Balzacq, T. and Krebs, R.R., (eds.) *The Oxford Handbook of Grand Strategy* (Oxford: Oxford University Press, 2021).

⁹ *Op.Cit.*, "What Good is Grand Strategy?"

challenges the elaboration of overarching strategies.¹⁰ The proliferation of EU strategic documents stems in part from bureaucratic politics, with different institutions seeking to seize ownership of distinct issues, and in part from the fact that drafting strategies is easier than taking action. Besides, at the EU-level there is no authority equivalent to that of a Head of State or Government at the national level to decisively settle disputes between institutions.

These political and institutional features undoubtedly complicate grand strategy within the EU. However, they do not preclude efforts at pursuing one, whether through strategic plans, strategic narratives or strategic behaviour. In fact, they make framing a grand strategy all the more important to connect disparate political inputs and policy strands, beyond the short-term.¹¹ As the next section illustrates, the EU has sought to incrementally devise a broad strategic approach that carries at least some features of grand strategy.

Striving for strategy

Over the last 20 years, the EU has sought to craft a strategic approach to assert itself as an international actor and guide multiple dimensions of external action. Judging whether the EU has succeeded to devise and implement a consistent grand strategy depends in part on the benchmarks, or level of ambition, of this assessment. If grand strategy is understood as a comprehensive and far-sighted grand plan, effectively implemented by all political and institutional actors across multiple policy domains, and achieving all expected results, then the EU falls well short of having a grand strategy. And so would, to different degrees, most major powers. The broader point is that, in the real world, grand strategy is not really about accomplishing a spotless plan, but about striving for a viable strategic approach across the policy spectrum, setting priorities among competing objectives and organising action accordingly, all while dealing with unforeseen events.

At the turn of the century, the EU launched multiple strands of a broad strategic approach directed towards shaping norms and rules on the international stage, in line with its values and interests. The two main tracks of this approach were the enlargement and neighbourhood policies for one, and the pursuit of “effective multilateralism” for another, as encapsulated by the 2003 ESS. The cascading crises that hit the EU since the late 2000s challenged many of the aspirations that had informed EU external action and led to a phase of political introspection and strategic muddling through. By the mid-2010s, however, the so-called “poly-crisis” engendered a significant shift in the EU’s strategic ecosystem. The emphasis moved from the upbeat projection of Europe on the international stage to protecting the EU from a range of external and internal challenges.¹² This was not a fully-fledged reversal, but a clear transition in the ranking of priorities. The principal dimensions of change included a stronger focus on the EU’s own interests, the acknowledgement that the resilience of the EU at home depended on coping with challenges abroad, and the widening scope of the strategic debate, involving a range of internal and external policies.

The 2016 EUGS both consolidated developments long under way, and broke new ground. At the core of this Strategy was an effort to carve-out a distinct way for the Union between previously

¹⁰ Fiott, D. and Simón, L., “The European Union”, in Balzacq, T., Dombrowski, P. and Reich, S. (eds.) *Comparative Grand Strategy: A Framework and Cases* (Oxford: Oxford University Press, 2019).

¹¹ On the links between strategic planning, grand strategy and foresight in the context of the EU, see Delphin, H. “Above the Fog and the Fury: EU Strategic Policy Planning and the EU’s Future in Times of Global Uncertainty”, *European Foreign Affairs Review*, 26(1) (2021), pp. 35-54.

¹² For a recent assessment of this shift, see Youngs, R., *The European Union and Global Politics* (London: Macmillan, 2021).

overstated normative aspirations and the reality of a more contested and competitive strategic context.¹³ Accordingly, the guiding principle was “principled pragmatism”. The EUGS also underscored the priority for Europeans to take more responsibility for their security and defence, not least by acquiring an “appropriate level of ambition and strategic autonomy”, and spurred considerable policy developments in this domain in the late 2010s. Over the same period, the EU started elaborating a geoeconomic response to growing evidence of other powers, such as China and the US under the Trump administration, manipulating interdependence for their strategic ends.¹⁴

The overall EU strategic approach that has emerged since the mid-2010s was essentially confirmed and upgraded when the current institutional leadership took office in 2019, heralding the arrival of a “geopolitical Commission” and the need for the EU “to learn to use the language of power.”¹⁵ The green and the digital transitions would be the twin tracks driving the new EU growth strategy, with a strong emphasis on revamping Europe’s industrial strategy and pursuing “technological sovereignty”. Arguably, this set of ideas and guidelines marked a new stage in the evolution of a grand strategic approach at the EU-level. The latter not only encompassed most policy domains but also explicitly connected them to the ambition to bolster the position of the EU in a competitive international system.

Alongside the outbreak of the COVID-19 pandemic, deepening great power competition and multilateral gridlock steered the EU towards strengthening Europe’s resilience as a matter of urgency. Having (re-)emerged, in part, as a response to the deterioration of transatlantic relations during the Trump administration, the concept of “strategic autonomy” or “European sovereignty” quickly became central to the European strategic debate.¹⁶ In a nutshell, strategic autonomy framed the aspiration of the EU to define its own course of action in international affairs and acquire the means to sustain it, strengthening its power base and managing interdependencies, while working with partners whenever possible.

The drive to enhance Europe’s “open strategic autonomy” explicitly informed policy developments in multiple areas, from trade to industrial policy, from strengthening Europe’s economic and financial system to securing access to critical raw materials, from pharmaceuticals to cybersecurity and defence policy. The “NextGenerationEU” instrument agreed by EU member states in July 2020 was the pivot, or key enabler, of the fledgling EU grand strategic approach, expressing the recognition that only through EU integration could Europeans defend and advance their priorities in the world.

¹³ Grevi, G., “A Global Strategy for a Soul-Searching European Union”, Discussion Paper, European Policy Centre, 13 July 2016. See: <https://www.epc.eu/en/Publications/A-Global-Strategy-for-a-soul-s~259130>.

¹⁴ Meunier, S. and Nicolaidis, K., “The Geopoliticization of European Trade and Investment policies”, *Journal of Common Market Studies*, 57, Annual Review, (2019), pp. 103-113; Leonard, M. et al., “Redefining Europe’s Economic Sovereignty”, Bruegel, Policy Contribution, 9, June 2019. See: <https://www.bruegel.org/policy-brief/redefining-europes-economic-sovereignty>.

¹⁵ European Commission, “Speech by President-elect von der Leyen in the European Parliament Plenary on the occasion of the presentation of her College of Commissioners and their programme”, Strasbourg, 27 November 2019. See: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_6408; Borrell, J., “Introductory speech to the hearing of High Representative/Vice President-designate with the European Parliament”, Brussels, 7 October 2019. See: <https://www.europarl.europa.eu/news/en/press-room/20190926IPR62260/hearing-with-high-representative-vice-president-designate-josep-borrell>.

¹⁶ Lippert, B., von Ondarza, N. and Perthes, V. (eds.), “European Strategic Autonomy: Actors, Issues, Conflicts of Interests”, SWP Research Paper, 4, German Institute for International and Security Affairs, March 2019. See: https://www.swp-berlin.org/publications/products/research_papers/2019RP04_lpt_orz_prt_web.pdf; Leonard, M. and Shapiro, J., “Strategic Sovereignty: How Europe can Regain the Capacity to Act?”, Policy Brief, European Council on Foreign Relations, June 2019. See: https://ecfr.eu/publication/strategic_sovereignty_how_europe_can_regain_the_capacity_to_act/; Grevi, G., “Strategic autonomy for European choices: The key to shaping power Europe”, Discussion Paper, European Policy Centre, July 2019. See: <https://www.epc.eu/en/publications/Strategic-autonomy-for-European-choices-The-key-to-Europes-shaping-p~213400>. On the defence dimension, Fiott, D., “Strategic Autonomy: Towards ‘European Sovereignty’ in Defence?”, Brief 12, European Union Institute for Security Studies, November 2018. See: <https://www.iss.europa.eu/content/strategic-autonomy-towards-european-sovereignty-defence>.

Central to the strategy of a geopolitical, more autonomous, EU was also the calibration of its position in the face of the increasingly structural rivalry between the US and China. The EU sought to foster cooperation across the board with the newly elected Biden administration, while relations with China grew more contested due to differences concerning trade, human rights and the hybrid threats posed by China. That said, the EU's approach consisted of carving out a distinctive path in relations with Beijing, fostering transatlantic dialogue and cooperation on China, while not signing up to a common front with the US across the board.¹⁷ Multilateralism continued to feature prominently in the EU's grand strategy "ecosystem", but the EU's multilateral engagement was increasingly nuanced by the recognition that, in a more contested world, different formats needed tailoring to match different needs.¹⁸

Elements of EU (grand?) strategy on the eve of the war in Ukraine

The evolution of the EU's strategic debate and practice since the mid-2010s, which the pandemic accelerated, delivered a composite EU strategic approach. The latter centred on strengthening Europe's political unity and power base to shape the terms of engagement with both partners and competitors, in the broader pursuit of a rules-based international order that would help defend and advance the EU's interests and values. In other words, the EU featured a grand strategy of "Union building at home" to gain clout, and expand its room for manoeuvre, abroad. This approach encompassed strengthening the transatlantic partnership as a critical pillar of Europe's security and prosperity while pursuing, if necessary, Europe's own path and other vectors of engagement on key agendas, such as the green and digital transitions.

Two main sets of factors – external and internal to the EU – shaped this grand strategy-in-the-making. For one, the sheer complexity and volatility of the international system, where rising geopolitical tensions and vexing transnational challenges intersected, feeding each other and undermining multilateral cooperation. For another, the EU's own political, institutional and normative fabric, which defined the perimeter and the parameters of a tortuous balancing act. While shifting towards a more robust strategic stance, the EU sought to reconcile the traditional tenets of its rules-based political culture with the requirement to cope with the revival of power politics on the international stage. This balancing act was both a matter of necessity, given the exogenous challenges that the EU faced, and of choice, since no strategy starts from scratch. The purpose was not to relinquish the EU's strategic track record or up-end its normative profile, but to complement them with a substantial dose of strategic stamina. The balancing act played out across various dimensions of the EU's grand strategy.

The majority of national leaders, and the EU's own leadership, continued to regard the deepening of European integration as a condition for the EU to matter in the world, but felt that this pattern

¹⁷ European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, "Joint Communication on EU-China – A strategic outlook", *JOIN(2019) 5 final*, Brussels, 12 March 2019; Borrell, J., "The Sinatra Doctrine: How the EU Should Deal with the US-China Competition", *IAI Papers 20/24*, September 2020. See: <https://www.iai.it/en/pubblicazioni/sinatra-doctrine-how-eu-should-deal-us-china-competition>.

¹⁸ European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, "Joint Communication on strengthening the EU's contribution to rules-based multilateralism", *JOIN(2021) 3 final*, Brussels, 17 February 2021. See also Benner, T., "Competitive Cooperation: How to Think About Strengthening Multilateralism", *GPPI and Bertelsmann Stiftung*, 28 October 2020. See: <https://www.gppi.net/2020/10/28/competitive-cooperation-how-to-think-about-strengthening-multilateralism>; Dworkin, A., "Build to order. How Europe can re-build multilateralism after COVID-19", *ECFR Policy Brief*, April 2021. See: <https://ecfr.eu/publication/how-europe-can-rebuild-multilateralism-after-covid-19/>; Helwig, N., "The EU's strategic multilateralism. Global engagement in an era of great power competition", *FIIA Briefing Paper 347*, August 2022. See: <https://www.fiaa.fi/en/publication/the-eus-strategic-multilateralism>.

needed reinforcing and accelerating, such as through new industrial and security policies, for Europe to stand its ground.¹⁹ The EU would seek to invest in the transatlantic partnership – a long-standing central pillar of its grand strategy, despite cycles of convergence and divergence. However, it also needed to prepare for a world where the US may be less willing, or less able, to join forces with Europe on geopolitical issues, and where respective positions might differ on other agendas such as trade, climate and digital. The vast majority of European leaders considered NATO to be the ultimate cornerstone of European defence, but many nevertheless emphasised the need for Europe to take more responsibility for its defence, strengthen the European defence technological and industrial base and foster Europe’s resilience to hybrid or cyber-attacks.²⁰

The EU valued an open international system and the benefits of (managed) globalisation, which its own prosperity depended on. However, it acknowledged that the manipulation of interdependence by other powers called for a more determined geoeconomic response, such as to achieve a fair level-playing field for trade and investment and to secure Europe’s supply and value chains. The EU confirmed its commitment to multilateralism, but sought to diversify its portfolio of international engagement, modulating partnerships and cooperation formats depending on areas of convergence and divergence with other parties. Lastly, while a global market power, the EU remained an essentially regional, and partial, geopolitical actor. The EU sought to strike a differentiated approach to the neighbourhood, broadly directed to preventing external challenges from impacting the Union, while also deepening reform-oriented partnerships with the countries willing to pursue them.

Overall, while a broad sense of direction was set, charting a course between normative aspirations, geopolitical requirements and political constraints entailed a fair amount of inconsistencies along the way. However, after years of strategic debates and experience, the EU arguably defined the basic coordinates of a fledgling strategic approach that featured at least some dimensions of a grand strategy. First, a better understanding of how international trends and forces affected the EU. Second, a sharper focus on nurturing the domestic enablers of Europe’s power abroad. Third, a much broader policy scope, explicitly connecting various policy strands to the pursuit of large EU goals on the global stage. Fourth, a drive to match traditional dimensions of soft power and market power with hard power – the power to impose outcomes on others through a large toolbox, when needed. In a nutshell, the EU has been to some degree narrowing the grand strategic “capability-aspirations gap” that had widened in the first part of the 2010s, and that the war in Ukraine threatens to expand anew.

¹⁹ German Federal Government, “Speech by Federal Chancellor Angela Merkel to the European Parliament”, Strasbourg, 13 November 2018. See: <https://www.eu2020.de/eu2020-en/news/reden/speech-chancellor-merkel-european-parliament/2366782>; Borrell, J. and Breton, T., “For a united, resilient and sovereign Europe”, European Commission, 8 June 2020. See: https://ec.europa.eu/commission/commissioners/2019-2024/breton/announcements/united-resilient-and-sovereign-europe_en. European Commission, “State of the Union Address by President von der Leyen at the European Parliament Plenary”, Strasbourg, 16 September 2020. See: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655; European Council, “Conclusion of the special meeting of the European Council (1 and 2 October 2020)”, *EUCO 13/20*, 2 October 2020; Macron, E. *et al.*, “The Macron Doctrine”, *Le Grand Continent*, 16 November 2020. See: <https://geopolitique.eu/en/2020/11/16/the-macron-doctrine/>.

²⁰ See, for example, “EU Security and Defence: Letter by Italy, France, Germany and Spain”, 29 May 2020. See: https://www.difesa.it/EN/Primo_Piano/Pagine/EU-Defence-and-Security-Letter-by-Italy,-France,-Germany-and--Spain.aspx.

War in Europe: stress testing EU grand strategy

Right at the time when the EU was recovering from the pandemic, the outbreak of the war in Ukraine confronted it with a new, unprecedented stress test. Russia's attack on Ukraine has drastically altered the EU's strategic context, as well as the threat assessment of EU member states and institutions.

The war has mobilised all dimensions of EU grand strategy – plans, principles and action. In terms of narrative, all leaders doubled down on the importance of unity among Europeans as the prerequisite for strength and resilience in confronting an unprecedented military threat. In March 2022, the Versailles Declaration boldly stated that, in the face of 'growing instability, strategic competition and security threats' EU leaders 'decided to take more responsibility for our security and take further decisive steps towards building our European sovereignty, reducing our dependencies and designing a new growth and investment model for 2030.'²¹ Building on that, the Declaration sketched out a range of policy priorities across three main domains: defence, energy and building a more robust economic base. EU leaders also quickly implemented a range of unprecedented measures to support Ukraine and punish Russia, mobilising the full EU toolkit.²²

If the shockwave of Russia's aggression focused minds, the progressive consolidation of the EU's grand strategic "ecosystem" in earlier years arguably contributed to a strong EU reaction. The narrative of a geopolitical Europe helped frame the EU's switch to conflict-mode. The EU's geoeconomic power was harnessed through ever-expanding sanctions packages. The EU drew on its normative track record to condemn Russia's breach of basic norms under international law. Policy tools such as the European Peace Facility (EPF) or the Temporary Protection Directive to assist Ukrainian refugees were readily activated.

Having leveraged its strategic playbook and, in some respects, broken new ground, the EU now needs to tackle the fundamental question of how the far-reaching implications of the war in Ukraine affect its grand strategy. The extent to which the war's shockwaves will amplify or disrupt organising principles, strategic guidelines and policy strands, will depend on developments on the ground and on the war's knock-on effects on great power relations and the international order at large. Of the many ways in which the conflict has so far impacted the EU's grand strategy, six are outlined here.

The ebbs and flows of European sovereignty

While reinforcing the narrative about European unity, the war has also exposed differences between EU member states concerning some of the main parameters of EU grand strategy. The centrality of the transatlantic partnership has been underscored; the ambition to establish a sovereign Europe has been challenged. The conflict provided stark evidence of Europe's dependence on the US for its security and defence, as well as for energy security through LNG provisions.²³ The US has played a leading role both in terms of warning of the risk of the

²¹ European Council, "Versailles Declaration", 10 and 11 March 2022. See: <https://www.consilium.europa.eu/en/press/press-releases/2022/03/11/the-versailles-declaration-10-11-03-2022/>.

²² For a comprehensive overview, see: Council of the EU, "EU response to Russia's invasion of Ukraine", 28 February 2023. See: <https://www.consilium.europa.eu/en/policies/eu-response-ukraine-invasion/>.

²³ Leggett, T., "EU signs US gas deal to curb reliance on Russia", BBC, 25 March 2022. See: <https://www.bbc.com/news/business-60871601>; Caulcutt, C., von der Burchard, H. and Barigazzi, J., "When will Europe learn to defence itself?", *Politico*, 27 September 2020. See: <https://www.politico.eu/article/emmanuel-macron-olaf-scholz-defense-europe-strategic-autonomy-ukraine-war/>. For an earlier analysis on Europe's defence dependence, see Meijer, H. and Brooks, S.G., "Illusions of Autonomy:

upcoming Russian attack and of convening allies to take action before and after the outbreak of the conflict. The war has simultaneously mobilised Europeans and affected their mutual trust. While they took rapid and joint action, differences between EU member states to the East and North, and to the West and South, came to the fore, including how to roll back Russia and their respective approach to ending the war. Countries to the East felt vindicated in their assessment that only the US can offer meaningful security guarantees *vis-à-vis* the threat posed by Russia, while Finland and Sweden quickly decided to join NATO.

These developments stress test the EU's pre-war strategic narrative, at least in part built on the notions of European autonomy and sovereignty, potentially leading to a scenario of 'more integration, less autonomy'.²⁴ After the Versailles Declaration, references to strategic autonomy and European sovereignty have been very much downplayed in all major EU foreign, security and defence policy statements, but less so concerning trade or technology and industrial policies. At the same time, Europeans rallied – with different degrees of enthusiasm – around the flag of transatlantic solidarity. Meanwhile, the controversy about the impact on Europe's industrial competitiveness from massive US "green" subsidies under the Inflation Reduction Act (IRA) has revived concerns about economic competition among allies, at a time when major powers tend to put their own markets first. The contentious debate about the EU's response, which will be an important test of its industrial strategy and economic cohesion, includes reforming state aid rules and setting up a European Sovereignty Fund.²⁵

As noted above, the core of European sovereignty or strategic autonomy is not independent action but independent thinking, to define Europe's fundamental goals and enhance Europe's own capacity to achieve them, from defence to energy and economic issues. Nothing in this approach precludes working closely with partners, whenever needed, such as of course to defend Europe and counter Russia's aggression. The question for the EU's strategic debate is whether differences among Europeans preclude deeper convergence among them on how to become more responsible for their security and welfare, more cohesive and resilient in the face of looming geopolitical and geoeconomic challenges, and stronger allies.

Positioning in a shifting strategic landscape

Following the outbreak of the war, the predominant strand in Europe's strategic debate emphasises the EU's belonging to a larger group of democracies intent on supporting not just Ukraine, but the rules-based international order that is being challenged by revisionist autocracies. This argument conflates two threads of strategic narrative that need unpacking. For one, the determination to defend the rules-based international order, and the core values upon which it is founded, is central to Europe's political and strategic culture, and to the EU's response to Russian aggression. For another, the narrative of the EU as part of a global front of democracies – the West – confronting a fully-fledged authoritarian challenge in a bi-polarising strategic landscape, while not necessarily prevalent across the Union, has surely gained traction since the outbreak of the war. At the same time, there is a recognition that, aside from revisionist

Why Europe Cannot Provide for its Security if the United States Pulls Back", *International Security*, 45(4) (Spring 2021), pp. 7-43.

²⁴ Alcaro, R., "More Integration, Less Autonomy: the EU in Europe's New Order", *JOINT Brief 19*, September 2022. See: <https://www.iai.it/it/publicazioni/more-integration-less-autonomy-eu-europes-new-order>; von Ondarza, N. and Overhaus, M., "Rethinking Strategic Sovereignty", *SWP Comment 31*, April 2022. See: <https://www.swp-berlin.org/en/publication/rethinking-strategic-sovereignty>; Ruge, M. and Shapiro, J., "The exaggerated death of European sovereignty", *ECFR Commentary*, 27 April 2022. See: <https://ecfr.eu/article/the-exaggerated-death-of-european-sovereignty/>.

²⁵ European Commission, "Special Address by President von der Leyen at the World Economic Forum", Davos, 17 January 2023. See: https://ec.europa.eu/commission/presscorner/detail/en/speech_23_232.

powers, a sizeable portion of the international community is sceptical about the West's arguments and ambivalent concerning Russia's aggression.²⁶ The question for the EU is how to calibrate its own overarching stance, countering aggression and other geopolitical threats while managing global challenges through rules-based cooperation, in a world where several countries feature heterogeneous priorities and pursue multi-vector foreign policies.²⁷

A critical dimension of the debate on Europe's grand strategy concerns its positioning in the context of US-China competition. The war has accentuated the US-China rivalry, and further stressed relations between Europe and China. Following the stipulation of a "no limits" partnership with Russia in February 2022, China has not endorsed Moscow's devastating aggression but it has refrained from condemning it, continued to deepen its partnership with Russia and taken an increasingly assertive approach *vis-à-vis* Taiwan. The agenda is moving, in part informed by the war's implications for global geopolitics. Most EU member states have signed up to the June 2022 NATO Strategic Concept, which called upon them to jointly address the "systemic challenges" posed by China.²⁸ At the EU level, while national positions on China do not fully coincide and engagement continues, the emphasis has been shifting from areas of cooperation to issues of economic competition and systemic rivalry.²⁹

The geopolitical forces unleashed by the war in Ukraine are reshaping all sides of the China-Europe-US strategic triangle. This US administration is strongly committed to NATO and to supporting Ukraine in the face of aggression, as President Biden restated in his recent trips to Kyiv and Warsaw. Looking ahead, however, a consequential debate is ongoing in the US, concerning the extent to which Washington can or should continue to underwrite Europe's security, and the corresponding responsibility of Europeans, at a time when the US squarely focus on China as the "pacing challenge".³⁰ A related, emerging strand of debate concerns the connections between the Euro-Atlantic and the Indo-Pacific theatres in terms of preserving basic international norms and regional security, not least considering the potential implications of the war in Ukraine for China's approach to Taiwan and neighbouring regions. The issue is how Europe and like-minded partners in the Indo-Pacific can cooperate to uphold rules and stability in both theatres.³¹ The

²⁶ Stephens, P., "Russia's war on Ukraine and how the West lost the global South", *Substack*, 22 February 2023. See: <https://philipstephens.substack.com/p/russias-war-on-ukraine-and-how-the>. Garton Ash, T., Krastev, I. and Leonard, M., "United West, divided from the rest: Global public opinion one year into Russia's war on Ukraine", *European Council on Foreign Relations, Policy Brief*, 22 February 2023. See: <https://ecfr.eu/publication/united-west-divided-from-the-rest-global-public-opinion-one-year-into-russias-war-on-ukraine/>.

²⁷ Duclos, M., "New Order: There Can Be No Turning Back", *Institut Montaigne, Analyses*, 31 October 2022. See: <https://www.institutmontaigne.org/en/analysis/new-order-there-can-be-no-turning-back>; Higgott, R. and Reich, S., "It's Bifurcation, not Bipolarity: Understanding World Order after the Ukraine Invasion", *CSDS Policy Brief*, 16, 7 July 2022. See: https://brussels-school.be/sites/default/files/CSDS%20Policy%20brief_2216.pdf.

²⁸ North Atlantic Treaty Organization, "NATO 2022 Strategic Concept", Adopted by the Heads of State and Governments at the NATO Summit in Madrid, 29 June 2022. See: <https://www.nato.int/strategic-concept/>.

²⁹ Bond, I., Godement, F., Maull, H.W. and Stanzel, V., "Rebooting Europe's China Strategy", German Institute for international and Security Affairs, May 2022. See: https://www.swp-berlin.org/publications/products/sonstiges/2022_Rebooting_Europes_China_Strategy.pdf; Ghiretti, F. and Stec, G., "EU-China relations in 2022: Through Trials and Tribulations", Analysis, MERICS Europe-China 360°, 8 December 2022. See: <https://merics.org/en/merics-briefs/eu-china-relations-2022-managing-dependencies>; EEAS "Speech by High Representative/Vice-President Josep Borrell at the European Parliament debate on EU-China relations", Strasbourg, 22 November 2022. See: https://www.eeas.europa.eu/eeas/china-speech-high-representativevice-president-josep-borrell-ep-debate-eu-china-relations_en.

³⁰ The White House, "National Security Strategy 2022", The White House, Washington DC, 12 October 2022. See: <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>; Simón, L., "Bridging U.S.-Led Alliances in the Euro-Atlantic and Indo-Pacific. An Inter-theatre Perspective", *CSIS Brief*, May 2022. See: <https://www.csis.org/analysis/bridging-us-led-alliances-euro-atlantic-and-indo-pacific-inter-theater-perspective>.

³¹ *Ibid.* See also Fiott, D. et al., "Centre of Gravity: Security and Defence in the Indo-Pacific – What Role for the European Union?", *CSDS In-Depth Paper*, 2022/04, December 2022. See: <https://csds.vub.be/centre-of-gravity-security-and-defence-in-the-indo-pacific-what-role-for-the-european-union>. Cernatoni, R. and Pacheco Pardo, R., "The Digital Decade: The EU, Partnerships and Governance in the Indo-Pacific", *CSDS In-Depth Paper*, 2022/03, December 2022. See: <https://csds.vub.be/the-digital-decade-the-eu-partnerships-and-governance-in-the-indo-pacific>.

recently adopted “Strategy for Cooperation in the Indo-Pacific” provides a platform to foster the EU’s approach to the region.³² At the same time, the ongoing war in Ukraine, and broader risks of destabilisation in its own neighbourhood, inevitably absorb much of Europe’s strategic bandwidth and resources. The strategic questions facing Europe include further defining the EU’s own priorities towards China and the Indo-Pacific at large, the extent of EU-US alignment and the long-term implications of the US pivot to the Indo-Pacific for the security of Europe and surrounding regions.

European defence: *plus ça change?*

With a large-scale war raging on the continent and the risk of escalation looming, Russia’s aggression has elevated Europe’s security to the top of the EU’s strategic agenda. The Strategic Compass for security and defence adopted in March 2022 – the EU’s version of a defence White Book – calls for ‘a quantum leap forward’ to boost Europe’s capacity to act, resilience and solidarity.³³ While the document stresses that urgent action is required in the face of ‘the return of war in Europe’, the defence plan largely builds on earlier tools and cooperative arrangements, outlining highly sensible but hardly pathbreaking priorities for upgrading defence cooperation and military capabilities.³⁴

Alongside the Strategic Compass, the war has triggered or accelerated other developments in this area of the EU’s grand strategy. EU member states have pledged large defence investments to fill capability gaps and have snapped into action to provide weapons to Ukraine, including by investing billions through the EPF.³⁵ At the EU-level, new mechanisms are being negotiated to further support joint capability development and procurement, alongside steps to deepen cooperation on cyber defence and the drafting of an EU Strategy for Space, Security and Defence.³⁶

Defence is the domain where the EU’s grand strategic “capability-aspirations gap” has long been the widest, de-basing claims for Europe’s autonomy or sovereignty across the board in the eyes of many.³⁷ This is why the failure of member states to match words and deeds after launching new ideas and commitments (e.g. *Zeitenwende* in Germany), would deal a serious blow to the EU’s strategic credibility.³⁸ There is a question on whether, as their fiscal space is shrinking, EU member states will eventually fulfil their pledges to boost defence spending. Some countries,

³² European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, “Joint Communication on the EU Strategy for Cooperation in the Indo-Pacific”, *JOIN(2021) 24 final*, Brussels, 16 September 2021.

³³ Council of the European Union, “A Strategic Compass for Security and Defence - For a European Union that protects its citizens, values and interests and contributes to international peace and security”, 7371/22, Brussels, 21 March 2022. See: <https://www.consilium.europa.eu/en/press/press-releases/2022/03/21/a-strategic-compass-for-a-stronger-eu-security-and-defence-in-the-next-decade/>.

³⁴ Koenig, N., “Putin’s War and the Strategic Compass. A Quantum Leap for the EU’s Security and Defence Policy?”, *Policy brief, Hertie School, Jacques Delors Centre*, 29 April 2022. See: <https://www.delorscentre.eu/en/publications/detail/publication/putins-war-and-the-strategic-compass-a-quantum-leap-for-the-eus-security-and-defence-policy>.

³⁵ Bilquin, B., “European Peace Facility: Ukraine and Beyond”, *At a glance, European Parliament Research Service*, November 2022. See: [https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA\(2022\)738221](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA(2022)738221).

³⁶ Clapp, S., “European Defence Industry Reinforcement Through Common Procurement Act (EDIRPA)”, *Briefing, European Parliament Research Service*, February 2023. See: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739294/EPRS_BRI\(2023\)739294_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739294/EPRS_BRI(2023)739294_EN.pdf); Fiott, D., “Rethinking the EU’s Approach to Space: The Case of Security and Defence”, in Giusti, S. and Grevi, G. (eds.) *Facing War: Rethinking Europe’s Security and Defence*, ISPI Report, 8 November 2022. See: <https://www.ispionline.it/en/publication/facing-war-rethinking-europes-security-and-defence-36652>.

³⁷ Kramp-Karrenbauer, A., “Europe still needs America”, *Politico*, 2 November 2020. See: <https://www.politico.eu/article/europe-still-needs-america/>; and *op.cit.*, “When will Europe learn to defence itself?”.

³⁸ Erlanger, S., “When It Comes to Building Its Own Defence, Europe Has Blinkered”, *The New York Times*, 4 February 2023. See: <https://www.nytimes.com/2023/02/04/world/europe/europe-defense-ukraine-war.html>.

such as Poland, ever more decisively bank on bilateral defence links with the US. The Franco-German engine together with Spain has struggled to lift the Future Combat Aircraft System (FCAS) programme off the ground, although progress is finally underway.

There is evidence that the war is spurring many EU member states on to raise their defence expenditure and upgrade their capabilities. Their total defence expenditure is expected to grow by €70bn in the coming three years.³⁹ Germany has initiated cooperation among 15 EU member states, Norway and the UK to jointly procure and better integrate European air and missile defence systems. Italy is joining forces with the UK and Japan to develop a Global Combat Air Programme (GCAP). It is far from clear, however, whether and how multiple defence initiatives will be consolidated under a coherent strategic framework, or whether disjointed national defence planning and priorities will continue to hinder a common EU defence policy. In the short-term, the urgency to replenish depleted armaments' stocks and boosting capabilities may paradoxically lead to the strengthening of Europe's armed forces while diluting a commitment to EU-level cooperation in defence.⁴⁰

Securing the flows

The war has further highlighted the severe repercussions of the manipulation of interdependence for the EU and for the world. Ensuring the security of economic flows such as energy, critical raw materials, goods, services and data, which Europe's prosperity depends on, will surely be pivotal to any EU grand strategy. Europeans have reacted to the spike in energy prices and to the reduction of energy flows from Russia through a mix of joint mitigating actions – aspects of the “RePower EU” plan and subsequent measures – and separate initiatives by member states scrambling for new energy supplies.

Progress has been made. EU member states have banned the import of Russian seaborne oil and have eventually agreed, in lockstep with the G7 and others, a global cap on the price of Russian oil. Aside from separate national initiatives to boost gas supplies, European countries have also worked together to complete important infrastructure or plan new ones.⁴¹ However, national decisions have been largely taken with little mutual consultation and national outlooks on the EU's green transition continue to differ.⁴² Europeans have raised their game through new ambitious targets to speed up the clean energy transition, and a mild winter has reduced concerns about short-term energy security. However, the EU and its member states have so far not delivered a truly shared strategic approach to boost their energy security over the long-term.

The pace of the green transition will crucially rely on adequate investments, which will in turn depend on the fiscal capacity of different countries and on confidence levels in the private sector, both of which can be affected by volatile geopolitical developments. Sustaining the energy transition is related to the broader challenges that the manipulation of interdependence poses for the EU's industrial policy and growth strategy at large, for example concerning the security

³⁹ Borrell, J., “European Defence Agency: Opening Remarks by High Representative Josep Borrell during the Annual Conference”, European External Action Service, 8 December 2022. See: https://www.eeas.europa.eu/eeas/european-defence-agency-opening-remarks-high-representative-josep-borrell-during-annual_en.

⁴⁰ Tocci, N., “The Paradox of Europe's Defence Moment”, *Texas National Security Review*, 6(1) (Winter 2022/2023), pp. 100-108.

⁴¹ Dennison, S. and Zerka, P., “Tracking Europe's Energy Security: Four Lessons from the EU's New Energy Deals”, *Commentary, ECFR*, 24 November 2022. See: <https://ecfr.eu/article/tracking-europes-energy-security-four-lessons-from-the-eus-new-energy-deals/>.

⁴² Pisani-Ferri, J., “Why Europe's Franco-German Engine is Stalling”, *Project Syndicate*, 31 January 2023. See: <https://www.project-syndicate.org/commentary/germany-and-france-must-reconcile-differences-for-european-union-by-jean-pisani-ferry-2023-01>.

of supply of critical raw materials (CRM).⁴³ Despite the recent discovery of large reserves of rare earths in Sweden, the EU's overall dependence on CRM supplies to meet a booming demand is set to grow. Building on policy steps taken well before the war's outbreak, the 2023 adoption and implementation of the European Critical Raw Materials Act announced by President Von der Leyen in October 2022 will be an important component of the EU's strategic response to growing turbulence in international affairs.⁴⁴

Fostering partnerships amidst competing narratives

The war carries vast implications for the stance of the EU as a reliable partner to the developing world and a multilateral entrepreneur. The disruption or diversion of flows, from food to energy supplies, and consequent inflationary pressures, have induced a dramatic cost of living crisis in most low-income countries, precipitating millions into poverty. Rising interest rates are exacerbating the debt crisis that the COVID-19 pandemic had already aggravated across the developing world.⁴⁵ This prospect challenges both EU interests and values. For one, the degradation of human security and development in EU partner countries brings about the question of what "Team Europe" can do to support them.⁴⁶ In short, the EU's profile as a dependable development partner is on the line. For another, Europe's vulnerability to instability in Sub-Saharan Africa and the Middle East goes beyond potentially rising migrant and refugee flows to Europe, whose mismanagement both undermines the EU's normative claims and strains cohesion among member states. It also concerns the viability of Europe's supply chains at a time when the EU pursues their diversification. Alongside other urgent measures to support low income countries, the implementation of infrastructure development projects under the Global Gateway initiative will be an important lever to enhance growth and foster connectivity.⁴⁷ This is, however, part of a much larger strategic question concerning the resetting of Europe's relations with partners across Asia, Africa and Latin America, based on a better appreciation of their perceptions and priorities, with a view to reinforcing a rules-based international order.⁴⁸

The EU's capacity to establish truly shared partnerships throughout the developing world that deliver tangible benefits will also be a decisive variable in the broader competition of narratives with Russia and China. This contest has grown more visible, and consequential, since the war broke out. On the multilateral stage, the EU and its member states have sought to build the largest possible front to isolate Russia and support Ukraine. They have consistently stressed that Russia has not only attacked Ukraine but also the rules-based international order. Their record so far is mixed but it underscores the importance of multi-level engagement and partnerships within EU

⁴³ Bobba, S. et al., "Critical Raw Materials for Strategic Technologies and Sectors in the EU: A Foresight Study", *European Commission, Joint Research Centre*, 2020. See: https://rmis.jrc.ec.europa.eu/uploads/CRMs_for_Strategic_Technologies_and_Sectors_in_the_EU_2020.pdf.

⁴⁴ European Commission, "2022 State of the Union Address", Strasbourg, 14 September 2022. See: https://ec.europa.eu/commission/presscorner/detail/en/speech_22_5493.

⁴⁵ UN Global Crisis Response Group on Food, Energy and Finance, "Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crisis in a generation", *Brief 2, United Nations*, 8 June 2022. See: <https://www.unep.org/resources/publication/global-impact-war-ukraine-billions-people-face-greatest-cost-living-crisis>.

⁴⁶ Bilal, S., Oliví, I. and Santillán O'Shea, M., "Implications of COVID-19 and Russia's war in Ukraine for EU-Africa relations. Development Finance", *European Think Tanks Group*, November 2022. See: <https://ettg.eu/publications/implications-of-covid-19-and-russias-war-in-ukraine-for-eu-africa-relations-development-finance/>.

⁴⁷ Teevan, C., Bilal, S., Domingo, E. and Medinilla, A., "The Global Gateway: A Recipe for EU Geopolitical Relevance?", *ECDPM, Discussion Paper 323*, June 2022. See: <https://ecdpm.org/work/global-gateway-recipe-eu-geopolitical-relevance>.

⁴⁸ Balfour, R., Bomassi, L. and Martinelli, M. (eds.), "The Southern Mirror. Reflections on Europe from the Global South", *Carnegie Europe*, 29 June 2022. See: <https://carnegieeurope.eu/2022/06/29/southern-mirror-reflections-on-europe-from-global-south-pub-87306>.

grand strategy. The scepticism expressed by many countries across the so-called “Global South” *vis-à-vis* the EU’s normative case is rooted in a range of sometimes overlapping factors. These include their assessment that the Ukraine war is a fight among big powers who neglect their pressing concerns, their dependence on Russia and China, and multiple grievances *vis-à-vis* the West.⁴⁹ Over time, the EU and its partners have gained some ground on the multilateral stage, such as through the Leaders’ Declaration at the recent G20 summit in Bali, but multilateralism is and will likely remain highly contested.

The EU between deepening and regional order-building

The war in Ukraine is stress testing Europe’s own political cohesion. As the conflict drags on, the growing costs of the war for EU member states and their societies might exacerbate differences and tensions among them. Many EU countries face very low growth or the risk of recession in 2023, and the critical question of securing sufficient energy supplies for next winter and beyond remains open. The repercussions of these developments in terms of jobs and welfare may be severe, while the fiscal capacity of many member states to cushion the impact of the downturn is limited. The economic crisis may further complicate ongoing discussions on the reform of the Stability and Growth Pact and on prospects for renewed joint borrowing to generate adequate resources. This debate is also related to the vexed question of how to respond to the emerging global industrial subsidies’ race, while preserving the level-playing field within the EU’s internal market. Internal political and social cohesion and a strong economic power base are the bedrock of a viable grand strategy. Were EU member states to fail to join forces at home to deal with the direct and indirect consequences of the war, their external strategic posture would inevitably be affected. That would, in turn, weaken the EU and expose member states to further exogenous shocks.

Strengthening the EU’s resilience and deepening integration are also pre-conditions for the EU to play a decisive role in the re-ordering of Europe during and after the war in Ukraine. Both the enlargement and the neighbourhood agenda had lost traction well before Russia’s aggression. A combination of domestic instability and EU fatigue had left the countries of the Western Balkans in an untenable limbo. The EU had upgraded and differentiated its approach to partners in Eastern Europe, but the concrete output of comprehensive association agreements with Georgia, Moldova and Ukraine was mixed. Major developments have occurred since the start of the war. The EU has taken the momentous decision to grant candidate status to Ukraine, Moldova and, subject to further reforms, Georgia. Besides, the first summit of the European Political Community took place in October 2022, potentially leading to increased cooperation on various agendas among 44 countries, including all EU members. At the same time, following Russia’s attack on Ukraine, the geopolitical situation across eastern Europe and the South Caucasus remains highly volatile.

The war in Ukraine has opened up a new chapter in the effort to devise a stable, rules-based political and security order in Europe. EU member states will need to converge towards a common position to draft this chapter and address critical questions. Joining the EU requires extensive reforms and takes time, but the enlargement process and related policy initiatives need to be framed as part of a much larger strategic picture.⁵⁰ This concerns the EU’s interests and credentials as a

⁴⁹ See the series “Ukraine Shifting the World Order”, directed by Michel Duclos at the Institut Montaigne, including several contributions that outline diverse perspectives on the war in Ukraine and on the changing international order. See: <https://www.institutmontaigne.org/en/series/ukraine-shifting-world-order>.

⁵⁰ Meister, S., Nic, M., Kirova, I. and Blockmans, S., “Russia’s War in Ukraine: Rethinking the EU’s Eastern Enlargement and

shaping power, and a security provider, in its region and beyond. Geopolitical considerations will play a much more overt role than in the past to frame EU enlargement, alongside difficult debates on security guarantees for Kyiv or Ukraine's eventual NATO membership. Much will depend on the outcome of the war. Beyond a conclusive victory by either party, scenarios range from a frozen conflict to a peace deal codifying some compromise. At the same time, the enlargement debate cannot be de-linked from progress in reforming EU institutions and decision-making, to ensure that a larger Union works. This again underscores the connection between the internal and external dimensions of EU grand strategy.

Conclusion: where next for EU grand strategy?

This In-Depth Paper has argued that grand strategies are no silver bullet, but they can help international actors set and achieve their goals. They can express a broad sense of purpose, help rank priorities, identify and process trade-offs and enhance coherence among multiple policy strands. The added value of grand strategy-making also applies to the EU, precisely because of the distinctive political features and complex institutional system of the Union. Framing the EU's role and objectives in the world in terms of grand strategy is an important part of the effort to offset the downsides of the Union's cumbersome governance structure, and leverage its comparative advantages. Such an approach does not consist of flagship strategic blueprints only, but involves a strategic ecosystem including organising principles, strategic plans and major policy decisions.

For the EU, engaging in grand strategy is both possible and necessary, while failing to do so would severely delimit or undermine the EU's ability to set and achieve its goals. The overview of the evolution of the EU's strategic approach over the last few years shows that, before the outbreak of the war in Ukraine, the EU had progressively defined the main dimensions of a fledgling, composite grand strategy. The latter essentially consisted of "Union building at home" to strengthen EU resilience and give it the necessary critical mass to manage interdependence, deal with competition and pursue cooperation. This approach was framed by a relatively consistent set of ideas and spurred significant policy developments, but suffered from familiar drawbacks in terms of "capability-aspirations gaps" in defence cooperation and industrial policies, and of differences between national priorities and strategic cultures.

Russia's aggression of Ukraine has sent shockwaves through the EU's strategic "ecosystem" with consequences that cannot be fully appreciated at this stage, as the war's outcome and its broader implications remain uncertain. On balance, the EU has reacted in a swift and robust way during the first months of the conflict. At the beginning of 2023, however, the question is whether the distinct policy measures taken at the EU and national levels amount to a consistent whole, and reflect a shared strategic purpose. Turning to the future, the next question is whether EU member states and institutions will provide structural responses to the systemic challenges that the war has unleashed or exacerbated, or whether they will "fire-fight" the unfolding crisis through incremental, and sometimes disjointed, initiatives.

Fitting the EU's grand strategy to match the upheaval in the EU's strategic landscape does not require drafting a comprehensive strategic blueprint at this stage. However, it does require tackling a set of fundamental choices and contentious issues. These concern, among others, the economic resilience of the EU in the face of a potential downturn, its energy security in the

Neighbourhood Policy", *DGAP Report 1*, January 2023. See: <https://dgap.org/en/research/publications/russias-war-ukraine-rethinking-eus-eastern-enlargement-and-neighborhood>.

face of disruptions, its technological leadership in the face of growing competition, its defence policy in the face of war and broader instability, Europe's positioning in the face of structural rivalry between the US and China and the EU's role in re-ordering Europe and in reforming the rules-based international order.

Of course, not all of these issues can be addressed at once, and framing a shared approach to them cannot happen overnight. This is precisely the reason why a process of reflection on the war's impact on the EU, and on its grand strategy, should be undertaken now. The war has mobilised Europeans, but it has also brought to the fore significant political differences among them. This is a further reason to tackle difficult questions, and pave the way for convergence, not to elude them. A watershed conflict calls for the in-depth, joint assessment of its implications, which might lead to game-changing decisions, where needed. Conversely, piecemeal progress, while strategic paradigms are changing, carries the risk of regression. It is up to EU member states and institutions to join forces and avert that.



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The Centre for Security, Diplomacy and Strategy (CSDS) seeks to contribute to a better understanding of the key contemporary security and diplomatic challenges of the 21st century – and their impact on Europe – while reaching out to the policy community that will ultimately need to handle such challenges. Our expertise in security studies will seek to establish comprehensive theoretical and policy coverage of strategic competition and its impact on Europe, whilst paying particular attention to the Transatlantic relationship and the wider Indo-Pacific region. Diplomacy as a field of study will be treated broadly and comparatively to encompass traditional statecraft and foreign policy analysis, as well as public, economic and cultural diplomacy.

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