



Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament

Brussels, 6 February 2023

S&D Group Strategy Paper on European Union Open Strategic Autonomy

The European Union's quest of open strategic autonomy is a **necessary response** to our rapidly changing and increasingly transactional world of intensifying great power rivalry, producing complex, multidimensional and fluid challenges.

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If the Union wants to remain a leading global actor, it needs to be more united and assertive, draw on the lessons from recent and ongoing multiple multidimensional crises, and implement its necessary reforms. **No more business as usual.**

EU open strategic autonomy refers to the Union's ability to **act autonomously** when and where necessary, and with partners whenever possible, in all matters of strategic significance.

It is the way for the Union to pursue its interests and values without undue overreliance on the resources and capabilities of external actors and to be resilient to shocks of various nature due to an efficient and sustainable use of its strategic assets, based on our **autonomy of decision** and **autonomy of action**.

EU open strategic autonomy requires collaboration, coordination and synergies across various **external and internal policies** within the Union.

This paper has the objective of framing a holistic, multidimensional and consistent **progressive interpretation** of the concept of EU open strategic autonomy for the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament (S&D Group).

In the field of its external action, the Union must

- build a **common strategic culture**,
- set **clear objectives** and be ready to stand up for its values and interests when other international actors challenge them, even when fighting alone,
- be able to take **rapid and effective decisions** and to speak the language of unity and power in global affairs, while remaining a lead advocate of the rules-based international order and effective multilateralism,
- take greater responsibility for its **security** in close cooperation between Member States and with NATO, boost its defence industrial sector, and secure increased and smarter defence spending,
- build **value-based partnerships** across the globe in the framework of equal-to-equal collaborations,
- deepen its political **alliances with democracies**,
- remain the champion of **human rights**, including women's and LGBTIQ+ rights, globally,
- implement an **assertive trade policy** in the framework of value-based trade agreements and support a reformed World Trade Organisation and multilateral trading rules, while making its trade policy an essential part of its geopolitical agenda,
- remain a frontrunner in fighting **global poverty, injustice and inequalities** through credible development partnerships with developing countries, and give ambitious support for the global implementation of the Sustainable Development Goals,
- offer **credible merit-based accession perspective** to all Western Balkans countries, as well as to Ukraine, the Republic of Moldova, and Georgia,
- act with far greater decisiveness in its immediate **neighbourhood**,
- speak with **one voice** in international organisations and multilateral platforms, envisage a permanent seat in multilateral fora, and present joint candidacies for international institutional positions,
- introduce **qualified majority voting** in all relevant external action areas, including in accession processes and its Common Foreign and Security Policy,
- make the Vice-President of the Commission/High Representative its **single principal representative** externally,
- explore the ways of **intelligence sharing** by the Member States with relevant EU institutions regarding external events and developments outside the Union, and
- make more efficient use of its existing **instruments**, while creating new permanent Union instruments.

In the field of its internal action, the Union must

- be **strong and cohesive internally** in order to be strong in the global arena,
- reduce its **dependencies** on third countries in all areas of strategic importance in its economy and societies,
- build diversified, secure and resilient **supply chains** in all key areas of its open strategic autonomy,
- follow the principle of **sustainability** in its strategic actions,
- expand its role as a **global rule and standard setter** in areas of strategic importance,
- enhance its **energy security** through decreasing its dependence on foreign fossil fuels in the framework of an integrated, diversified and interconnected European energy system driven by renewables and green hydrogen,
- put **digital autonomy** at the heart of its open strategic autonomy by becoming a technological leader and a global regulatory role model and standard setter, as well as implementing a robust digital literacy strategy for citizens,
- strengthen its **cyber security** against incidents and hostile attacks,
- enhance its **food security** and autonomy in food production, and protect all EU citizens against food poverty,
- increase its resilience in the field of **public health** through reshoring essential production, diversified and resilient supply chains, better coordination, and increased investments,
- build a truly **circular economy** that can contribute to reducing dependencies,
- strengthen its **technological sovereignty** by becoming a leading innovator globally,
- promote and incentivise **reindustrialisation** in strategic value chain segments and industrial sectors, while securing balanced territorial development across the Union,
- increase its sovereignty and global market share in the **semiconductors** sector,
- ensure the control over, and the good functioning of, its strategic **transport infrastructures**, and invest in sustainable transport solutions,
- develop and implement a genuine strategy regarding its space infrastructure and **space-** based connectivity,
- increase its **information networks** capacities to store, extract and process data in a safe, reliable and trustworthy way and in full respect for fundamental rights,
- prioritise European platforms in the context of its **digital public sphere**,
- take effective measures against **foreign interference** in our democracies,
- work for **sustainable demography** in a sustainable Europe,

- facilitate and increase investments in its **knowledge triangle** of education, research and innovation, close the gap between these three components, and address its loss of knowledge potential through counteracting brain drain by third countries and attracting foreign talents,
- foster European innovation **start-ups** by facilitating their ability to raise capital within the Union and grow domestically,
- exclude from its **public procurement** procedures third country operators that do not respect the rules aimed at securing a level playing field for participants,
- strengthen and expand the **international role of the euro**,
- complete the infrastructure that supports the Union's **common currency**, including the Economic and Monetary Union, the Banking Union, and the Capital Markets Union,
- put an end to overdependencies of its financial sector on third country service providers and tech giants by levelling up **European solutions** to cross-EU instruments and expanding their scope to the whole spectrum of new financial technologies,
- explore new and innovative solutions for **collectively financing** the strategic investments needed for enhancing its autonomy and resilience, and
- create a **permanent fiscal capacity**, as an additional special instrument over and above the MFF ceilings, which can protect against disruptive shocks and market panic situations, facilitate prompt reactions to crises and their social and economic consequences, and support strategic reforms and investments.

1. Introduction

The European Union (EU) has been facing **multiple multidimensional crises** over the past decade: the financial and economic crisis, migratory flows, the climate emergency, Brexit, the COVID-19 pandemic, Russia's war of aggression against Ukraine, energy crises, growing inequalities, and the changing geopolitical order. Some of these intertwined challenges are also due to past policy choices and the current state of the global economic system, which is in urgent need of reform. They also demonstrate the need for stronger public institutions to deal with a poly-crisis of this sort.

The Union is the largest economy, the leading trader, a global norm and trendsetter, and by far the first development assistance and humanitarian aid donor in the world. Its economic power remains the essential platform of its global influence. It is a global actor proud of its values, a strong supporter of the rules-based international order, and a lead advocate of effective

multilateralism. Nevertheless, the EU's global status is weakening. Our standard setting ability is being challenged, while our influence in other parts of the world is declining. Our addiction to cheap energy and imports makes us vulnerable to shocks. If the Union wants to remain in the lead on a global scale, it needs to be more united and assertive, draw on the lessons from these multiple crises, and implement its necessary reforms. **No more business as usual.**

The geopolitical context has changed drastically. Our main rivals have fundamentally different views on how the world order and global rules should be shaped. Coercion, aggressive economic policies, heavily subsidised state-owned enterprises that undermine fair competition, interference in the political systems of foreign countries with the aim of undermining democracy, and the lack of environmental or climatological responsibility are just a few examples of their policies, which are a threat to the global system. Against this backdrop, a **stronger, more resilient and more united Union** must be committed to play an active and leading role in building a world of lasting peace based on international cooperation and solidarity, sustainable development, fair and inclusive prosperity, social justice, and human rights for all.

The quest of EU open strategic autonomy is a **necessary response** to our rapidly changing and increasingly transactional world of intensifying great power rivalry, producing complex, multidimensional and fluid dynamics. It is a response to the gradual erosion of the global multilateral political and economic order - with a declining role of international institutions, growing tensions generated by regional and world powers, and emerging autocracies - combined with a series of interconnected transnational challenges, such as climate change, increasing inequalities, migration, global health emergencies, regional instabilities, organised crime, and forced labour, also leading to security volatilities and violent conflicts.

This global transformation requires the Union to be an **independent actor** that can take rapid and effective decisions and speak the language of unity and power in global affairs. This should be achieved through principled complementarity and synergies between soft and hard power instruments. Without any doubt, the choices we make are decisive for our future, while the projects we invest in today will determine our competitive advantage, autonomy and dependencies tomorrow.

EU open strategic autonomy refers to the Union's ability to act autonomously when and where necessary, and with partners whenever possible, in all matters of strategic significance. It implies the Union's ability to pursue its interests and values without undue overreliance on the resources and capabilities of external actors, be it third states or non-state entities, and to determine its positions and actions accordingly. In an increasingly contested world, the Union must further expand and strengthen its partnerships with a variety of actors across the globe and avoid the dangers of an anachronistic bloc-building logic. EU open strategic autonomy is also the way to enhanced resilience to shocks of various nature due to an efficient and

sustainable use of our strategic assets. It has two dimensions: our **autonomy of decision** and **autonomy of action** in the interest of the well-being of citizens.

The concept of strategic autonomy emerged from the area of security and defence. Nevertheless, it quickly and inevitably evolved into a broader discussion about European sovereignty in a number of other strategic sectors, including foreign, trade, health, energy, economy, digital, innovation, environment, agriculture or food policies, to name only a few areas. This reminds us that the Union's open strategic autonomy requires collaboration, cooperation and synergies across various **external and internal policies** within the EU, and strong internal and external legitimacy alike.

This paper has the objective of framing a holistic, multidimensional and consistent **progressive interpretation** of the concept of EU open strategic autonomy for the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament (S&D Group). As this concept was initially put forward and promoted by S&D Vice-Presidents of the Commission/High Representatives Federica Mogherini and Josep Borrell, its roots and home are in our political family. In addition, the time has come to move from a nationally driven approach to a genuine European strategic vision and culture, and from an exclusively defence-focused perspective to a horizontal cross-policy paradigm.

2. Open strategic autonomy in EU external action

2.1. Security and defence

The concept of strategic autonomy initially stressed the necessity for the Union to take **greater responsibility** for its security through enhancing its capacity to act on its own if needed and to defend itself. The Russian war of aggression against Ukraine, as a historic turning point for Europe's security architecture, shows that defence integration among EU countries is indispensable for European security. In recent years, important steps were made, including the activation of the Permanent Structured Cooperation (PESCO), the creation of the European Defence Fund (EDF), the setting-up of the European Peace Facility (EPF), the Capability Development Plan (CDP), better coordination of national defence policies through the Coordinated Annual Review on Defence Mechanism, and the May 2022 Defence Investment Gaps Analysis. The EU Strategic Compass was another milestone towards providing the Union with a solid toolbox in the field of its Common Security and Defence Policy (CSDP).

However, achieving genuine EU open strategic autonomy in the field of security and defence requires the further strengthening and pooling of our capabilities, as well as improved coordination on the levels of the Union and the Member States alike, with the aim of enhancing common

military abilities. We need to boost our **defence industrial sector** through targeted investments - in compliance with the defence spending objective of those Member States which are also NATO allies, as well as increased and smarter defence spending - prioritise these products in relevant European procurement processes, and improve interoperability and military mobility. The Union's autonomous capacity to run missions across the world, which contribute to global peace and security, has to be further strengthened, in particular in the context of conflict prevention, mediation and peacebuilding operations, which requires a substantial upgrade of the EPF. In addition, the principle of solidarity incorporated in the mutual defence clause of Article 42(7) of the Treaty on European Union (TEU) should be made operational.

The quest of EU open strategic autonomy in security and defence does not mean Europe going it alone. Stronger EU security and defence also means a stronger **NATO** in a spirit of complementarity to avoid the duplication of existing structures. An increasingly close collaboration with our strategic and regional partners remains of high importance in this policy area as well. At the same time, when conditions allow, the Union must take the lead in the negotiation of new arms control and non-proliferation treaties.

2.2. Foreign policy

The Union's vision of its security and defence is embedded in its vision of its foreign policy. The pillars of S&D Group positions in the field of EU foreign policy remain our unwavering commitment to the rules-based international order and to effective multilateralism, with the United Nations at its core, and the building of strong value-based partnerships across the globe. EU open strategic autonomy can only be achieved through setting **clear objectives** in the framework of the Union's Common Foreign and Security Policy (CFSP), in particular towards partners of strategic importance. We must be ready to stand up for our values and interests when they are challenged by other countries, such as China and Russia.

The Union must speak with one voice in international organisations and multilateral platforms, and be able to back its positions with clear action. Members States are expected to use their individual membership in such organisations and platforms to amplify this common voice. At the same time, we need to make more efficient use of our existing foreign policy **instruments** - such as regional partnerships, diplomatic relations and actions, financial support and expert advice to third countries, sanctions etc. - as well as create new, permanent instruments to serve these goals. Many pieces of EU legislation, such as the one on corporate sustainability due diligence for instance, while not being foreign policy instruments per se, are highly relevant in this context due to their strategic character, external effects and ability to increase the role of the Union as a global standard-setter.

EU open strategic autonomy is about the Union strengthening its international status as a base for pursuing its value-based interests in the world in the framework of a more efficient **equal-to-equal collaboration** with our partners. Against the backdrop of a contested rules-based multilateral order and fierce international competition, we remain committed to give new impetus to the multilateral system in order to develop shared solutions to global challenges. We also need a clear vision of our collaboration with other pan-European organisations, notably the Organisation for Security and Co-operation in Europe (OSCE) and the Council of Europe (CoE), and to consider possible new frameworks for political cooperation in our continent, including the European Political Community initiative, as long as they are not an alternative to the Union's enlargement policy.

2.3. Enlargement and our neighbourhood

The Union's enlargement policy and its relations with our direct neighbours are key components of EU open strategic autonomy. We have to offer a **credible merit-based accession perspective** to all Western Balkans countries, as well as to Ukraine, the Republic of Moldova, and Georgia; make more efficient use of leverages in enlargement processes guided by the primacy of democracy and the rule of law in candidate and potential candidate countries; demand closer alignment with CFSP/CSDP statements and actions by these countries; demonstrate the Union's positive impact in them; finance projects based on our values; and provide substantial financial alternatives where foreign direct investment is instrumentalised as a geopolitical tool by rivals. Qualified majority voting (QMV) must be introduced also for decisions related to EU accession in order to enhance the credibility of this policy. A Union that is serious about achieving open strategic autonomy must act with far greater decisiveness on issues of enlargement and of geopolitical pertinence in its immediate neighbourhood.

A stable, secure, prosperous and democratic **neighbourhood**, both in the East and the South, is a basic condition for sustainable EU open strategic autonomy. We have to invest more in our support for our neighbours with regard to their capacity-building, economic and social resilience, and efforts aimed at ensuring human security for their citizens. We need to strengthen our dialogue with regional and local actors, offer alternative models to solve regional conflicts, support credible processes of democratic transition, and contribute to economic and social prosperity, including through our support for workers' rights and trade unions. Independent media, civil society and opposition movements to autocrats must be fully supported. In addition, we cannot leave new vacuums in our Southern neighbourhood and in Sub-Saharan Africa to be filled by others, such as Russia, China or Turkey, resulting in developments that strongly contradict our values.

2.4. Democracy and human rights

Open strategic autonomy in EU foreign policy means upholding our commitment to open economies and societies. It means for the Union to become a credible player in the global arena, while remaining an attractive partner for third countries in an increasingly transactional and confrontational world with growing autocratic regimes. It also means deepening our political **alliances with democracies**, and supporting home-grown democratic transitions as well as civil society worldwide. As mature democracies have historically been less likely to experience intra and interstate conflicts and - due to their internal accountability and scrutiny by free media and the public opinion - perform better regarding transparency and confidence building, a world of democracies is also a safer world.

When driven towards a more confrontational rhetoric by geopolitical crises, the Union should avoid the trap of sidelining its values and democratic principles and their promotion. We must remain the champion of **human rights** globally, a cornerstone of our external action. EU open strategic autonomy is the best vehicle for protecting our basic values, and promoting them in line with the EU Action Plan on Human Rights and Democracy. For this, we also need to broaden the Union's human rights toolbox, and make the use of available instruments more efficient. Moreover, we need to develop and follow a holistic approach of human security as a new guiding paradigm.

Against the backdrop of increasingly influential well-funded transnational fundamentalist and right-wing organisations, leading to a backlash against **women's and LGBTIQ+ rights** globally, and also within the EU, we call for Union action to stand up for our values in this field. We need to counteract the threats to the rights of women and LGBTIQ+ persons, which are a manifestation of, and further reinforce and broaden antidemocratic trends. At the same time, equal gender representation in key EU positions as well as the promotion of women's rights, women's empowerment and gender equality must be leading objectives across the whole spectrum of the Union's external action in the spirit of a feminist foreign policy.

2.5. Trade

In a troubled international system facing multiple parallel challenges, we can observe that measures serving narrow and short-sighted interests often prevail. In this new reality, it is usually the strongest actors who are able to defend their interests. We have to oppose and prevent this. Playing by the rules should be the norm, no matter the size of the country. The **weaponisation**

of trade by our rivals, the aggressive competition for resources, and the risks of a new bipolar order shape the new framework of the Union's trade policy today.

The EU is an open economy and our prosperity is deeply interconnected with the world economy. Our trade policy can enhance our resilience, diversify our supply chains, and reduce our unwanted dependencies. This policy must be based on our core principles, consistent with our actions in other areas of the Union's external relations, operate through **value-based trade agreements**, pursue fair and sustainable trade, and put workers in the centre. We also need to deepen our cooperation and trade relations with like-minded countries.

Trade is amongst the strongest and most tangible instruments the Union has at the service of its external action. It cannot be seen as a stand-alone policy area, as it is an essential part of our geopolitical agenda and its geopolitical significance is growing. An **assertive EU trade policy** is needed. We cannot stand aside and merely witness the increasing influence of other global powers, notably China, in Africa or Latin America. Our trade policy has to be more robust, while acting in line with our values and positions on fair and sustainable trade. Trade and Sustainable Development Chapters (TSD) in the Union's trade agreements must be binding and enforceable.

The EU is and will remain a strong defender of the **World Trade Organisation** (WTO) and multilateral trading rules. However, it is clear that the WTO is in heavy water. Reforms are needed in its three main pillars, while the appetite for these reforms is limited. As long as the US, and other countries, do not engage on a reform agenda, there is no chance for meaningful achievements. Therefore, the Union should play a leading role in reforming the WTO and reactivating its dispute settlement function, while exploring alternative solutions - as it did with the Multiparty Interim Appeal Arbitration Arrangement (MPIA) - in order to stabilise the rules-based multilateral trade system.

In addition, we need to strengthen our **bilateral trade agenda** by making full use of our existing and currently negotiated trade agreements, strengthening their implementation and enforcement, as well as actively exploring new ways of trade cooperation. In fact, our network of free trade agreements is an essential tool in fostering the Union's resilience and building strong and sustainable supply chains. When strategically used, our bilateral trade agenda is an important tool for preparing the EU for future crises. At the same time, the EU should reinforce its unilateral measures, including anti-coercion and anti-subsidy measures as well as strong and mandatory corporate sustainability due diligence rules and an effective ban on goods produced with forced labour, or leading to deforestation, in order to protect our basic values and secure a level playing field for EU businesses.

2.6. Development cooperation

The difficulties in defending our interests and promoting our values have often hindered our external action towards the Global South, and towards developing countries across the world in general. At the same time, other global and regional powers have increasingly been instrumentalising development assistance to advance their strategic interests, especially through investments in key infrastructures, in various regions of the world. Countering these dynamics through offering **credible development partnerships** and pathways to developing countries - which may require revising our profitability ambitions - is a key challenge for the Union if we want to see more synergies between our foreign policy and development cooperation objectives. Taking the lead in advancing the sustainable development agenda, promoting gender equality, remaining a champion of international solidarity, combating climate change, supporting the green socio-ecological transition, and creating positive economic spillovers for our partners are essential for autonomous EU action worldwide.

The Union's global influence is strengthened by its status as the world's greatest provider of official development assistance (ODA), which must be implemented in a fully coordinated approach. We need to secure better coordination and seek synergies between development cooperation and other areas - such as trade, foreign, security, climate change, industrial etc. policies - along the principle of **policy coherence** for development, as well as integrate the economic, social, environmental and governance dimensions of sustainable development at all stages of EU external action along the NDICI-Global Europe and Team Europe approach.

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We have to remain the champion of fighting poverty, injustice and inequalities across the world, be a lead actor in initiatives in the fields of international taxation and adequate debt regulation, and be more ambitious in our support for the global implementation of the **Sustainable Development Goals** (SDGs). The Global Gateway should become a genuine instrument to strengthen global infrastructure, while enhancing macroeconomic stability in our partners, providing expertise, and promoting the Union's value-based interests. Adequate financial resources, effective scrutiny by the European Parliament and successful strategic communication are crucial for the Gateway's success. The more we can strengthen the multilateral rules-based global order and generate long-term sustainable and inclusive development partnerships, the more we will manage to avoid unwanted global polarisations.

2.7. Situational awareness

In order for the EU to be autonomous in its external action, we need to boost our ability to collectively take informed decisions. This requires a better situational awareness through intensifying cooperation in the field of intelligence. The need and practical utility of establishing a system of **intelligence** sharing by the Member States with relevant EU institutions regarding

external events and developments outside the Union should be explored. Otherwise, the EU will be obliged to create its own intelligence agency in the future with the aim of providing itself with credible first-hand information about external threats, in order to be able to react rapidly and effectively. We also need to strengthen the resources and capacities of the European Union Intelligence and Situation Centre (EU INTCEN) and the European External Action Service (EEAS) Crisis Response Centre, secure permanent funding for the European Union Satellite Centre (SatCen), and repeatedly perform the joint threat analysis exercise that led to the Strategic Compass. Increased capacities in the fields of foresight and threat anticipation are a key component of EU open strategic autonomy.

2.8. Consistency and institutional reforms

Informed decisions do not lead to consistent positions and actions per se. As a basic precondition to EU open strategic autonomy, the Union needs to secure unity and consistency in its external action through building a **common strategic culture**. EU diplomacy should be reinforced in all its - public, cultural, economic, climate and other - dimensions, also by fostering joint training, including in the framework of the European Security and Defence College (ESDC) and the European Diplomatic Academy (EDA). We need to rethink the Union's diplomatic architecture, envisage a permanent EU seat in multilateral fora, present joint candidacies for international institutional positions, and ensure an effective coordination of the EU's activities in international organisations. The diplomatic representation and actions by the Union and the Member States, as well as their civilian and military operations conducted in third countries, must be better aligned.

The Lisbon Treaty needs to be fully exploited in order to secure the best possible implementation of the Union's external, and internal, policies, while new institutional arrangements and competences should also be considered. The Conference on the Future of Europe voiced important demands in this field, notably with regard to citizens' participation, which cannot be ignored. **Qualified majority voting** should be introduced in all relevant external action areas, including the CFSP, in order that the EU can further improve its capacity to take rapid and effective decisions, speak with one voice, and act as a truly global player projecting a positive role in the world. This must be accompanied by enhanced transparency in decision-making processes at the Council in order to secure the necessary level of legitimacy.

The Vice-President of the Commission/High Representative should become the **single principal representative** of the Union in its external relations and in international fora, acting in close coordination with the President of the European Council and the European Commissioners in charge of various external policies in particular. The establishment of a permanent Council of Defence Ministers, chaired by the High Representative, could be envisaged in the framework of the Council of the European Union, with the aim of better coordinating the defence policies of

Member States, the activities falling under the Union's CSDP, and the cooperation with NATO. The functioning of the EEAS should be reviewed with the aim of making it more effective in its mission to serve a genuine EU foreign policy.

3. Open strategic autonomy in EU internal action

3.1. Coherence and sustainability

Greater coherence between the Union's external and internal policies is key to achieving EU open strategic autonomy. In order to strengthen its global status, the Union has to strengthen its political integration and secure public support for its strategic autonomy objectives. It must show the superiority of community responses over national solutions and counter the voices advocating the effectiveness of undemocratic regimes. The EU can only be strong in the global arena if it is **strong internally**. Therefore, many answers to EU open strategic autonomy lie in the Union's internal action.

We need to reinforce our economic, social and political systems in order to be competitive with global powers, defend our interests, and project our values in the world. **Social cohesion** and strong welfare states with solid social policies are the foundations of stability and prosperity in Europe. Likewise, only the respect for democracy, the rule of law, social justice, human rights and fundamental freedoms internally can make the EU credible externally. The Union, in particular the European Commission and the Council, must step up their efforts against breaches of the rule of law in Member States and link them to serious financial sanctions.

True autonomy can only materialise under the conditions of **sustainability**. Conversely, the progressive political agenda for sustainability cannot be implemented without the necessary autonomy to resist external, and internal, pressures that oppose the values we hold. Open strategic autonomy and sustainability should be considered as two inextricably intertwined and mutually reinforcing concepts aimed at ensuring long-term security and resilience to the benefit of all EU citizens. For this reason, we need to develop an EU open strategic autonomy that incorporates and builds on the principles of sustainable development in all of its dimensions.

3.2. Energy

Energy security is an essential part of EU open strategic autonomy, while the Energy Union, the European Green Deal and the pathway to climate neutrality by 2050 at the latest are key for solving the Union's energy dependencies. We have to primarily decrease these dependencies and simultaneously set the same environmental standards for the purchase of energy, and related resources, from outside the Union that we respect within our community. Though the

Green Deal initially was not conceived as a security and autonomy-building instrument, it has become obvious by now that drastically decreasing our dependence on foreign fossil fuels from external monopolistic sources, reinforcing mutually beneficial partnerships with like-minded partners also in this field, and increasing supply security for renewable energy are cornerstones of EU open strategic autonomy.

This calls for greater unity for the Union's **energy strategy**; an integrated, diversified and interconnected European energy system driven by renewables and green hydrogen; maximising energy savings and efficiency; energy solidarity; grid balancing; and expanding storage capacities. In addition, our current dependencies should, by no means, be replaced by dependence on similar monopolistic sources in any other energy areas, or in the field of producing these types of energy within the Union. Together with a reformed market and pricing mechanism based on renewable energies, this will make the Union more resilient to external shocks, increase its energy security, and provide clean and affordable energy for our industry and citizens.

Although short-term measures, notably in response to Russia's war of aggression against Ukraine, can also create social tensions and detrimental lock-in effects, these may not undermine the above-mentioned efforts. Therefore, a Social Democratic approach has to balance the **social, environmental and economic dimensions** of this transition, which are - if managed properly - mutually reinforcing and leave no one behind. The answer has to be progressive in order to avoid a backlash in terms of regional and social impacts, especially for the most vulnerable. From this perspective as well, open strategic autonomy cannot be compatible with a dated model of liberalisation.

3.3. Digital autonomy and cyber security

Digital autonomy is at the heart of EU open strategic autonomy. We need a more diverse, pluralist and autonomous digital market with European champions, where we curb monopolistic dynamics in order to secure the Union's **technological sovereignty**. We need a long-term roadmap for becoming a lead digital innovator and a natural home to the most advanced digital technologies in the world. This is to be achieved in the framework of mutually beneficial international cooperation with our partners externally, while fostering the Digital Single Market in all of its dimensions and introducing the concept of 'first EU commercial exploitation' internally. More efforts are also needed to advance the digitalisation of our public administrations.

The Union is already a key actor in setting **international rules** and standards in a number of areas. The next step must be the shaping of international standards in the digital and technological spheres. By becoming a global regulatory role model on digital policy - notably

through the Digital Services Act, the Digital Markets Act, the Artificial Intelligence Act, the Digital Operational Resilience Act and the Data Act - the Union will be empowered to assert its sovereignty and to be a strong advocate of values and fundamental rights in the digital world. This, in turn, can boost public and private investment in research, development and innovation in the EU. In tackling the Union's dependence on big tech providers of foreign origin, digital innovation, research and development, and a strict application of European rules should be the main drivers. However, we also need to secure that European companies have access to, and benefit from global innovations.

Already now, the EU is a global role model in **data protection**. The protection offered by the General Data Protection Regulation (GDPR) travels with the data irrespective of where they land. This also applies when transferring personal data to a third country. Non-personal data generated in the single market must be fully used by our industries and service providers to the benefit of our citizens and consumers. Our European Data Strategy, namely Data Spaces, as well as provisions of standardisation and interoperability - such as those included in the Data Governance Act and the Data Act - are essential tools in this regard. This revolutionary approach to the data economy, based on the non-rival nature of data, shall reduce market concentration as well as the Union's overreliance on foreign companies in data-intensive sectors.

Cyber security, where external and internal policies overlap, is another essential part of EU open strategic autonomy. We need to improve the cooperation on European level in order to strengthen the resilience of our critical infrastructure against cyber incidents and attacks and to ensure a free, open, secure and stable cyberspace for our Union. We need to reinforce our industrial and technological capacities through incentivising public and private investments in this area. Cyber security is an investment aimed at mitigating the risks of the disruption of operations and services, data breaches, ransomwares, and economic or state-sponsored espionage.

At the same time, we need to set up and implement a robust **digital literacy** strategy for citizens, as digital skills have become essential for being fully integrated and playing an active role in society, and profiting from new opportunities. Basic and specialised digital skills need to be promoted through education, training, reskilling, upskilling and lifelong learning, with special attention to disadvantaged groups and gender equality, as well as to micro, small and medium-sized enterprises. However, as digitally-skilled graduates and professionals - too often - leave Europe to join other technology hubs, not only to invest in these skills but also to retain talent in Europe must be a priority.

3.4. The single market

The single market remains a key asset in building EU open strategic autonomy. In order to take advantage of its full potential, we must continue reducing undue barriers and limitations to the free flow of goods, investments, services and people, as well as preventing distortions caused by asymmetric state aid systems, while protecting consumers. A more effective implementation and enforcement of rules for the provision of services across the Union must be a priority in order to achieve a genuine interconnected single market, in both its online and offline dimensions, with scale for businesses to grow. We also have to build a truly **circular economy**, which will considerably reduce dependencies on external actors, in times of crises in particular.

The Union's **competition** policy and state aid framework must ensure that the internal market remain open, fair and competitive, and serve our economic and social objectives. In this respect, national champions should fully comply with EU competition and state aid rules to serve, in the first place, end consumers and taxpayers. The Union must also ensure the application of basic competition rules that aim to protect the survival of smaller actors on the market, and insist on a structured global dialogue and cooperation on competition rules enforcement.

Only transparent and open procedures and actions can provide legitimacy for European standards in the global competition and secure respect for them. The corporate sustainability **due diligence** initiative is a milestone in this regard, aimed at ensuring that our values and social and environmental norms prevail, while securing a level playing field for businesses. By focussing on value chains both within and outside the Union, we aim to achieve that access to products in the EU market do not generate adverse impacts in third countries, and that companies based or generating profit in the Union's single market can effectively be held liable for violations of environmental and social standards and human rights. The S&D Group is in the lead in the fight for mandatory due diligence requirements on the EU and international levels.

Transparency is also key in securing fairness and a level playing field in **public procurement** processes. Third country operators enjoying a significant competitive advantage through state subsidies, or having any legal link for tax purposes to a country on the EU's list of non-cooperative tax jurisdictions, or to a country that is considered to be a high-risk state from the anti-money laundering perspective, must be excluded from these procedures, while reciprocity between the Union and third countries in the field of public procurement is essential. This has to go hand in hand with internal policies based on transparency and cooperation with the aim of avoiding aggressive tax competition and fighting tax evasion within the Union.

We also need to invest in developing capacities in core sectors where the EU should take the lead globally. Fostering a **start-up generation** will contribute to achieving open strategic autonomy. The fact that European start-ups are heavily dependent on foreign capital is worrisome.

We should not allow our knowledge to be easily acquired by foreign investors; we should facilitate their ability to raise capital within the Union and grow domestically.

3.5. Food security, agriculture and fisheries

Another essential pillar of open strategic autonomy is **food security** based on fair, healthy, sustainable and resilient food supplies, which requires healthy soil, water and air, healthy marine ecosystems, and the protection of biodiversity. Fertile agricultural land and water are strategic assets, which constitute the backbone of our food autonomy and must be protected in an adequate way across the Union. The goals of the European Green Deal and the Farm to Fork Strategy should be used to make our food production more sustainable and to contribute to the Union's autonomy in food production. It is by strengthening local and regional production, diversifying supply sources, building resilient and sustainable supply chains, reducing dependencies on fertilisers and other raw materials from third countries, and avoiding social and environmental dumping that we can strengthen food sovereignty.

Consumers are not at risk of facing food shortages in the Union. Nevertheless, an increasing number of EU citizens risk facing difficulties in accessing food due to rapidly rising market prices, in particular due to Russia's war of aggression against Ukraine, as well as to long-standing issues related to monopolies within the Union's own food supply chain. In times of crisis, social measures empowering citizens against **food poverty** are of critical importance, while sustainable food production needs to be prioritised over feed and bio-energy production. At the same time, short-term responses to turbulences in the European agricultural sector always have to take into account their long-term effects and consequences.

Finally, sustainable food security cannot be achieved without socially, economically and environmentally sustainable **fishing and aquaculture** sectors that ensure the protection of marine habitats and biodiversity and of the labour dignity, security and social rights of fisheries and aquaculture workers. These, together with the promotion of sustainable aquaculture and changes in consumption patterns (diversification of fishing products consumed, fight against food waste also in this area etc.), must be priorities in the Union's actions within its internal market, as well as globally.

3.6. Public health

Medicine shortage is a long-standing and still growing problem in the Union. During the COVID-19 pandemic, the **supply chains** of essential medicines as well as medical devices and equipment were seriously impeded, which led to serious European, and global, shortages. This

was not only the result of a sudden increase in demand, but also of an overdependence on critical raw materials and manufacturing in third countries, particularly China, which accounted for 90 per cent of the Union's mask imports, for instance. The main causes of this situation were the intention to maximise profit due to lower labour costs as well as looser environmental and emission standards allowing for cheaper but unsustainable production methods in these third countries.

Contrary to the United States (US), the EU had no **coordinating agency** in the past with the mandate and financial resources to quickly ramp up the supply of essential medical equipment, personal protective equipment (PPE), medicines and pharmaceutical ingredients within the Union. In the aftermath of the pandemic, a dedicated European Commission Directorate General: the European Health Emergency Preparedness and Response Authority (HERA) was created. However, HERA needs a strong mandate from the European Parliament and the Council, larger financial resources and legal power, as well as a more sustainable structure and stronger instruments at its disposal in order to adequately address health crises and the Union's response to them.

In addition, an **emergency clause** should be introduced in the Union's budget to make the rapid transfer of funds from other budget lines to one central pot, like the Emergency Support Instrument (ESI), possible in times of crisis. This would allow the EU to quickly scale up production capacities for essential products when our lives and livelihoods are at stake. Furthermore, the scope of the Single Market Emergency Instrument (SMEI) should be extended to medicines and medical devices, in order to ensure that HERA has the necessary legal powers to intervene directly in supply chains.

We also need to strengthen intra-EU cooperation as regards the Union's Civil Protection Mechanism and the rescEU, where EU countries pool and stockpile resources with the aim of increasing the Union's collective autonomy in the field of emergency response in case supply chains are impeded. In the longer run, we need to ramp up **investments** in the pharmaceutical and medical devices industries, foster innovative research and sustainable production, reshore essential medicine production, and build diversified and resilient supply chains of materials and technologies in the field of health. Last but not least, after decades of austerity, Member States need to reinvest in hospital, care home and first line health care capacities in order to better handle emergencies in the future.

3.7. Industry

The concept of EU open strategic autonomy has a clear and robust industrial component, linked to global value chains, which in turn have an impact on the Union's single market. The ambition to achieve and preserve open strategic autonomy needs to be translated into the objective of

autonomous production of key components in the value chains of our modern economies. This should not be reduced only to different types of goods but also to the management and exploitation of data. We need to reduce dependencies on imported commodities, including critical raw materials; unfavour trade from unreliable or hostile third countries; increase value chain resilience and adaptability; build a truly circular economy; and create strategic partnerships with like-minded partners.

We need to promote and reinforce our **reindustrialisation** in strategic value chain segments and industrial sectors, while securing balanced territorial developments across all the Member States. This must be supported by a real and updated industrial strategy, including in-depth analysis of the areas where enhanced open strategic autonomy is desirable. This strategy should be based on integrated planning with the contribution of industrial actors, EU, national, regional and local institutions and agencies, social partners, as well as innovation clusters, universities and research groups, and industrial alliances in strategic areas.

In light of the strategic importance of **semiconductors** for core EU industries, we need to become more resilient in this field by shortening value chains; building new production capacities through collaboration with European champions and international market leaders; avoiding harmful subsidy races; and improving global supply chain crisis prevention and mitigation through increased cooperation with strategic partners. This should be accompanied by significant public and private investments in the development of cutting-edge technology along well-defined priorities. All these should contribute to increasing the Union's share to 20 per cent, from laboratory to fabrication, on the global semiconductor market by 2030.

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We also need to ensure that the discovery, invention and development of **new technologies** financed by EU funds benefit the Union in the first place, and that intellectual property rights are efficiently protected. We have to be aware that the use of new technologies also leads to new risks to neutralise, and new rights to protect, which underlines again the importance for the Union to become a global rule and standard setter.

3.8. Transport

Transport and mobility are crucial for the good functioning of our societies. Therefore, the transport sector, and notably the control of **strategic transport infrastructures** is an essential component of the Union's open strategic autonomy. Russia's war of aggression against Ukraine has shown again the importance of the good functioning of our transport infrastructure, in which resilience and adaptation between the different transport modes are important. The rapidly changing geopolitical context also calls for ensuring that the Union's transport infrastructure be fit for dual mobility and able to accommodate both civilian and military transport needs.

The increase of fuel prices has had a severe impact on households as well as companies and workers. We cannot let our right to mobility and the necessity to transport goods depend on fossil fuel imports and unreliable or hostile third countries. If we want to increase the resilience of our transport and mobility systems, we should urgently boost our internal production, supply and storage capacities of sustainable alternative and renewable energy resources, as well as ramp up the deployment of alternative fuels infrastructure. At the same time, the development and promotion of smart, accessible, affordable, inclusive and **sustainable transport solutions** is key internally, as well as externally. EU open strategic autonomy will benefit from the Union promoting sustainable mobility beyond its own borders. If we want to accelerate the green transition of transport in the Union, we also need our partners to follow suit, especially in the long-distance trade segment. Strong partnerships between ports globally and establishing green corridors are crucial.

The reinforcement of the **Trans-European Transport Network (TEN-T)** is crucial for letting it fulfil its role as a platform for geographic cohesion and connectivity within the Union, as well as with our neighbours and other partners. We need to ensure that all regions, including remotely and sparsely populated peripheral areas, are well connected to one another. In the external dimension, we also have to address key sources of transport disruptions along the global value chains in order to increase their resilience. For example, recent global maritime supply chain disruptions have shown us major bottlenecks in terms of the availability and prices of containers, the freedom of the seas, or blockages of major international shipping routes.

3.9. Space

EU open strategic autonomy in space, where external and internal policies overlap, relies primarily on the Union's guaranteed access to space launchers; the safety and proper functioning of space and terrestrial infrastructure, such as satellites and ground stations, including the Galileo Satellite network; and technology supplies. Increasing **space-based connectivity** has the potential to broaden connectivity in rural and peripheral areas, bridge the digital divide, strengthen communication security, support progress in knowledge and innovation through explorations and experiments carried out in space, and enhance the Union's digital sovereignty and strategic autonomy. However, achieving these goals requires an overall strategy mapping infrastructure gaps, identifying vulnerabilities, and offering an action plan for increased resilience.

3.10. Information and digital public sphere

Open strategic autonomy is also about being able to provide citizens, all across the Union, with the necessary access to **information** at any time and under any conditions, including in emergencies and in the most remote regions, rural and insular areas, in a coordinated manner. Today, our information networks are fragmented. Therefore, our autonomy in this field will depend on our capacities to store, extract and process data in a safe, reliable and trustworthy way and in full respect for fundamental rights. This goal can be achieved through investing in high-capacity infrastructure and adopting innovative technologies, which will enable energy-saving, climate-neutral, high-efficiency and interconnected services. In this context, we also need to pay due attention to the decisions on attributions of frequencies and radio spectrum, which have to remain a public good to serve the public interest.

At the same time, EU open strategic autonomy cannot exist without reliable information from independent and diverse sources and media, based on a plurality of opinions and the freedom of expression. A functional and reliable **digital public sphere** is essential in this regard. However, we are witnessing the growing dominance of a few corporations based outside Europe in this field, in particular American and Chinese online platforms pursuing profit interests, which calls for the urgent creation of European alternatives and adequate regulation.

Open strategic autonomy is part of the fight against **foreign interference** and hybrid warfare. Attacks from China and Russia towards the Union are ever more numerous and sophisticated. The protection of our democratic space is at stake. This calls for effective measures aimed at countering disinformation and information manipulation by hostile regimes or profit-driven non-EU companies. Building on the work of the European Parliament Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (INGE and ING2), an effective strategy to tackle disinformation has to be proposed by the European Commission and adopted on the Union's level with clear roles, guidelines and resources allocated for EU institutions and Member States.

3.11. Education, research and innovation

Much of the Union's open strategic autonomy depends on its capacity to invest in its **knowledge triangle** of education, research and innovation. The objective of leading in environmentally sustainable technological, economic and social innovation requires for the gaps between these three components to be reduced and, at best, closed. Member States and the private sector need to be encouraged to invest and facilitate investments in these areas, while further strengthening - among others - the Erasmus+, Erasmus Mundus and Horizon Europe programmes on the

Union's level. The European Innovation Agenda, and its focus on promoting innovation in all regions and addressing the innovation divide, has to be aligned with other policies. This will help create new innovation ecosystems and synergies, scale up actions on the local level, and connect talent, knowledge and finance across Europe, as a major contribution to achieving EU open strategic autonomy and implementing the twin transitions in a fair manner.

At the same time, we need to address our current loss of **knowledge potential**. We have to increase the capacities of our leading universities, secure high-quality standards for Science, Technology, Engineering, Mathematics (STEM) degrees in particular, and reverse the trend of a decrease in the number of STEM graduates. We urge the European Commission to come up with an integrated EU strategy on brain drain aimed at securing access to quality education, skills, vocational training and lifelong learning opportunities. This must be accompanied by quality employment, working conditions and career prospects, all to be developed in the framework of local networks of education, business and civil society actors, as well as an emerging Education, Training and Research Area.

We also need to increase our ability to **attract** and retain young talents as well as teachers, trainers and researchers; reduce the gender gap in the technological and digital sectors in particular; as well as decrease regional imbalances within the Union regarding the development of human capital. The Union could become a preferred destination for highly educated and skilled professionals whose career is hindered due to various sorts of discrimination in third countries. The EU should become a pole of diverse and inclusive entrepreneurship by attracting this kind of talent.

3.12. Demography

As human resources are a key factor for building and maintaining resilience and autonomy in any sector in our societies, economy and politics, the aspects of EU open strategic autonomy related to demography cannot be ignored. Revitalising Europe's demography, by taking into account its gender perspective, remains an essential platform for any credible project aimed at securing a future for the Union. We also need to avoid a situation in which diverging demographic realities and trends lead to increased polarisation between regions and countries in the EU, undermining its internal cohesion. Providing the Union with a sustainable future requires integrated and comprehensive solutions, based on an ecological system meant to secure a better world for the next generation, in this field. It is in this spirit that we work for a **sustainable demography** in a sustainable Europe.

3.13. The euro and economic governance

A key dimension of EU open strategic autonomy is the stability as well as the expansion and strengthening of the **international role** of the euro, towards a more multipolar currency system. This, internally, is linked to the need to complete the infrastructure that supports the Union's common currency, including the Economic and Monetary Union, the Banking Union and the Capital Markets Union. A truly European safe asset will send a strong and trustworthy message to investors, while a full insurance for depositors in the euro area, known as the European Deposit Insurance Scheme (EDIS), will protect them irrespective of their location within the zone. Only with credible and solid architecture will the euro become more attractive, and promote long-term and stable growth, securing the sustainability of the finances of Member States and minimising risks.

The large issuance of **euro-dominated bonds** under the NextGenerationEU (NGEU) and the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instruments, with common EU debt to finance the economic and social recovery, are important steps. This will help increase the supply of euro-dominated safe assets to strengthen the global role of the euro. The euro is also the main currency of denomination for the issuance of green bonds, while the EU should become the world leader in setting standards for green bond issuance. This shall cement the euro as the global leader in green finance.

At the same time, the **integrity** of our financial system must be secured by increasing its transparency and taking control over illicit cash flows. In this respect, the ongoing reform of the Union's anti-money laundering rules - with the design of a common EU rulebook and the setting up of the European Anti- Money-Laundering Authority (AMLA) - is a strategic priority aimed at preventing suspicious money flows, securing compliance with due diligence and reporting rules, and providing authorities and supervisors with the necessary tools for ensuring accountability. The Union must address tax avoidance by implementing international norms and standards and make the criteria of the EU list of tax havens more transparent yet restrictive, which will be beneficial for both recovering a part of the losses due to tax evasion and preventing that the EU sanctions against hostile countries are circumvented. The Union should also expand its taxation toolbox, while Member States should rapidly implement the global agreement on a minimum corporate tax rate of 15 per cent.

Beyond these, we need to become the lead standard setter for a safe, stable and sustainable financial sector within and outside Europe, and reduce our dependencies on third country service providers and tech giants. The EU's retail payments market remains fragmented along national borders, while the Union is dependent on non-European solutions and actors, such as Visa or MasterCard. We should build on already existing **European solutions** that function nationally, level them up to cross-EU instruments, and expand their scope to all the opportunities provided by the progress in financial technology, including the new digital currencies - such as the digital

euro - and payments. The excessive reliance of EU financial services institutions on essential financial infrastructure outside the Union, including on UK-based Central Counterparties (CCPs) and a few third country credit rating agencies in the financial data market, amplify financial stability risks and must be addressed without delay.

Progress on all the above matters is sorely needed, including through a reform of our existing **economic governance** framework, in order to bolster the global role of the EU and to make the monetary union more resilient. In this respect, it is critical that this reform lead to a new framework that is simpler, more flexible and effectively applicable and enforceable in every Member State.

3.14. *The Union's budget*

As a transversal objective, the concept of EU open strategic autonomy has horizontal implications across the Union's budget and its relevant programmes. We need to think of new and innovative solutions for **collectively financing** the strategic investments needed for enhancing our resilience. This requires significant additional new resources, including new EU resources, which would not be conditioned on volatile negotiations between Member States. The COVID-19 pandemic and the Russian war of aggression against Ukraine have proven that challenges of this magnitude cannot be dealt with in our existing budgetary framework. However, this cannot result in the emergence of an EU budgetary galaxy outside and in parallel with the Union's budget at the expense of the community spirit, democratic scrutiny, accountability and legitimacy.

The EU budget must be equipped with the necessary flexibility and budgetary space to be able to respond to crises and adapt to emerging and growing needs. The existing instruments outside the Multi-Annual Financial Framework (MFF) ceilings are constrained by both the scarcity of resources and the rigidity of design. A **permanent fiscal capacity**, as an additional special instrument over and above the MFF ceilings, should protect against disruptive shocks and market panic situations, facilitate prompt reactions to crises and their social and economic consequences, and support strategic reforms and investments - in particular with regard to the green and digital transitions. This would include a common crisis instrument to be activated in a rapid and transparent manner as needs arise.

The proposal of the European Commission for a new **European Sovereignty Fund** (ESF) aimed at strengthening the open strategic autonomy of the Union and reducing dependencies on non-EU countries in key sectors, as well as topping up specific industrial projects, must respond to real needs. It has to be based on a clear assessment of the costs and investment gaps, and able to provide financial support across the Union's industrial spectrum. It must not lead to further fragmentation and distortion of the single market, and should not work to only benefit countries with sufficient fiscal space, but support Member States in a fair and equal way. A subsidy race is to be avoided, and the social dimension must be fully taken into account.