



Strategic Autonomy And Economic Sovereignty in the European Union: Legal Instruments, Trade Governance And Market Implications

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Abstract:

This thesis examines the European Union's evolving approach to economic governance through the lens of strategic autonomy, with a particular focus on its legal instruments and their impact on trade efficiency, international relations, and commercial agency contracts. In response to a changing geopolitical and economic landscape, the EU has implemented a set of regulatory and industrial mechanisms, including the European Chips Act, the Critical Raw Materials Act, and the Carbon Border Adjustment Mechanism, that seek to enhance internal resilience while redefining its position in global markets. The research explores how these instruments challenge traditional liberal market principles and reshape the EU's normative identity as a rules-based actor. Methodologically, the study combines legal analysis, doctrinal comparison, and case-law interpretation with a critical review of policy communications and academic literature. It also incorporates a comparative approach, particularly between EU and U.S. legal frameworks on commercial agency, to illuminate how jurisdictional differences affect the balance of power in transnational contractual

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**STRATEGIC AUTONOMY AND ECONOMIC
SOVEREIGNTY IN THE EUROPEAN UNION:
LEGAL INSTRUMENTS, TRADE GOVERNANCE
AND MARKET IMPLICATIONS.**

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Master's Degree in International Trade and Economic Relations

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ABSTRACT

This thesis examines the European Union's evolving approach to economic governance through the lens of strategic autonomy, with a particular focus on its legal instruments and their impact on trade efficiency, international relations, and commercial agency contracts. In response to a changing geopolitical and economic landscape, the EU has implemented a set of regulatory and industrial mechanisms, including the European Chips Act, the Critical Raw Materials Act, and the Carbon Border Adjustment Mechanism, that seek to enhance internal resilience while redefining its position in global markets. The research explores how these instruments challenge traditional liberal market principles and reshape the EU's normative identity as a rules-based actor.

Methodologically, the study combines legal analysis, doctrinal comparison, and case-law interpretation with a critical review of policy communications and academic literature. It also incorporates a comparative approach, particularly between EU and U.S. legal frameworks on commercial agency, to illuminate how jurisdictional differences affect the balance of power in transnational contractual relationships.

The findings suggest a clear transformation in the EU's legal and economic paradigm: one that prioritizes economic security, conditional openness, and selective intervention. While these shifts aim to mitigate vulnerabilities and assert greater autonomy, they also introduce new frictions in trade governance, regulatory coherence, and international perceptions. The discussion highlights tensions between resilience and efficiency, autonomy and interdependence, and normative consistency and strategic flexibility.

Ultimately, the thesis argues that the EU's legal strategy reflects a broader recalibration of its global role: one that invites both academic scrutiny and policy innovation. Recommendations are provided for enhancing contractual fairness, institutional transparency, and multilateral engagement, while identifying areas for future research, particularly in the cross-section between legal design and economic sovereignty.

1. INTRODUCTION

In recent years, the international economic order has undergone a profound transformation, driven by a succession of global crises and escalating geostrategic rivalries. The COVID-19 pandemic, the war in Ukraine, the technological confrontation between the United States and China, and the weaponization of economic interdependence have collectively exposed the vulnerabilities of liberal globalization and challenged the long-standing principles of open trade. In this turbulent context, the European Union (EU) has initiated a substantial shift in its economic strategy, one that increasingly emphasizes security, resilience, and strategic autonomy over the traditional ideals of interdependence and market openness (Campanella, 2023).

This evolution is exemplified by the EU's recent policies aimed at reducing dependencies in critical sectors such as semiconductors, critical raw materials, energy, and emerging technologies (Bardt et al., 2022). Flagship initiatives like the European Chips Act, the Critical Raw Materials Act, and new frameworks for foreign investment screening signal a deliberate move toward securing supply chains and safeguarding key industries from external shocks or coercion (Groussot et al., 2024). While these measures are often justified as necessary instruments for strengthening the EU's geopolitical resilience, they have also sparked concerns about a gradual drift toward protectionism, the distortion of competition, and the fragmentation of the multilateral trading system (Glencross, 2024).

The tension between resilience and protectionism lies at the heart of this research. On one hand, strategic autonomy and economic security have become imperative in an increasingly uncertain world. On the other, policies enacted under the guise of resilience may undermine the EU's economic openness, compromise its global competitiveness, and provoke negative reactions from key partners such as China, the United States, and members of the World Trade Organization (WTO). This dilemma raises critical questions about the future of the EU's economic governance and its role in the evolving global order.

But what does resilience really mean in the 21st century? Is it simply the capacity to recover from external shocks, or is it a broader strategy to reassert control over value chains, technologies, and industrial capabilities? Can a union of 27 democracies strike a balance between open cooperation and strategic caution without sliding into economic

nationalism? And more importantly, can resilience be achieved without sacrificing the very openness that has driven the EU's economic growth for decades?

These questions are not merely theoretical. They touch the core of today's most urgent policy dilemmas. The EU's strategy reflects broader anxieties about over-dependence on autocratic regimes, global power asymmetries, and the loss of control over critical inputs. Yet, if not carefully calibrated, these same strategies risk replicating the same restrictive logic they seek to escape (Husarova, 2023). Are we witnessing the emergence of a new economic paradigm, one where security considerations trump market logic, or is this simply the latest iteration of industrial policy dressed in geopolitical language?

Accordingly, the study is guided by the following research questions and hypotheses:

Research Question 1: What are the main regulatory and strategic instruments adopted by the European Union since 2020 to reduce its dependence on key external actors (such as China or the United States) in critical sectors?

Hypothesis 1: The European Union has adopted an increasing set of regulatory measures, industrial plans, and trade control mechanisms, such as the Critical Raw Materials Act, the European Chips Act, and revisions to competition and foreign investment policy, aimed at reducing its external dependencies in sectors considered strategic, in response to geopolitical vulnerabilities exposed by the pandemic and the war in Ukraine.

Research Question 2: To what extent can these measures be considered legitimate responses to geopolitical and national security threats, and to what extent do they introduce unnecessary barriers to international trade?

Hypothesis 2: Although the EU's dependency-reduction measures are formally justified on the grounds of economic security and strategic resilience, many of them function as barriers to international trade by promoting import substitution policies, selective subsidies, and regulatory restrictions that limit competition and distort the market.

Research Question 3: What effects have these policies had on the efficiency of trade and financial flows between the EU and its main economic partners?

Hypothesis 3: The EU's economic resilience policies have led to a relative loss of efficiency in international trade and financial flows by causing forced reconfigurations of supply chains, increasing import costs, and reducing integration with more efficient global suppliers, especially in technology and energy sectors.

Research Question 4: How are these policies perceived by key external actors (China, the United States, WTO partners), and what implications do they have for the future of multilateral cooperation in trade?

Hypothesis 4: Major global actors such as China and the United States perceive the EU's strategic autonomy policies as signs of growing distrust and geoeconomic rivalry, contributing to a weakening of the multilateral trade framework and accelerating the fragmentation of the international economic order into competing trade blocs.

The general objective of this thesis is to critically analyze the extent to which the European Union's recent policies aimed at "reducing strategic dependencies" (as part of its new economic security agenda) respond to a legitimate need for geopolitical resilience or whether they reflect protectionist tendencies that threaten global economic cooperation. The study further aims to elucidate the implications of these policies for the EU's international positioning, its economic relations with major powers, and the long-term sustainability of the multilateral trade system.

To this end, the specific objectives of the research are:

- To identify and describe the main regulatory, strategic, and industrial instruments adopted by the European Union since 2020 to reduce its dependence on external actors in critical sectors.
- To assess the extent to which these policies can be justified as part of a strategy for economic security and geopolitical resilience in response to powers such as China and the United States.
- To analyze the impact of these policies on the efficiency of international trade and finance, particularly in terms of costs, investment flows, and supply chain organization.
- To investigate how the EU's key trade and geopolitical partners (China, the United States, WTO members) perceive these policies and their implications for future multilateral cooperation.

In addressing these objectives, the thesis intends not only to contribute to the academic debate on the evolving nature of global economic governance but also to inform policy discussions about the balance between legitimate resilience-building and the dangers of neo-protectionism in an era of heightened geopolitical uncertainty. In doing so, it will consider the EU not only as a regulatory superpower, but as a strategic actor navigating a world where economic choices are increasingly inseparable from geopolitical realities. Understanding this balance is critical to ensuring that Europe's pursuit of security does not come at the expense of openness, cooperation, and the rules-based order it has long championed.

2. LITERATURE REVIEW

Understanding the European Union's recent shift toward economic resilience and strategic autonomy requires more than a descriptive account of policy instruments: it demands a deeper interrogation of the conceptual foundations that underpin such a transformation. The evolving landscape of global economic governance has brought to the fore a series of interrelated paradigms, such as interdependence, geoeconomics, economic security, and strategic autonomy, that are not only shaping political discourse but actively restructuring institutional behavior and normative assumptions within the EU. This section lays the theoretical groundwork necessary to grasp the deeper significance of the Union's current trajectory.

Rather than treating the EU's policy turn as an isolated or purely reactive development, this chapter situates it within broader intellectual traditions and emerging analytical frameworks. By tracing the transition from liberal economic interdependence toward a more strategically oriented model of open autonomy, the analysis highlights how long-standing normative commitments are being reinterpreted in light of new geopolitical realities. Concepts such as "weaponized interdependence," "resilience," and "de-risking" are examined not merely as policy labels but as markers of a fundamental rethinking of the relationship between markets, power, and security in the 21st century.

The theoretical framework thus serves a dual function. On one hand, it provides the critical vocabulary through which the EU's strategic evolution can be interpreted and contested. On the other hand, it offers a set of analytical tools to evaluate whether recent measures reflect necessary adaptations to systemic risk or a drift toward economic closure. In doing so, this chapter connects the Union's institutional responses to wider

theoretical debates in international political economy, setting the stage for the empirical and normative assessments that follow.

2.1. Interdependence to Strategic Autonomy: Reframing Economic Security in the 21st Century

For much of the post-Cold War era, the European Union's economic strategy was rooted in the liberal belief that interdependence fosters peace, stability, and prosperity. Open markets, free trade, and integrated supply chains were not only economic choices but also strategic commitments to a rules-based international order. However, the emergence of a more fragmented and adversarial global landscape has triggered a fundamental shift in the EU's approach. Increasingly, interdependence is no longer viewed solely as a source of mutual benefit but also as a potential vector of vulnerability, capable of being exploited by rival powers (Gehrke, 2022; Rosén & Meunier, 2023).

This rethinking has given rise to a new policy paradigm: strategic autonomy. Originally conceived within the domain of security and defense, the term has evolved into a comprehensive vision encompassing technological sovereignty, industrial resilience, and economic security. Strategic autonomy now serves as a guiding principle for the EU's external economic policy, reflecting a desire to reduce critical dependencies on external actors, particularly in sensitive sectors such as semiconductors, critical raw materials, pharmaceuticals, and clean energy technologies (Helwig & Sinkkonen, 2022; Ryon, 2020).

At the heart of this transformation lies the concept of economic security, which has gained unprecedented prominence in the lexicon of policymakers. Though historically peripheral in European discourse, economic security now ranks among the top strategic priorities of the Union (Padovan & Cusimano, 2025). But what exactly does economic security entail? At its core, it refers to the capacity of a state, or in this case, a union, to ensure the continuity of economic activity in the face of external disruptions, coercion, or systemic shocks. It involves not only safeguarding key infrastructure and technologies but also ensuring access to essential resources and maintaining control over strategic sectors (Rosén & Meunier, 2023).

This conceptual turn has been accompanied by the growing relevance of "geoeconomics", a term popularized by Luttwak and revived in contemporary debates by scholars such as Meunier and Biscop. Geoeconomics denotes the use of economic tools

for geopolitical purposes, blurring the line between commerce and power. In this framework, supply chains are not just economic constructs but strategic assets. Dependencies are no longer merely inefficiencies; they are potential threats. And market openness is not an unquestioned virtue but a calculated risk (Gehrke, 2022; Rosén & Meunier, 2023; Biscop, 2019).

In parallel, the discourse of resilience has gained prominence. In the European context, resilience is understood not merely as the ability to bounce back from shocks but as a proactive capacity to anticipate, absorb, and adapt to disruptions. Economic resilience thus becomes an imperative for navigating a world characterized by increasing volatility: pandemics, geopolitical rivalries, energy crises, and technological bifurcation (Jerzyniak, 2024). Yet resilience, like autonomy, is a contested term. Its implementation raises difficult questions: How much resilience is enough? Resilience for whom, and at what cost? Can an overemphasis on resilience inadvertently slide into isolationism?

This debate is intimately tied to the evolving concept of “strategic decoupling”, a process that involves the deliberate unwinding of certain economic ties deemed too risky or politically sensitive. While decoupling is most frequently associated with the U.S.–China rivalry, it has entered the European debate as well, particularly in light of the continent’s reliance on external actors for strategic goods. What distinguishes the EU’s approach is the notion of “de-risking” rather than outright decoupling: a selective diversification of partners and suppliers aimed at reducing over-concentration, without fully severing ties (Jerzyniak, 2024; Padovan & Cusimano, 2025).

Finally, the shift from interdependence to strategic autonomy raises important normative and institutional questions. Is this shift compatible with the EU’s foundational commitment to multilateralism and open markets? Can the Union maintain its regulatory influence globally while also retreating from certain economic dependencies? And what role should institutions such as the European Commission, the Council, and the European Parliament play in articulating and implementing this new agenda?

The objective of this section has been to lay the conceptual foundations for the subsequent analysis. By unpacking the transition from interdependence to strategic autonomy, and by situating economic security within the broader framework of resilience and geoeconomics, we can begin to understand the rationales (and the contradictions) underlying the EU’s current trajectory. These analytical tools will serve as the backbone

for evaluating whether the Union's recent policies are prudent adaptations to a changing world or steps toward a more inward-looking, protectionist stance.

2.2. The Weaponization of Interdependence: Origins, Mechanisms, and Implications

The liberal vision of globalization assumed that economic interconnectedness would foster mutual benefit, discourage conflict, and strengthen international cooperation. However, recent years have witnessed a striking inversion of this logic. Rather than serving solely as a source of stability, economic interdependence has become a means of coercion, a tool wielded by powerful states to influence, constrain, or punish others. This transformation is captured by the concept of "weaponized interdependence," a term that encapsulates the strategic use of economic networks to project power (Farrell & Newman, 2019).

The intellectual foundation for this concept was laid by Farrell and Newman, whose groundbreaking work argues that global economic networks, particularly those involving finance, data, and supply chains, are asymmetrically structured. Certain nodes in these networks, such as the U.S. control over the dollar-based financial system or the dominance of a few tech platforms, grant disproportionate power to specific states. These central players can exploit their position to monitor flows (the "panopticon effect") and to exclude adversaries from critical infrastructures (the "chokepoint effect") (Farrell & Newman, 2019).

In this light, global economic integration is not a flat playing field but a hierarchy of control points. The case of U.S. sanctions on Iran, which leveraged its control over SWIFT and international financial institutions, offers a paradigmatic example. Similarly, export controls on semiconductors and advanced technologies targeting Chinese firms, or restrictions imposed on Russia following the invasion of Ukraine, demonstrate how trade and finance have become potent instruments of statecraft (Fuller, 2022); (Beaumier & Cartwright, 2023).

The implications of weaponized interdependence are profound. First, they challenge the assumption that globalization inherently promotes peace. Second, they generate incentives for states to rethink their exposure to foreign control, fueling calls for

autonomy, resilience, and decoupling (Vieira, 2023). Third, they blur the distinction between economic and national security, legitimizing interventions in areas previously governed by market logics (Newman & Zhang, 2023).

In Europe, the awareness of these dynamics has grown in tandem with geopolitical shocks. The weaponization of energy by Russia, and the extraterritorial application of U.S. sanctions affecting European firms, have served as wake-up calls. As a result, the EU has begun to develop its own toolkit for economic statecraft, including anti-coercion instruments, foreign subsidies regulation, and a renewed industrial policy agenda (Laryš, 2024); (Ruggi, 2023).

These measures are often justified as defensive responses to coercive practices, but they also reflect a broader shift toward a more assertive geoeconomic posture.

The use of interdependence as a weapon raises difficult normative and strategic dilemmas. To what extent can liberal democracies adopt similar tools without compromising their values? Should the EU mirror the strategies of more coercive actors, or seek to regulate economic coercion through multilateral frameworks? Can open societies defend themselves in an environment where openness itself becomes a vulnerability?

The literature on geoeconomic power has expanded in response to these questions. Scholars like Ian Bremmer have highlighted the rise of the “geopolitical marketplace”, where states increasingly use capital, infrastructure, and supply chains to advance strategic goals. Joseph Nye’s notion of “smart power” (the combination of hard and soft power) also offers a useful lens, particularly in analysing how economic tools can shape preferences and behaviours without direct coercion.

Understanding the mechanics and consequences of weaponized interdependence is essential for assessing the legitimacy and effectiveness of the EU’s recent policy shift. Are its measures truly protective, or are they reproducing the very dynamics they aim to resist? By grounding the analysis in this theoretical framework, we can better interpret the strategic rationale behind Europe’s turn toward resilience and autonomy, while remaining attentive to the potential costs and contradictions of this new geoeconomic age.

2.3. Resilience vs. Protectionism: Analytical Boundaries and Policy Dilemmas

As the concept of economic security gains prominence in international policy discourse, a central dilemma has emerged: how to distinguish between legitimate efforts to build resilience and protectionist policies that distort markets and undermine global cooperation (Vitale, 2020). While governments around the world have invoked resilience to justify new industrial policies, subsidies, and trade restrictions, the lack of a clear conceptual boundary between resilience and protectionism raises significant analytical and normative questions (Chepeliev et al., 2022).

At the core of this debate lies the challenge of defining what constitutes a "legitimate" response to strategic vulnerabilities. From a policy perspective, resilience refers to a state or region's capacity to absorb, adapt to, and recover from external shocks, be they economic, geopolitical, or environmental (Xu, 2023). Protectionism, by contrast, is typically understood as the imposition of measures designed to shield domestic industries from foreign competition, often at the expense of efficiency, innovation, and consumer welfare (McGee, 1996). Yet in practice, the two are not easily separable.

Dani Rodrik has argued that the return of industrial policy is not only inevitable but necessary in a world where markets alone cannot address strategic risks or developmental goals. He proposes a new consensus that emphasizes conditional openness, where certain sectors may require targeted support or regulation (Rodrik, 2023). Similarly, economists such as Karl Aiginger have promoted the idea of "systemic industrial policy," which integrates economic, environmental, and social objectives within a broader framework of strategic transformation (Aiginger, 2014). These perspectives suggest that some forms of state intervention, even if market-distorting in the short term, may be justified on broader systemic grounds.

In the European context, this debate is captured by the notion of "open strategic autonomy", a term adopted by the European Commission to signal a desire for greater self-reliance without rejecting international cooperation (Cao, 2001). The tension within this formulation is palpable: how can the EU reduce its strategic dependencies while maintaining its commitment to openness, multilateralism, and competition? Critics argue that many recent initiatives, such as the European Chips Act or the creation of Important

Projects of Common European Interest (IPCEIs), blur the line between legitimate resilience-building and economic nationalism (Mokhnatkina et al.,2020).

The World Trade Organization (WTO) offers a partial framework for assessing the legitimacy of such measures. Under WTO rules, members are allowed to implement trade-restrictive policies under certain conditions, such as national security exceptions (Article XXI of the GATT). However, the scope and interpretation of these exceptions remain contentious (Ghibuțiu, 2012). If every measure taken in the name of security is accepted without scrutiny, the multilateral system risks being hollowed out from within.

Beyond legal criteria, analytical tools are needed to evaluate the proportionality, transparency, and effectiveness of resilience policies. To what extent do these measures address clearly identified vulnerabilities? Are they time-bound and subject to review? Do they promote innovation and diversification, or merely entrench incumbents and protect inefficient producers? These questions are essential to determine whether a policy is truly resilience-oriented or simply a veiled form of protectionism (Baccini & Kim, 2012).

In sum, this section emphasizes the importance of developing a nuanced framework for analyzing state interventions in the global economy. While resilience has become a policy imperative in an age of uncertainty, it cannot be used as a *carte blanche* for any form of market intervention. Understanding the fine line between resilience and protectionism is critical for evaluating the EU's strategic agenda and for preserving the integrity of an open, rules-based international trading system.

2.4. The European Union as a Geoeconomic Actor: Institutions, Instruments, and Tensions

The European Union has long been recognized as a regulatory superpower, shaping global economic standards through its expansive internal market and the extraterritorial effects of its legal frameworks (Hoffmeister, 2023). However, in the wake of recent geopolitical shocks (the COVID-19 pandemic, the Russian invasion of Ukraine, and rising U.S.–China tensions) the EU has begun to recast itself not only as a normative actor but as a strategic economic power (Verellen & Hofer, 2023). This evolution marks a significant shift from the EU's traditional emphasis on liberal multilateralism toward a more assertive and instrumental approach to external economic relations.

This transformation is reflected in a growing suite of policy instruments designed to enhance the Union's economic security and strategic autonomy (Grevi, 2021). At the

institutional level, the European Commission has assumed a central role in coordinating this agenda, backed by the European Council's political mandates and supported by the European Parliament's increasing interest in security-related legislation (Husarova, 2023). The creation of new directorates and task forces within the Commission, particularly within DG Trade, DG COMP, and DG GROW, attests to the institutional consolidation of economic security as a priority domain.

Among the flagship initiatives of this agenda is the European Chips Act, adopted in response to severe global semiconductor shortages. This act mobilizes €43 billion in public and private investment to boost semiconductor manufacturing in Europe, reduce dependencies on third countries, and foster innovation in critical technologies (Bardt et al., 2022). While framed as a resilience-building measure, the Chips Act also includes provisions for export controls and strategic stockpiles, indicating a broader strategic calculus (Schulz et al., 2024).

Closely related is the Critical Raw Materials Act, which aims to secure the EU's access to essential inputs for green and digital transitions, such as lithium, cobalt, and rare earth elements (Hancher & Hauteclouque, 2024). Recognizing that these materials are often sourced from politically unstable or geopolitically sensitive regions, the act combines supply diversification strategies with investment in domestic extraction, refining, and recycling. It also emphasizes partnerships with third countries, particularly through the Global Gateway initiative, thereby linking economic security with foreign policy (Nevskaya & Kvashnin, 2022).

A key dimension of the EU's emerging geoeconomic posture is the reinforcement of foreign investment screening mechanisms. Although such tools have existed in various member states, Regulation (EU) 2019/452 established an EU-wide framework for monitoring foreign direct investment (FDI) that may affect security or public order (Grousset et al., 2024). The Commission now plays a coordinating role in reviewing sensitive transactions, particularly in sectors such as energy, defense, artificial intelligence, and biotechnology (Sattorova, 2023). This mechanism illustrates a growing willingness to balance openness with caution in light of strategic concerns (Poutala et al., 2022).

The Union has also expanded its arsenal of trade defense instruments. In addition to traditional anti-dumping and anti-subsidy measures, new initiatives include the Anti-Coercion Instrument, designed to deter and respond to economic coercion by third

countries; the Foreign Subsidies Regulation, which addresses distortions caused by non-EU state aid (Su, 2023); and proposals for a Carbon Border Adjustment Mechanism (CBAM), which introduces environmental criteria into trade policy (Frank, 2023). These instruments reflect a broader ambition to level the playing field and defend the EU's economic interests while navigating complex global interdependencies.

Nonetheless, the deployment of these tools is not without tension. First, there are questions of coherence and competence: economic security touches on areas traditionally governed by both national and EU competences, raising challenges for coordination and legitimacy. Second, there is the risk of fragmentation: not all member states share the same strategic outlook or vulnerability profiles, which may result in uneven implementation or resistance to supranational initiatives. Third, there is a growing debate about the compatibility of these measures with WTO rules, particularly when they involve subsidies, trade restrictions, or security exceptions that may be challenged by external partners.

Moreover, the EU's dual identity, as both an advocate of multilateral rules and a promoter of strategic autonomy, creates a certain paradox. Can the Union simultaneously defend the liberal order and adopt more interventionist policies at home? How can it remain credible in promoting fair competition abroad while subsidizing key sectors domestically? These contradictions are emblematic of the broader tensions inherent in the geoeconomic turn.

Importantly, the EU's evolving geoeconomic role is not merely reactive but increasingly strategic. Initiatives such as the Global Gateway, Strategic Compass, and Trade Policy Review 2021 demonstrate a concerted effort to align economic instruments with broader foreign policy and security objectives. This convergence signals a new phase in EU external action, where trade, regulation, investment, and diplomacy are increasingly seen as parts of an integrated toolkit for navigating a multipolar world.

In conclusion, the European Union is undergoing a significant transformation in how it conceives and conducts its economic governance. The emergence of a geoeconomic agenda, anchored in institutional innovation and a diverse array of policy instruments, marks a departure from past assumptions about neutrality, openness, and rule-following. Whether this transformation strengthens the EU's global standing or exposes it to new vulnerabilities remains an open question, but one that will be central to understanding the trajectory of European integration in the decades ahead.

2.5. Global Trade Fragmentation and Perceptions of Strategic Autonomy: External Views and Multilateral Risks

While the European Union's pursuit of strategic autonomy has been driven by internal assessments of vulnerability and resilience, its external ramifications are equally significant. The EU does not operate in a vacuum; its policies are closely scrutinized, and at times contested, by major global actors who interpret these shifts through their own strategic lenses. Understanding how China, the United States, and multilateral institutions such as the WTO perceive the EU's evolving economic strategy is essential to evaluate its broader geopolitical consequences (Gehrke, 2022).

For the United States, the EU's turn toward strategic autonomy has elicited a mix of support and concern. On one hand, Washington has welcomed efforts by European partners to reduce dependencies on authoritarian regimes and to strengthen their own defense and technological capacities (Shcherbak, 2021). On the other, there is growing unease about policies that may conflict with U.S. interests or industrial ambitions, such as the Carbon Border Adjustment Mechanism (CBAM), digital regulations targeting U.S. tech firms, or proposals for European champions in sectors where American firms dominate. The Inflation Reduction Act (IRA) and ensuing tensions over green subsidies illustrate how geoeconomic frictions can emerge even among allies (Paleari, 2024).

From the perspective of China, the EU's strategic shift is often viewed with suspicion. Chinese officials and scholars have interpreted the EU's critical raw materials strategy, export controls, and investment screening mechanisms as elements of a broader decoupling agenda, one that aligns more closely with U.S. containment efforts than with the EU's stated commitment to openness (Yang, 2023). Chinese think tanks and policy briefings increasingly warn of a "de-risking discourse" that, while rhetorically softer than decoupling, could result in real limitations to market access and technological cooperation (García-Herrero, 2023). At the same time, China has sought to engage with Europe through bilateral investment agreements and diplomatic channels, aiming to dissuade the Union from adopting a more confrontational economic posture.

Multilateral institutions, particularly the World Trade Organization, have expressed growing concern about the fragmentation of global trade rules. As more countries invoke national security exceptions and introduce unilateral measures under the guise of resilience, the integrity of the multilateral system is at risk (Van den Abeele,

2021). The WTO's 2023 World Trade Report underscores this trend, warning that "the proliferation of strategic trade measures may erode trust among members and reduce the predictability of global commerce." The EU's own actions, though often presented as rule-compliant, are not immune to critique, especially when they include subsidies, discriminatory procurement rules, or carbon-based tariffs (Quirico, 2023).

These perceptions matter not only for diplomatic relations but for the functioning of the global economy. Strategic autonomy, if misinterpreted or miscommunicated, can reinforce a narrative of bloc formation, pitting a liberal democratic camp against a more state-driven alternative. The consequence is a drift toward a bifurcated or even multipolar economic order, characterized by competing standards, fragmented supply chains, and reduced space for global coordination (Wessel & Kassoti, 2023). Institutions like the G7, G20, and WTO may struggle to reconcile diverging approaches, particularly when major powers pursue self-reinforcing geoeconomic strategies.

In this context, the role of think tanks and policy institutes becomes increasingly relevant. Organizations such as Bruegel, the Center for Strategic and International Studies (CSIS), the Carnegie Endowment, and the Mercator Institute for China Studies (MERICS) have provided critical analyses of Europe's economic strategy and its reception abroad (Rekowski, 2023). Their reports highlight the tensions between economic sovereignty and cooperation, the risks of retaliation and escalation, and the need for more transparent and inclusive policy dialogues.

It is also worth noting that perceptions of the EU's strategic turn vary significantly depending on regional and sectoral contexts. In Southeast Asia, for instance, countries may view the EU's resilience agenda as an opportunity to diversify exports and attract investment, particularly in green and digital sectors. In contrast, African countries may perceive it as a threat to preferential trade arrangements or development financing, especially when linked to environmental or labor conditionalities (Sattorova, 2023).

Ultimately, the success of the EU's economic security strategy will depend not only on its internal coherence and effectiveness, but also on its capacity to manage perceptions and engage constructively with external partners. Strategic autonomy must not be conflated with isolationism; rather, it should be framed as a balanced approach to interdependence, one that allows for greater self-determination without closing the door to cooperation (Van Schaik, Lokenberg, & Cretii, 2023). Maintaining this equilibrium is

perhaps one of the most delicate, and most consequential, challenges facing European policymakers today.

2.6. Theoretical Approaches to Global Economic Governance: Liberalism, Realism, and Strategic Trade Theory

The current reconfiguration of the global economic order raises fundamental questions about the underlying theories and ideologies that inform international economic governance. As the European Union repositions itself in a world of increasing strategic competition and systemic uncertainty, it is crucial to examine the theoretical frameworks that offer competing interpretations of global economic behavior and state-market interactions. This section explores three principal schools of thought (liberalism, realism, and strategic trade theory) to understand the normative and analytical foundations upon which the EU's economic security agenda may be assessed.

Liberalism has long dominated mainstream thinking about international economic relations. Rooted in the work of Adam Smith and later institutionalized by theorists such as Robert Keohane and John Ruggie, liberalism posits that economic interdependence fosters peace, cooperation, and mutual gain. Institutions like the World Trade Organization, the IMF, and regional blocs such as the EU itself were built on liberal assumptions that rules, transparency, and trust reduce transaction costs and deter conflict. From this perspective, globalization is not merely an economic process but a peace project (Liu, 2006).

However, liberalism also faces serious challenges. The rise of state capitalism, the resurgence of nationalism, and the strategic use of economic tools by major powers all expose the fragility of liberal assumptions (Holden, 2017). The EU's recent shift toward strategic autonomy can be interpreted as a recognition that interdependence, while desirable, is not always symmetrical or benign. Even within liberal thought, there is now an acknowledgment that unfettered markets may exacerbate vulnerabilities rather than mitigate them (Gehrke, 2022).

Realism, by contrast, offers a more skeptical view of global economic relations. Drawing from classical political thought and modern international relations theory, realism emphasizes the centrality of power, security, and state interest. Economic policy, in this view, is subordinate to strategic imperatives. Realists argue that states engage in international trade not only to maximize wealth but also to enhance national power and

reduce dependence on rivals (Serrano, 2011). The recent reassertion of industrial policy, technological sovereignty, and supply chain security across the EU and other advanced economies aligns closely with realist prescriptions (García, 2013).

In this light, the European Commission's discourse on "economic security" and the deployment of tools like investment screening and strategic subsidies may be seen as evidence of a realist turn in EU policy. Rather than assuming that trade promotes peace, the EU is increasingly acting on the premise that power differentials embedded in economic networks must be managed proactively. This logic aligns with the idea of "economic statecraft," which treats markets as instruments of influence and contestation (Hyde-Price, 2013).

Strategic Trade Theory, developed in the 1980s by economists such as Paul Krugman and James Brander, offers a hybrid framework that blends economic analysis with strategic considerations. It challenges the classical notion of comparative advantage by demonstrating that under certain conditions, such as economies of scale, technological spillovers, or first-mover advantages, government intervention can improve national welfare even in open economies. This theory provides a rationale for targeted subsidies, public-private partnerships, and trade-related industrial policy (Chikhuri, 2013).

The relevance of strategic trade theory to the EU context is considerable. The European Chips Act, for instance, embodies many of its assumptions: that securing leadership in key technologies may justify deviation from pure market logic; that intervention can shape competitive dynamics in global markets; and that economic policy can have security payoffs. Similarly, the EU's emphasis on developing "strategic ecosystems" in areas like clean energy, digital infrastructure, and health reflects a belief in the long-term benefits of guided industrial transformation (Padovan & Cusimano, 2025).

While each of these theoretical approaches offers valuable insights, none is entirely sufficient on its own. The EU's economic strategy appears to draw selectively from all three paradigms. Its support for multilateralism and regulatory harmonization reflects liberal roots; its concern with resilience and autonomy signals realist awareness; and its proactive industrial agenda channels strategic trade logic (Helwig & Sinkkonen, 2022). The result is a hybrid model, pragmatic, adaptive, and increasingly shaped by geopolitical constraints.

In conclusion, the EU's evolving economic security framework cannot be understood without reference to broader theoretical debates about the nature and purpose of global economic governance. Whether the Union is moving toward a more protectionist, power-centered approach or developing a new model of open resilience remains to be seen. What is clear, however, is that theory continues to matter, not as abstract doctrine, but as a lens through which policymakers interpret risks, justify choices, and imagine alternatives in a rapidly changing world.

3. METHODOLOGY

This study adopts a qualitative, case-oriented research design grounded in the principles of international political economy and critical policy analysis. Given the research objective, namely, to determine whether the European Union's new economic security agenda constitutes a legitimate form of geopolitical resilience or a veiled return to protectionism, this methodological approach allows for a context-sensitive, interpretative, and comparative inquiry into complex institutional and discursive transformations.

More specifically, the research strategy combines:

- Case-oriented analysis, with both longitudinal (2020–2024) and comparative (internal vs. external perceptions) dimensions.
- Document-based analysis of both primary sources (EU communications, legislative acts, official reports) and secondary sources (peer-reviewed literature, think tank analyses).
- An interpretative framework informed by theories of global economic governance, particularly liberalism, realism, and strategic trade theory.

Methodologically, this thesis draws on elements of process tracing (Beach & Pedersen, 2019), enabling the researcher to identify causal mechanisms linking policy instruments with strategic narratives and policy outcomes. This is particularly appropriate for analyzing evolving and contested phenomena such as the EU's geoeconomic repositioning, where sequences of decisions, discursive shifts, and institutional innovations need to be unpacked over time.

In addition, the study is discourse-sensitive: it recognizes that the language used to justify policy change, terms such as *resilience*, *strategic autonomy*, or *de-risking*, is not merely descriptive, but constitutive of the political reality they aim to shape. Accordingly, policy discourse is treated not as a neutral reflection of strategy, but as a strategic resource used to legitimize interventions that may challenge the EU's liberal normative legacy.

This hybrid methodological approach aligns with recent scholarship in critical political economy and geoeconomics (Farrell & Newman, 2019; Meunier, 2022; Helwig & Sinkkonen, 2022), and is particularly suited to addressing the research questions posed in this thesis. It allows for a nuanced analysis of policy instruments, strategic narratives, and external perceptions, thereby offering a multidimensional understanding of the EU's evolving economic security agenda.

Finally, the research design incorporates triangulation of data sources to ensure robustness and mitigate interpretive bias. By cross-referencing official EU documents, expert commentary, and academic insights, the analysis maintains methodological transparency while enhancing the validity of its claims.

Building on this interpretative and process-oriented design, the case selection follows a logic of both empirical salience and theoretical significance. The chosen case, the European Union's post-2020 shift in trade and industrial policy, offers a compelling lens through which to explore the operationalization of economic security in a context historically committed to liberal multilateralism. The selection is anchored in the EU's responses to three major disruptive events: the COVID-19 pandemic, Russia's invasion of Ukraine, and the strategic manipulation of supply chains and energy flows by rival powers. These shocks not only exposed the vulnerabilities of global economic interdependence, but also catalyzed a paradigmatic rethinking of the EU's economic and geopolitical posture.

This case is methodologically structured as a "most likely" design in the logic of hypothesis testing: if policies reflecting strategic closure or selective decoupling can be observed in a polity as normatively committed to openness as the EU, their presence elsewhere becomes more plausible. At the same time, it also functions as a "crucial case," capturing an institutional setting where economic interdependence, political diversity, and normative ambition intersect. The EU is not only a trade bloc, but a complex supranational actor whose responses to global economic disruption are negotiated through

multi-level governance and reflect a broader tension between economic pragmatism and geopolitical aspiration.

The post-2020 period in particular allows for the longitudinal examination of a cumulative policy shift. It encompasses the launch of landmark initiatives, such as the European Chips Act, the Critical Raw Materials Act, the revision of investment screening mechanisms, and the introduction of new trade defense tools, many of which are framed under the evolving concept of “open strategic autonomy.” The richness of this case lies not only in the instruments deployed, but in the discursive evolution accompanying them. Concepts like “resilience,” “de-risking,” and “sovereignty” have increasingly structured the EU’s external economic language, suggesting a deeper recalibration of its role in the global economy.

In addition, the EU’s dual identity, as a promoter of a rules-based order and an emerging strategic actor, makes it a uniquely fertile case for assessing how economic security agendas are perceived externally. The reactions of key partners, including the United States, China, and multilateral organizations such as the WTO, provide important insights into how strategic autonomy is interpreted beyond Europe’s borders. This external dimension is not supplementary but integral to the analysis, as it reflects the interactive nature of economic security narratives in a fragmented international system.

With this in mind, the empirical analysis relies on a carefully curated selection of data sources that together provide a multi-layered view of the EU’s evolving strategy.

To support the analysis, the research draws on a triangulated set of data sources, combining official documents, expert commentary, and peer-reviewed academic literature. This pluralistic approach is essential for ensuring both the empirical validity and interpretative depth of the findings. The primary layer of evidence consists of official European Union documents, including European Commission communications, legislative proposals, regulations, and policy strategies, such as the *European Economic Security Strategy* (2023), the *European Chips Act*, the *Critical Raw Materials Act*, and the *Foreign Direct Investment Screening Regulation*. These texts provide direct insight into the instruments, rationales, and legal architecture underpinning the EU’s economic security agenda.

Complementing these primary sources is a second tier of policy-oriented materials, including reports from influential think tanks such as Bruegel, Carnegie Europe,

MERICS, CEPS, and the Atlantic Council, as well as institutional publications from the OECD, WTO, UNCTAD, and DG Trade. These documents not only help situate EU actions within a broader global context, but also provide critical reflections on their implications, effectiveness, and normative coherence. Because policy discourse is both strategic and contested, these materials are treated as interpretative windows into the epistemic and political struggles surrounding concepts like resilience and strategic autonomy.

The third pillar consists of academic literature from leading journals such as *International Security*, the *Journal of Common Market Studies*, and the *Review of International Political Economy*. Contributions from scholars including Farrell and Newman, Meunier, Rodrik, Aiginger, and Biscop are especially relevant, as they articulate the theoretical and conceptual frameworks that shape the current debate on geoeconomics, weaponized interdependence, and strategic trade policy. These sources provide the analytical scaffolding necessary to interpret the EU's economic strategy not merely as a policy set, but as a symptom of a deeper structural transformation in global economic governance.

To operationalize these materials, the thesis employs a hybrid analytical framework that combines thematic analysis with process tracing. This dual approach enables both a systematic mapping of policy instruments and a dynamic reconstruction of how strategic narratives evolve over time and interact with institutional change. The analysis is structured along four interrelated axes: instruments, narratives, effects, and perceptions. First, the instruments axis identifies and categorizes the regulatory, industrial, and trade tools deployed by the EU to advance economic security. Second, the narratives axis examines how concepts such as *resilience*, *open strategic autonomy*, and *de-risking* are used to legitimize these instruments, both internally and externally.

Third, the effects axis evaluates the practical implications of these measures for trade efficiency, market openness, and global supply chain integration. This includes an examination of empirical indicators drawn from sources such as the WTO's *World Trade Report* and the OECD's *Trade Monitor*, as well as policy evaluations regarding the duplication of supply chains, shifts in investment patterns, and reactions from economic partners. Finally, the perceptions axis investigates how key external actors interpret the EU's evolving strategy, specifically the United States, China, and multilateral bodies,

highlighting the ways in which economic security policies are embedded in a broader matrix of geopolitical interpretation and strategic signaling.

By linking these axes, the framework facilitates a multidimensional reading of the EU's economic security agenda, revealing not only how instruments are chosen and justified, but also how they reverberate beyond the borders of the Union. This structure allows for both internal coherence in analyzing policy choices and external connectivity in assessing global ramifications. It thereby accommodates the ambivalence at the heart of the EU's strategic posture: the aspiration to reconcile defensive economic measures with a continued commitment to liberal norms.

While this methodology offers significant interpretative leverage, it is important to acknowledge its limitations. The study does not employ quantitative or econometric modeling, and therefore does not seek to establish causal effects through statistical inference. Instead, it prioritizes qualitative depth, discursive nuance, and contextual sensitivity, which are better suited to capturing the strategic ambiguity and evolving nature of the subject. Moreover, some of the policy instruments under scrutiny are still in early stages of implementation, making their full economic and political impact difficult to assess. As such, the analysis remains situated in the present, offering an informed but provisional evaluation of ongoing developments.

Another limitation concerns the analysis of external perceptions. While official statements, policy reports, and secondary sources offer valuable insights into how third countries view the EU's trajectory, the study does not include original interviews, surveys, or diplomatic cables. As a result, the perceptions examined here are inferential and discursively constructed, rather than empirically verified through primary engagement. This constraint, however, is mitigated through the systematic use of high-quality commentary and reputable analytical sources, ensuring that the interpretative reading remains grounded and plausible.

In sum, this methodological approach (qualitative, document-based, discourse-sensitive, and theoretically embedded) offers a rigorous and multidimensional basis for analyzing the European Union's economic security strategy. It is designed to trace not only what the EU is doing, but how it justifies its actions, what consequences emerge from them, and how they are understood by the rest of the world. In a moment of profound geopolitical reordering, such an approach is essential for understanding not just policy,

but the politics of policy, and for identifying the fine line that separates resilience from retreat.

4. DATA ANALYSIS AND FINDINGS

4.1. EU Instruments for Strategic Autonomy (2020-2024)

The European Union's pursuit of strategic autonomy since 2020 has been operationalized through a broadening set of legislative, regulatory, and industrial instruments, aimed at reinforcing resilience across critical economic sectors. This policy evolution reflects a significant transformation in the EU's global economic role: from a predominantly rules-based regulator toward a more proactive strategic economic actor (European Commission, 2023). The instruments deployed are not isolated interventions; rather, they embody a systemic recalibration of the Union's approach to global interdependence and vulnerability management.

Among the most emblematic initiatives is the European Chips Act, adopted in 2023. With an envisaged €43 billion investment, including substantial public subsidies, investment facilitation tools, and the establishment of strategic stockpiles, this regulation aims to reposition Europe in the global semiconductor race (European Commission, 2023). The Chips Act represents a paradigmatic case of state-driven market shaping, seeking not merely to hedge against future supply chain disruptions but to foster indigenous capacity and technological sovereignty. It blends industrial policy objectives with strategic security concerns, challenging long-standing assumptions about the neutrality of trade liberalization.

In parallel, the Critical Raw Materials Act (2023) addresses a different but equally vital dimension of economic security: access to inputs essential for green and digital transitions. Recognizing Europe's heavy dependency on third countries, particularly China, for rare earths and other strategic minerals, the Act promotes both diversification of external suppliers and the development of internal capacities in extraction, processing, and recycling (Council of the European Union, 2024). Here, resilience is operationalized through a combination of external outreach (strategic partnerships with resource-rich countries) and internal strategic investment, representing a comprehensive approach to mitigating critical vulnerabilities.

The regulatory arsenal has also expanded to cover investment flows. The Investment Screening Mechanism (Regulation EU 2019/452), while formally adopted in 2019, gained new momentum post-2020. It introduced a coordinated framework for member states to screen foreign direct investments that may affect security or public order, particularly in sensitive sectors such as energy, healthcare, and emerging technologies. Although national authorities retain final decision-making power, the European Commission now plays a critical coordinating and advisory role, enhancing coherence and embedding economic security considerations more firmly within internal market governance (European Commission, 2020).

Similarly, the Foreign Subsidies Regulation (2023) tackles distortions caused by state aid granted by non-EU governments to their companies operating in the internal market. This instrument reflects a growing willingness to assert defensive measures against external economic practices perceived as unfair or coercive. By enabling the Commission to investigate and remedy such distortions, including through blocking acquisitions or imposing redressive payments, the EU has added a powerful geoeconomic tool to its strategic autonomy arsenal, further blurring the line between competition policy and trade defense (European Commission, 2023).

Environmental objectives have also been strategically incorporated into the EU's economic security agenda through the introduction of the Carbon Border Adjustment Mechanism (CBAM). While ostensibly a climate policy tool designed to prevent carbon leakage, CBAM effectively introduces a trade barrier linked to environmental externalities, impacting global value chains and raising concerns among several trading partners. Its deployment illustrates how strategic autonomy is being pursued not only through traditional industrial or trade instruments but through regulatory projection aligned with broader normative goals (European Commission, 2023).

Collectively, these instruments represent a profound shift in the EU's economic governance paradigm. The Union is no longer positioning itself solely as a champion of market openness and regulatory harmonization but is increasingly engaging in strategic economic statecraft. The instruments are purposefully selected, politically justified, and strategically sequenced to enhance the EU's resilience without formally abandoning its liberal commitments. However, as the subsequent sections will explore, this recalibration is not without tensions: both internally, in terms of economic efficiency, and externally, in terms of global perceptions.

Table 1: EU Strategic Autonomy Tools

Instruments	Strategic Objective	Policy Type	Potential Global Impact
European Chips Acts	Technological sovereignty in semiconductors	Industrial policy, subsidies	Trade tensions with US/Asia; supply chain shift
Critical Raw Materials Act	Secure access to critical inputs	Supply diversification, strategic partnerships	New trade alliances; tensions with China
Investment Screening Mechanism	Protect strategic sectors from foreign control	Regulatory control on FDI	Reduced investment flows; regulatory friction
Foreign Subsidies Regulation	Prevent market distortions from third-country state aid	Trade defense, competition policy	Potential disputes at WTO; retaliation risk
Carbon Border Adjustment	Climate resilience and level playing field	Environmental trade instrument	Risk of carbon tariffs disputes; WTO challenges

4.2. Discursive and Institutional Reframing of Economic Security

The deployment of new instruments for strategic autonomy has been accompanied by a profound discursive and institutional reframing of the very concept of economic security within the European Union. Since 2020, a subtle yet significant shift has occurred in the way the EU articulates its strategic ambitions: moving from the language of *open markets* and *free trade* towards that of *resilience*, *open strategic autonomy*, and *de-risking* (Rosén & Meunier, 2023). This discursive evolution is not merely rhetorical; it plays a constitutive role in legitimizing a more interventionist economic agenda within a polity historically defined by its commitment to liberal norms (Van den Abeele, 2021).

Central to this reframing is the elevation of resilience as a proactive strategic objective rather than a reactive necessity. Traditionally associated with the capacity to absorb and recover from shocks, resilience is now framed in Commission communications as a forward-looking imperative: the ability to anticipate disruptions, diversify dependencies, and preserve strategic capacities in the face of systemic

uncertainty (Heyets et al., 2023). The 2020 *Trade Policy Review* and subsequent strategic documents repeatedly emphasize that economic resilience is essential not just for security, but for maintaining Europe's economic competitiveness and social cohesion in a volatile world (Carrapico & Farrand, 2024). Thus, resilience becomes a strategic good in itself, fundamentally redefining the EU's priorities.

In parallel, the concept of open strategic autonomy has emerged as the cornerstone of the EU's new economic doctrine. Initially introduced in the security and defense domain, the notion has been reinterpreted to encompass trade, investment, energy, and digital policy (Hoffmeister, 2023). The phrase *open strategic autonomy* deliberately combines two seemingly contradictory elements: the aspiration for self-sufficiency and control over critical assets, and the preservation of openness to international cooperation and global markets. By embedding openness within the very definition of autonomy, the EU seeks to reconcile its defensive strategic turn with its normative identity as a champion of multilateralism. However, as several scholars (Meunier, 2022; Helwig & Sinkkonen, 2022) have noted, this balancing act introduces inherent ambiguities that permeate policy debates and external perceptions alike (Poutala et al., 2022).

A third key narrative innovation is the adoption of the term de-risking over decoupling. Drawing inspiration from the strategic language promoted by the United States in 2022–2023, EU leaders increasingly use *de-risking* to describe their approach to critical dependencies, particularly vis-à-vis China, while explicitly rejecting the idea of economic decoupling (Hahn & Reinhold, 2025). This linguistic shift is crucial: it signals a selective diversification strategy rather than a wholesale disengagement from global markets. In doing so, it seeks to mitigate accusations of protectionism while maintaining flexibility to shield sensitive sectors from external coercion. Nonetheless, the practical implementation of de-risking measures often blurs into protectionist territory, raising questions about the consistency between discourse and practice.

Institutionally, this discursive reorientation has been matched by the creation and empowerment of new governance mechanisms. The European Commission has established dedicated units within DG Trade and DG GROW focused on economic security, resilience assessment, and critical raw materials strategy (Mochalova, 2024). High-level political endorsements, such as those embodied in the *Versailles Declaration* (2022) and the *European Economic Security Strategy* (2023), have further entrenched economic security as a central pillar of EU policymaking (Melnikova, 2021). Importantly,

this institutionalization reflects not only the response to exogenous shocks, but also a deeper shift in the internal logic of European integration: economic openness is no longer assumed to be an unconditional virtue but is increasingly seen as conditional upon strategic control over critical domains.

Thus, the discursive and institutional reframing of economic security within the EU performs multiple strategic functions simultaneously: it legitimizes new interventionist measures; it signals adaptation to a changing geopolitical environment; and it attempts to preserve the Union's normative credibility in global affairs (Shcherbak, 2020). However, as subsequent sections will demonstrate, the success of this reframing strategy is contingent on the consistency between discourse and action, and on the external acceptance of the EU's self-ascribed role as a *resilient yet open* economic power.

4.3. Impacts on Trade Efficiency and Market Openness

The strategic recalibration of the European Union's economic policies, operationalized through instruments aimed at enhancing resilience and autonomy, has inevitably produced tangible impacts on the efficiency of trade flows and the openness of markets. While these interventions respond to legitimate concerns about vulnerability and geopolitical exposure, they also introduce new structural frictions into the global trading system, raising important questions about their broader economic consequences (Gehrke, 2022).

One of the most immediate effects observed since 2020 is the emergence of duplicated supply chains. Empirical data from the WTO's *World Trade Report 2023* and the OECD's *Trade Monitor 2022* indicates that the efforts to diversify critical inputs, particularly in semiconductors, pharmaceuticals, and raw materials, have led to the parallel development of alternative production hubs within Europe and among allied partners (Husarova, 2023). While diversification reduces single-point dependencies, it also incurs significant costs: economies of scale are lost, input prices rise, and overall integration into global value chains slows down. In sectors where just-in-time supply chains previously enabled high efficiency, the transition toward just-in-case models imposes a measurable efficiency penalty (Gehrke, 2022).

The fragmentation of standards represents a second major impact. As the EU introduces new regulatory frameworks, such as the CBAM or stricter investment screening, companies operating across multiple jurisdictions face a growing compliance

burden. Divergences between European and international standards complicate cross-border operations, particularly for multinational firms accustomed to globally harmonized regimes. Studies cited in the WTO's *2023 World Trade Report* show that regulatory fragmentation can increase transaction costs by up to 15% for certain industries, disproportionately affecting small and medium-sized enterprises that lack the resources to adapt swiftly (Magacho et al., 2023).

These structural inefficiencies are further compounded by investment shifts. Data from UNCTAD's *World Investment Report 2023* suggests that the heightened scrutiny over foreign direct investment (FDI) in strategic sectors, combined with industrial policy incentives favoring domestic capacities, has altered investment patterns. Some investors perceive the European market as increasingly policy-constrained and strategically selective, potentially leading to a redirection of FDI flows towards jurisdictions perceived as more predictable or open (Magacho et al., 2023). Although the investment screening mechanisms are designed to safeguard security and public order, their expanded use signals a partial retreat from the traditionally open investment climate that characterized the EU internal market (Poutala et al., 2022).

Moreover, the perception among key trade partners has shifted in response to these policy innovations. For instance, the United States, while broadly supportive of European resilience initiatives, has voiced concerns over regulatory overreach, particularly regarding the CBAM and competition policy tools that may disadvantage American firms (Verellen & Hofer, 2023). Similarly, China has interpreted the EU's de-risking discourse and investment screening measures as elements of a selective decoupling strategy, viewing them as politically motivated rather than purely market-based (Nevskaya & Kvashnin, 2022). These perceptions are not merely diplomatic irritants; they carry the risk of reciprocal measures, potential retaliations, and a gradual erosion of mutual trust that underpins the global trading architecture.

It is important to recognize that these impacts are sectorally asymmetric. Industries that are heavily reliant on critical imports, such as energy, technology, and advanced manufacturing, bear a disproportionate share of the adjustment costs. Conversely, sectors with strong domestic supply bases or diversified sourcing strategies are less affected and may even benefit from strategic subsidies and reshoring initiatives (Quirico, 2023). Thus, the consequences of the EU's strategic turn are highly uneven,

both across industries and between member states, reflecting the complex interplay between resilience objectives and market realities (Gehrke, 2022).

In this evolving landscape, the balance between strategic security gains and economic efficiency losses remains delicate. While the pursuit of autonomy strengthens the Union's capacity to withstand external shocks, it simultaneously challenges the foundational assumptions of cost optimization and market-driven integration that underpinned previous decades of European economic growth (Abels, 2024). Understanding this trade-off is essential for assessing the sustainability of the EU's new economic security paradigm and for identifying areas where recalibration may be necessary to avoid unintended protectionist outcomes.

4.4. External Perceptions and Multilateral Implications

The internal recalibration of the European Union's economic strategy has not occurred in isolation; it has been met with close scrutiny and mixed reactions from key external actors, each interpreting the EU's pursuit of strategic autonomy through the prism of their own geopolitical and economic interests (Hoffmeister, 2023). The external perceptions of the EU's evolving policies are not merely passive reflections; they actively shape the global environment within which the Union must navigate its economic security agenda. Understanding these perceptions is thus essential for evaluating the broader systemic consequences of Europe's strategic turn.

The United States generally supports the EU's drive for greater resilience, particularly in reducing dependencies on authoritarian regimes and bolstering technological capabilities (Yang, 2023). Washington has welcomed initiatives such as the Critical Raw Materials Act and the European Chips Act as complementary to its own *friend-shoring* and *de-risking* strategies. However, tensions have surfaced around specific instruments perceived to disadvantage American firms. The Carbon Border Adjustment Mechanism (CBAM), for example, has elicited concerns about potential conflicts with World Trade Organization (WTO) principles and the risk of discriminatory treatment against U.S. exporters (Gehrke, 2022). Similarly, the Foreign Subsidies Regulation is viewed by some U.S. policymakers as a unilateral measure that could hinder transatlantic investment flows. These tensions mirror broader frictions in transatlantic relations, where strategic convergence coexists with economic competition, particularly in the domains of green technology and digital markets.

From the perspective of China, the EU's strategic turn is perceived with deep suspicion. Chinese officials and commentators interpret the EU's resilience discourse (and particularly its de-risking strategies) as aligned with broader U.S. efforts to contain China's global influence (Yang, 2023). Measures such as investment screening, export controls on dual-use technologies, and restrictions on access to critical infrastructure are viewed in Beijing as thinly veiled elements of an emerging *selective decoupling* architecture (Poutala et al., 2022). While European leaders emphasize that de-risking is distinct from decoupling, the operational reality, especially in strategic sectors like semiconductors, telecommunications, and energy, suggests a substantive narrowing of economic engagement. China's responses have included diplomatic warnings, formal complaints in trade fora, and the pursuit of alternative economic partnerships aimed at reducing vulnerability to Western markets. Thus, the EU's recalibration, while motivated by security imperatives, risks reinforcing a polarized geoeconomic environment characterized by bloc formation and reciprocal distrust.

The World Trade Organization (WTO), as guardian of the multilateral trading system, has also expressed growing concerns. The WTO's *World Trade Report 2023* highlights the proliferation of security-based exceptions to trade liberalization commitments as a major risk to the stability of global commerce (Gehrke, 2022). Although Article XXI of the GATT allows for national security exceptions, the expansive interpretation of these clauses (by the EU among others) raises fears of normative erosion. The CBAM, the Foreign Subsidies Regulation, and broader investment controls are seen as potentially norm-challenging measures, even when they are carefully framed in terms of resilience or sustainability. WTO analysts warn that if strategic autonomy becomes a blanket justification for deviation from established rules, the result could be a gradual hollowing out of multilateralism itself, with far-reaching implications for smaller economies and global economic governance at large.

Beyond formal institutional reactions, it is also critical to consider the diffuse geopolitical signal sent by the EU's new agenda. By embedding economic security concerns into trade, investment, and regulatory policies, the Union positions itself more explicitly within the logic of geoeconomic rivalry that characterizes the emerging international order (Helwig & Sinkkonen, 2022). While this move may enhance Europe's strategic standing in certain domains, it also carries reputational risks: perceptions of regulatory protectionism, strategic unilateralism, or selective engagement may undermine

the EU's traditional narrative of being a bastion of rules-based multilateralism. In a world increasingly fragmented along strategic lines, maintaining credibility as a normative actor requires careful calibration between autonomy-seeking measures and the preservation of openness.

At the same time, external perceptions are not monolithic. In regions such as Southeast Asia, parts of Latin America, and among some African countries, the EU's emphasis on resilient supply chains and sustainable sourcing is sometimes viewed positively, particularly when linked to investment initiatives such as the *Global Gateway* (Yang, 2023). For these actors, the EU's strategic pivot offers opportunities for economic diversification and greater agency vis-à-vis traditional dependencies. However, the overall global picture remains ambivalent: while many recognize the legitimacy of the EU's resilience agenda, the way it is operationalized will determine whether it reinforces or erodes the fragile architecture of global economic cooperation.

Thus, the EU's economic security strategy is received externally as a double-edged development: seen simultaneously as a legitimate defensive adaptation and as a potential contributor to systemic fragmentation. This tension underscores the central challenge for European policymakers: how to pursue strategic autonomy without becoming ensnared in the very dynamics of rivalry and protectionism that strategic autonomy was meant to mitigate (Hoffmeister, 2023).

4.5. Synthesis

The analysis of the European Union's evolving economic security agenda reveals a nuanced and hybrid strategy, oscillating between legitimate resilience-building and the risk of unintended protectionist drift. Across the instruments deployed, the narratives constructed, the internal economic impacts observed, and the external reactions elicited, a complex but coherent picture emerges: the EU is neither fully abandoning its liberal traditions nor unconditionally embracing geoeconomic closure. Instead, it is attempting to navigate a delicate middle ground, a strategic recalibration necessitated by the vulnerabilities exposed over the past decade.

The array of instruments developed between 2020 and 2024, including the European Chips Act, the Critical Raw Materials Act, the Investment Screening Mechanism, the Foreign Subsidies Regulation, and the Carbon Border Adjustment Mechanism, illustrates a systematic operationalization of strategic autonomy. Each policy

tool targets specific nodes of dependency or potential coercion, whether in supply chains, investment flows, or environmental externalities. Collectively, they signify a decisive shift in the EU's economic role: from a predominantly regulatory superpower to a strategic economic actor, willing to intervene more assertively in the global economy.

Discursively, the evolution from narratives of open interdependence to those of resilience, open strategic autonomy, and de-risking reflects a fundamental redefinition of strategic priorities. Economic security is no longer framed as a peripheral concern but as a central pillar of sustainable growth, societal stability, and international credibility. However, the internal tensions within these narratives, particularly the uneasy reconciliation between openness and autonomy, remain unresolved and condition the effectiveness of the EU's positioning.

Empirically, the pursuit of resilience has come with measurable trade-offs. Duplicated supply chains, regulatory fragmentation, and shifts in investment flows indicate that some degree of economic efficiency has been sacrificed in favor of strategic security. These impacts are sectorally uneven and politically sensitive, challenging the cohesion of the internal market and potentially amplifying divergences among member states with different exposure profiles and strategic priorities.

Externally, the EU's actions have been met with ambivalent perceptions. Allies such as the United States recognize the legitimacy of resilience efforts but express concern over regulatory measures that could impede transatlantic trade. Strategic competitors such as China perceive the EU's agenda as part of a broader containment strategy, prompting countermeasures and deepening geoeconomic tensions. Institutions like the WTO warn of the long-term risks to the multilateral trading system if security justifications are invoked excessively or inconsistently.

Overall, the evidence suggests that the EU's economic security agenda embodies a pragmatic yet precarious balancing act. It responds to genuine vulnerabilities exposed by the weaponization of interdependence and the increasing volatility of the international system. At the same time, it generates side effects, both economic and normative, that require continuous management and recalibration. The success of this strategy will depend not only on the technical sophistication of its instruments but also on the Union's ability to maintain legitimacy, consistency, and adaptability in a rapidly evolving global landscape.

Rather than representing a full-scale retreat into protectionism, the EU's approach can be interpreted as an attempt to forge a new model of "open resilience": a framework that seeks to safeguard strategic interests without abandoning the foundational principles of multilateral cooperation and market openness. Whether this ambition can be sustainably realized remains contingent on the capacity to address emerging contradictions, to engage external partners constructively, and to avoid the slide into defensive nationalism that looms as a persistent risk.

Table 2: Strategic Dimensions of EU Economic Autonomy

Dimension	Main Findings	Strategic Strength	Identified Risk
Instruments	Deployment of strategic regulatory and industrial tools	Reinforces resilience in key sectors	Potential regulatory fragmentation and efficiency losses
Narratives	Reframing towards resilience and open strategic autonomy	Provides political legitimacy for intervention	Risk of normative incoherence
Trade Impacts	Supply chain duplication, investment shifts	Reduces critical dependencies	Increases costs, threatens market integration
External Perceptions	Ambivalence among allies and rivals	Recognition of legitimacy in principle	Risk of retaliation, WTO disputes

5. DISCUSSION AND RECOMMENDATIONS

In the wake of profound geopolitical disruptions and the growing instrumentalization of economic interdependence, the European Union has undertaken a reconfiguration of its economic governance model. Having established the theoretical foundations and mapped the empirical contours of this transformation, this section turns to a critical examination of the main findings in light of the research questions and hypotheses initially proposed.

The aim here is twofold. First, to assess the extent to which the empirical evidence gathered throughout the study confirms or challenges the original hypotheses; and second, to reflect on the broader implications of these findings for EU policymaking, multilateral

economic cooperation, and the academic debate on resilience versus protectionism. Each research question is addressed individually, integrating analytical insights derived from the case studies, institutional documents, and academic literature analyzed in the previous chapters.

At the same time, this section acknowledges the methodological and analytical limitations encountered during the research process and suggests directions for further inquiry. In doing so, it not only consolidates the central arguments of the thesis but also seeks to contribute meaningfully to ongoing policy debates and future research agendas. Ultimately, the discussion aims to illuminate the complexities of the EU's geoeconomic turn, offering a critical yet constructive perspective on the balance between autonomy, openness, and strategic foresight in an era of heightened global uncertainty.

5.1. Assessment of Hypothesis 1

RQ1: What are the main regulatory and strategic instruments adopted by the European Union since 2020 to reduce its dependence on key external actors in critical sectors?

The hypothesis is fully corroborated. The European Union has indeed developed a diversified array of regulatory mechanisms, industrial strategies, and trade policy reforms aimed at reducing strategic dependencies. Initiatives such as the *European Chips Act*, the *Critical Raw Materials Act*, and the *Foreign Direct Investment Screening Regulation* constitute the backbone of a broader strategic reorientation toward economic security.

These instruments were adopted in response to escalating vulnerabilities unveiled by the COVID-19 pandemic, the war in Ukraine, and rising U.S.–China antagonism. They reflect not only a shift in policy but also in institutional logic, as economic policy becomes increasingly entangled with security concerns. The Chips Act, for instance, mobilizes €43 billion in investment and integrates industrial policy with resilience goals, while the Critical Raw Materials Act strategically reconfigures supply chains for inputs essential to the green and digital transitions.

5.1.1. Analytical Insight:

What emerges is a pattern of selective decoupling, better described as *de-risking*, rather than wholesale disengagement. This reflects the EU's attempt to balance its liberal

heritage with new geoeconomic imperatives. The instruments adopted mark a qualitative leap from passive market regulation to active industrial coordination, marking a paradigmatic shift in how the EU conceives of its economic sovereignty.

5.1.2. Difficulties Encountered:

A key challenge in this area of research was the dispersion and evolving nature of EU regulatory texts, many of which are in nascent stages or embedded in broader strategic frameworks. Moreover, identifying causality between global shocks and policy responses required careful process tracing, especially when overlapping justifications (resilience, competitiveness, green transition) were used simultaneously.

5.1.3. Future Research Directions:

Greater granularity would have been possible with disaggregated data on the implementation phases of these acts at member-state level. Future studies could use empirical fieldwork or interviews with policymakers to examine national-level variations in the adoption of these EU-wide instruments.

5.2. Assessment of Hypothesis 2

RQ2: To what extent can these measures be considered legitimate responses to geopolitical and national security threats, and to what extent do they introduce unnecessary barriers to international trade?

The hypothesis is partially validated. While the EU's policy shift is framed as a legitimate response to mounting geopolitical tensions and systemic shocks, certain instruments do veer toward protectionism. The formal discourse of “resilience” often conceals deeper strategic aims that include market shaping, industrial favoritism, and selective trade restriction.

For example, subsidies under the IPCEI framework and the conditionalities embedded in the CBAM (Carbon Border Adjustment Mechanism) can distort fair competition. Similarly, investment screening, while justified on security grounds, raises transparency and proportionality concerns when applied unevenly across sectors or member states.

5.2.1. Analytical Insight

The distinction between resilience and protectionism is not binary but scalar. The notion of *open strategic autonomy* introduced by the European Commission exemplifies

this ambiguity. It allows for justified resilience-building while risking discretionary interventions that deviate from WTO norms. As such, the legitimacy of these measures hinges not merely on their intention but on their execution, specifically their proportionality, duration, and multilateral consistency.

5.2.2. Difficulties Encountered:

One of the major limitations in addressing this question was the lack of independent third-party assessments (for example, WTO rulings) that could definitively qualify certain EU measures as protectionist. Much of the evidence is discursive or anticipatory, which complicates the empirical validation of intent versus effect.

5.2.3. Future Research Directions:

A valuable extension of this research would be a comparative study with other liberal economies such as Japan or Canada, exploring how these actors manage similar tensions. Additionally, there is room for more interdisciplinary research incorporating legal analysis of WTO Article XXI to test the legal robustness of EU security exceptions.

5.3. Assessment of Hypothesis 3

RQ3: What effects have these policies had on the efficiency of trade and financial flows between the EU and its main economic partners?

The hypothesis is largely supported. The EU's resilience agenda has introduced frictions in trade and financial flows, particularly with China and, to a lesser extent, the United States. Strategic interventions, such as investment screening and restrictive sourcing under the CRMA, have led to supply chain reconfigurations, increased production costs, and a reorientation toward intra-EU sourcing and allied-shoring.

For example, semiconductor supply chains have undergone realignment, as EU firms seek to reduce exposure to Taiwan and China by investing in local fabs or U.S.-based partners. In energy and critical raw materials, efforts to diversify away from Russia have similarly resulted in temporary inefficiencies and price volatility.

5.3.1. Analytical Insight

The loss of efficiency must be understood as a trade-off embedded in the EU's strategic calculus. What is lost in short-term cost efficiency may be recouped through increased resilience, autonomy, and long-term innovation capacity. Strategic inefficiency, in this context, is not merely a failure but a deliberate repositioning.

5.3.2. Difficulties Encountered

A limitation of this analysis lies in the temporal lag between policy adoption and observable macroeconomic effects. Comprehensive datasets on trade diversion, cost impacts, and supply chain resilience are still emerging, often with delays and incomplete coverage. This temporal gap restricted the ability to quantify losses precisely.

5.3.3. Future Research Directions

There is a clear need for quantitative modeling that can simulate the long-term cost-benefit profile of strategic autonomy policies. Agent-based simulations and scenario analyses could provide valuable foresight into the systemic implications of reduced interdependence.

5.4. Assessment of Hypothesis 4

RQ4: How are these policies perceived by key external actors (China, the United States, WTO partners), and what implications do they have for the future of multilateral cooperation in trade?

The hypothesis is fully validated. External actors interpret the EU's strategic turn through their own geoeconomic lenses. The U.S. response has been ambivalent: while welcoming EU efforts to match its own strategic posture, Washington remains wary of initiatives like CBAM and digital sovereignty that impinge on U.S. interests.

China, by contrast, perceives EU policies as thinly veiled containment strategies. Investment restrictions, export controls, and rhetorical alignment with U.S. discourse on “de-risking” have all been interpreted by Beijing as signs of bloc formation. Similarly, WTO partners have voiced concern that the proliferation of strategic trade measures, under national security exceptions, undermines trust and weakens the rule-based system.

5.4.1. Analytical Insight

The EU's challenge lies in reconciling internal coherence with external credibility. As it shifts from a rules-based actor to a strategic one, it risks inviting retaliatory measures or contributing to trade fragmentation. The EU's dual identity, as both defender of multilateralism and promoter of autonomy, is increasingly difficult to sustain in a multipolar world.

5.4.2. Difficulties Encountered

An empirical challenge here was the scarcity of official positions or diplomatic statements from third countries that directly address the EU's policy packages. Much of the interpretive material comes from think tanks, policy briefings, and journalistic sources, requiring cautious triangulation.

5.4.3. Future Research Directions

Further inquiry should explore the feedback loop between EU policy and third-party countermeasures. In particular, studies examining retaliatory trade practices or diverging regulatory standards (for example, digital or environmental) could illuminate the downstream consequences of strategic autonomy.

5.5. General Recommendations

1. Institutionalize Proportionality Reviews: EU resilience measures should be regularly audited for economic impact and proportionality. This would ensure they remain time-bound and adaptable rather than becoming entrenched protectionist tools.
2. Enhance Multilateral Dialogue: The EU should engage in structured diplomatic channels (for example, WTO reform forums, G20 trade dialogues) to clarify the intent and scope of its autonomy measures, thereby reducing misperceptions and minimizing retaliatory risks.
3. Deepen Strategic Partnerships: Selective de-risking must not result in isolation. Enhanced bilateral ties with like-minded countries (for example, Japan, Canada, Australia) could help re-anchor trade diversification in a multilateral context.
4. Expand Internal Transparency: Institutional coordination between the Commission, Council, and Parliament should be improved to reduce policy fragmentation. A single, integrated dashboard on economic security could enhance policy coherence.
5. Support Disaggregated Impact Studies: Funding should be directed toward empirical research that dissects the sectoral, regional, and firm-level effects of strategic autonomy policies. These insights will be essential for tailoring future interventions.

6. CONCLUSIONS

This thesis set out to examine the European Union's recent shift toward economic security through the lens of its evolving policy agenda on reducing strategic dependencies. Against the backdrop of geopolitical volatility, systemic shocks, and the weaponization of interdependence, the EU has embarked on a profound reconfiguration of its economic governance framework: one that seeks to reconcile its historical commitment to openness with new imperatives of resilience, strategic autonomy, and geoeconomic competitiveness. The conclusions drawn from this study underscore the complexity, ambiguity, and transformative potential of this strategic turn.

6.1. Fulfillment of the General Objective

At its core, this research sought to determine whether the EU's new economic security agenda responds to a legitimate need for geopolitical resilience or whether it reflects protectionist tendencies that undermine global cooperation. The findings reveal that the answer is not binary but dialectical: the EU's approach embodies elements of both strategic adaptation and latent protectionism. While the motivations behind recent initiatives are deeply rooted in valid concerns over systemic vulnerabilities, some policy instruments, especially when applied asymmetrically or without clear sunset clauses, risk drifting into measures that distort competition and strain multilateral norms. The EU is navigating uncharted waters where the pursuit of security and the preservation of openness must be carefully balanced. In this sense, the general objective has been achieved: the thesis has provided a critical, evidence-based analysis of the EU's economic security paradigm, offering a nuanced interpretation of its legitimacy, limitations, and strategic implications.

6.2. Fulfillment of Specific Objectives

6.2.1. Identification of Key Instruments

The first specific objective (identifying and describing the main regulatory, strategic, and industrial tools deployed by the EU since 2020) has been fulfilled through an in-depth exploration of landmark initiatives such as the *European Chips Act*, the *Critical Raw Materials Act*, the *Foreign Subsidies Regulation*, and the *Anti-Coercion Instrument*. These initiatives represent a multi-layered policy response that combines legal, economic, and geopolitical instruments to mitigate critical dependencies.

Importantly, these instruments signal the institutional consolidation of economic security as a central pillar of EU policy, backed by both political will and administrative innovation.

6.2.2. Assessing Legitimacy and Protectionist Risk

The second objective (assessing the legitimacy of these measures) was addressed through a detailed theoretical and normative inquiry into the blurred boundaries between resilience and protectionism. By engaging with scholarly debates and EU policy discourse, the thesis demonstrated that while the EU's actions are broadly defensible in light of recent global disruptions, the risk of overreach remains real. The concept of *open strategic autonomy* emerges as both a guiding principle and a site of tension: it reflects the EU's aspiration to retain agency in a turbulent world, yet it requires continual recalibration to avoid undermining the liberal order it purports to uphold.

6.2.3. Analyzing Trade and Financial Impacts

The third objective (analyzing the impact of these policies on trade and financial flows) was fulfilled through an examination of case-based and trend-based evidence. The study identified short-term inefficiencies arising from supply chain reconfigurations, increased transaction costs, and partial decoupling, particularly in sectors such as semiconductors and energy. However, these disruptions must be understood not as failures but as strategic costs in pursuit of long-term autonomy and risk mitigation. The EU appears willing to trade immediate efficiency for structural resilience, an approach aligned with the evolving logic of *geo-economic statecraft*.

6.2.4. Understanding External Perceptions and Multilateral Implications

Finally, the fourth objective (understanding how key partners perceive the EU's strategic turn) was met by exploring the reactions of China, the United States, and the World Trade Organization. The study found a divergence of perceptions: while the U.S. shares many of the EU's concerns, tensions remain around industrial policy and regulatory overlap; China interprets the EU's actions as part of a broader containment strategy; and the WTO warns of systemic fragmentation. These external perspectives matter not just diplomatically but structurally, as they shape the feasibility of maintaining an open, rules-based order in an increasingly multipolar economic system.

6.3. Thematic Synthesis and Intellectual Contribution

Beyond fulfilling its stated objectives, this thesis contributes to the broader academic and policy debate by articulating a coherent analytical framework for evaluating economic security strategies in liberal democracies. It situates the EU's actions within a continuum of theoretical traditions (liberalism, realism, and strategic trade theory) demonstrating that the Union's emerging approach is hybrid, dynamic, and often contradictory. The research underscores that resilience and protectionism are not discrete categories but relational concepts, whose boundaries shift in accordance with political, institutional, and geoeconomic contexts.

Moreover, this thesis illustrates that the EU is not merely reacting to external shocks but actively reshaping its economic identity. It is no longer just a regulatory power but an increasingly strategic actor, engaging in a form of "economic diplomacy with teeth". This shift demands new conceptual and normative tools to evaluate the legitimacy, effectiveness, and long-term consequences of such strategies.

6.4. Limitations and Future Outlook

No study is without its limitations. This thesis faced challenges in accessing longitudinal data on the actual economic impact of recently adopted measures, as many policies are still in early stages of implementation. Similarly, the perception analysis relied on secondary sources due to the absence of direct diplomatic records. Future research would benefit from more granular, sector-specific investigations and empirical assessments of policy outcomes at the firm and member-state levels. Comparative analysis with other democratic actors, such as Japan, Canada, or South Korea, could also enrich the debate on economic sovereignty in the 21st century.

6.5. Final Reflection

Ultimately, this thesis affirms that Europe's geoeconomic awakening is neither a rejection of its foundational values nor a straightforward march toward protectionism. It is, rather, an attempt to rethink interdependence under conditions of systemic uncertainty, a strategic recalibration that seeks to preserve agency without forfeiting cooperation. Whether this balancing act succeeds will depend not only on the soundness of EU policy but on its ability to lead by example: by championing a model of resilience that is transparent, proportionate, and normatively grounded.

In a fractured and contested global order, the EU's choices will resonate far beyond its borders. The task ahead is not merely to protect Europe's economic interests but to redefine what economic security means in a world where openness itself has become a strategic risk. In this sense, the future of the EU's economic strategy is not just a policy question: it is a test of vision, coherence, and global responsibility.

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