

# The Strategic Compass as Europe's Defining Moment of Geostrategic Reorientation

## Executive Summary

The following paper addresses the four key areas of the Strategic Compass – inclusive multilateralism, capability development, crisis management, and resilience – while analysing the EU's potentials and opportunities. The authors arrive at the conclusion that if the EU and its member states, including Austria, do not consider the Strategic Compass a defining moment of geostrategic reorientation today, external powers will make certain decisions that will directly affect the future of the European Union tomorrow. Provided that expectations are met, the Strategic Compass could make a significant contribution to the development of a common European security and defence culture. The EU would thereby manage to overcome its strategic "naivety" and act upon the increasing interconnectedness of various security policy issues and challenges with greater awareness and confidence.

## Quo Vadis, Geopolitical Commission?

From the outset, the new European Commission sought to act as a true *Geopolitical Commission*. "A stronger Europe in the world" was its declared motto, while at the same time it strived to better coordinate the Union's foreign and security policy to strengthen and advance multilateralism based on European norms and standards. However, significant geopolitical ambitions were neglected due to the Covid-19 crisis. Against this background, the long-awaited Strategic Compass possibly marks a defining moment for Europe's geostrategic reorientation. The first-ever drafting of the Strategic Compass and the dialogue on four key areas – partnerships, capabilities, crisis management and resilience – represent a process that should bring about a positive change in 2021 and beyond.

## Inclusive and Networked Multilateralism

The successful decades of European integration have shaped the EU's view of the world and led to the firm conviction that only inclusive and networked multilateralism can lead to lasting peace. However, to also speak the language of power, the EU would need at least partial strategic autonomy in European security policy while being embedded in a strong network of multilateral alliances in global affairs. For Europe to become a credible geopolitical actor and not serve as an arena for the systemic rivalry between the U.S. and China, it is necessary to assert European interests, values, and norms internally and project them externally by forging coalitions with like-minded partners.

The strategic autonomy of the EU must not impede but go hand in hand with intensifying European defence initiatives, improving transatlantic relations, and strengthening the European pillar within NATO. Conversely, negative trends such as rising instability in Europe's immediate neighbourhood, the deterioration of U.S.-China relations, and further military tensions on Europe's periphery, such as the 2020 war between Armenia and Azerbaijan in Nagorno-Karabakh and the latest crisis on the Polish-Belarusian border, will only increase the need for strategic autonomy.

However, Europe will probably avoid taking sides in the growing systemic rivalry between the U.S. and China. Therefore, Brussels should pursue a unique European path to navigate through the growing systemic bipolarity with multiple regional flashpoints and the emerging polarisation between two power centres of the Global System – the U.S. and China.

Following the launch of the strategic outlook regarding the relationship with

Beijing, in which the previous term "co-operation partner" was supplemented by the terms "system rival" and "economic competitor", the signing of an investment agreement with China signalled a stronger European commitment, albeit without success for the time being. Josep Borrell, the High Representative of the EU, described future bilateral relations as a "multi-faceted relationship" that will also be shaped by the competition between China and the U.S.

In addition, the European Commission will aim to enhance its geoeconomic weight, focussing on the Indo-Pacific region. Brussels will seek to upgrade its strategic partnership with India, South Korea and Japan, and build stronger ties with like-minded countries in Asia, following the strategic partnership with ASEAN. Accordingly, the discernible European approach to the Indo-Pacific so far aims to promote and, over time, firmly establish institutional and normative structures that encompass all states in the region. To achieve this goal, the existing structure of ASEAN should serve as a starting point for the formation of a transregional security architecture to prevent the escalation of current competition in the region through dialogue and cooperation.

The launch of an EU strategy on the Indo-Pacific could help form a common view of the world and Europe's role in it, which is shared by all European capitals. Europe's role as a balancing power in the global competition for dominance would in any case be in line with the European values and norms so often invoked. Promoting an "EUization" of the world, in which regional conflicts and hegemonic tendencies are met by firm multilateral structures and the norms of cooperation they create, will likely prove to be rewarding in the long run. Since the end of World War II, Europe has proven that history must not repeat

itself. It has learned from the mistakes of the past and has largely recognised that humanity forms a community of destiny in which common interests prevail, provided nationalist convictions and the associated claims to power can be discharged. Putting this experience into practice in its foreign and security policy, without standing on a moral pedestal, is the role Europe must play in the Indo-Pacific and the world.

A joint Indo-Pacific strategy of the EU that addresses these concerns and discusses appropriate approaches for the deeper embedment of institutional structures within the region – with ASEAN at the centre of these efforts – would be an important and sustainable step in this direction. It would be equally important to win Europe's democratic partners, such as the U.S., the UK, India or Japan, over to this path.

### European Capability Development

The framework conditions for European security and defence policy have changed once more in recent years. The Strategic Compass should therefore primarily fill existing gaps of the Global Strategy (2016) and be a concrete and guiding instrument for the EU and its member states, not to end up as just another document in the EU library. Security and defence must be viewed in a comprehensive manner and ideally the Compass would be a process through which Europe could finally overcome its strategic "naivety" and become aware of the increasing interconnectedness of various security issues. It represents a realistic opportunity to further advance the integration of the EU defence sector and to maintain it as a priority. This could reinforce the dynamic development of recent years and avoid loss of credibility. Provided that the expectations are met, the Strategic Compass can make a significant contribution to the development of a European security and defence culture.

The Compass should also provide more clarity and accountability regarding the various defence initiatives already in place – the predominant use of CSDP

instruments is to be further encouraged. Initiatives such as PESCO, CARD or the EDF will only be effective if they deliver concrete results in the long term. In this respect, the focus should be on projects that stimulate the further development of PESCO; the responsiveness and speed of CSDP can only be strengthened if quality comes before quantity. It is important to avoid that PESCO loses its attractiveness and becomes a (political) instrument that creates additional tensions between the EU member states.

Moreover, the operational dimension, which so far has been neglected, should be emphasised, and new technologies should be brought into focus. A comprehensive range of capabilities is of enormous importance, as it is the prerequisite for the EU's ability to act independently of its international partners whenever necessary. At the same time, the increasingly interconnected transatlantic security architecture and the extent of cooperation with NATO are an equally central topic of discussion. Due to the parallel update of the strategic concept of the Alliance, better coordination is needed to avoid potential antagonisms.

Another important issue is the development of a common European narrative. This would also be important to stress the role of individual EU member states in deepening security and defence integration. This is closely linked to a profound national security and defence policy discourse. After all, the future of the EU depends on the ability of its 27 member states to jointly deliver effective and sustainable solutions and to clearly define the means to achieve the set goals.

### Crisis Management

The greatest risk for Europe, in addition to the increasing political, economic, and social destabilisation of the continent, is the emergence of lines of fragmentation along competing geopolitical interests of the external actors. The deepening of these dividing lines could prevent the EU from acting coherently and strategically on the global world stage. The divergent

goals of the key actors – the U.S., China, Russia, Turkey, etc. – further divide European member states and institutions on geopolitical issues. As a result, the EU has less and less room for manoeuvres in increasingly contested areas in its immediate neighbourhood to the South and East. At the same time, other regional actors not only have combat experience but also do not shy away from the use of force. The geopolitical gaps that are opening up in the Middle East, North Africa and Eastern Europe will be filled by these agile regional actors, further exacerbating the EU's conflictual relations with Moscow and Ankara. A common denominator will be necessary to achieve a convergence of European positions toward Russia and Turkey.

Despite repeated requests from the EU, no European member state was willing to provide personnel and weapons for the multinational task forces (EU Battle Groups) in the first half of 2021. Following the U.S. withdrawal from Afghanistan, Josep Borrell launched a debate about a unit of 5,000 soldiers that should be ready for deployment in crisis situations within a few days. However, it would make more sense to build a public-private partnership for a rapid reaction force in Europe. In the age of increasingly active private security companies (e.g. in the U.S., Russia, China, Turkey, etc.), the EU must be able to exercise "hard power" quickly and efficiently in its immediate neighbourhood. Only in this way can the EU and its members be perceived as a geopolitical actor, by directly shaping developments on the ground and actively participating in important political negotiations.

A public-private partnership can be responsible for this new type of rapid reaction force, so decisions on necessary operations can be made quickly and effectively. The area of operations can be limited to the immediate southern and eastern neighbourhood of the EU, and the mandate can rotate two to three times per year. The composition can be multilateral, similar to the French Foreign Legion, with the strike force composed exclusively of soldiers from the EU member states, the candidate countries from the Western Balkans, and

associated countries in Eastern Europe, who can be recruited on a voluntary basis.

Such a public-private combat force would 1) be deployed to protect European connectivity and investment projects along European supply chains and transport, energy, and trade routes in North Africa, the Mediterranean, the Black Sea region, Eastern Europe, and the Middle East; 2) provide a rapidly deployable force that can be stationed in close proximity to the EU at a moment's notice if the situation should escalate, threatening European interests; and 3) give enlisted soldiers citizenship of an EU country if they are from a candidate or associated country.

If the EU is unable to independently pursue its geopolitical and geoeconomic interests, over time Brussels and the EU member states will be increasingly forced out of global and regional markets, thus negatively impacting Europe's share of global GDP, trade and economic partnerships, and integration into global supply chains.

### Resilience

The Strategic Compass does not only aim to define the threat situation of the European Union and its member states in a clearer and more tangible way, but also to contain future security challenges through concrete instruments and countermeasures. Against this background, ensuring resilience in a comprehensive sense is of high importance and crucial to the anticipated success of the Compass. However, the orientation of European resilience cannot be based solely on today's status quo of security understanding; it must grasp tomorrow's threats as well.

The rapid technological developments of the recent past, both in the digital and analogue domains, have enabled an unprecedented interconnectedness that involves new kinds of dependencies and security risks: cyber-attacks by state and non-state actors have become an almost daily occurrence across the EU, disinformation campaigns are weakening social cohesion and democratic structures in

numerous member states, and the protection of critical infrastructure has become enormously important in the wake of the COVID-19 crisis. Merely ten years ago, today's realities would most likely have been discredited as futuristic dystopia by security policy makers.

In view of an increasingly volatile future, both geopolitically and technologically, the central question is: Which potential security threats are receiving too little attention today? In any case, the direction of European resilience and the development of capabilities and partnerships are directly linked to answering this issue. However, a fundamental dilemma remains. If one chooses a holistic approach, consensus building in the development and implementation of resilient security measures becomes much more difficult. If, on the other hand, one tries to find the lowest European denominator, crucial future security threats are likely to be disregarded.

The solution lies in the persistent and situational development of resilience on a conceptual and practical level. This includes the permanent evaluation and recalibration of strategies and measures to counter new types of threats with innovative approaches and means. This is the only way to proactively defend against new and constantly changing technological security threats arising from the current processes with regard to artificial intelligence, the militarisation of space, and even quantum technologies.

### Conclusion

After the fiasco of the U.S. withdrawal from Afghanistan, Europe will strive to further reduce its dependence on America in certain key areas (e.g. security, defence industry and technologies). Consequently, the EU will aim to achieve at least partial strategic autonomy. A self-determined security policy is an indispensable prerequisite but will remain an unattainable goal without a clear and strong political commitment to a pan-European regional security order beyond the national interests of the member states. Even if stra-

tegic autonomy is not realistic in the short term, genuine operational and political autonomy, combined with strengthening the European industrial sectors and a diversification of global supply chains, must be achieved sooner rather than later. A European single market for defence equipment will certainly be another positive signal in the right direction, together with a general increase in defence spending.

With regard to the debate on European strategic autonomy and the future security architecture, further steps will be taken toward the division of roles and tasks within the EU. After Brexit, the successful functioning of the Franco-German engine of European integration will be crucial and will largely depend on the post-election period in Paris and Berlin. A weakening of the Franco-German axis would not only slow down joint security and defence initiatives but also negatively affect the debate on strategic autonomy.

If the EU and its member states, including Austria, do not consider the Strategic Compass a defining moment of geostrategic reorientation today, external powers will make certain decisions that will directly affect the future of the European Union tomorrow. Therefore, the EU and its member states should seek to build new partnerships and restore old ones that reflect the complexity of the interconnected world. This would be a prerequisite to have a decisive impact on world affairs. If the EU wants to learn "the language of power", its members must start speaking the same language within the Union on a strategic level. However, there is still a long way to go to bring European aspirations in line with reality. What is needed above all is a strategic consensus within the EU that is supported by all member states. This is not impossible, but it is made more difficult by the lack of a unified position in the face of common threats, geopolitical goals, and major competitors and rivals. If the EU gives the impression of being internally divided on fundamental foreign and security policy issues, it will not be taken seriously in a world increasingly characterised by great power competition.

### Recommendations for Austria

- ★ Austria and the EU should at all costs aim to mitigate a “bipolarisation” of international relations, whereby small and medium-sized states would find themselves navigating between a Chinese and an American sphere of influence.
  - ★ A more capable EU in the security and defence sector is also in Austria's interest as a non-NATO member, and thus should be prioritised. More active participation in the various defence initiatives (e.g. PESCO) would be of long-term benefit despite the country's neutrality.
  - ★ Holistic research and mapping of potential novel threats and their implications for Austrian and European security (at civilian and military level) are urgently needed.
  - ★ Continuous evaluation of current security strategies and measures will be necessary to adapt them flexibly to the changing threat situation, if necessary.
  - ★ The establishment and expansion of civil-military cooperation formats within Austria, in coordination with other EU member states to counter hybrid threats (especially in the context of cyber-attacks and disinformation campaigns), should be of high priority.
  - ★ Due to its economic, demographic, and political development, the Indo-Pacific region will play a central role in overcoming global challenges and shaping the future international order. This fact should be taken into account in Austrian as well as European foreign policy.
  - ★ Austria should actively participate in the design and implementation of the EU's Strategy for Cooperation in the Indo-Pacific Region and in the negotiations on a free trade area between the EU and India with the highest level of commitment in order to safeguard national and European interests in the region.
- ★ The development of consolidated multilateral structures as well as an inclusive security architecture in the Indo-Pacific (with the European integration process serving as a model and ASEAN playing a central role) is a top priority for the stability of the region. Austria, together with other EU member states, should take a leading role.

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