

## Policy Brief

# Navigating the Goeconomic Tide

## The Commission's quest for a policy compass

16 April 2024

#Goeconomics

#EconomicSecurityStrategy

#EuropeanCommission

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In 2019, Ursula von der Leyen promised a geopolitical Commission. Back then, the proclamation was largely derided as empty rhetoric. However, in recent years, a dizzying number of goeconomic initiatives have come from Brussels, revising and tweaking existing tools and measures, developing new instruments, and announcing a grand new European Economic Security Strategy. This policy brief examines the progress made and outlines the key challenges for the next Commission. While the current Commission expanded the EU's goeconomic toolbox, the incoming Commission must prioritise harmonisation to prevent fragmentation, allocate substantial funds to enhance resilience, and streamline institutional processes to facilitate coherent policymaking at a European level.

In 2019, European Commission President Ursula von der Leyen promised 'a [geopolitical Commission](#)'. Based on the EU's lamentable track record in finding coherent external responses, this proclamation was largely derided as empty rhetoric. However, in the intervening five years, it has assumed substance given the deepened great power competition between China and the US and the instrumentalisation of trade to pursue security-focused national agendas. **As power politics increasingly play out through economic relations, finding the EU's response to this 'geoeconomic' turn remained high up the outgoing Commission's agenda.**

**Pursuing this agenda in practice is institutionally difficult for the EU.** It combines two, usually distinct, policy areas: economics and foreign policy. In external economic policy, the Commission has wide-reaching exclusive competences – most prominently in the form of trade relations steered via the EU's common commercial policy. In foreign security policy, it has almost none. This makes policy coherence between the two much more complicated for the EU compared to the comprehensive national agendas of, for example, China, the US, and Japan.

Nonetheless, recent years have seen a dizzying number of new initiatives from Brussels, revising and tweaking existing tools and measures, developing new instruments, and announcing a grand new strategy, the [European Economic Security Strategy](#) (ESS). Against this background, this policy brief pursues two goals: First, it provides a systematic guide to the most important reforms under the current Commission. Second, it offers an assessment of what to make of them.

The analysis shows that while the last Commission may have successfully dipped its toes in the water, the EU must take the **geo-economic plunge wholeheartedly** in the next electoral cycle if it is to fulfil its ambitions. This requires three things: First, it will need to enhance the harmonisation of the burgeoning array of instruments and avoid the fragmentation of national approaches. Second, it needs to put its money where its mouth is. Third, institutional processes, including data collection and analysis, must be made more efficient in the quest for greater geo-economic resilience. A dedicated task force could streamline various geo-economic workflows.

### **The EU's emerging geo-economic toolbox – an overview**

Keeping track of the EU's geo-economic toolkit is complex. It encompasses various instruments – from classical trade measures to foreign economic policy tools and new attempts at strengthening EU resilience. The following section describes the arsenal being built up in the different policy fields to provide an overview of what has been going on. First, it outlines the instruments primarily concerned with encouraging fair economic competition, incentivising open trade via threats of (proportional) levies for offenders. Second, those instruments with direct relevance to foreign policy are discussed. Third, the EU's several strategies and frameworks to make its critical infrastructure, technological prowess, and supply chains more resilient are examined.

#### **I. Levelling the playing field**

The EU has long been one of the premier defenders of economic liberalism. Consequently, it developed a range of trade defence instruments to ensure fair competition with third countries. Those instruments aim to deter and rectify unfair economic practices, including preferential government financing, procurement awards and market access. As such, the EU's trade policy, led by the Commission's Directorate General (DG) Trade, was largely shielded from political considerations. The instruments available have been primarily focused on securing an internationally level playing field aligned with the World Trade Organisation (WTO) rulebook.

The EU's seasoned [trade defence instruments](#) encompass inspections into imports suspected of benefitting from foreign subsidies or sold below the product's value, via its [anti-subsidy](#) and [anti-dumping investigations](#). If the Commission identifies a material damage to European industry, it can introduce countervailing measures, most commonly by levying additional tariffs on affected goods. Since 2010, the EU has become increasingly assertive in utilising both types of investigation, with a sizeable number addressing goods from China. In its [2018 overhaul](#) of the anti-subsidy and anti-dumping regulation, it sped up both processes and changed the calculation of countervailing measures. A [key example](#) is the Commission's anti-subsidy probe into Chinese electric vehicles initiated in October 2023. The debate surrounding its launch, with some industry players arguing against, fearing Chinese reprisal, highlights how the Commission must weigh different arguments to determine the material impact of a suspected infringement. That the Commission ultimately launched the investigation on its own accord, instead of relying on a case based on business complaints, highlights its proactive stance towards suspected distortions.

**Safeguard investigations** can be initiated in response to ‘unforeseen developments’ that seriously and sharply impact EU industry. These are used very rarely. The most recent of just four issuances since 1995 addressed the trade diversion into EU markets anticipated thanks to unilateral US tariffs on steel, prompting extra duties on a range of steel products in 2019.

Besides using its traditional tools, **the outgoing Commission has updated its instruments to level the playing field in two ways**. First, it has had to close a regulatory gap that left it unable to address the specific challenge(s) posed by increasingly assertive Chinese state-owned enterprises. In July 2023, the Commission expanded its toolbox with the **Foreign Subsidies Regulation** to address companies, rather than their products, suspected to have benefitted from state subsidies. It also applies to foreign-subsidised firms operating in the Single Market, something previous tools did not address. Investigations into M&A transactions and public procurement tenders are being carried out by DG COMP and DG GROW respectively. In February 2024, the EU launched its first investigation into a subsidiary of the Chinese rail company CRRC, which is thought to have benefitted from subsidies to undercut European companies in a public procurement tender for electric trains. The regulation complements the **International Procurement Instrument**, adopted after a decade of deliberation in 2022, through which foreign companies’ access to EU public procurement tenders can be unilaterally limited if EU businesses experience restrictions accessing said country’s own procurement market. With it, the EU hopes to encourage greater access to public procurement markets for European businesses.

Second, **it has had to deal with the fact that the WTO as the most important source of fair competition has been largely paralysed**. Since 2016, the US blocked appointments to the WTO’s appellate body, leaving it dysfunctional. The WTO rulebook stipulates that quarrelling parties can use the appellate body to challenge the dispute settlement panel’s rulings on binding reparations to an adjudged transgression. This possibility is still in place today despite the appellate body being unable to issue any decision, as it has too few sitting members. As such, if a party escalates a ruling to the incapacitated appellate body, the case cannot be completed, and the decision of the dispute settlement body is left in limbo and legally non-binding. While panel rulings accepted by both parties still occur, the uncertainty regarding a dispute’s conclusion contributed to the decline in the WTO’s authority to effectively mediate international trade relations.

To address this, the EU and other willing WTO members created an interim multi-party appeal body to make resolutions binding – but it has only enjoyed limited uptake. The EU reacted by establishing the dedicated position of **Chief Trade Enforcement Officer**, to ensure the continued application of its trade rules, and reformed its **Enforcement Regulation** in 2021 to allow DG Trade to impose countervailing measures unilaterally once it receives a favourable ruling from the WTO settlement body.

| Instrument                           | Example   | Procedure   | Institutional responsibility  |
|--------------------------------------|---|---|---|
| Anti-subsidy investigation           | Chinese electric vehicles                                       | 1. A procedure is initiated by industry complaints or the Commission<br>2. Commission opens investigation based on set conditions, consulting stakeholders<br>3. Publishes provisional findings, allowing for comments<br>4. Commission imposes permanent measures or terminates the case | <b>DG Trade</b><br><br><b>(processes overseen by the Chief Trade Enforcement Officer)</b> |
| Anti-dumping investigation           | Chinese biodiesel   |   |   |
| Safeguarding investigation           | Steel duties following US tariffs                               |   |   |
| Enforcement Regulation               | Consultation on Indonesian nickel export restrictions           | 1. Commission initiates investigation and consults relevant stakeholders<br>2. Commission can suspend or withdraw concessions included in free trade agreements   |   |
| International Procurement Instrument | Not yet used  | 1. Initiation based on complaints or Commission's assessment<br>2. Commission determines if unfair advantage exists<br>3. Commission can accept remedies, clear, or block the contract/acquisition  | <b>DG COMP</b><br><b>DG GROW</b>  |
| Foreign Subsidies Regulation         | CRRC public procurement investigation launched in February 2024 |   |   |

Table 1: Instruments to safeguard a level playing field with third countries

## II. Geoeconomic instruments extending towards wider foreign policy goals

Classical trade defence measures help if other countries tilt the level playing field to gain economic advantages. They are insufficient to deal with the increased weaponisation of trade to pursue foreign and security policy goals through measures such as targeted export restrictions or enforced technology transfers. As such, the von der Leyen Commission moved towards institutionalising a range of instruments, which address both economic and foreign policy concerns.

One of the most profound developments in this area has been the new [Anti-Coercion Instrument \(ACI\)](#). In force since December 2023, it **allows the EU to retaliate against third countries that use economic levers to exert pressure on European policymaking**. A possible use case of ACI is China's trade restrictions targeting Lithuania in 2021 after Vilnius agreed to establish mutual representative offices with Taiwan in a show of deepening diplomatic ties. On a case-by-case basis, the ACI has a wide range of countervailing measures to choose from, once the EU determines coercion to have occurred. These include, amongst others, import and export restrictions for civilian, dual-use and military goods as well as restrictions on financial market access and public procurement tenders. The restrictions can be applied to both governments and persons.

**ACI is the clearest-cut case of the EU seeking convergence of its economic and foreign policies.** It utilises economic levers to protect the EU from interference in sovereign (not necessarily economic) decision-making. As such, it creates a framework akin to the EU's intergovernmental economic sanctions regime. Crucially, the Council votes upon it under qualified majority voting (QMV) rules. On paper, this constitutes an institutional shift as

member states relinquish their veto rights. However, designed as a deterrence tool and amidst uncertainty over its actual deployment, its practical effectiveness will now depend on how credible a potential implementation is perceived.

**Second, the EU has upped the ante on protecting critical infrastructure from Foreign Direct Investment (FDI).** Over the last decade, there has been an increased awareness of the (economic) security implications of third states 'buying into' key European sectors and infrastructure, such as information and communications technology and maritime ports. The outgoing Commission moved to harmonise ways of reviewing and potentially restricting foreign investment into critical infrastructure and technology based on security concerns. While national frameworks or case-by-case analyses may well have been in place, there was no European cooperation on this issue before implementing the [FDI screening regulation](#) in 2020. In this regulation, the Commission established a coordination mechanism that shares screenings, which remain a national competence, across the EU. However, **the regulation largely leaves it to member states to design their own screening mechanisms and fails to specify a concrete set of European rules.** As a result, national frameworks diverge significantly, while five member states have yet to even establish a screening framework.

**Moreover, loopholes remain.** For example, *indirect* foreign investment – funds channelled from third countries through a legal EU entity and, as such, on paper 'European' investments – does not fall under the regulation's remit and cannot be stopped on the same legal basis as *direct* FDI. In a step towards a unified approach, the Commission addressed these shortcomings in its [first ESS package](#), released in January 2024. It [proposed legislation](#) to make national FDI screening instruments obligatory for all member states, including both direct and indirect investment flows, and to set minimum standards, both of a procedural and a sectoral nature (i.e. critical technologies). Before the revised regulation becomes law, it must be approved by the Council and incoming European Parliament – something unlikely to happen before 2026.

**Third, increased geopolitical tensions have reinvigorated debates over placing strategic goods under heightened trade restrictions.** The Commission has been working on harmonising the EU's approach to **export controls for 'dual-use goods'**, which can have both civilian and military applications, such as surveillance capabilities, chemicals, and nuclear technologies. So far, the EU does not have a common approach towards defining critical goods that fall into this category and/or on when to restrict exports. Having updated its [export control regulation only in 2021](#), the EU's system heavily relies on multilateral agreements, such as the Wassenaar Arrangement (WA), to generate its lists for conventional arms and dual-use goods whose export can be restricted. In the WA, 42 states agree on common control lists, and the EU transposes such agreements into its export control regime, which member states then enforce in national legislation. However, any new agreement under the WA has been blocked by Russia, leaving the EU unable to update its list. This is especially problematic as rapid technological progress and potential use in defence systems (e.g. advanced encryption systems or AI-powered weapons), have led member states to develop their own lists and systems on national security grounds, risking fragmentation.

**In response to these developments, the Commission published the national export control lists of member states in October 2023 and identified four areas most immediately at risk** in terms of technology security and leakage: advanced semiconductor technologies, AI, bio- and quantum technologies. The Commission asked member states to conduct risk analyses in these areas to identify systemic vulnerabilities. However, member states have been slow in coordinating national responses and increasing harmonisation. The ESS January package contains a [White Paper](#) that aims to remedy this. It suggests an expansion of the EU's dual-use list to include items supported by member states but not included in the WA,

the creation of an export control policy forum, early notification of planned changes to national control lists, and a 2024 evaluation of the existing dual-use regulation based on its critical technologies assessment.

Finally, technology is not only disseminated through trade in critical goods alone but also via transfer of the knowledge behind it. One channel in which **technology transfer occurs is investment flowing from the EU into third states**. Above all, China has made market access conditional on technology transfer in fields such as solar, aerospace, and telecommunications. Recognising the increased security dimension of advanced technologies, and under significant pressure from Washington, which launched its own instrument in 2023, **the Commission has begun to advocate for a European outbound investment screening mechanism**. This mechanism is still in its infancy. While some member states have established instruments allowing for limited investment screening in connection with the transfer of critical technologies, most have not. At the EU level, no such instrument exists. The January package's [White Paper](#) initiated public consultations, and recommended risk assessments based on past and present outbound investments at the member state level. Evaluating the gathered data and opinions, the Commission will decide on its proposed policy response in autumn 2025. The lack of specificity in the proposed national monitoring, however, suggests little present consensus on the scope of a European instrument.

| <b>Instrument</b>                    | <b>Procedure</b>  | <b>Institutional responsibility</b>  |
|--------------------------------------|---|--|
| <b>Anti-Coercion Instrument</b>      | 1. Initiated following a complaint or ex officio<br>2. Council votes based on Commission's report on existence of coercion via QMV<br>3. Commission attempts to achieve amicable solution<br>4. If no solution is found, Commission proposes countervailing measures, which need QMV-support in Council | <b>DG Trade</b>  |
| <b>FDI Screening</b>                 | EU regulation allows member states to restrict FDI inflows at a national level  | <b>Member states, with an advisory role for the Commission</b>                             |
| <b>Export controls</b>               | Reliance on multilateral agreements, especially WA, to determine the EU export control list, which is transposed by member states. National governments can cite public security reasons to restrict dual-use goods not on the EU list.   | <b>Member states, with the Commission facilitating EU wide list and some harmonisation</b> |
| <b>Outbound investment screening</b> | Limited existence at national or supranational level  | <b>Member states</b>   |

Table 2: (EU) instruments bridging the economic and security domains

### III. Strategies towards enhancing the EU's internal resilience

The Covid-19 pandemic and Russia's war of aggression against Ukraine revealed shortcomings in the EU's resilience planning. It underlined how unduly concentrated dependencies for critical supply chains can seriously impede the EU's economy and be used as geopolitical levers. As such, in addition to the externally oriented tools designed to hinder third states from gaining geoeconomic leverage or benefit from European know-how in a way that could

threaten European security, **the Commission also sought to enhance the EU's resilience capacities via a series of internally oriented strategies.** These aim to increase the resilience of EU supply chains and limit over-reliance on external, potentially aggressive or retributive suppliers.

The sabotage of the Nord Stream pipelines in the autumn of 2022 reinforced the urgency with which the EU should enhance the resilience of essential sectors. In 2023, the [Critical Entities Resilience Directive](#) entered into force. **It identifies and seeks to strengthen sectors deemed essential to public life**, including energy, water, food, health, and (digital) infrastructure. The directive requires member states to develop a national strategy, identify their critical entities by 2026 and conduct regular risk assessments. These efforts pair with the EU's cybersecurity efforts, which the EU is propelling forward via the finalised [Networks and Information Services Directive \(NIS2\)](#) and the [Cyber Resilience Act](#), which will be implemented in the coming months. While aiming towards harmonising the definition of 'critical', these directives allow for some wiggle room in their transposition into national law. The magnitude of national divergences will only be fully evident when the critical entities legislation is fully implemented in 2026/2027. Any such differences would create varying compliance costs for providers and result in uneven levels of security for infrastructure whose functionality is essential across borders.

In 2021, DG GROW moved to [systematically identify](#) the EU's concentrated product dependencies. **To meet its climate goals the EU will need huge amounts of critical raw materials essential for net-zero technologies, for which it is heavily dependent on imports from few economies.** For example, China provides nearly 100% of heavy earths and Turkey 98% of boron used in the EU. **To reduce the EU's vulnerability to sudden ruptures in import flows, the Commission introduced the [Critical Raw Materials Act](#)** in March 2023. It defines a list of raw materials that are essential to facilitate the green transition. Through a mixture of onshoring, enhanced recycling capacities and re-shoring, the Act aims to diversify the EU's supply chains and reduce critical chokeholds. It seeks to increase the EU's domestic production capacities via a Strategic Projects framework that grants accelerated permitting procedures and financial support to build extraction, processing, and recycling facilities. To enhance reshoring efforts, DG GROW is setting up a panel which, in coordination with the member states, will attempt to build on current raw materials partnerships and facilitate infrastructure projects. The Act envisions raising European domestic extraction capabilities to provide 10% of raw materials demand by 2030. However, **with its predominant focus on accelerating permitting processes and failure to commit any extra public funding that could viably underwrite greater private investment, the Act risks falling short of its ambitions regarding the speed and the volume of diversifying its supply streams.**

**Von der Leyen's Commission further recognised the need to enhance EU-wide capacities in key technologies.** It sought to strengthen European research and development capacities via the [Horizon](#) programme. It successfully enacted the [European Chips Act](#) in 2023, set to shore up more than €43 billion in public and private capital. The Act further allows the Commission to issue priority orders and pool purchases during supply shortages, akin to the [Internal Market Emergency and Resilience Act](#), agreed upon between the Council and European Parliament in February 2024 to safeguard the supply of critical goods during crises. The outgoing Commission also approved several [Important Projects of Common European Interest \(IPCEIs\)](#), channelling state aid from multiple member states to pursue research and development in emerging technologies, such as hydrogen and cloud computing. The EU recently adopted the [Strategic Technologies for Europe Platform \(STEP\)](#), a fund that leverages EU cash to invest in digital, clean and bio technologies. Attempting to react to the US Inflation Reduction Act and its strong fiscal stimulus supporting the greening of US industry, the EU recently released the [Net Zero Industry Act \(NZIA\)](#), accelerating permits and easing procurement regulation for sustainable technology. In its [White Paper on](#)

[improving research and development in dual-use technologies](#), the Commission launched a public consultation to review how to better utilise EU assets to support the advancement of dual-use goods, which have been excluded from projects such as Horizon. Preparing for an increase in research on military and dual-use goods, the Commission further put forward a non-binding [Council recommendation advocating for greater research security](#) at both national and sectoral levels.

However, once again, the **EU's ambitions clash with its willingness to face up to the associated costs** at a European level. While the state aid generated for IPCEIs amounts to nearly €80 billion, critics have argued that its nationally construed framework leads to concentrated benefits in wealthier member states rather than an overall build-up of European technological capacities. In contrast, European funding remains limited: The initially high ambitions of the NZIA were watered down amidst a lack of political will and urgency to commit the necessary financial resources to reach the programme's ambitious net-zero industry targets. STEP was supposed to be equipped with €10 billion of fresh money. This was ultimately slashed to €1.5 billion, collected mainly from existing funds. **This seriously undermines the much-vaunted ambitions of the Commission to raise European capabilities to the next level.**

|  |   |
|--|---|
| Resilience of infrastructure and supply chains | <ul style="list-style-type: none"> <li>i. Critical Entities Resilience</li> <li>ii. Cybersecurity Act</li> <li>iii. Report on the EU's strategic dependencies</li> <li>iv. Critical Raw Materials Act</li> <li>v. Internal Market Emergency and Resilience Act</li> </ul>   |
| Industrial and technology policy               | <ul style="list-style-type: none"> <li>i. Horizon</li> <li>ii. European Chips Act</li> <li>iii. Important Projects of Common European Interest (IPCEIs)</li> <li>iv. Strategic Technologies for Europe Platform (STEP)</li> <li>v. Net Zero Industry Act (NZIA)</li> <li>vi. Research and development of dual-use technologies</li> <li>vii. Research security</li> </ul> |

Table 3: EU strategies to support its geoeconomic agenda

### What issues must the next Commission address?

Von der Leyen's 'geopolitical Commission' has expanded the EU's geoeconomic toolbox considerably, developing new instruments, refining existing ones, and initiating a series of strategies. **However, political roadblocks along the way have created a policy patchwork, exposing gaps in the EU's framework that the new Commission must address.**

**1. The new Commission needs to foster greater harmonisation of the expanding toolbox of measures.** Von der Leyen's Commission managed to lift the geoeconomic conversation to new heights and provided the EU with new instruments. However, despite the ambitious rhetoric around a unified European approach, the current institutional framework fails to adequately harmonise the available instruments. **Without a truly common European approach, leaving the development of such tools at the discretion of member states risks doing more harm than good.** Without precise and widely accepted best practice benchmarks, member states' national geoeconomic capacities will continue to diverge, entrenching idiosyncratic characteristics and risk worsening the current piecemeal structure. A concrete example is seen in the case of FDI screening. The new legislation proposed introduces minimum standards, but leaves room for national interpretations, with member states not required to repeal domestic legislation. In the national interpretations, with member states not required to repeal domestic legislation. In the absence of common rules, third-country

investors can specifically target those member states with laxer regulation, causing fragmentation of the Single Market and risking an intra-EU race to the bottom logic. As member states are still in the trial-and-error phase of figuring out national processes, providing concrete practice guidance would also enhance the efficiency and speed at which capacities can be built up.

**The [case of export controls](#) further shows how binding harmonisation rules are necessary to move to a more unified European approach regarding economic security.** When the US pressured the Netherlands to initiate export controls on semiconductor equipment heading for China, the Netherlands used the extant harmonisation article within the EU regulation, allowing all other member states to follow suit. This follows the logic that in a deeply integrated Single Market, national economic security measures have cross-border ramifications. However, no other member state replicated the Dutch export controls because of possible Chinese retaliation. As such, key parts of Dutch semiconductor equipment produced in Germany could still be legally sold to China, undermining the Netherlands' position. This highlights the fragmented approach and unwillingness to tweak legislation towards European coherency that risks undermining the effectiveness of its geo-economic instruments. The new Commission must utilise the platforms it inherits to push for more binding harmonisation.

**2. The new Commission must face up to the significant financial capital required to achieve greater resilience.** If the EU is serious about achieving the high ambitions set out in the ESS of becoming a more resilient geo-economic actor, it will need to accept the corresponding high price tag. Reducing concentrated dependencies involves reconfiguring entrenched business practices for firms that may not immediately benefit from greater supply resilience (or lose out because of increased costs and falling revenues due to export controls). It also relies on incentivising private sector firms to align their investment decisions with the EU's geo-economic agenda. Both will require large investments with predictable and reliable public backing. Second, the new Commission should reinforce the importance of geo-economic considerations in awarding public procurement tenders. Via the NZIA, the outgoing Commission incentivised member states to recognise non-price considerations, such as the diversification of their supply chains. However, it also allows national governments to ignore resilience considerations if they would lead to significantly increased costs. The reluctance to set more binding commitments in strategic legislation such as the [NZIA](#) and the [Critical Raw Materials Act](#) stems from the continued aversion of member states to stringently pursue the long-term benefits of diversified supplies despite the associated short-term losses. To avoid a novel 'expectation-capabilities' gap, the new Commission will have to convince member states of the strategic benefits to commit much greater financial resources now or risk being confronted with even larger costs further down the line.

**3. The EU will need to adapt its institutional set-up to the new political realities.** It is institutionally impossible for the EU to have the same consolidated competences as individual states such as China and the US. However, this year's European elections and the subsequent reconfiguration of the Commission should be used to [create a consolidated Task Force](#) capable of streamlining the various workflows. Currently, competences, analytical capacities, and policymaking functions powering the new geo-economic toolkit are scattered across DG TRADE, DG GROW, DG COMP and the EU's External Action Service. The new Task Force should pool existing staff and the data used to evaluate trade offences, public procurements, and mergers, to avoid any duplications. Further, it should consolidate the expanding data from member states as national risk and resilience assessments are increasingly rolled out. As this will contain sensitive industry data, the EU must invest

heavily in its digital security. Second, it must develop its analytical capabilities to effectively evaluate the large amounts of data and generate policy advice based on such.

This Task Force should act as the secretariat responsible for the strategic orientation of the EU's geoeconomic stance, the analytical pillar, and a contact point for national governments to distribute best practice guidance. Given the limited political and financial capital on hand, which instruments, and which agendas to pursue will be a question of priorities. To steer a coherent EU policy course in this environment, the different instruments and related use-powers must not be fought over by different Commission DGs. Having a dedicated body with a strategic angle on things allows the EU to move away from the ex-post reactionary mode towards a proactive system that can anticipate and react more quickly to third countries' increasing weaponisation of economic relations. Further, a consolidated bureau should increase the credibility of the EU's implementation of economic security measures. This would not only increase the effectiveness of the instruments that rely on their deterrence factor. It would also shield the EU against accusations of discriminatory or selective application of its instruments and strengthen its commitment towards a rules-based world order.

## Conclusion

**Overall**, the build-up of an increasingly loaded arsenal of geoeconomic weaponry and the pursuit of resilience agendas by von der Leyen's Commission is no geopolitical *Zeitenwende*. Rather, it has moved both the EU and its member states towards what can be more aptly described as 'reluctant geopoliticisation'. As geopolitical competition increasingly plays out in the realm of economics, the EU may well have found an angle to overcome the barriers that have held Brussels back from being an effective foreign policy actor. The Commission has begun to guide member states towards appreciating the cross-border risks and potential costs of dependencies, leading to an impressive development of the EU toolbox. It is now up to the next Commission to make sure this translates into a coherent, harmonised, and well-funded European framework.

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