

LA LIGNE FINE PAPERS N°12



STRATEGIC SOVEREIGNTY

Series: Strategic Foundations

Authors: Alek UMONT
Published Date: September 24, 2026

Executive Summary

Strategic sovereignty has become a central notion in the European and international debate as successive crises have revealed the depth of the interdependencies on which states operate. The pandemic, energy tensions, the war in Ukraine, trade restrictions on certain technologies, supply chain vulnerabilities and the rise of great power rivalries have brought to the fore a question that had been partially relegated to the background of the search for economic efficiency: to what extent can a state depend on external actors without reducing its own decision-making capacity when a crisis occurs?

This question is often misposed because strategic sovereignty is equated with complete autonomy. Such a definition would lead to the assumption that a state is sovereign only if it produces domestically the technologies, energy, armaments, digital infrastructure, medicines, industrial goods and raw materials it needs. No modern state, including the most powerful, operates in this way. Economies are specialized, value chains are international, technologies are produced through complex industrial networks, and military power itself depends on suppliers, partners, and alliances. Strategic sovereignty cannot therefore reasonably refer to the absence of dependence.

It must be defined on the basis of decision-making capacity. A dependence becomes strategically problematic when an external actor has a sufficiently large means to prevent the State from pursuing a policy that it deems essential or to impose a cost on it that it cannot absorb within a period compatible with its objectives. This definition requires a distinction between ordinary interdependencies and critical dependencies. An economy can import a product on a massive scale while retaining significant room for manoeuvre if several suppliers exist and can be substituted quickly. Conversely, a component representing a small share of imports can become critical if there are only a very small number of producers, if stocks are low and if its disappearance interrupts an essential military, energy or industrial capacity.

European policies are now moving in this direction. The European Council of March 2026 explicitly linked competitiveness, resilience and strategic autonomy and called for accelerating industrial renewal while reducing dependencies in sectors deemed strategic. In June 2026, European leaders again placed the reduction of these dependencies among the priorities of the "One Europe, One Market" agenda¹²

This orientation does not correspond to a project of European autarky. On the contrary, the Union's institutions continue to present trade openness as a major economic interest. Economic security policy seeks to identify certain risks linked to investments, exports, technologies and supply chains while maintaining international trade. The Council of the Union summarises this approach by the desire to deal with the risks associated with certain economic activities without renouncing the opening up of trade, investment and research³.

Strategic sovereignty must therefore be understood as a policy of hierarchisation. Not all sectors can benefit from the same level of protection, national production or diversification. Public resources, industrial capacities and available skills are limited. Seeking to secure all value chains would lead to dispersed investments, increase production costs and reduce the competitiveness that finances precisely part of the public power. The objective is to identify the functions for which an external disruption could have a disproportionate effect, and then to choose the most appropriate means to reduce this risk: internal production, stocks,

¹ European Council. (2026b, 27 August). *European Council, 19 March 2026*. Consilium. <https://www.consilium.europa.eu/en/meetings/european-council/2026/03/19/>

² European Council. (2026a, 24 June). *European Council, 18–19 June 2026*. Consilium. <https://www.consilium.europa.eu/en/meetings/european-council/2026/06/18-19/>

³ Council of the European Union. (2026, 8 June). *European economic security*. Consilium. <https://www.consilium.europa.eu/en/policies/european-economic-security/>

diversification of suppliers, cooperation with partners, long-term contracts, alternative capacities or European pooling.

Defence provides a particularly clear example of this reasoning. The European Union has sharply increased its military spending since 2022, but this increase does not automatically produce greater sovereignty. Data from the European Defence Agency published in July 2026 shows that Member States' defence spending reached €418 billion in 2025 and could reach €454 billion in 2026. Equipment purchases reached €115 billion in 2025. Yet, collaborative European procurement still accounted for only 24% of capital spending, while the EDA's benchmark target is set at 35%.⁴⁵

These figures show that the amount of expenditure and strategic autonomy are not equivalent. Higher budgets can make it possible to rapidly increase military capabilities by purchasing equipment available from external suppliers, but they can also prolong certain industrial dependencies if production lines, components or maintenance remain controlled elsewhere. Conversely, systematically imposing a European preference can slow down the acquisition of equipment needed in the short term. A sovereignty policy must therefore arbitrate between immediate availability, interoperability, cost, security of supply and long-term industrial capacity.

NATO is facing the same problem in a different form. The Alliance is seeking to increase its members' defence industrial capacity very quickly and now sees industry as a key component of its deterrence posture. Its Industrial Capability Report published in 2026 highlights progress in increasing the production of munitions and major systems, while the strategy for cooperation with industry adopted in July emphasises the need to secure supply chains, skilled labour and production capacities⁶⁷.

This policy reveals an often overlooked dimension of sovereignty: having equipment is not enough if the state or alliance cannot maintain, repair, supply and replace losses over time. Protracted conflicts add new value to production capacities, stocks, component chains and the availability of industrial labour. Serious military sovereignty must therefore be assessed over the entire life cycle of capabilities and not just at the time of their acquisition.

The same logic applies to energy. A high dependence on a supplier can be tolerable when political relations are stable and the market functions normally, and then become a strategic constraint when the supplier can interrupt its deliveries or when the government wants to adopt a policy that could cause such interruption. European energy diversification since 2022 shows how much alternative capacity determines the margin for decision-making. The cost of diversification can be high, but it must be compared with the political cost of a dependency that would be broken at the time chosen by the supplier.

Critical raw materials pose a similar problem. The European Union has strengthened its approach to secure access to materials needed for batteries, digital technologies, energy and defence. In December 2025, the Commission further presented new measures to accelerate the implementation of its critical raw materials policy, reduce dependencies and strengthen economic security⁸.

⁴ European Defence Agency. (2026, 16 July). *EU defence spending: €418 billion in 2025, projected to €454 billion in 2026*. <https://eda.europa.eu/news-and-events/news/2026/07/16/eu-defence-spending---418-billion-in-2025--projected-to-454-billion-in-2026>

⁵ <https://eda.europa.eu/publications-and-data/defence-data>

⁶ European Defence Agency. (n.d.). *Defence data*. Retrieved September 22, 2026, from <https://eda.europa.eu/publications-and-data/defence-data>

⁷ North Atlantic Treaty Organization. (2026a, July 8). *Increasing defence industrial production*. <https://www.nato.int/en/what-we-do/deterrence-and-defence/natos-role-in-defence-industry-production>

⁸ Directorate-General for Communication. (2025, 3 December). *New measures to secure raw materials and strengthen the EU's economic security*. European Commission. https://commission.europa.eu/news-and-media/news/new-measures-secure-raw-materials-and-strengthen-eus-economic-security-2025-12-03_en

In these sectors, complete autonomy is generally impossible because resources are geographically concentrated. Sovereignty therefore does not consist in producing on one's own territory what does not exist there. It is based on the diversification of origins, international partnerships, recycling, the more efficient use of materials, stocks and the ability to substitute certain technologies. Dependence remains, but its concentration can be reduced.

Digital technologies and data infrastructures raise another challenge. Dependency is not only on a physical product, but on standards, software, cloud services, telecommunications infrastructures and technology ecosystems. Switching suppliers can be much more complex than replacing an imported good, because technical architectures create transition costs, compatibility needs and network effects. Credible digital sovereignty therefore requires identifying the really critical layers and preventing a policy aimed at reducing external dependency from simply leading to the replacement of one dependency with another.

Research and dual technologies are now part of the same debate. Since 2024, the European Commission has strengthened its economic security framework by working on investment screening, export controls, outward investment, dual research and research security. In February 2026, it published a follow-up to national research security policies, showing that the protection of sensitive knowledge is gradually becoming a dimension of strategic autonomy⁹.

However, this development requires a balance to be preserved. A research system that is too closed risks weakening its own capacity for innovation, which depends precisely on the circulation of knowledge, talent and international partnerships. A poorly calibrated sovereignty policy can reduce immediate vulnerability while reducing future power. Security must therefore be concentrated in areas where risks are really high, rather than extended indiscriminately to all cooperation.

The same principle applies to industrial policies. In March 2026, the European Commission proposed new measures to increase the Union's productive capacity and reduce certain dependencies on non-European suppliers in strategic sectors. In particular, it sets the objective of increasing the share of manufacturing in European GDP from 14.3% in 2024 to 20% in 2035¹⁰.

This ambition reveals the relationship between sovereignty and competitiveness. An economy that seeks to secure several sectors but gradually loses its ability to invest, produce and innovate risks becoming more dependent in the long term. Sovereignty cannot therefore be built against competitiveness; it must be based on it. A strategic industrial policy must concentrate resources on capacities for which the market alone does not provide an acceptable level of security or resilience.

Finally, the concept of strategic sovereignty must be distinguished from legal sovereignty. A state can legally be free to decide while being materially unable to implement its decision. It can also belong to an alliance or an international organisation and voluntarily accept constraints because these increase its overall capacity for action. Cooperation is therefore not necessarily a loss of sovereignty. In several areas, it can be the condition for exercising it. For example, an isolated European state would find it much more difficult to finance certain infrastructures, military systems or advanced technologies on its own than a group of states sharing costs and capabilities.

⁹ European Commission. (n.d.). *Strategic autonomy and European economic and research security*. https://research-and-innovation.ec.europa.eu/strategy/strategy-research-and-innovation/europe-world/international-cooperation/strategic-autonomy-and-european-economic-and-research-security_en

¹⁰ Directorate-General for Communication. (2026, 4 March). *Commission proposes new measures to boost EU industry and jobs*. European Commission. https://commission.europa.eu/news-and-media/news/commission-proposes-new-measures-boost-eu-industry-and-jobs-2026-03-04_en

Strategic sovereignty is therefore not simply a matter of opposing the national to the collective. It poses a more demanding question: at what level must a capacity be mastered for political decision-making to remain truly available? The response may be national for some functions, European for others and allied for still others. It may even include private companies or external partners, provided that several solutions exist and that no single actor has a disproportionate blocking power.

The thesis of this paper is that **strategic sovereignty is measured neither by the volume of national production nor by the number of dependencies eliminated, but by the ability of a state or a political entity to preserve its freedom of decision when certain external relations deteriorate**. An effective policy must therefore identify truly coercive dependencies, accept ordinary interdependencies, diversify supplies when substitution is possible and invest directly in capacities whose absence would produce a major vulnerability.

This approach is more demanding than the general call for sovereignty. It imposes budgetary choices, trade-offs between cost and security, sometimes restrictive cooperation and a clear hierarchy of essential functions. It also implies accepting that a certain level of dependence will remain permanent in an advanced economy. The strategic problem is not to eliminate this dependence, but to prevent it from allowing another actor to determine the fundamental choices of the State.

Problem

Strategic sovereignty is regularly invoked in debates on defence, energy, semiconductors, digital infrastructure, raw materials, food, medicines or industry. This extension of the concept testifies to its importance but also creates a risk: if any external dependence automatically becomes a sovereignty problem, the term loses its ability to prioritise issues. A modern state necessarily depends on thousands of external products, technologies and services. Most of these dependencies do not seriously limit its political freedom because they can be replaced, because several suppliers compete with each other or because their interruption would be limited.

The first task is therefore to define the criteria that transform an economic dependence into a strategic dependence. Four variables are particularly important: the criticality of the function concerned, the concentration of suppliers, the time needed to find an alternative and the political or economic cost of the break. A dependence becomes a concern when these four factors combine. If a product is indispensable, supplied by a very small number of actors, difficult to substitute and necessary in the short term, the supplier potentially has significant leverage.

This method makes it possible to avoid reasoning based solely on the volume of imports. A country can import a lot of a good whose suppliers are numerous and easily substitutable. This apparent dependence may be high in trade statistics but weak strategically. Conversely, a component representing a few million euros in imports can stop a much larger industrial chain if there is no alternative. The diagnosis must therefore start from the functions and possibilities of substitution, not just from the amount of trade.

The second difficulty relates to time. A replacement capacity that can be created in five years is not equivalent to a solution available in a few weeks. Most industrial strategies require long deadlines: construction of factories, training of personnel, qualification of suppliers, obtaining licenses, technological development. Dependence may thus be acceptable in the long term but very restrictive during the period necessary to reduce it. Sovereignty policies must therefore

combine immediate measures (stocks, alternative contracts, continuity plans) and structural investments.

European defence spending clearly shows this difference between immediate capability and future autonomy. Member states have increased their budgets rapidly since 2022. According to the European Defence Agency, spending reached €418 billion in 2025 and is expected to continue to grow in 2026. Equipment purchases have increased sharply, but a limited proportion of these acquisitions are still made in European cooperation¹¹.

Rapid procurement of external equipment may meet an immediate operational need. Building a comparable European industrial capacity may require a decade and much greater investment. A coherent strategy cannot therefore mechanically oppose these two objectives. It must accept certain external acquisitions when the urgency requires it, while at the same time preventing them from preventing the construction of a longer-term capacity.

The third difficulty concerns the scale of sovereignty. Many modern strategic capabilities are too expensive or too complex to be mastered in isolation by a European state. Advanced military systems, large digital infrastructures, certain semiconductor technologies, satellites or raw material chains are based on markets and skills that go far beyond the national level. A doctrine based exclusively on national production would therefore risk reducing the capacity actually available.

Cooperation can increase sovereignty if it reduces the risk of dependence on an actor outside the relevant political community and if partners have sufficiently robust mechanisms to ensure access. This logic explains part of European integration. A more integrated single market, joint purchasing and a broader industrial base can give Member States access to capacity that they could not finance or produce separately.

The European Council explicitly established this relationship in 2026 by linking the deepening of the single market to the strengthening of strategic autonomy. The "One Europe, One Market" agenda thus combines economic integration, affordable energy, industrial renewal, investment and the reduction of dependencies¹².

The fourth difficulty concerns the relationship with alliances. A military alliance imposes commitments and creates interdependencies, but at the same time it can greatly increase the capacity of its members to act. A state with limited military means benefits from intelligence, command, deterrence and support capabilities to which it would not have access on its own. Strategic autonomy cannot therefore be defined as the absence of an alliance.

Rather, the relevant question is about the distribution of essential capabilities within the alliance. Dependency becomes problematic when a few members provide functions that cannot be replaced and thus have a disproportionate influence on the conduct of an operation. The consolidation of the European defence industrial base can therefore be seen as a means of strengthening both the European capability and the Atlantic Alliance, provided that unnecessary duplication of systems is avoided and interoperability is maintained.

NATO itself is now emphasising collective industrial capacity and the need to increase production across the Alliance. The 2026 Industrial Capacity Report describes efforts to

¹¹ European Defence Agency. (2026, 16 July). *EU defence spending: €418 billion in 2025, projected to €454 billion in 2026*. <https://eda.europa.eu/news-and-events/news/2026/07/16/eu-defence-spending---418-billion-in-2025--projected-to-454-billion-in-2026>

¹² Council of the European Union. (2026, 24 June). *Boosting EU competitiveness: The way forward*. Consilium. <https://www.consilium.europa.eu/en/policies/boosting-eu-competitiveness-the-way-forward/>

expand production lines, while the Strategy for Cooperation with Industry seeks to facilitate transatlantic investment and trade¹³.

The fifth difficulty concerns cost. A policy of sovereignty may require maintaining production capacities that would not be competitive according to market criteria alone. A plant that is kept for reasons of security of supply, a strategic stock or a mandatory diversification of suppliers represent a cost. This cost can be justified, but it must be explicitly compared to the risk it reduces.

Without this discipline, sovereignty becomes an argument for subsidizing almost any activity. As the resources available are limited, an overly broad policy risks protecting less critical sectors while leaving the really essential capabilities insufficiently funded. Strategic sovereignty therefore requires a much more rigorous method of selection than a general relocation policy.

The central issue can thus be formulated in a precise way: **what external dependencies really reduce a state's decision-making capacity, and what level of control must be found to make this decision credible again without seeking economically impossible autonomy?**

This formulation makes it possible to avoid two equally insufficient positions. The first assumes that the market will always provide a solution and that economic interdependencies prevent political ruptures. Recent crises have shown that this hypothesis is too optimistic. The second considers all dependence as a vulnerability and leads to a logic of closure, the cost of which would ultimately weaken the economic and technological capacities necessary for power. Strategic sovereignty is built between these two extremes, based on a differentiated analysis of risks.

Structural context

The end of the hypothesis of politically neutral interdependence

Economic globalization has largely been built on the idea that companies could organize their value chains on the basis of mainly economic criteria. States obviously retained national security policies, but many industrial sectors were considered to be sufficiently remote from military issues for the geographical concentration of their production to appear acceptable. This separation is much more difficult to maintain today.

Trade restrictions on technology, financial sanctions, export controls and supply disruptions have shown that economic relations can become political instruments. Dependence is therefore no longer assessed solely in terms of the risk of an accident or the market; it must include the possibility of a voluntary decision to break away.

The European Economic Security Strategy is based on precisely this development. It seeks to address risks related to supply chains, the security of physical and digital infrastructure, technological leakage and the possibility of using economic dependencies as instruments of coercion. The European framework now combines investment screening, export controls, the review of certain outgoing investments and research security¹⁴.

¹³ North Atlantic Treaty Organization. (2026a, July 8). *Increasing defence industrial production*. <https://www.nato.int/en/what-we-do/deterrence-and-defence/natos-role-in-defence-industry-production>

¹⁴ Council of the European Union. (2026, 8 June). *European economic security*. Consilium. <https://www.consilium.europa.eu/en/policies/european-economic-security/>

This policy nevertheless retains trade openness as a principle. It is not in the Union's interest to reduce its economic relations indiscriminately, which contribute to its prosperity and its access to technology. Economic security therefore seeks to distinguish between sectors in which political risk justifies intervention and those in which the international market remains the most effective solution.

The return of industrial capacity in defence policies

High-intensity conflicts have also put production capacity back at the centre of military strategies. For several decades, many European countries have reduced their stocks and sized their industries for relatively limited volumes. The war in Ukraine has shown that ammunition consumption and replacement needs can reach levels that are incompatible with production chains that are too small.

The data published by the EDA show the extent of the current reinvestment. European defence spending is growing strongly and equipment acquisitions now represent a significant part of budgets¹⁵.

However, increasing the budget does not automatically solve the production problem. A factory of munitions or complex systems cannot instantly increase its volumes. Manufacturers need visibility on orders, qualified personnel, energy, components and financing. Governments must therefore provide demand that is sufficiently predictable to justify industrial investment.

NATO has formalised this priority in its *Defence Production Action Plan* and in its updated industrial policy. The organisation seeks to aggregate demand, increase capabilities and facilitate cooperation between allied manufacturers¹⁶.

This industrial dimension is inseparable from military sovereignty. An armed force can have a considerable initial stock and gradually lose its ability to act if it cannot replace losses or maintain its equipment. Autonomy must therefore be assessed in the probable duration of a conflict and not only on the first day.

Energy as a concrete experience of dependence

Since 2022, European energy policy has provided one of the most visible examples of strategic reorganisation. External dependence can be economically advantageous for several years and then become politically costly when a crisis changes the relationship with the supplier. Reducing this dependence then requires rapid investment in new infrastructure, alternative contracts and sometimes higher prices.

The energy experience allows us to draw a general lesson: diversification carried out before the crisis is generally less costly than forced substitution after the break. But this diversification itself has a price, which explains why markets naturally tend to favour the most competitive suppliers as long as there is no political obligation for them to integrate strategic risk.

The role of the state is precisely to correct this difference between private calculation and collective risk. A company can accept concentrated dependence if it reduces its costs in the short term; the government must take into account the macroeconomic and political cost of a large-scale interruption.

Raw materials and the impossibility of complete autonomy

¹⁵ European Defence Agency. (2026). *EDA defence data 2025–2026*. <https://eda.europa.eu/publications-and-data/thematic-policy-reports/eda-defence-data-2025-2026>

¹⁶ North Atlantic Treaty Organization. (2025, February 13). *Updated defence production action plan*. <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2025/02/13/updated-defence-production-action-plan>

Critical raw materials illustrate the physical limits of relocation policies. Resources are unevenly distributed and refining or processing capacities are themselves concentrated. No European state can guarantee all its supplies on its own.

European policies therefore seek to combine internal extraction where possible, partnerships with third countries, diversification, recycling and the creation of more resilient processing chains. The initiatives announced by the Commission in December 2025 are part of this logic¹⁷.

This approach shows why sovereignty and independence should not be confused. A political entity may have no mines for a particular resource but still have some decision-making space if it has multiple suppliers, stable contracts, stocks, and recycling opportunities. Conversely, dependence on a single source can become problematic even if relations are excellent at the time the contract is signed.

Technology as a dependency infrastructure

Digital and industrial technologies create more complex dependencies because systems are intertwined. A company using a cloud provider doesn't just depend on a physical server: it depends on software tools, interfaces, certifications, skills, and data architectures that make switching vendors expensive. Semiconductors combine design, lithography machines, manufacturing, software, materials, and assembly spread across multiple countries.

Technological sovereignty cannot therefore be achieved simply by building a national factory. It presupposes understanding the entire chain and identifying the segments whose mastery really brings additional autonomy.

This logic explains the increasing attention paid to research security. Scientific knowledge can be used in civilian or military applications and the loss of sensitive technology can produce future dependency. But an overly restrictive policy risks reducing the collaborations necessary for innovation. The European Commission is therefore seeking to build more targeted security mechanisms rather than a general closure of research¹⁸.

¹⁷ Directorate-General for Communication. (2025, 3 December). *New measures to secure raw materials and strengthen the EU's economic security*. European Commission. https://commission.europa.eu/news-and-media/news/new-measures-secure-raw-materials-and-strengthen-eus-economic-security-2025-12-03_en

¹⁸ European Commission. (n.d.). *Strategic autonomy and European economic and research security*. https://research-and-innovation.ec.europa.eu/strategy/strategy-research-and-innovation/europe-world/international-cooperation/strategic-autonomy-and-european-economic-and-research-security_en

Power relations

Strategic sovereignty cannot be analysed in an abstract way, as the great powers have very different profiles of dependence. The United States, China and the European Union are all seeking to secure their value chains, but their industrial, technological, energy and military positions lead them to favour different instruments.

The United States: Alliance Power and Control of Critical Technologies

The United States has a considerable advantage thanks to the combination of a large domestic market, a significant technological capacity, energy resources and a developed network of alliances. Its strategic sovereignty is therefore not based on self-sufficiency, but on the ability to control or influence several critical nodes of the world economy and to obtain from its allies some of the capabilities that it does not produce alone.

This position makes it easier for Washington to use technological or financial restrictions as foreign policy instruments. But it also creates dependencies on Asian allies and production chains, particularly in certain advanced technologies. Recent US industrial policies seek to reduce these vulnerabilities without removing integration with partners deemed reliable.

The existence of a network of alliances thus transforms the American definition of sovereignty. The United States may consider allied production to be sufficiently secure in certain sectors because the political relationship reduces the risk of interruption. This logic is also visible in NATO's policies to facilitate transatlantic industrial cooperation¹⁹.

China: reducing vulnerabilities and moving upmarket

China has been pursuing a policy of reducing certain technological dependencies for several years and is seeking to increase the domestic share of essential equipment, components and technologies. This strategy can be explained both by industrial development objectives and by taking into account the risk of Western restrictions.

Its advantage lies in the size of its market, its large manufacturing base and its position in several processing chains. Its vulnerabilities include certain advanced technologies, specialized equipment and resources whose access still depends on external partners.

Chinese policy shows that even a very large industrial power does not seek total autonomy. It continues to trade massively and to attract technologies and investments when they strengthen its capacity. Rather, the aim is to reduce the possibility that an external actor could interrupt segments considered essential.

The European Union: economic power, industrial fragmentation

The European Union has an economy comparable in size to the world's main hubs, but its strategic capacity is reduced by the fragmentation of national policies in several sectors. Industrial skills often exist within the Union without being organised at the scale necessary to provide collective capacity quickly.

¹⁹ North Atlantic Treaty Organization. (2026b, 8 July). *Strategy for industry-NATO cooperation*. <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2026/07/08/strategy-for-industry-nato-cooperation>

Defence provides a particularly important example. The EDA notes that collaborative procurement remains below the European benchmark despite the general increase in spending²⁰.

This fragmentation produces several costs: smaller production runs, duplication of programs, different maintenance needs and less ability to negotiate with manufacturers. It can also encourage states to buy abroad when a foreign system is immediately available, whereas European cooperation would require several years.

European autonomy therefore depends as much on the integration of demand as on production itself. Manufacturers will only invest in additional capacity if they have predictable and sufficiently large orders.

Intermediate powers: sovereignty through diversification

Many states have neither the American market, nor the Chinese industrial base, nor the collective European capacity. Their strategy is often to multiply suppliers and partnerships in order to avoid excessive dependence on a single power.

This policy can work in energy, armaments, infrastructure or technology, but it becomes more difficult when systems are incompatible or when major powers impose restrictions. A state that buys military equipment from several suppliers must bear additional maintenance and interoperability costs. Digital diversification may require several standards and skills.

Sovereignty through diversification therefore also has a cost. It becomes attractive when this cost is lower than the political risk associated with a single dependence.

Interests at stake

Strategic sovereignty is less about pitting sovereign states against external actors than it is about creating permanent trade-offs between security, cost, innovation and cooperation. Governments, companies and allies do not pursue exactly the same objectives, even when they share a general interest in resilience.

Governments seek to maintain essential functions during a crisis. This means that they may agree to finance unused capacity in normal times, build up inventories, or impose multiple suppliers. Companies typically seek to reduce costs, increase profitability, and simplify their production chains. Economic concentration can be rational for them while creating a collective risk for the state.

Public policy must correct this discrepancy without removing market incentives. Systematically imposing domestic production would reduce competition and could reduce quality or sharply increase costs. Imposing nothing can lead to concentrations of dependence that the market does not value properly.

Alliances add another dimension. Pooling a capacity reduces costs and increases scale, but requires accepting dependence on partners. This dependence can be politically acceptable if the commitments are strong and if no single state controls the entire function.

European defence cooperation should be assessed by this criterion. Producing a multi-state system does not necessarily reduce the sovereignty of each state if the agreement guarantees

²⁰ European Defence Agency. (2026). *Defence data 2025–2026*. <https://doi.org/10.2836/8415600>

the necessary access, maintenance and stocks. It can even increase it by making possible a capability that no one could have financed alone.

States also have an interest in preserving the overall competitiveness of their economies. The European Council explicitly links strategic autonomy to the strengthening of the single market because a more productive and integrated economy can finance more investment in critical sectors²¹.

Sovereignty should therefore not be treated as a separate objective from economic policy. A strategic industry itself depends on the energy, financing, skills and innovative capacity of the rest of the economy.

Dynamics of evolution

The first likely development is the broadening of the concept of economic security. Governments will continue to scrutinise more transactions, technologies and investments from a national security perspective. The adoption in June 2026 of the revised EU regulation on the screening of foreign investments confirms this trend. The new framework is intended to improve the EU's ability to identify and address certain risks while maintaining openness to international investment²².

This development is likely to lead to more controls in sensitive technology sectors, but it should not lead to a general shutdown of the European economy. The economic cost of such a closure would be too high.

The second dynamic concerns the defence industry. The budget increases already underway should lead to a sustainable expansion of production capacities. NATO indicated in July 2026 that Allies had made progress in increasing production capacities and ammunition volumes between 2025 and 2026²³.

The difficulty will be to transform this temporary increase in demand into capacity that is sustainable enough to avoid a return to underinvestment. Manufacturers need visibility over several years and governments will have to agree to conclude longer contracts.

The third dynamic concerns energy and mineral diversification. Europe will seek to multiply suppliers and build more internal processing capacity, but will still depend on large imports. Complete autonomy will therefore remain impossible; the measure of success will be the reduction of the blocking power of a particular supplier.

The fourth dynamic concerns technology. Industrial restrictions and policies should focus more on a few areas considered to be determinants: artificial intelligence, advanced semiconductors, quantum, cyber, space technologies and certain dual capabilities. The competition for human skills will become as important as the competition for infrastructure.

The fifth dynamic is institutional. The European Union should seek to further convert its internal market into an instrument of power. The competitiveness agenda adopted in 2026 is based precisely on the idea that a more integrated market and greater investment can simultaneously support prosperity and strategic autonomy²⁴.

²¹ Council of the European Union. (2026c, 19 March). *What the EU is doing to boost its competitiveness*. Consilium. <https://www.consilium.europa.eu/en/policies/what-the-eu-is-doing-to-boost-its-competitiveness/>

²² Council of the European Union. (2026b, 8 June). *European economic security*. Consilium. <https://www.consilium.europa.eu/en/policies/european-economic-security/>

²³ North Atlantic Treaty Organization. (2026a, July 8). *Increasing defence industrial production*. <https://www.nato.int/en/what-we-do/deterrence-and-defence/natos-role-in-defence-industry-production>

²⁴ Council of the European Union. (2026a, 24 June). *Boosting EU competitiveness: The way forward*. Consilium. <https://www.consilium.europa.eu/en/policies/boosting-eu-competitiveness-the-way-forward/>

However, this strategy presupposes that states agree to reduce certain national barriers. A European autonomy built on 27 fragmented markets would remain much less effective than a truly integrated capacity.

Prospective scenarios

Selective and cooperative European sovereignty

In the best-case scenario, the European Union identifies a limited number of truly critical dependencies and focuses its investments on them. It maintains a largely open economy, strengthens the single market and uses diversified partnerships for resources that it cannot produce.

In defence, states are increasing the share of collaborative purchasing and structuring programmes to maintain European production chains without seeking to systematically exclude allied suppliers. American capabilities remain important for the continent's security, but Europe is becoming less dependent on a few functions that it currently only has through Washington. This trajectory would make it possible to increase autonomy without bearing the costs of an autarkic strategy.

A costly multiplication of national sovereignty policies

A second scenario would see states each pursue their own industrial policies. Governments would seek to preserve national champions, multiply subsidies and maintain several competing programs.

Public spending would increase without producing a proportional European capacity. Industrial series would remain limited and critical technologies would continue to depend on external actors. This scenario would correspond to a sovereignty that is proclaimed more than real, because national preference would not be enough to provide the necessary scale.

Bloc sovereignty

A third trajectory would see international competition lead to the creation of large industrial and technological groups that are relatively separate. Europe would remain integrated into the transatlantic system and would accept to consider intra-alliance dependencies as politically safe.

This solution would reduce some costs and improve interoperability, but would limit European autonomy in the event of a divergence with Washington. It would replace a logic of European sovereignty with a logic of collective Western sovereignty. This configuration can be stable as long as strategic priorities remain aligned, but it exposes Europe more to decisions taken outside its institutions.

An over-extension of the sovereignty policy

The most costly scenario would be the one in which almost all sectors would be classified as strategic. Subsidies and protections would multiply, trade would be further restricted and European companies would bear increasing costs.

Competitiveness would deteriorate, reducing the resources available for truly critical investments. A policy designed to increase sovereignty would then end up reducing the economic base that makes it possible. This scenario shows why priority selection is the central issue.

Recommendations

The first recommendation is to build a functional mapping of dependencies. Governments need to identify essential services, the providers that make them possible, the level of focus, and the time needed to put an alternative in place. General business statistics are not enough. The analysis needs to go down to the components, software, equipment, infrastructure, and skills on which the continuity of the function depends.

The second recommendation is to classify dependencies according to their degree of criticality. Not all vulnerabilities can be addressed simultaneously. Public resources should be focused on those areas whose interruption could cause significant political, military or economic incapacity.

The third recommendation is to focus on diversification when it provides a sufficient level of security. Domestic production is not always the most efficient solution. Having three or four suppliers located in several countries can offer more resilience than small domestic production that is too expensive or technologically inferior.

The fourth recommendation is to build up inventories when a shortage is plausible but temporary. Some dependencies do not justify the creation of a complete industry. Sufficiently sized reserves can provide the time needed to change suppliers or increase production.

The fifth recommendation concerns defence. European states must increase collaborative purchasing when it allows for aggregate demand, reduce the number of different systems and provide manufacturers with the necessary visibility to invest. EDA data show that cooperation still falls short of European objectives²⁵.

The sixth recommendation is to distinguish between operational urgency and industrial policy. When equipment is immediately needed, an external purchase may be justified. However, this decision must not become a substitute for a policy aimed at building the European capacity deemed necessary in the longer term.

The seventh recommendation concerns digital infrastructure. States must identify services for which the costs of switching providers are high enough to produce a strategic risk. Requirements for interoperability, data portability and open standards can sometimes increase sovereignty more than an attempt to build a national public provider.

The eighth recommendation concerns research. Security measures must be focused on truly sensitive technologies and collaborations. Too broad a restriction would reduce Europe's scientific attractiveness and slow down innovation, which would ultimately reduce technological sovereignty.

The ninth recommendation is to better integrate energy, industrial, trade and defence policy. Critical dependency does not respect administrative boundaries between ministries. The continuity of a defence factory may depend on energy, imported components, software and skills from several sectors.

The tenth recommendation concerns the European level. Member States must explicitly determine which functions should remain national and which should be organised at EU level. The lack of choice leads to costly duplication or, conversely, to loopholes that no one is financing.

²⁵ European Defence Agency. (n.d.). *Defence data*. Retrieved September 22, 2026, from <https://eda.europa.eu/publications-and-data/defence-data>

The eleventh recommendation is to use alliances as a multiplier rather than as an excuse not to invest. Dependence on an ally is generally less risky than dependence on a potential adversary, but it is not zero. Functions whose absence could prevent autonomous political decision-making must have sufficiently robust European or national solutions.

The twelfth recommendation is to regularly measure the cost of sovereignty. Each policy of relocation, stockpiling or diversification must be compared with the risk it reduces. This discipline makes it possible to maintain a strategic policy without transforming sovereignty into a general justification for protectionism.

Strategic implications

Strategic sovereignty profoundly modifies the way of conceiving power because it shifts attention from legal possession to the material capacity to exercise a decision. A state can retain all its constitutional prerogatives and nevertheless be strongly constrained if the means necessary for their implementation depend on an external actor. Conversely, it can voluntarily accept common rules or interdependencies with partners and increase its real capacity by obtaining through this cooperation resources that are impossible to produce alone.

This distinction is particularly important in Europe. Debates on sovereignty sometimes pit national autonomy, European integration and the transatlantic alliance against each other, as if one must necessarily progress at the expense of the other. In practice, the three levels may serve different functions. Some capabilities must remain under national control because they are directly linked to sovereign decision-making. Others require a European scale to be economically viable. Still others can be shared in the Atlantic Alliance when cooperation reduces costs and improves efficiency.

The problem arises when the distribution of these functions is not explicitly thought out. A dependency may arise simply because a partner has been providing capacity at a lower cost for a long time. As long as political interests converge, it seems inconsequential. When a divergence appears, the cost of late replenishment becomes visible.

One of the main implications of strategic sovereignty is therefore the importance of anticipation. Critical capabilities must be identified before the crisis, because it will often be impossible to rebuild them quickly enough after the breakdown. Governments must agree to fund certain redundancies whose value only becomes apparent when the external relationship deteriorates.

This logic is comparable to that of insurance. Alternative capacity that is unused for several years may seem inefficient. Its real value is the cost it avoids when the primary dependency disappears.

The second implication concerns competitiveness. The European policies of 2026 explicitly link strategic autonomy and the strengthening of the single market because these two objectives are linked. A more productive economy has more resources to finance defence, research, energy and infrastructure. A protected but structurally less innovative economy may gradually lose the capabilities it sought to secure²⁶.

A distinction must therefore be made between strategic protection and ordinary economic protection. A sector can be politically influential without being strategic. Sovereignty must not be used to preserve all existing industrial activity. It must focus on functions whose loss would really reduce the capacity for decision-making or continuity.

²⁶ Council of the European Union. (2026a, 24 June). *Boosting EU competitiveness: The way forward*. Consilium. <https://www.consilium.europa.eu/en/policies/boosting-eu-competitiveness-the-way-forward/>

The third implication concerns defence. European rearmament will only produce sustainable autonomy if it also increases long-term industrial capacity. The EDA figures show that the financial effort is now considerable, but that cooperation remains insufficient in relation to European objectives²⁷.

A Europe that devotes more resources to defence while structurally importing most of its critical capabilities would increase its immediate military power but not necessarily its long-term decision-making space. Conversely, a Europe seeking to produce exclusively on its own territory might lack some of the necessary capabilities during the transition period. Politics must therefore combine rapid procurement with industrial construction.

The fourth implication is the alliance with the United States. European sovereignty does not need to be defined against NATO. A larger European industrial base can strengthen the Alliance's collective capacity and reduce the transatlantic imbalance. NATO itself seeks to increase production on both sides of the Atlantic and to facilitate cooperation between allied companies²⁸.

Rather, the difficulty lies in defining the functions for which an almost exclusive dependence on the United States limits European capacity. This analysis must be conducted without automatically considering any American purchase as a loss of sovereignty. Interoperability, availability and military value also count.

The fifth implication is economic security. As states increasingly use trade and technological restrictions as instruments of power, the ability to maintain multiple partners becomes a strategic advantage. Countries that are able to diversify their relationships have more room to maneuver than those with concentrated value chains.

However, this diversification has limits. Some technologies or raw materials will remain geographically concentrated. The objective must then be to reduce risk through stocks, partnerships and the preparation of alternative solutions rather than promising impossible independence.

The sixth implication is budgetary. Sovereignty costs money because it often requires the maintenance of redundant or less competitive capabilities. Governments must make this cost visible. Without evaluation, the concept becomes politically easy to invoke but impossible to prioritize.

The seventh implication concerns companies. A sovereignty policy designed solely by the state risks failing to take into account real business models. A company will not build a strategic factory simply because the government deems it necessary; it must have sufficiently predictable demand, financing, and a regulatory environment that allows investment. Public contracts, guarantees, and long-term purchases can be more effective than blanket relocation injunctions.

NATO's defence industrial policy is based precisely on this need to provide more predictability to the private sector. The strategy adopted in July 2026 emphasises the role of industrial capabilities, skills and securing production chains²⁹.

²⁷ European Defence Agency. (2026b, 16 July). *EU defence spending: €418 billion in 2025, projected to €454 billion in 2026*. <https://eda.europa.eu/news-and-events/news/2026/07/16/eu-defence-spending---418-billion-in-2025--projected-to--454-billion-in-2026>

²⁸ North Atlantic Treaty Organization. (2026b, 7 July). *NATO launches new initiatives to accelerate defence industrial cooperation*. <https://www.nato.int/en/news-and-events/articles/news/2026/07/07/nato-launches-new-initiatives-to-accelerate-defence-industrial-cooperation>

²⁹ North Atlantic Treaty Organization. (2026c, July 8). *Strategy for industry-NATO cooperation*. <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2026/07/08/strategy-for-industry-nato-cooperation>

The eighth implication concerns political temporality. Investments in sovereignty often produce their results after several years, while governments are subject to shorter electoral cycles. Building industrial capacity, training engineers, or developing technology can take a decade. Strategies must therefore be stable enough to survive political alternations.

The ninth implication concerns the measurement of autonomy. Governments should develop indicators that focus more on substitutability than on the national share of production. The useful questions are: how many suppliers can provide the function? How long would it take to change? What stocks exist? Which components remain single points of failure? How much maintenance can be performed locally? These criteria provide a much more accurate picture of sovereignty than a simple national content rate.

Finally, strategic sovereignty changes the relationship between cooperation and power. In an international system characterized by increasingly expensive technologies and complex value chains, cooperation can become the most realistic way to maintain autonomy. The question is therefore not to choose between dependence and independence, but between different forms of dependence, some controllable and others capable of becoming coercive.

Conclusion

Strategic sovereignty has once again become a central issue because crises have shown that economic, industrial or technological dependence can quickly acquire political significance. European governments are now integrating this reality into their defence, energy, research, raw materials and economic security policies. The European Council has made the reduction of strategic dependencies one of the priorities of its competitiveness agenda in 2026³⁰.

However, this development does not justify a general search for self-sufficiency. A modern economy cannot produce all the resources, technologies and goods on which it depends on on its own. The major powers themselves use foreign suppliers, alliances and international value chains. Full independence would be extremely costly and, in many areas, technically unrealistic.

The useful question concerns the quality of dependence. An external relationship is compatible with sovereignty when several alternatives exist, when the rupture can be absorbed and when no actor has sufficient leverage to prevent an essential political decision. It becomes strategic when the absence of substitution transforms the economic or technological relationship into the possibility of coercion.

This distinction makes it possible to go beyond the abstract debate between openness and sovereignty. An economy can remain open while securing certain sectors. The European Union presents its economic security strategy precisely in this way: reducing specific risks without giving up the benefits of trade, investment and international cooperation³¹.

Defence is a particularly good example of the necessary trade-offs. European states are spending much more today than a few years ago, but a budget increase is not enough to guarantee autonomy. Capacity also depends on production, maintenance, components, stocks, labour and cooperation between states. EDA data published in July 2026 show that collaborative procurement is still below the targets set despite the sharp increase in budgets³².

Future policies will therefore have to distinguish between immediate needs and the construction of long-term capabilities. External acquisition may be essential to quickly fill a gap. It becomes problematic if no policy prepares the necessary capacity to avoid permanent dependence.

The same logic applies to other sectors. In energy, diversification and infrastructure reduce the risk associated with a single supplier. For raw materials, the challenge is several sources, recycling, stocks and partnerships. In the digital world, portability, standards, data security and the possibility of switching suppliers can count more than national production of each component. In research, the protection of sensitive technologies must be targeted so as not to reduce the capacity for innovation.

The analysis also leads to the rejection of the idea that cooperation is by definition contrary to sovereignty. The most expensive capacities often require a scale that no European state can achieve alone. Pooling a function can therefore increase the autonomy of each if access is guaranteed and responsibilities are clearly established.

This observation gives a special role to the European Union. The scale of the single market makes it possible to support industrial capacities that national markets could not finance

³⁰ European Council. (2026a, 24 June). *European Council, 18–19 June 2026*. Consilium. <https://www.consilium.europa.eu/en/meetings/european-council/2026/06/18-19/>

³¹ Council of the European Union. (2026b, 8 June). *European economic security*. Consilium. <https://www.consilium.europa.eu/en/policies/european-economic-security/>

³² European Defence Agency. (2026a). *Defence data 2025–2026*. <https://doi.org/10.2836/8415600>

separately. Economic integration thus becomes a condition for certain forms of sovereignty rather than an obstacle to them. The "One Europe, One Market" agenda launched in March 2026 explicitly reflects this relationship between integration, competitiveness, resilience and strategic autonomy³³.

The Atlantic Alliance is a second level. Interdependencies between allies bring considerable military capabilities, but they must be sufficiently distributed so that no single point unduly limits collective or national action. NATO's current effort to increase industrial capabilities shows that collective defence depends as much on industry and supply chains as on military budgets³⁴.

For France, strategic sovereignty must therefore be thought of in terms of levels. Some functions directly related to deterrence, intelligence, political decision-making or the conduct of operations require a high level of national control. Other capabilities can be organised with European partners when pooling increases the available scale. Finally, others can be obtained from allies or commercial suppliers, provided that alternative mechanisms exist.

This hierarchy makes it possible to avoid two mistakes. The first would be to consider all national production as sovereign, regardless of its cost or its hidden dependencies. A French company may itself depend on foreign components, software or raw materials. The flag of the final supplier is therefore not enough to determine the real level of autonomy.

The second would be to consider that dependence on an ally never poses a strategic problem. Alliances greatly reduce political risk but do not eliminate it. Priorities may diverge, capabilities may be mobilized elsewhere or export rules may evolve. The functions directly linked to the most important decisions must therefore be evaluated with higher standards.

Finally, strategic sovereignty cannot be separated from general economic power. An economy that no longer produces enough wealth, technology or skills will find it increasingly difficult to finance its defence and infrastructure. Sovereignty policies that would reduce competitiveness in the long term would therefore produce the opposite effect to that sought.

The challenge is to maintain enough openness to benefit from international specialisation, competition and innovation while agreeing to pay the additional cost necessary to secure a limited number of essential functions. This policy requires more precision than blanket calls for relocation or independence.

Above all, it requires knowing what a state must absolutely be able to continue to do when an external relationship deteriorates. If the answer is known, dependencies can be classified, investments prioritized and cooperation organized.

If it is not, sovereignty remains a political objective with no operational content. Strategic sovereignty is therefore not about abolishing interdependence. It is about organizing it in such a way that an external break does not automatically lead to a loss of political freedom. In an international system where value chains remain global but where their coercive use becomes more plausible, it is this capacity for resistance and substitution that determines the reality of autonomy.

³³ Council of the European Union. (2026a, 24 June). *Boosting EU competitiveness: The way forward*. Consilium. <https://www.consilium.europa.eu/en/policies/boosting-eu-competitiveness-the-way-forward/>

³⁴ North Atlantic Treaty Organization. (2026a, July 8). *Increasing defence industrial production*. <https://www.nato.int/en/what-we-do/deterrence-and-defence/natos-role-in-defence-industry-production>