

Changing Strategy in Space

Unleashing Europe's Potential

The significance of [Astropolitics](#) in today's international relations is undeniable. Several emerging actors and competing space projects have reopened the space race. Therefore, Europe must prove its ability to act in space. Most European countries concluded that issues in space can be approached the most effectively through collective European action. However, distributions of competence are quite unclear and face institutional overlap. The European Union (EU) has worked around economic and political issues in space, while the European Space Agency (ESA) mostly deals with scientific matters. This distinction faces irregularities mainly because economic, political and scientific questions are heavily interlinked, and the ESA and the EU consist of different member states. That is why coordination between the two organisations is imperative. After eight years the Space Council, an exchange forum between the ESA and the EU, has returned this May. The Space Council has concluded path-breaking guidelines which pose a paradigm shift in Europe's space policy. These guidelines can help Europe unleash its economic and technological potential in space to become an unavoidable actor.

In its [founding agreement](#) of 2004, the Space Council set the framework of European space cooperation. The Space Council only returned in May 2024 because it was not seen as a priority by the Council of the EU's presidencies in the last eight years. However, it returned with decisive announcements. The parties agreed to emphasise the contributions of [private actors](#) in space. Economic and technological innovations should be developed in Europe by creating an environment that attracts private investors. The paradigm shift is that now the ESA makes orders for projects that are to be developed by companies. Before, the projects were planned by the ESA and offered to companies, now they are purchased by the ESA. This allows a much more competitive and innovative market in space. For example, the space enterprises Exploration Company and Thales Alenia Space were [selected to develop research projects](#) in a competitive selection process. Companies compete for the most innovative technology with the best price so the ESA orders its project. This frees up resources that would be impossible to provide through state budgets. By coordinating the ESA's investment policy with the EU's market regulations, the Space Council's agreement achieves its anticipated success.

Some spectators have highlighted the resemblance of the Space Council's [new approach](#) to the strategy of the North American Space Agency (NASA). Private investors were incentivised to develop space technology and have played a crucial role in bringing the United States their current dominance in space. The competitive environment has ensured their top spot in technology, ahead of other powers in space. The US has understood that creating this environment does not only bring economic advantages but also strong contributions to security. US Space Defence Strategies point out that attracting private investment strongly enhances space defence capabilities and enables the US to lead the [competition](#) with China and Russia. Technological developments in telecommunication, navigation and observation have made it possible for the US to remain the major power in space. These developments

were accelerated and given a higher budget through private investment. Furthermore, a competitive market produces diverse technology, making it less vulnerable to potential adversaries.

Learning from NASA, it should be emphasised that the Space Council's new investment framework can also strongly contribute to European security. Today's military operations are unthinkable without telecommunication, navigation and observation through satellites. The Space Council should also promote projects developed by companies in these domains. In the race for power in space, Europe needs to be equipped with modern technology where companies' budgets can complement the boundaries of the ESA, EU and member state budgets. A competitive market for space technology will enable and accelerate the innovation of European assets. Incentivising the competition for space technology will also increase the number of space assets of European companies making Europe an unavoidable actor in space.

On the other hand, the Space Council recognises that a stable environment must be ensured to attract private investors. In the risky domain of space where company property might become the victim of interstate conflict, regulations must be taken. The proposed [EU Space Law](#) provides some constructive propositions, however, it should avoid unnecessary restrictions that might deter investors. It is important to regulate matters of space debris to ensure access to outer space, but regulations for sustainability which other actors in space do not face should be questioned. In critical infrastructure technology, it is clear that companies should only be involved to an extent where influences of adversary powers can be ruled out.

The Space Council agreement of 2024 provides vital decisions for creating an innovative environment in space. While incentivising private investment to stimulate Europe's space economy and technological developments, marginal regulations must be taken to ensure Europe's position in space. This way, the public and private domain go hand in hand with mutual interest. Europe wants to stay relevant in a developing space domain, so it promotes private investment. A profitable environment attracts many investors, creating a competitive and fast-evolving market. In this market, companies compete for the most effective technology with opportunities for Europe's economy and security. However, private investors depend on a stable environment in space, where they must rely on Europe's regulation. These dynamics bring decisive advantages for Europe in the space race and will ensure that Europe stays relevant in the rising scenery of space.