

Strategic relevance through technological & digital sovereignty in times of geopolitical instability

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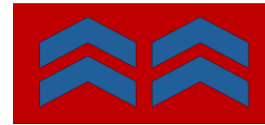
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Executive summary

The multiplication of conflicts and changing priorities of long term allies turned the call for technological and digital sovereignty, that up to recently overtly manifested itself rather as a strategic economic choice meant to stimulate the European internal market - since calling the digital dependency flat out a risk of foreign influence between partners was extremely uncomfortable in political circles – into an acute need.

In the Netherlands, two cases from 2025 are emblematic for the relationship between technology and geopolitics: the Nexperia case and the trade with Israel in the technology domain.

The public position of the Dutch Minister of Foreign affairs in the Nexperia case came in anticipation of a fundamental change taking place on the geopolitical stage and the hard actions needed for years to come to respond to this ongoing change, re-organisation and re-alignment of global interests and partnerships.

The cases reveal the influence that criticality of the technology has on the span of instruments and measures which a state can or should deploy for the protection of its interest. The two cases don't mirror each other when put face to face in terms of the political reaction and the diplomatic implications. In one case the state interest was put above economic interests as motive for governmental intervention in the private sector. In the other case, humanitarian principles regarding the situation in a contested territory was reason to call for pressure in the form of sanctions and cutting back on trade volumes with a long standing trade partner in the technology field. In the latter case, while we denounce foreign intervention in domestic affairs we should ponder in what measure sanctions, export control regulations and accompanying rules are used as behaviour shaping instruments on the international stage. In the name of acting for the defence of our values, we risk going on the path we criticize in others. The danger here is not the action itself, but the dissonance that results between discourse and taken action.

The questions raised in the Dutch House of Representatives around technology and materiel deliveries to Israel mirrored international public positioning of neighbouring countries, and international positioning in relation to Israel was one of the underlying arguments for re-evaluation of own position in regards to technology trade and weapons delivery. However, the situation in the Middle East reverberated differently in European capitals and governments, reflecting degrees of proximity, ties and active positioning on the international stage, or what could be labelled as interest and international involvement projection.

While political accountability might ask for public inquiry and declared positioning on the spectrum formed by electorate sentiment and international standpoints on issues of international rules, in hard practical terms and – ideologically more important - in terms of the reputation and stance of a state in international affairs - consistency of relationships and nourishing of relationships for observing self-interest remains the rational behaviour in geopolitics.

The common red line for these two cases showcasing how technology and politics are intertwined and how unified firm positioning is needed in foreign policy relations is the idea that while we fight for upholding our way of life, we must calibrate our approach to the threats at hand. It is no longer feasible to rely on general accommodation of internal diversity as the ruling principle for internal and external politics.



Introduction

Instability has characterised 2025. Military conflicts overlapped with political changes and both exacerbated financial market movements. Gap analysis and forecasting exercises have made defence vulnerabilities and dependencies visible, not least in view of compensating for an eventual long term decrease or withdrawn of military involvement of the US in the European theatre.

This determined concrete actions within defence organisations (reorganisations, budget increases and redirecting, renewing of procurement processes and raising the question of renewing legislation) and in the politic domain for taking positions for raising public awareness and public support. The question of labelling expenditure for defence is connected to the changing nature of threats faced by states, and the blurred line between open and hybrid conflict, characterising the cyber and technology domains. Technological edge, sovereignty and relevance are integral part of defence capabilities, and in practice are diluted into the wider fabric of national infrastructures, state and private capitals.

Political support is needed for allocations of budgets and priorities and political decision making influence choices regarding defence and technology sovereignty in diffused ways. In this, democracies can be disadvantaged in terms of speed of allocations or long term prioritization of military and defence needs. The political element can have a negative effect on reaching desired targets when it dwells on weighing competing and conflicting values and principles. This weighing exercise, what sometimes is labelled as a proportionality test, and that is characteristic for democracies and seen as part of a healthy democratic state, can become hindering when hard decisions with a high political cost need to be taken, leading to delays or deadlocks. These delays are introduced by the intricacy of exercising the available political instruments and ways of reaching a decision in the name of the represented electorate.

When political costs influence technological and defence positioning decisions, the system as a hole is more vulnerable to external threats and the effect of instability, with instability from within exacerbating the effects of outside threats. Debates determined by clashes of values and principles make for a healthy political exercise, but can run into delays and blockages on key decisions especially in fine balanced systems where reaching consensus is needed. The second half of 2025 has seen such a phenomenon in the Netherlands in terms of defence and technology related matters being weight against competing or (to some) conflicting values due to the high political cost incurred, both internally and externally. Political support incurs a political cost, that can at times lead to deadlocks or delays in the decision making process and delay or negatively affect technological innovation in terms of production, international collaboration and contracting. Thus, checks and balances within the formal defence contracting system condition functioning mechanisms, new threats and needs nudge change, and incurred political costs balance competing values. Two cases of note here: contracting with Israel for technology with dual use or defence purposes, and the intervention of the Dutch government in the Nexperia case.



Technology sovereignty and strategic autonomy

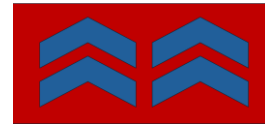
Technical sovereignty is part of defence strategy and capability. Strategic autonomy is not to be pursued in the name of economic security, since the two do not automatically equal each other. This while the hard reality is that size of the economy does influence choices and span in negotiations.

On the backdrop of reconfiguration of international trade and geo-strategic alignment and the accompanying phenomenon of multi-alignment - states collaborating in one domain and competing in another - European discourses in 2025 have been marked by the need and aim of finding trading alternatives, not out of first mover strategy but as a reaction to the changes induced by others in the system. This trend was especially poignant in light of the effects of the trade tariffs put forward by the new US administration in 2025. In the case of the Netherlands, informally self-labelling herself as “kikkerland” – little frog land – suggesting calibrating behaviour in relation to size - the need for finding alternative trading partners has been reiterated in the political debates of the House of Representatives, with particular focus on the MERCOSUR countries. However, it should be noted that by looking to alternative trading partners only when traditional trading relationships are broken, state actors risk taking on the spillover effects of other regional contexts, with which they are much less familiar.

Following a long turmoil around the developments in the Middle East and the implications for national and foreign policy, a new political wind has been felt with the change of the Dutch government towards the end of the year. Bold stances, with what could have been potentially high political costs – were taken in regards with the latest decision on the Nexperia case, underlying how state interests prevail over political costs, the latter on national and international scale. The case of technology and defence contracts with Israel incurred similar political costs, although from another perspective.

Export control, sanctions and crown jewels

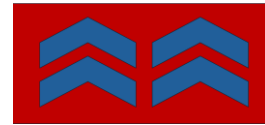
More than ever is technology intertwined with internal politics and diplomacy. In the Netherlands, two cases from 2025 are emblematic for the relationship between technology and geopolitics: the Nexperia case and the trade with Israel in the technology domain. The Netherlands has seen fiery debates both in the public and political arenas around the question of technology trade, in and out going. Israel dominated the political debates in the first half of the year, with questions regarding technology trade being brought forward, while the Nexperia case dominated the discussions in the second half of 2025. In both cases, what was a relationship of cooperation in the technology field, with direct economic effect and interest for the involved parts, grew to reach geostrategic and diplomatic dimensions in what some labelled



as a diplomatic quarrel with China in the Nexperia case and threatened coherence of mutually beneficial and long term cooperation with lead technology developers in the defence field in the case of Israel. The two cases don't mirror each other when put face to face in terms of the political reaction to the diplomatic implications. In one case the state interest was put above economic interests as motive for governmental intervention in the private sector. In the other case, humanitarian principles regarding the situation in a contested territory was reason to call for pressure in the form of sanctions and cutting back on trade volumes with a long standing trade partner in the technology field. These public calls on restrictions and sanctions, while being a form of a democratic exercise of political engaging and political representation, risked to undermine the credibility of a unified national position towards foreign policy, denoting a lengthy process of negotiation, lack of consensus and in the end a decision that cannot publicly and unanimously be assumed by the ruling parties. More so when, based on rules of confidentiality, the decision itself is taken behind closed doors so to say, and it contradicts the lengthy discussions that could and did take place in the open sphere. Confidentiality and accountability are put in the balance and are defended against enquiries, while doing so paradoxically negatively affects both. This is underlined by the refusal of the Minister of Foreign Affairs to publicly go into the details of the negotiations of the Nexperia case, as detailed bellow.

Technological competition reverberates across a multitude of sectors and leads to geopolitical tensions, culminating in opposite or antagonistic positionings with high economic and diplomatic impact. Competition is further shaped and conditioned by the formal rules and regulations within the international trade system. Sanction lists towards states, companies or individual actors are the hard line of limiting international trade. Additional national level guidelines can include measures of discouraging companies from entering into collaborations with specific entities, by means of using flagging systems or risk scores, and including higher level principles evaluation in due diligence procedures. Export control rules and sanctions are the formalized behaviour shaping mechanisms on the international stage, deployed to change or condition behaviour of other actors. As the classical definition of power explains: that power is the ability of A to make B do something that B would not otherwise do, so too sanctions represent a manifestation of the monopoly of power on the international stage, in terms of imposing punishments (limiting trade and access to goods, services and financial means) and having others impose the same sanctions. As wide as possible system alignment is necessary for the sanctioning action to accomplish its purpose, otherwise becoming only a matter of higher transactional costs for the sanctioned party to turn to another supplier, or indirectly gain access to the restricted goods through the so called circumvention mechanisms. In the absence of this alignment of other parties, it would become a zero sum game, economically disadvantageous for the party unilateral imposing sanctions, even if grounded on the premises of upholding international humanitarian law and principles.

Export control and knowledge safety concerns have long been expressed in relation to international actors who, either through behaviour manifest intent that can be label as malign to the interests of the evaluating state, or who, due to the incompatibility of legislation, and

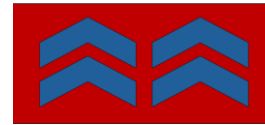


existing checks and balances, make protection of own interests through the system of law extremely difficult if not impossible. Due diligence measures and risk evaluation become more stringent once parties and actors from outside the EU and Europe are involved. Most often policies regarding technology control mention China and the US, with Israel becoming part of the discussion around technology trade this year. The stability of the political system and potential for conflict in and around the area are part of due diligence and risk evaluation instruments used as decision support mechanisms on whether to enter new international markets or in contract with a certain supplier or business partner. The public asks for public accountability from the political echelon in cases where perceived conflict of values or breach of international law come into view. This is where tensions can arise between political and military or defence domains, with inherent public accountability gaps, either timewise or in absolute terms.

Technology trade with Israel

Issues of political accountability shape trade policy around cutting edge technology, especially in the case of dual use and military goods. The situation in the Middle East has raised many questions in government in relation to the cooperation and trade flows of dual use and military equipment between the Netherlands and Israel. The questions around the Dutch cooperation and trade with Israel in the domain of military and dual use technology are not singular to 2025. In 2024 delivery of parts for the F35 system to Israel was object of a law case opened on grounds of violation of human rights. In such proceedings, national and international interests are weighted when considering weapons export control legislation. Changing regional factors can bring up requests for re-evaluation of valid export licences and re-testing of the validity of the applied criteria. In the decision to vet or stop such trade, multiple agencies are involved, such as the Court of Audit, Ministry of Foreign Affairs and opposing interests are weight in. In the case of delivery of the parts for the F35, the potential legal aspects are weight against the impact of any changing effects in international relations that are considered key for the state in question. Reportedly, in the 2024 case, the latter weight heavier. Negatively affecting such relationships with international partners can thus weigh heavier than the potential risks and have the final say in the decision taken to uphold existing agreements.

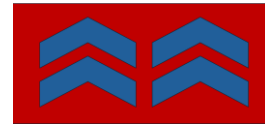
The Netherlands is the largest investor in Israel (House of Representatives; 2025, e). Seen compatible high technical and digitalisation levels, international cooperation in the technology field is natural, with defence or dual use technologies of particular relevance given compatible levels of technological development between the two countries as well as unique technological edge and specific needs in the defence technology sector. The international debates and public attention towards the events reported in 2025 in Israel reverberated in several fiery debates around the question of technology trade with Israel. These were held in the highest political forum and dedicated commissions in the Netherlands. The questions raised in the Dutch House of Representatives mirrored international public positioning of neighbouring countries, and international positioning in relation to Israel was one of the underlying arguments for re-



evaluation of own position in regards to technology trade and weapons delivery (see House of Representatives, 2025, d). However, the situation in the Middle East reverberated differently in European capitals and governments, reflecting degrees of proximity, ties and active positioning on the international stage, or what could be labelled as interest and international involvement projection. The attention that the conflict received sparked and fuelled extremism in Western societies, further fuelling polarisation. Concurrently, in international forums governments were asked or expected to take a position regarding the issue. Thus, the overall attention from public and political circles was not a phenomenon singular to the Netherlands, but given the nature and flows of trade in the technology field, the public questioning on technology deliveries in the political forum is to be noted.

The Dutch government came together in an extraordinary meeting in August of 2025 regarding the situation in the Middle East. This observed multiple justifications. The situation in the Middle East determined requests for information and inventory of the trade instruments between the Netherlands and Israel (House of Representatives, 2025, a). The expressions “battle tested” or “battle proven” technology were subject of intensive inquiry in political and public forums, assumingly being associated with the situation in the Middle East. Yet while the West denounces the deployment on its territory and by its military of technology that is not infused with its declared values, the actual deployment of technology on the battle field is what tests the feasibility of the technology itself, leads to technology adaptation and shorter innovation cycles. In the same time, in modern warfare, not only mass is important, but more so, maintaining the qualitative technological edge. Protecting technological “crown jewels” is necessary for maintaining this technological edge, as underlined in the Nexperia case. With innovation cycles shortening in the case of fielded technology, the innovation edge is easier maintained by those testing and fielding technology in active theatres. It becomes logical thus that it is in the interest of Western democracies to have access to this testing ground or – more feasible given conflict conditionings, espoused principles and public positioning towards a certain conflict - its direct results by means of engaging with the deployers of the technology on the battleground. This phenomenon is clearly observed in the drone warfare in Ukraine, where drone technology is fielded, tested in capacity, flexibility and limitations, becoming the focus point for armies worldwide. In a similar vein, although on the backdrop of a conflict of a different nature and a different culture towards conflict, risk taking and deployment of technology for defence purposes (Popa, 2025), Israel is a key provider and user of technology developed and updated while long time being used for defensive or offensive purposes. And while political accountability might ask for public inquiry and declared positioning on the spectrum formed by electorate sentiment and international standpoints on issues of international rules, in hard practical terms and – ideologically more important - in terms of the reputation and stance of a state in international affairs - consistency of relationships and nourishing of relationships for observing self-interest remains the rational behaviour in geopolitics.

An overview of these inquiries and the content of the export licences in question is worth attention. On the backdrop of the events unfolding in 2025 in the Middle East, questions



regarding technology trade and delivery to Israel were brought to the Minister of Defence in the House of Representatives (2025, c), including granular questions on number of valid and withdrawn export control licences and their contractual value, and more abstract questions regarding the potential of the delivered goods to be used in military operations in the conflict and potential “unwanted end use” (House of Representatives, 2025, c; d). The one valid export licence to the Israeli army at the time of the questioning – licence NL0074CDIU0185558 - had as object transport via Germany of parts originating from Canada for the Iron Dome. *Valid* because what conditions the use of these licences is not only their time limit but also their maximum value, that, once reached, makes the licence no longer usable. Goods mentioned in the export licences included spare parts for F16 planes, heat cameras, parts and technology for radar systems and observation systems, programs for secured communication (House of representatives; 2025, c.). Details of the inventory of licences address the end use location as point of interest as well as subject of use – the Israelian army - in the inventory expressly distinguished from Israel: “Israel – not the Israeli army”. End use can also take place outside of the country of interest. Another case showcasing the complexity of export control legislation and actual practices of technology development, delivery and deployment includes the processing of F16 parts in Israel by a Dutch company that after processing will return the parts to the Netherlands.

Mentioned withdrawn export licences regarded spare parts for hangar doors for Israelian marine ships. The export licence was withdrawn in this case after re-evaluation of the European criteria and based on the argument that even if they were not directly used for offensive purposes and had no effect on combat capacity, their integration in the larger product – the battleship – increased the overall risk assessed during initial export control procedures. The changing nature of conflict thus affects the volume and nature of valid export control licences, with an increase in number or intensity of conflicts affecting the latter. This can be paradoxical: export control licences for military goods and dual use goods being valid as long as the end product is delivered outside the context of direct conflict or within the original conditions of the conflict. As the manifestation and character of the conflict change, the assessment tests are conducted again. Since the 7th of October attack, 11 requests for delivery of military goods to Israel were denied, having as object: ammunition, image intensifiers and heat cameras, helmets, bulletproof vests, technology for helicopters and parts for naval ships and technology for patrolling vehicles. End users for these were the IDF and the Israeli Minister of Defence (House of Representatives, 2025, c). Older denied requests for export of military goods to Israel additionally include camouflage paint, wind tunnel data and parts of exquisite systems such as tanks and helicopters. (Rijksoverheid, 2025, b). The list underlines the variety of the direct deployment capacity of these goods for combat purposes. Based on the Dutch Export Policy on Strategic Goods (Minister for Foreign Trade and the Minister of Foreign Affairs. 2024) the criteria most often indicated for the denial of the licences requests are: human rights and international humanitarian law (criterion 2), internal conflict in the country of final destination (criterion 3), behaviour of the buyer country towards the international community and international law (criterion 6). The original export control policy is designed to “prevent the



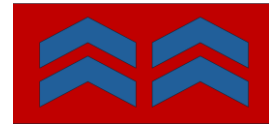
undesirable proliferation of arms and other military goods, limit the spread of sensitive technologies and ensure that Dutch exports do not support any activities that are at odds with the Netherlands' interests and obligations" (Minister for Foreign Trade and the Minister of Foreign Affairs, 2024:5).

General questions on the implications of cooperation with Israel were not resumed to direct technology trade or delivery but reverberated onto the wider digital space, including the fact that with the help of Microsoft, Israel has stored large amounts of data in the Netherlands, containing conversations of Palestinians and that, given the volume of the collected data, it would take years to process it all. The implications here revolve around the underlying potential of the findings in the data against the interests of the data subjects. This example shows how conflict shapes perceptions on cooperation in the technological field that exceed the strict defence application and the projection span of such cases.

This cumulation of questioning technology trade widened to include technical reliance on software solutions such as Cellebrite provided by Israel and used in the security sector. Such technological dependencies are questioned in times of politic turmoil, in their potential for introducing system vulnerability due to external dependencies or questioned alignment of practices not only in post-factum actual manifestation of system flaws. Concerns in this regard are not singular to Israel as technology provider. Governmental use of foreign cloud and data solutions and the blocking of access for the judges of the International Court of Justice in The Hague to their emails due to America sanctions are other examples of flagged security risks when dependent on foreign provided digital services and technology (Wennink, 2025).

The case of the F35 parts mentioned earlier is of particular complexity and tale telling for the tensions in the defence circles regarding lack of sovereignty over the deployed weapons systems, with software update dependency being of particular concern. On the background of the multiplication of conflicts and changing priorities of long term allies, the call for technological sovereignty, that up to recently overtly manifested itself rather as a strategic economic choice meant to stimulate the internal market (since calling the digital dependency flat out a risk of foreign influence between partners was extremely uncomfortable in political circles) now became an acute need.

Thus, on the backdrop of the developments in the Middle East in 2025, the political forum has observed a multitude of emotion infused reactions and demands for official intervention and positioning, demands more attuned with international public opinion and trends that with the self-interest of the state. This is denounced by type of questioning, choice of terminology used, ease with which strict and complex legal terminology is used to characterize unfolding events, prior to any court decision on the validity of such matters, volume of interventions, alluding to the emotional side rather than basing policy decision on rational arguments, mirroring of international positioning in the absence of prior analysis of equivalence of interests and rational positions. It is in such cases where the political fiber of a state is paramount and where decisions of foreign policy must be led by a cool head not a warm hart.



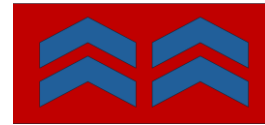
Another case that balanced technology trade and sovereignty with the preservation of international relations and foreign policy is the Nexperia case. Here the government's intervention for stopping the foreign acquisition of a company providing strategic technology caused an international uproar, not only in the direct circle of the involved parties, but also laterally, as a case for order of principles in foreign policy and ways of protecting state interests.

The Nexperia case

Protection of “crown jewels” and maintaining of the technological edge are exemplified by protection measures in place for companies such as ASML and Nexperia. The identified risks in the potential overtake of Nexperia by a foreign entity were those of having vital technology and production capacities be dependent on a state outside the EU. While a considerable volume of comments and interventions was created during the unfolding events around Nexperia, a retrospective analysis better showcases the intricacies of state interest, strategic autonomy, global trade and foreign policy. If in real time the main argument revolved around protecting vital information, in retrospect it underlines a stand for proactively being and remaining sovereign, while inadvertently causing a geopolitical storm. The unfolding of events received considerable attention, and will thus not be addressed here. Several points must be made though on the influence that criticality of the technology has on the span of instruments and measures with which a state can deploy for the protection of its interest.

The public position of the Dutch Minister of Foreign affairs in the Nexperia case came in anticipation of a fundamental change taking place on the geopolitical stage and the hard actions needed for years to come to respond to this ongoing change, re-organisation and re-alignment of global interests and partnerships. Seen through the lens of the status-quo, yes, it brought criticism on to itself as it disturbed the established order and customs. Through the lens of changing the status quo, it indicated a needed reaction to one of the manifestations of this change within the global system, since this is what this is: not an isolated event or case, that needs to be transformed into “The Nexperia case” but a manifestation of a systemic transformation taking place simultaneously worldwide on multiple fronts. It signals the moment of overtly braking away with the rooted mechanisms of the status quo and positioning in relation with future world construction and principles.

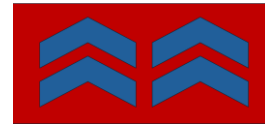
Not incidentally perhaps, the law summoned in the Nexperia case is a “wartime” law or “crisis law” dating to 1952 for availability of essential goods during acute shortcomings. It addresses the availability of goods and protection of both vital goods and production capacities, as the post war period saw a higher degree of state intervention than at present. Having to rely on a law half a century old for addressing a matter of technological sovereignty indicates the need for legislation reform and the departure – forced or assumed – from the peace-time status following the creation of the NATO alliance. The paramount element here is the production capacity, and adjacently speed of repurposing segments of the industry to serve war production



purposes. The ability to predict volumes and speed of production is vital, but an additional indicator is as important here: that of proactive or reactive positioning towards projected defence needs. Historical parallels can be drawn with pre – WWII armament speed and capacity indicating proactive or reactive positioning on world stage and events. There was a noticeable difference between the defence industry build-up in Germany and Great Britain pre-war and at the beginning of the WWII, with pro-active behaviour of Germany - despite former sanctions and quotas for defence materiel and equipment production imposed on her - acting as indicator for the existence of a guiding vision and long term objectives and pro-active positioning. Great Britain's production, based on reports from the Prime Minister at the time, could be labelled as reactive, in response to observed developments: “[] Germany in this period was already in the third year or fourth year of intense preparation under conditions of grip and drive which were almost the same as those of war. Britain, on the other hand, had only been moving on a non-emergency basis, with a weaker impulse and on a far smaller scale” (Churchill, 1959; 2002:136-137).

Coming back to the Nexperia case, experts on China raised the point on the equivalence of the roles of minister for foreign affairs, with the Chinese counterpart only expressing a public view once it is vetted as the official national position, while the Dutch minister of Economic affairs, according to commentators, expressed an opinion different than the ones present in the government. It must be underlined that publicly questioning the position of the Dutch minister post factum does not favour the national image or interest and indicates reaction and accommodation to external stimulants and pressure (the tit for tat moves in terms of export control measures initiated after the government's intervention in the Nexperia case). What is true though is the fact that not being able to put up a consistent and unified front externally represents a systematic weakness of the European democratic system. What both cases show is the paradoxical weakening of foreign policy as a consistent position on the world stage, by too many fragmented voices publicly expressing conflicting values. This openness character of democracy, giving a ramp for fragmented points of view, risks to become its Achille's heel, giving insight into system fault lines, potential points of social tensions and ultimately instruments of exploitation by malign actors. As in other cases (such as the support for Ukraine and quotas for defence spendings) Europe lags in response time when having to formulate a unified position and speak with one voice. And now more than ever is power projection paramount. This requires strong positioning, bold stances and acceptance of the inherent consequences of changing the status quo.

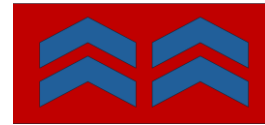
Again this need to go through a decision making process and reach consensus both internally and internationally before putting forward a decision risks becoming Europe's weak point, affecting reaction time in emergency situations and diluting national interests into networks of second and third order interests. Classification of national interests, identification and preservation of core interests needs to be conducted in a restricted circle and concise manner. In the Nexperia case, the urgency of the negotiations translated in timespans of days and hours, motivated by the government intervention for the economic national interest and based on the principle of sovereignty. It can also be that it is not in the national interest to keep the public



up to date with the unfolding events or processes. Therefore, calling for openness in the name of public interest can in some cases undermine the national interest, when ill-timed or counter effective. The Dutch Minister of Economic Affairs made this point in one of the debates inside the House of Representatives about the Nexperia case: “it is not in the public interest to make public statements in this regard” (House of Representatives, 2025, b.).

In regards to the assumed purpose of limiting acquisition and control of strategic goods and technology by foreign powers – China in the Nexperia case - China experts have underlined that broader interdependencies with China do in fact exist, that are either not visible or not acknowledged, commenting that the collective Western Europe choose to detach itself from activities seen as “dirty business” – such as the raw materials industry, while still in fact needing them for production of high end products such as chips. This reflects a case of global cascading effects: critical materials needed for the production of chip are controlled by countries that from Europe’s point of view have different driving principles. Should these materials become unavailable, key producers such ASML would be affected, which in turn could endanger the existence of Taiwan’s chip manufacturer TSMC, which in turn could affect the strategic importance of Taiwan, international support for the island and China’s decision to invade.

This is an example where higher order principles received primacy over economic and market interests and the former were chosen in favour of the latter. The arguments raised during the debates taking place in the House of Representatives around the trade patterns with Israel in the technology field underline the same tendency to give primacy to such principles. This case though is much more complex in terms of wider consequences and equivalence of behaviour when it comes to deploying economic measures to shape behaviour of other states. The common red line for these two cases showcasing how technology and politics are intertwined and how unified firm positioning is needed in foreign policy relation is the idea that while we fight for upholding our way of life, we must calibrate our approach to the threats at hand. It is no longer feasible to rely on general accommodation of internal diversity as the ruling principle for internal and external politics. What is needed in foreign policy is consistency of messaging and reflection of a coherent internal strategy. The action taken by the Minister of Economic affairs, although criticised by parties giving leeway to diplomacy and trade, were bold perhaps too overtly and too quickly – before ensuring internal cohesion for the choice made and limiting manifested opposition. In this regard the position of the Dutch minister of Economic Affairs following the Nexperia case: “I would do it all again” (The Guardian, 2025) is laudable in terms of consistency of messaging and coherence of government positioning in relation with foreign policy and assumed strategic choices. This while acknowledging that geopolitical instability preceding and accompanying systemic changes takes a high toll on the political rulers in place.



Concluding remarks: technology, defence, geopolitics and associated costs

Technology development, trade and regulation are currently interwoven with geopolitical interests. Having and holding the technological edge leads to stronger geostrategic position, and represents a bargaining instrument. Because of the increasing level of conflict across the world, and the manner in which technology can be weaponized, either through vulnerabilities and dependencies, on directly through deployment in the physical or cyber battlefield, existing frameworks on technology development and trade are challenged and tested in their limits, underlying the fluent nature of conflicting priorities.

In matters of foreign policy, the state must ask itself if it can overtly assert the existence of preferential partners or it rather maintains the position of equal treatment in its interactions on the global stage. While diplomatically preferential treatment might be difficult to acknowledge, it is in fact practiced in different degrees of openness, with examples including differential tariffs on export – import prices or amount of resources allocated to a certain dossier or area of interest.

In terms of political costs and democratic values and principles, in regards with the use of sanctions or risk scores as means of directing international trade or managing international reputation of commercial entities, one should consider what the difference in approaches is between limiting foreign investments for fear of foreign influence and acquisition of critical assets and critical infrastructure by foreign actors and attempting to shape the policy and behaviour of other states through the deliberate use of economic instruments. While we rightly denounce foreign intervention in domestic affairs – by direct action or subversion, we should ponder in what measure sanctions, export control regulations and accompanying rules are used as behaviour shaping instruments on the international stage. In the name of acting for the defence of our values, we risk going on the path we criticize in others. The danger here is not the action itself, but the dissonance that results between discourse and taken action. The argument here is underlined in the debates around Israel. From which point can sanctions be seen as foreign interference or foreign pressure on the national policies of another state? Interventions in the House of Representatives (House of Representatives, 2025, e) clearly suggest assuming an influencing function towards changing the behaviour of another state based on the economic means at her disposal while using a combination of “pressure and dialogue” in doing so.

A final remark on the process of forming a government: while choice at the election moment is based on current day assumed priorities, often and in large part national and in line with the electorate, the elected representatives will in practice be faced with many more diverse and unexpected matters of foreign policy and national interest. While trying to accommodate the diversity observed within our society within our elected body, we should consider the external challenges which we are facing and tensions that can arise between strategic state interest and foreign policy, the intricate intertwining of which are a corner stone that can make or break a



government. If the fear of political costs leads to opting for balanced positions, concerned with maintaining the post-cold war status quo, the costs incurred by the ones who chose not to invest in technological and digital sovereignty, in both civilian and military domains, are now and will continue to be much higher.

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