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EPIS REPORT on Security Policy & Defence

The Baltic Pivot: Poland's Strategic Reorientation

Why Poland should make the Baltic Sea a pillar of its grand strategy

Reconfiguring Europe's Forward Presence on the Eastern Flank

Designing a Credible Eastern Flank Posture Amid Reduced U.S. Military Commitment

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Editorial



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Felix Heuner has completed a B.A. in European Studies at Maastricht University. As a scholarship holder of the Studienstiftung des deutschen Volkes, his research focuses on international security and industrial policy. After completing internships at the German Foreign Ministry in New York, the German Ministry for Economic Affairs in Berlin, and the department for geopolitical risk analysis at the BMW Group, he is currently pursuing a M.Sc. in Crisis and Security Management at Leiden University.

EPIS Report on Security Policy & Defence

Dear reader,

For decades, European security rested on a simple assumption: that American guarantees would hold and that Europe could organise its defence around them. That assumption is fading. This second issue of the EPIS Report on Security Policy & Defence asks what Europe – and its member states – must build, buy and decide if it is to carry more of its own security.

We open on the Eastern Flank. Radoslaw Binkiewicz argues that Poland should make the Baltic Sea a pillar of its grand strategy, through deeper cooperation with the Nordic and Baltic states and a military partnership with Sweden. Anton Hahn and Anna Lena Gansaeuer trace NATO's shift from tripwire to forward defence and show which European capability gaps a reduced US presence would expose. Xerxes Hafezi Rachti looks at what Europe buys rather than how much it spends, and proposes procurement rules that reduce structural dependence on US manufacturers.

Three contributions turn to the architecture of European strategy itself. Julia Konarzewska examines the EU's intelligence structures and their limits, and sets out reforms that remain within reach of member states. Denisa Cepoiu argues that the EU needs a doctrine before it can have a strategy, anchored in Article 22 TEU. Patryk Borowski shows how EU fiscal rules penalise long-term strategic investment and proposes a permanent Security Investment Rule.

Martin Borecky widens the lens to Latin America and asks why the Bukele model of mass incarceration has failed to deliver in Ecuador. The issue closes with a conversation with Andreas Schumacher of Infineon on why chip sovereignty means managed interdependence rather than autonomy.

Taken together, the articles show that European security is no longer only a question of budgets. It depends on priorities, institutions, industrial choices and reliable partners – and on whether Europe is willing to decide what it wants before it decides what to buy.

I would like to thank all authors of the Security Policy & Defence Report Group for their work, and Sydney Armor and the Design Affairs team for making this issue possible.

I hope you enjoy reading it.

Felix Heuner
Report Group Leader, Security Policy & Defence



The Baltic Pivot: Poland's Strategic Reorientation

Radoslaw Binkiewicz

About the Article

"Arms purchases do not function as implicit security guarantees."

About the Author

Radosław Binkiewicz is a Graduate of MA in Iranian Studies and MA in International Relations, from the University of Warsaw. His main areas of interest and expertise lie in the security architecture of the Middle East, Central Asia and Caucasus, geopolitics, geostrategy and energy policy. Professionally involved in the organisation of Warsaw Security Forum and the 2025 Polish Presidency of the Council of the European Union, working as a Liaison Officer to foreign delegations.

Introduction

Poland is situated in the middle of the Great European Plain and with few natural barriers, it has always been an important transportation corridor on the west-east axis. Since its accession into the EU and NATO, Poland became the linchpin of NATO's Eastern Flank. This position has only gained in importance after the start of the Russian full-scale invasion of Ukraine in 2022. As the only country which borders both Ukraine, Russia and Belarus, Poland simultaneously became a frontline state and one of the most crucial European logistics and transportation hubs. This

The Baltic-Black Sea Bridge is a separate region located between the Western European rimland and the Eurasian heartland, between Turkey-Caucasus in the south and Scandinavia in the north.

is evident in the fact that more than 95% of all aid for Ukraine passes through Poland (Rozgon, 2025). Another aspect of Poland's location is that the nation is situated not only on the crossroads between west and east, but also between north and south. It sits right in the middle of what some analysts dubbed the Baltic-Black Sea Bridge (Pomost bałtycko-czarnomorski). Envisioned as a separate geopolitical region between the Western European rimland and the Eurasian heartland, it connects Turkey and the Caucasus with Scandinavia (Dryblak, 2019; Bartosiak, 2020; Wójcik, 2021). Since Sweden and Finland joined NATO, the awareness of the importance of the north-south axis has been steadily increasing in Warsaw. As the European security environment undergoes its most profound transformation since the end of the Cold War, Poland might need to reorient itself more towards this vector, and especially towards its neighbours across the Baltic Sea.



Figure 1: Map of the Baltic-Black Sea Bridge region (blue), connecting Scandinavia with Turkey-Caucasus (green), borders of Russia and Belarus marked in red (Source: Own Work).

Image to follow

Legacy of Historical Memory

The last time an active northern vector was present in Polish strategic thinking was more than 400 years ago, when Poland-Lithuania and Sweden battled for supremacy in the Baltic Sea region. Despite a series of eight brutal wars (1597-1721), neither side achieved ultimate victory. Instead, a third player joined in – Russia. In effect, the Polish-Swedish wars paved the way for centuries of Russian hegemony over Eastern Europe (Janicki, 2022). Prussia was another beneficiary. As a direct result of the Polish-Swedish Wars, it broke free of Polish overlordship in 1657, starting its road towards the formation of the German Empire. After that, the Baltic Sea was no longer perceived as a strategic space enabling power projection, regional integration or alliance-building. This is why, for a long time, Polish grand strategy neglected the north-south axis. Instead, the west-east axis gained absolute predominance. This spatial orientation is felt especially strongly in regional infrastructure. In the last two centuries, Central-Eastern Europe functioned as a space organised around external relations, rather than as a coherent region, and to this day, west-east infrastructure remains considerably more developed than north-south linkages. This is true not only about roads and railways, but also about pipelines, hindering regional energy security and facilitating energy dependence on Russia (Garding & Mix, 2025).

Such realities gave rise to two different conceptions of what the geopolitical objectives of an independent Polish State should look like (Kubera, 2016; Fiedorczuk & Parkasiewicz, 2024). The first one is known as the Piast Idea. Named after the Piast Dynasty, which was the first historical ruling house of Poland, the Piast Idea assumes that Poland should focus primarily on building a strong, cohesive and economically prosperous nation-state, closely integrated with Western Europe. The other conception is the so-called Jagiellonian Idea. It takes its name from the Jagiellonian Dynasty, which was responsible for the creation of the Polish-Lithuanian Commonwealth. It posits that Poland must assume a proactive role in Central and Eastern European politics because national security depends on actively shaping the situation in its eastern neighbourhood.

"How Poland should adapt its grand strategy amid declining confidence in long-term US security guarantees and a changing European security architecture? Poland should prioritize the Baltic Sea region through deeper defence cooperation with the Nordic & Baltic states. This Baltic Pivot, supported by regional military cooperation, integration into the NB8 format and greater defence-industrial autonomy, would strengthen deterrence while increasing Poland's strategic autonomy."

The End of History

Despite being often seen as contradictory, both the Piast and the Jagiellonian Ideas are in agreement at the fundamental level (Maj et al, 2023; Siemiątkowski, 2025). Overall, Poland's strategic objectives are remarkably consistent, no matter the political faction currently at the helm of power. Those objectives are twofold: to anchor itself in the West, thus seeking to reduce economic, technological and institutional disparities vis-à-vis Western Europe; and to contain Russia, thus keeping it outside of the

European economic, political and security system (Bartosiak, 2025). Both Ideas can be seen as two archetypal postures, which essentially share the same objectives, but prioritise them differently and focus on different ways to achieve said priorities. Historically, Poland oscillates between both, depending on the given geopolitical circumstances.

While the Second Polish Republic (1918-1939) was following a quintessentially Jagiellonian policy, the Third Polish Republic, born after the fall of the communist dictatorship in 1989, has been implementing a policy steeped in the Piast Idea. Entries into NATO (1999) and into the EU (2004) integrated Poland deeply with the West, resulting in massive economic, institutional and societal reforms. As a result, the Polish economy grew by approximately 170% since 2000, becoming the world's 20th largest economy in 2025 (OECD, 2025). Simultaneously, the umbrella of NATO collective security and famously "ironclad" American guarantees gave room for a confidence in national safety not felt since at least the 18th century. Although some elements of the Jagiellonian Idea are also present in Polish foreign policy, the arrow of focus pointed decisively west, towards further internal development. The vision of Fukuyama's End of History became the fulfilment of all the dreams of Polish political elites and proof of the ultimate success of the Piast Idea. The prosperous future of Poland was to rely solely on two pillars: a strong alliance with the hegemonic power of the United States, its principal security guarantor, and membership in the EU, which finally rejoined Poland with the European community. There was nothing more to be done – the correct course had already been set.

In Search of Deterrence

In recent years, this paradigm has started to rapidly collapse. The Russian invasion of Ukraine brought modern war to Poland's doorstep while the nation continuously faces the threat of an ongoing hybrid warfare perpetrated by Russia and Belarus (Olech, 2026). Perhaps most worryingly, the twin pillars, upon which the last few decades of Polish policy rested, began to distance themselves from each other. During the second presidency of Donald Trump, it became obvious that Transatlantic ties between the EU and the US are breaking down. Despite the fact that the White House hails Poland as a model ally and Polish-American relations remain very close, the volatile actions of the Trump Administration resulted in a sharp drop in trust in US leadership (Bednarczyk, 2026). In May 2026, a surprise announcement made by US officials about a withdrawal of 4000 American troops from Poland caused bewilderment and confusion. Those feelings were hardly lifted even after Donald Trump publicly contradicted this policy a few days later, when he declared he would send an additional 5000 troops to Poland (Carlson & Cook, 2026). This reinforces concerns about deliberate weakening of American security guarantees. On the other hand, there are serious doubts regarding the stances, capabilities and credibility of many European allies as well. Especially frustrating for Poland is the constant and consistent disinterest of some Western European states, especially Germany and France, in formally repealing the 1997 NATO-Russia Founding Act. The Founding Act committed both sides to not see each other as adversaries, hold regular consultations, as well as restrain permanent deployments on the Eastern Flank. It is still officially in force, long after Russia stopped holding up its end of the

bargain. From the point of view of Poland and other allies on NATO Eastern Flank, the Founding Act creates a structural security asymmetry between "old" and "new" NATO members (Dyner et al, 2022; Bienvenu et al, 2024).

All those factors put into question the feasibility of the previous format of Polish grand strategy. At the same time, a tangible deterioration of Polish security has made the search for new ways of deterrence a necessity. Perhaps the most striking example of this process can be found in Donald Tusk's statements made in March 2025. In a speech to the Parliament, he said that Poland cannot restrict itself to conventional weapons and thus should look at gaining access to nuclear weapons. He also formulated a desire for the ongoing modernisation of Polish armed forces to lead to an army of 500,000 men (Cienski & Kość, 2025). Another sign pointing at the end of the "nuclear taboo" in Poland is the publication of the book titled "Our Bomb. Does Poland Need a Nuclear Strategy?" (Nasza bomba. Czy Polska potrzebuje strategii jądrowej?) by Albert Świdziński, which took place in February 2026 and was met with considerable interest. The same topic was also hinted at in the new "Strategy of Polish Foreign Policy 2026-2030", officially published by the FMA in March 2026, for the first time in almost a decade. On page 11 of the document, it is said that "growing uncertainty regarding allied guarantees may encourage other countries to seek additional security, including nuclear capabilities".

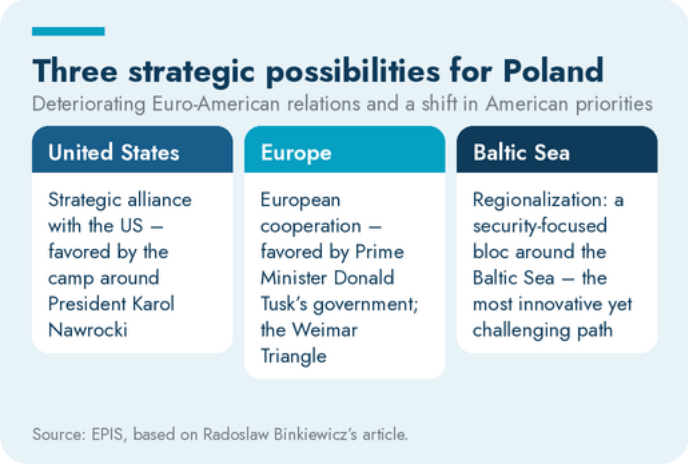
Looking North

Recognition of the fundamental importance of both European and Transatlantic cooperation remains one of the core principles of the new Polish Foreign Policy Strategy. A lot of its content, however, suggests a grand return of the Jagiellonian Idea. Russian aggression is directly named as the greatest threat to national security, while an active policy in Poland's eastern neighbourhood is mentioned as necessary to confront and contain Russia. This format includes not only Ukraine, but also countries under heavy Russian influence, like Belarus and Moldova. Moreover, the document depicts a rising recognition of the north-south axis' role. The Three Seas Initiative (3SI) is recognised as an important economic project aimed at strengthening the infrastructural interconnectivity of the region overlapping with the Baltic-Black Sea Bridge – and thus aimed at increased resilience of the eastern half of Europe and reduced disparities vis-à-vis the West. Forging of closer ties between the European Union and countries of the South Caucasus is also explicitly stated as one of the desirable policies, which could be seen as a flanking manoeuvre against Russia through the erosion of its sphere of influence.

At the same time, it's the northern vector that holds a particular interest in Poland's foreign policy. The Strategy clearly states that relations with the Nordic and Baltic states have a special place because those countries share with Poland a similar perception of the seriousness of the Russian threat. Both Finland and Sweden demonstrate considerable military capabilities. In addition, Sweden possesses one of the most robust and advanced military industries on the continent. Therefore, strengthening the region's

role in shaping the strategic policies of the EU and NATO is in Poland's national interest. Geography, history, common geopolitical interests and cultural ties unify the Baltic Sea region, creating a fertile ground for increased military, political and economic cooperation. Although in the initial stages, some of this is already happening (Government Offices of Sweden, 2025). Such regionalisation would be a key factor for successful deterrence, containment and, in case of open war, victory over Russia in the east. From the point of view of Polish grand strategy, those conditions necessitate a strategic reorientation towards the north – a move which can be dubbed as the Baltic Pivot.

Currently, Poland faces the prospect of deteriorating Euro-American relations and a shift in American priorities away from NATO toward bilateral transactionalism. This environment presents the Polish leadership with three distinct strategic possibilities.



The first option—favored by the camp around President Karol Nawrocki—prioritizes a strategic alliance with the United States. As the West's premier military power, the US offers access to advanced hardware, intelligence sharing, and potential nuclear deterrence. Poland's status as a reliable ally makes this path accessible. However, its main flaw is extreme vulnerability to factors beyond Polish control. Overreliance on Washington risks critical security gaps if the White House shifts its focus or reduces its commitments. Furthermore, dependence on American technology gives Washington veto power over Polish operational escalation—a dynamic that hindered Ukrainian military operations and could prove disastrous if Polish and American strategic interests diverge. An overly Atlanticist posture also risks alienating Western European partners, eroding Warsaw's leverage within the European Union.

The second option—favored by Prime Minister Donald Tusk's government—prioritizes European cooperation. Ideally, this allows Poland to shape continental defense initiatives from within. The Strategy of Polish Foreign Policy underscores the Weimar Triangle in this context, assigning it central importance in security, key EU policies, and transatlantic relations while advocating reforms to enhance Europe's geopolitical weight. The primary challenge, however, lies in whether Europe can realistically replace American military capabilities. Many European nations, particularly those far from the Eastern Flank, struggle to meet basic defense spending targets. Moreover, threat perceptions across Europe remain fragmented. Should pro-Russian or isolationist forces assume power in key Western European capitals, a strategy focused strictly on European defense could leave Poland dependent on unreliable partners.

The third possibility centers on regionalization and building a security-focused bloc around the Baltic Sea. Long neglected in Polish foreign

policy, this option represents the most innovative yet challenging path. To maximize leverage while mitigating risks, Poland should navigate its internal political divide by cooperating with both European and American partners without committing exclusively to either. Simultaneously, it must build a resilient Baltic Sea security architecture as a third strategic pillar. Poland, Sweden, and Finland take military investment seriously, and their publics display a high willingness to defend their nations (Andžāns, 2026). Given the immediate proximity of the Russian threat, the political risk of a sudden policy shift toward Moscow is minimal in these capitals. Regionalization enables rapid decision-making, deep defense-industrial integration, and enhanced resilience against hybrid, cyber, and critical infrastructure threats, thereby strengthening the geopolitical agency of the Baltic-Black Sea region.

Based on this framework, three key policy recommendations emerge:

1. Secure permanent membership in the Nordic-Baltic Eight (NB8)

Presently, the Council of the Baltic Sea States is the primary body uniting Poland with Scandinavian nations, but its focus centers on environmental and cultural engagement rather than defense. The NB8 format is far better suited for current security imperatives. Although Poland is not a formal member, it already participates in NB8 ministerial meetings, political consultations, and sectoral initiatives. Formalizing permanent Polish membership in the NB8 is a logical geostrategic move that directly addresses current regional realities.

2. Establish close military integration with Sweden

As the primary military powers in the Baltic region, Poland and Sweden naturally complement each other on NATO's Eastern Flank. They project power across key containment zones: Poland facing Belarus and Kaliningrad, and Sweden managing the Arctic and central maritime domain. A structured framework for regular joint military exercises is essential. Deploying Polish forces to help garrison Sweden's strategically vital island of Gotland, alongside rotational deployments of Swedish units to the Polish coast, would solidify this axis.

Joint operational planning must extend beyond passive defense. Lessons from the Persian Gulf demonstrate that a conventionally weaker force can achieve significant strategic leverage over a major power by securing operational control over key maritime choke points. The Baltic features three critical choke points: the Danish Straits, the Gulf of Finland, and Kaliningrad. In any open conflict with Russia, Kaliningrad will be a central operational theater. While Poland can isolate the enclave by land and air, enforcing a complete maritime blockade requires close operational coordination with Sweden.

3. Reduce overreliance on the US defense industry

Arms purchases do not function as implicit security guarantees. Overreliance on US suppliers creates critical operational vulnerabilities, granting Washington effective control over Poland's escalation options. In a conflict with Russia, Washington might attempt to restrict Polish strikes against targets in Belarus or Kaliningrad out of fear of broader

escalation, even if such strikes are militarily necessary for Polish survival.

Poland must reorient its strategy toward domestic and regional defense-industrial cooperation. European suppliers offer shorter, more secure supply chains, but the ultimate objective must be a self-sustaining Polish defense-industrial base capable of maintaining wartime production. Deepening ties with Ukraine—particularly in drone warfare and long-range missile development—is vital. Additionally, expanding defense-industrial partnerships with Sweden and Turkey, both of which possess advanced defense sectors and anchor Russia's northern and southern flanks, will bolster Poland's autonomy. Leveraging its position on the north-south axis allows Poland to fortify a broader network of states along the Baltic-Black Sea bridge committed to containing Russian expansionism.

Conclusions

As the old international order breaks down, the rift between America and Europe deepens, and uncertain political developments hang over both sides of the Atlantic, the Baltic Sea becomes the most crucial geostrategic direction for Poland. Common interests and threat perception tie the region together. Cooperation in this format would increase the geopolitical agency of the entire Baltic-Black Sea Bridge and allow Warsaw to construct a third pillar of its security. In order to achieve that, Warsaw should take a more proactive role in its neighbourhood, establish a close military partnership with the Scandinavians and take serious long-term steps towards developing its own national military industry. This must include modern drone warfare technologies, long-range missile capabilities and full control over Poland's escalation capabilities. Such a path offers the best way of deterring or repelling a possible Russian aggression, securing national interests, and thus Poland's place in the new European security architecture.

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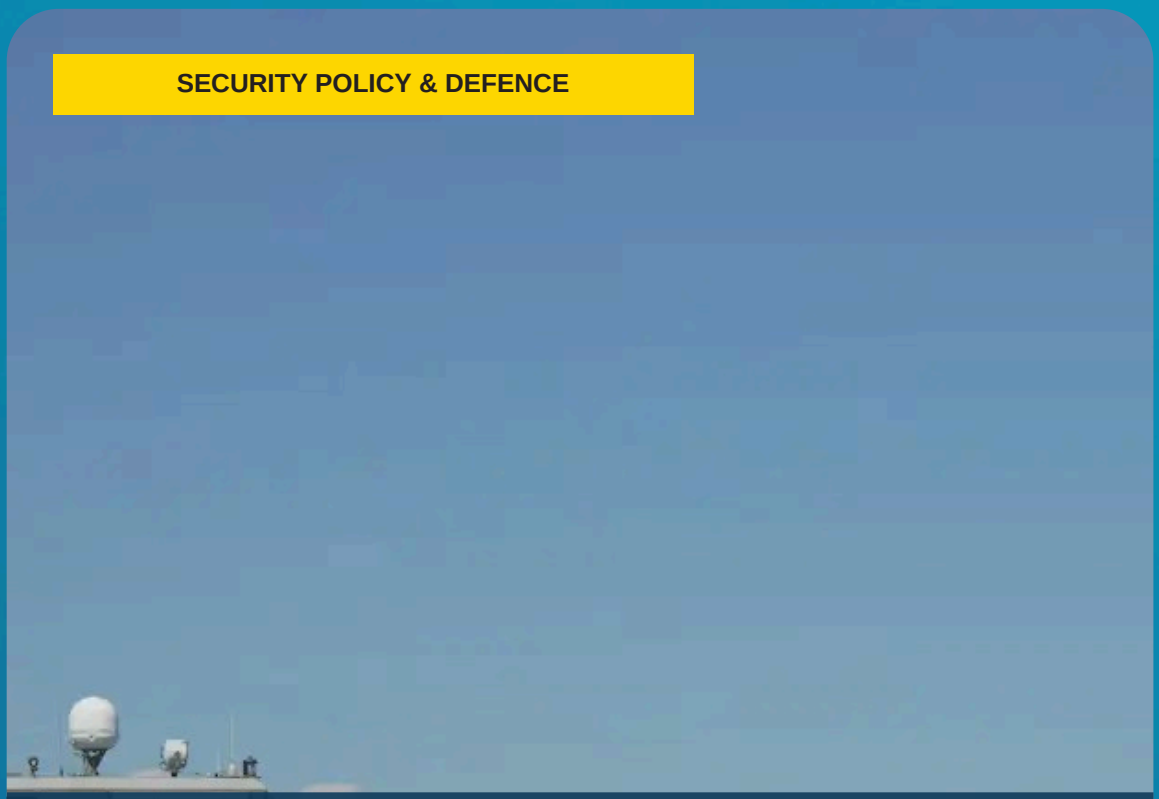
SECURITY POLICY & DEFENCE



What to Buy in Future? Recalibrating European Defence Spending to Decrease Structural Dependencies

Xerxes Hafezi Rachti

About the Article

"Europe's reliance on the American defence industrial base represents a structural vulnerability that cannot be corrected by increased spending alone."

About the Author

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Abstract

European defence expenditure has experienced a historic surge, rising by over 60% since 2020 and projected to reach €381 billion by 2026 (European Council, 2026). However, this rapid fiscal expansion has not yielded a corresponding diversification of defence industrial supply chains. Instead, the emergency procurement cycle triggered by the war in Ukraine has deepened European dependency on a narrow range of legacy American weapon systems—most notably fifth-generation F-35 fighter aircraft, Patriot ground-based air defence networks, and High Mobility Artillery Rocket Systems (HIMARS).

As the United States executes a strategic recalibration toward the Indo-Pacific under the transactional foreign policy of President Donald Trump, these non-diversified procurement dependencies create severe operational vulnerabilities for the European Union.

This paper evaluates the structural mechanisms of US defence dominance, analyzes existing EU procurement frameworks (including ReARM Europe, EDIRPA, and the European Defence Fund), and evaluates three policy pathways for achieving European defence industrial sovereignty.

Ultimately, this analysis argues for the adoption of a Binding EU Procurement Framework with Sovereignty Conditions, establishing mandatory co-production thresholds, intellectual property licensing rights, and stockpiling guarantees for critical munitions.

1. Introduction: Fiscal Surge without Industrial Diversification

The European security landscape has undergone a fundamental transformation since Russia's 2022 invasion of Ukraine. Between 2020 and 2026, European defence budgets expanded at an unprecedented pace, jumping from €262 billion in 2022 to an estimated €381 billion in 2026 (European Council, 2026). Yet, an analysis of procurement spending reveals a persistent structural paradox: increased spending has reinforced rather than reduced European dependence on the American defence industrial base.

dominant node – an actor that occupies a critical chokepoint or hub in asymmetric global networks, enabling it to exploit its position for coercive purposes

Rather than investing in sovereign platform development or domestic supply chain integration, European defense ministries have allocated vast amounts of emergency capital toward off-the-shelf American technology. European air forces continue to place high-volume orders for Lockheed Martin F-35 Lightning II aircraft, ground commanders prioritize Raytheon/Lockheed Martin MIM-104 Patriot air defense batteries, and artillery units rely heavily on Lockheed Martin M142 HIMARS rocket launchers. While limited procurement diversification has occurred in niche domains, these three core systems represent a structural vulnerability across European conventional deterrence posture.

System Domain	Primary US Platform	European Operational Status	Sovereign Alternative / Status
5th-Gen Tactical Air Power	Lockheed Martin F-35 Lightning II	Adopted by 13 European Nations; ~200 delivered out of >650 planned (Spray, 2025)	FCAS (Shelved/ Stalled) (ARD, 2026); GCAP (Pushed back timeline)
Integrated Air & Missile Defence	Raytheon / Lockheed Martin MIM-104 Patriot	Dominant Tier-3/ 4 interceptor across NATO Europe	Eurosam SAMP/T (Operated by France, Italy, Denmark) (Ruitenberg, 2025)
Precision Deep Strike Artillery	Lockheed Martin M142 HIMARS	Widespread procurement (e.g., Poland, Baltics, Romania)	Polish HOMAR-K / Local License Dispute (Hanwha Aerospace, 2025)

This dependency has shifted from a manageable operational friction to an existential security risk as Washington recalibrates its transatlantic commitments. For decades, European defence planning rested on the assumption of an unconditioned US security umbrella. Under the second Trump administration, however, US foreign policy has adopted an explicit transactional posture, utilizing security guarantees and arms deliveries as bargaining leverage in economic and political negotiations (Friedland, 2025; Palma, 2025). The temporary suspension of US military assistance to Ukraine in early 2025 demonstrated to European planners that American weapon deliveries and munitions sustainment can be halted unilaterally (Burdeau, 2025; Wilson, 2026).

Furthermore, the involvement of the US military in Middle Eastern escalation cycles—specifically the consumption of advanced interceptor stockpiles during conflicts with Iran—has directly depleted the inventory reserves available to European allies (Park & Cancian, 2026). As Henke (2026) observes, Europe is entering a post-American order in which the United States can no longer be treated as the unquestioned guarantor of regional security.

To prevent strategic paralysis, Europe must address a fundamental question: What level of industrial sovereignty is necessary for European defence manufacturing, and through what legal and procurement mechanisms should it be achieved?

"Europe has increased the volume of its defence spending but remains structurally dependent on manufacturers under US jurisdiction. The US is increasingly focusing on other parts of the world, and Europe is less of a priority. Thus, the dependency could limit Europe's defence capability in the event of a Russian attack. Therefore, the EU should gradually build the supply chains, manufacturing base and tacit knowledge required to produce key weapon systems with relative sovereignty."

2. Problem Statement: The Anatomy of US Technological Dominance

The core problem of European defence procurement is not merely that key weapon systems are manufactured in the United States, but that modern military technology operates within tightly controlled, proprietary networks governed by US legal jurisdiction. Modern military platforms are complex integrated ecosystems comprising software code, proprietary components, global supply networks, and specialized maintenance regimes. Three

primary platform dependencies illustrate this vulnerability.

1. Fifth-Generation Air Power (F-35 Lightning II)

The F-35 Lightning II has become the de facto standard fighter aircraft for NATO's European members, with thirteen European nations committing to the platform (Spray, 2025). Although approximately 25% of the aircraft's component parts are manufactured in Europe through industrial participation agreements, final assembly, mission-system software updates, maintenance schedules, and weapons integration remain tied to Lockheed Martin facilities in the United States (Peck, 2025).

European operators cannot modify mission data files or integrate non-US munitions without explicit software clearance from the US Department of Defense. European attempts to build a sovereign fifth/sixth-generation alternative suffered a setback in 2026 when the Future Combat Air System (FCAS)—jointly pursued by France, Germany, and Spain—was stalled following irreconcilable corporate and industrial disputes between Dassault Aviation and Airbus (ARD, 2026).

2. Integrated Air and Missile Defence (Patriot)

The MIM-104 Patriot system forms the backbone of European high-altitude air and missile defense. However, the system's operational viability depends entirely on continuous access to specialized interceptor missiles (GEM-T and PAC-3 MSE).

The 2025–2026 military engagements in the Middle East consumed nearly half of available global Patriot missile stocks, with analysts estimating that refilling depleted stockpiles could take up to four years at current production rates (Park & Cancian, 2026). Except for France, Italy, and Denmark—which operate the European Eurosam SAMP/T system—European allies possess almost no sovereign capability to manufacture long-range surface-to-air interceptors (Ruitenberg, 2025).

3. Precision Deep Strike (HIMARS)

The M142 HIMARS system has established itself as an indispensable asset for deep precision strike, as demonstrated in Ukraine. However, HIMARS launchers rely on US-manufactured Guided Multiple Launch Rocket Systems (GMLRS) and Army Tactical Missile Systems (ATACMS).

While Poland negotiated a licensing agreement to manufacture a localized HIMARS variant (designated HOMAR-K) using a South Korean chassis, ongoing disputes with US manufacturers over local missile production rights underscore the limits of foreign licensing (Hanwha Aerospace, 2025; The Forensic Archive, 2025). Without sovereign munition manufacturing lines on European soil, a HIMARS fleet can be rendered operationally inert by an export restriction or supply chain bottleneck.



Vulnerability Vector	Operational Manifestation in European Armed Forces
ITAR Restrictions	US International Traffic in Arms Regulations prevent third-party modification or transfer without US consent.
Proprietary Software	Mission systems and fire-control codes remain locked; European software integration is legally prohibited.
Munitions Bottlenecks	High-burn-rate consumables (PAC-3, GMLRS) are built in US facilities with limited European production lines.
Maintenance Mandates	Deep-level depot overhaul requires US technical teams or return transport to US facilities.

Because modern military hardware relies on proprietary software and specialized manufacturing techniques, these platforms cannot be easily reverse-engineered or copied (Gilli & Gilli, 2019). US defense contractors operate under US legal jurisdiction, meaning export licenses, intellectual property transfers, and sustainment contracts remain subject to unilateral decisions by the US government.

When European capitals procure these systems off the shelf without securing full intellectual property (IP) transfer or localized production rights, they expose their national security postures to foreign veto power.

3. Policy Analysis: Evaluating the Existing European Defence Toolbox

In response to the Russian invasion of Ukraine, European institutions and national governments initiated efforts to revitalize the continent's defence industrial base. Financial frameworks such as the ReARM Europe Plan / Readiness 2030 have sought to mobilize up to €800 billion in public and private defence investments (Clapp et al., 2025). At the EU institutional level, two main instruments were introduced:

• The European Defence Fund (EDF): Designed to co-finance collaborative research and development projects among member states (European Commission, 2024).

• EDIRPA (European Defence Industry Reinforcement through Common Procurement Act): Short-term financial incentives aimed at encouraging joint procurement among EU member states to reduce intra-European market fragmentation (European Commission, 2024).

Instrument	Primary Focus	Sovereignty Gap / Limitation
ReARM Europe (€800 Billion)	Macro-financial investment and debt mobilization	Permits spending on off-the-shelf US hardware (F-35, etc.)
European Defence Fund (EDF)	Collaborative R&D funding for future platforms	Chronically underfunded relative to platform costs
EDIRPA Framework	Joint procurement bonuses among EU member states	Contains no binding sovereignty or IP-transfer conditions

While these initiatives mark a major shift in European defence policy, they focus primarily on how much Europe spends, while ignoring what Europe buys and on what legal terms.

The current policy framework exhibits three structural gaps:

• Absence of Mandatory IP Transfer Requirements: Neither ReARM Europe nor EDIRPA requires non-European vendors to transfer intellectual property, source codes, or co-production rights as a condition of market access. Consequently, member states can use EU-supported financing to purchase off-the-shelf American systems, perpetuating foreign dependencies.

• Underfunding of Sovereign Platform Alternatives: While the EDF supports collaborative research, its budget remains insufficient to fund the full-scale development and production of complex platforms capable of replacing the F-35, Patriot, or HIMARS.

• Negotiation Fragmentation: European states continue to negotiate arms purchases with US defence primes on a bilateral basis. This individual approach deprives European buyers of collective bargaining leverage, resulting in contracts that favor foreign manufacturers regarding sustainment control and local industrial participation.

4. Evaluation of Policy Options

To resolve the tension between immediate operational readiness and long-term industrial sovereignty, European policymakers can evaluate three distinct policy options.

Option 1: Accelerated Complete European Platform Substitution

This option pursues the rapid development and procurement of fully sovereign European alternatives to replace the F-35, Patriot, and HIMARS platforms. By phasing out US equipment and replacing it with European hardware (such as expanding Eurosam SAMP/T or launching a new European strike rocket program), this pathway eliminates jurisdictional exposure to foreign law.

• Strengths: Achieves complete technological sovereignty, eliminates foreign vetoes, and retains defense spending within the European industrial base.

• Weaknesses: Unaligned with immediate operational timelines. Modern defense platforms require 15 to 20 years to progress from initial concept to operational deployment (Gilli & Gilli, 2019). Given that military intelligence assessments identify 2029 as a critical window of vulnerability regarding potential Russian conventional aggression against NATO's Eastern Flank, a pure substitution strategy leaves European militaries with severe capability gaps during a dangerous geopolitical window. Furthermore, the collapse of FCAS demonstrates the fragility of intra-European corporate alignment (ARD, 2026).

Option 2: Bilateral Co-Production and Licensing Negotiations

This approach leaves procurement strategy to individual member states, encouraging them to negotiate bilateral co-production and intellectual property licensing agreements directly with US defence manufacturers—similar to the approach pursued by Poland for HOMAR artillery systems (Hanwha Aerospace, 2025).

• Strengths: Allows individual member states to tailor agreements to their specific force structures, avoids complex EU-level regulatory debates, and secures partial industrial participation.

• Weaknesses: Fragmented bilateral negotiations leave individual European capitals at a structural disadvantage against major US defence primes backed by the US State Department. This approach risks creating custom, nation-specific system variants that complicate cross-border interoperability among European militaries. Crucially, as shown in the HOMAR-K missile dispute, bilateral negotiations

rarely persuade Washington to surrender control over missile IP or export vetoes (The Forensic Archive, 2025).

Option 3: Binding EU Procurement Framework with Sovereignty Conditions

This option establishes an EU-wide regulatory procurement framework that conditions all future major defence contracts signed with non-European manufacturers on binding sovereignty terms. Existing foreign platforms are retained to meet short-term operational requirements, but subsequent procurement cycles, modernizations, and munition re-orders are subject to standardized conditions regarding local assembly, IP licensing, and stockpiling rights.

- Strengths: Leverages the collective purchasing power of the European market to force foreign vendors to grant industrial concessions. It provides immediate operational capability by maintaining existing platform types while incrementally building European domestic production capacity, supply chain resilience, and technical knowledge.

- Weaknesses: Requires political consensus among EU member states with varying strategic cultures and relationships with the United States. Implementation requires robust enforcement mechanisms to prevent individual capitals from bypassing the rules.

Image to follow

5. Comparative Trade-Off Matrix

	Timeline	Sovereignty gain	Feasibility	Root cause addressed?
Accelerated substitution	10-20 years	High	Medium	Yes
Licensing	3-5 years	Partial	Medium	Partially
Procurement framework	1-3 years	Medium but growing	Medium-High	Yes, structurally

To systematically evaluate these three avenues, the matrix below compares them across five strategic dimensions:

Dimension	Option 1: Complete Platform Substitution	Option 2: Bilateral Licensing Negotiations	Option 3: Binding EU Framework with Sovereignty Conditions
Operational Readiness (2026–2030)	Extremely Low (Severe capability gaps during development)	Moderate (Relies on off-the-shelf imports)	High (Retains active platforms while securing munitions)
Jurisdictional Sovereignty	Absolute (Zero foreign exposure)	Low (US retains export/ IP control)	High (Secures localized IP & manufacturing rights)
Financial Feasibility	Low (Massive duplicate R&D costs)	Moderate (Standard market pricing)	High (Leverages collective purchasing power)
Intra-European Interoperability	High (Standardized European platforms)	Low (Fragmented national variants)	High (Standardized co-production guidelines)
Implementation Complexity	Very High (Requires long-term political consensus)	Low (Executed via national ministries)	Moderate (Requires EU regulatory consensus)

6. Strategic Recommendation and Implementation Architecture

European policymakers should pursue Option 3: A Binding EU Procurement Framework with Sovereignty Conditions, executed alongside a long-term, scaled-up European platform development track.

Option 3 provides a pragmatic bridge between short-term operational imperatives and long-term industrial independence. By establishing mandatory market-access conditions for foreign defense contractors, the EU can systematically build domestic industrial capacity without disarming its forces during a dangerous security window.

Mandatory Sovereignty Conditions for Foreign Contracts:

• Local Co-Production Thresholds: Minimum 40% of contract value and assembly executed in certified European industrial facilities.

• Unrestricted Munitions Licensing: Irrevocable IP licensing for local munition manufacturing without case-by-case foreign export approval.

• Architectural Openness: European firms granted software access to integrate indigenous sensors, electronics, and effectors.

• Strategic Stockpiling Guarantees: Foreign vendors must establish 24-month spares and consumable stockpiles physically located on EU territory.

Core Components of the Framework

To achieve operational effectiveness, the binding EU procurement framework must incorporate four mandatory clauses into any future defense acquisition exceeding defined financial thresholds:

• Mandatory European Co-Production Rates: Any new procurement of non-European systems must require a minimum percentage of component manufacturing, final assembly, and system integration to take place within the European Union.

• Unrestricted Munitions IP Licensing: Non-EU vendors must grant irrevocable intellectual property licenses permitting European defense firms to manufacture, service, and surge the production of high-burn-rate munitions (e.g., PAC-3 interceptors, GMLRS rockets) on European soil without requiring case-by-case foreign government export clearance.

• Open System Architecture Mandates: Foreign contractors must provide open interface standards and software access, enabling European defense companies to integrate indigenous weapons, radar systems, and electronic warfare suites onto imported airframes and hulls.

• On-Territory Strategic Munition Stockpiles: Contracts must mandate the creation of a minimum 24-month operational stockpile of critical spare parts, replacement components, and specialized consumables, physically secured on EU territory and insulated from foreign export suspensions.

Institutional Implementation Roadmap

The implementation of the framework should be orchestrated through existing European institutions and structured across a phased timeline:

• Phase 1 (Months 0–6): Core Coalition Formation: Germany, Poland, the Netherlands, and Nordic partners establish a unified buyers' bloc representing major European defence procurement volume.

• Phase 2 (Months 6–18): Directive Enactment: Enact the binding framework via the European Defence Agency (EDA) and Commission regulatory procurement mechanisms.

• Phase 3 (Months 18–36): Co-Production Deployment: Launch localized PAC-3 and GMLRS assembly lines and certified maintenance depots on European soil.

• Lead Institutional Actors: The European Defence Agency (EDA)—working in coordination with the European Commission's Directorate-General for Defence Industry and Space (DG DEFIS)—should serve as the central negotiating authority, setting standard terms for non-EU defense acquisitions.

• Anchor Coalition: A core coalition of heavily reliant European nations—specifically Poland, Germany, the Netherlands, Denmark, and the Nordic states—should establish a joint procurement bloc to enforce these conditions during upcoming re-orders of air defense, artillery, and aviation systems.

• Phased Application to Avoid Contractual Disruption: To prevent legal disputes or delays to ongoing procurements, the framework should apply exclusively to new contracts, major system modernizations, and option extensions initiated after the framework's enactment date, leaving existing contracts intact.

• Scaling Parallel Development Funds: Concurrently, the European Defence Fund and national R&D budgets must be scaled up to finance long-term European platform substitution programs (Option 1) for the post-2040 era, funded by revenues generated from local co-production activities.

7. Conclusion

Europe's reliance on the American defence industrial base represents a structural vulnerability that cannot be corrected by increased spending alone. Continuing to allocate record defense budgets toward off-the-shelf imports without securing intellectual property, co-production rights, and munition sovereignty deepens European dependency on a partner whose long-term strategic focus is shifting toward the Indo-Pacific.

While complete platform substitution is unfeasible in the short term due to the complexity of modern hardware and pressing security deadlines along the Eastern Flank, remaining on the current path of unconditioned procurement exposes European armed forces to foreign vetoes during critical security contingencies.

A Binding EU Procurement Framework with Sovereignty Conditions provides a viable path forward. By leveraging the collective market power of European states, this policy mechanism ensures that every future procurement contract builds industrial capacity, technical expertise, and munition stockpiles on European soil.

By taking control of its defense industrial conditions, Europe can bridge the gap between strategic intent and operational reality, securing its autonomy in an increasingly uncertain world.

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SECURITY POLICY & DEFENCE



Intelligence as Art of European Grand Strategy: Architecture, Limits, Evolution of EU Intelligence

A Feasible Future on a Larger Scale?

Julia Konarzewska

About the Article

"National capitals will not cede executive authority over national security assets."

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Abstract

Intelligence services provide the informational foundation that enables sovereign states to formulate, execute, and calibrate grand strategy. While the European Union (EU) has progressively deepened its Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP), it lacks a supranational intelligence agency empowered to independently collect human or signals intelligence. Instead, the EU relies on a composite analytical architecture—anchored by the European Union Intelligence and Situation Centre (EU INTCEN), the EU Military Staff Intelligence Directorate (EUMS INT), and the European Union Satellite Centre (SatCen)—which synthesizes voluntary contributions from member states alongside commercial imagery.

This paper critically evaluates the institutional, legal, and cultural barriers that constrain EU intelligence integration. It examines the impact of shifting transatlantic dynamics, specifically the uncertainties surrounding US intelligence-sharing under the second Trump administration, which have exposed European vulnerabilities and prompted proposals for a regional "EuroEyes" network. Ultimately, this paper argues that while a centralized "European CIA" remains politically unviable due to member state sovereignty, the EU can enhance its strategic autonomy by establishing a formal Intelligence Council, fully integrating civilian-military fusion capacity, and expanding sovereign geospatial intelligence infrastructure.

1. Introduction: Grand Strategy and the Intelligence Imperative

Intelligence agencies are central to the operationalization of grand strategy. By monitoring the international security environment, detecting emerging threats, and conducting covert action, intelligence organizations provide the empirical baseline required for effective statecraft (Rovner, 2021). Within traditional nation-states, centralized intelligence services—such as the Central Intelligence Agency (CIA) in the United States, the Secret Intelligence Service (MI6) in the United Kingdom, or the Direction Générale de la Sécurité Extérieure (DGSE) in France—possess sovereign mandates to deploy human intelligence (HUMINT), signals intelligence (SIGINT), and technical collection assets across the globe.

Petersburg Tasks - military tasks related to humanitarian aid and crisis management, which the WEU was authorised to perform. These tasks were later transferred to the EU and integrated into the CSDP.

In contrast, the European Union operates without a centralized, sovereign intelligence-gathering apparatus. This structural absence leaves the Union entirely dependent on the voluntary information-sharing practices of its 27 member states. Following the outbreak of full-scale war in Ukraine and subsequent regional instability along the Eastern Flank, European leaders sought to reinforce the Union's security architecture by expanding the CFSP, deepening the CSDP, and establishing

operational frameworks such as the European Union Military Assistance Mission in support of Ukraine (EUMAM Ukraine). However, because defense and national security remain guarded competencies reserved for individual member states, executive decision-making continues to rest on national consent.

Dimension	Traditional Nation-State	European Union
Collection Capabilities	Organic HUMINT, SIGINT, GEOINT, and Cyber assets	No organic collection; fully dependent on member states
Institutional Mandate	Sovereign legal authority for clandestine operations	Analytical synthesis via SIAC framework
Decision-Making Model	Centralized executive direction	Intergovernmental consensus / national veto
Trust Architecture	Binding institutional alignment	Transactional bilateral information-sharing

Because intelligence collection is essential for formulating grand strategy, its fragmentation limits the EU's capacity to act as an independent geopolitical force. Following proposals by European Commission President Ursula von der Leyen to expand EU-level intelligence gathering, national capitals expressed immediate concern, resisting transfers of authority over national security assets (Roussi, 2026). While the new European Security Strategy aims to expand the EU's intelligence analysis infrastructure, structural barriers persist (Roussi, 2026). This paper analyzes the current EU intelligence architecture, identifies its institutional and cultural limitations, evaluates the impact of changing transatlantic relations, and presents realistic pathways for enhancing European intelligence capabilities.

2. Institutional Architecture of EU Intelligence

Because the EU lacks an organic, all-source collection mechanism, its intelligence architecture functions as a clearinghouse and processing hub. Organic intelligence analysis is conducted within the structures of the European External Action Service (EEAS), supported by specialized civilian, military, and geospatial entities.

The primary bodies comprising this analytical apparatus are:

- EU INTCEN: Manages civilian strategic assessments and threat analyses.

- EUMS INT: Provides military intelligence expertise and early-warning assessments.

- SatCen: Operates as an independent agency specializing in geospatial imagery exploitation.

The EU Intelligence and Situation Centre (EU INTCEN)

EU INTCEN serves as the primary civilian intelligence body of the European Union. Operating within the EEAS, INTCEN's mandate centers on synthesizing, analyzing, and evaluating strategic intelligence contributed voluntarily by member state security and intelligence services (Seyfried, 2017, p. 2). The analytical products generated by INTCEN—ranging from threat assessments and long-term strategic evaluations to daily situational briefs—are submitted directly to the High Representative of the Union for Foreign Affairs and Security Policy (HR/VP), the European Commission, the European Council, and member states (Roussi, 2026).

Despite its analytical mandate, INTCEN lacks independent collection capabilities, possessing no organic HUMINT networks, SIGINT interception stations, or clandestine assets. Consequently, researchers and practitioners often characterize the organization as "toothless" (Roussi, 2026). Its operational effectiveness remains dependent on the quality, timeliness, and volume of intelligence that national agencies choose to submit (Seyfried, 2017, p. 2). When national services withhold operational details, INTCEN's situational awareness is diminished.

EU INTCEN Operational Profile:

- Institutional Parent: European External Action Service (EEAS)
- Domain: Civilian Strategic Intelligence & Threat Assessment
- Input Mechanism: Voluntary member state intelligence contributions
- Primary Recipients: HR/VP, European Council, European Commission, Member States
- Core Limitation: Zero organic collection capacity; fully dependent on MS trust

The EU Military Staff Intelligence Directorate (EUMS INT)

Operating alongside INTCEN, the EUMS INT serves as the military intelligence entity within the European Union Military Staff. It provides military expertise and strategic early warning to the HR/VP and reports directly to the European Union Military Committee (EUMC) (Wikipedia, 2025). The EUMS INT conducts military threat assessments, contingency planning, and situational tracking in support of the Petersberg Tasks, which were originally articulated under the Western European Union (WEU) and subsequently incorporated into the CSDP (EUR-Lex, n.d.).

Petersberg Tasks: A spectrum of military and security missions encompassing humanitarian and rescue tasks, conflict prevention, peacekeeping, crisis management, joint disarmament operations, military advice, and post-conflict stabilization (EUR-Lex, n.d.).

A key challenge within the military intelligence architecture is its institutional isolation (Cattler, 2025). Although civilian (INTCEN) and military (EUMS INT) analysts have been co-located within the Single Intelligence Analysis Capacity (SIAC) framework since 2007 to encourage cross-domain analysis, integration between the two remains incomplete (Seyfried, 2017, p. 3). Civilian and military intelligence streams often operate in parallel silos, impeding the development of comprehensive, cross-domain assessments.

EUMS INT Operational Profile:

- Institutional Parent: European Union Military Staff (EUMS) / CSDP
- Domain: Military Intelligence, Early Warning & Crisis Oversight
- Mandate Targets: Petersberg Tasks & CSDP Military Operations

• Primary Recipients: EU Military Committee (EUMC), HR/VP, CSDP Mission Commanders

• Core Limitation: Institutional compartmentalization from civilian intelligence streams

The European Union Satellite Centre (SatCen)

The European Union Satellite Centre (SatCen), located in Torrejón de Ardoz, Spain, serves as an independent EU agency supporting the CFSP. Unlike INTCEN or EUMS INT, SatCen generates original intelligence products by exploiting commercial imagery alongside national satellite assets (Seyfried, 2017, p. 2).

SatCen Operational Profile:

• Location: Torrejón de Ardoz, Spain

• Domain: Geospatial Intelligence (GEOINT) & Satellite Imagery Exploitation

• Input Mechanism: Commercial satellite constellations & member state imagery feeds

• Primary Clients: INTCEN, EUMS INT, Europol, Frontex, Member States

• Core Strength: Generates original, EU-owned geospatial intelligence products

SatCen provides European decision-makers with early warning capabilities, maritime domain awareness, and border monitoring. Its GEOINT products support CSDP crisis-management operations while providing tactical data to Europol to combat transnational organized crime, human smuggling, and terrorism across member states (Europol, 2026). Because it relies on unclassified and commercial imagery, SatCen avoids many of the security vetting constraints that hamper HUMINT and SIGINT sharing, making it a functional component of the EU's intelligence apparatus.

3. Structural, Legal, and Cultural Vulnerabilities

The structural weaknesses of the EU's intelligence architecture stem from legal limits, divergent national cultures, and reliance on external partners.

Legal Constraints and Treaty Limits

The primary impediment to expanding EU intelligence capabilities is legal. The Treaty on European Union (TEU) contains explicit provisions safeguarding state sovereignty over security matters:

Article 4(2) TEU: "The Union shall respect the equality of Member States before the Treaties as well as their national identities… In particular, national security remains the sole responsibility of each Member State."

Image to follow

Because the Treaty of Lisbon contains no explicit legal basis for transferring intelligence-gathering powers to the European level, any attempt to establish a supranational collection agency lacks constitutional authorization (Seyfried, 2017, p. 2). While member states are free to form voluntary intelligence-sharing coalitions, they cannot be legally compelled to share sensitive intelligence with EU bodies. Consequently, initiatives aimed at centralizing intelligence functions encounter opposition from national capitals protective of their sovereign prerogatives.

Cultural Fragmentations and Structural Distrust

Intelligence communities reflect national strategic cultures, historical experiences, and legal frameworks (Yelamos et al., 2022, p. 475). These differences complicate attempts to establish standardized intelligence-sharing protocols across 27 sovereign capitals.

• Source Protection Concerns: Agencies refuse to share raw data for fear of revealing clandestine HUMINT sources or SIGINT interception techniques.

• Reciprocity Asymmetries: Large intelligence services (e.g., DGSE, BND) view sharing with smaller services as one-way value extraction with little operational return.

• Political Divergence: Varying national assessments of external threats create reluctance to share sensitive operational data across all capitals.

• Counter-Intelligence Risks: Concerns over foreign infiltration within specific member state services discourage open sharing across the full Union.

A persistent obstacle to integration is the culture of compartmentalization among national intelligence services. As senior intelligence officials note, there remains a baseline of distrust even among friendly EU states, summarized by the observation: "We are partners, but we're not friends" (Roussi, 2022). National agencies prioritize protecting their sources, methods, and foreign liaison relationships. Sharing raw intelligence with EU analytical bodies introduces potential security risks without guaranteeing equal information returns, leading national services to withhold their most sensitive assessments.

Overreliance on US Intelligence and the "EuroEyes" Imperative

The vulnerabilities of Europe's fragmented intelligence architecture are heightened by its historical reliance on the United States. Through NATO structures and bilateral liaison channels, European capitals have depended on American SIGINT, satellite imagery, and early-warning networks to supplement domestic capabilities.

The second term of US President Donald Trump highlighted the risks of this dependency. Political appointments to leadership positions across the US Intelligence Community (IC) and transactional approaches to transatlantic security created uncertainty among European allies regarding the continuity of intelligence sharing (de Mitri, 2026). This vulnerability was underscored when American intelligence exchanges regarding the Ukrainian theatre were temporarily suspended, prompting European

lawmakers to reassess their reliance on US assets (Lunday, 2025).

In response, German parliamentarians and European security experts proposed the creation of a "EuroEyes" intelligence framework (Lunday, 2025). Modeled on the Five Eyes alliance (US, UK, Canada, Australia, New Zealand), EuroEyes proposes an integrated intelligence-sharing ring composed of EU member states committed to deep, multilateral information sharing. However, replacing American collection capabilities requires overcoming European fiscal constraints and resource fragmentation, as no single European state possesses the financial or technical capacity to match US intelligence spending (de Mitri, 2026).

4. Policy Proposals for EU Intelligence Enhancement

Given the political and legal obstacles to creating a supranational "European CIA," the EU must pursue pragmatic, incremental enhancements. Reform efforts should focus on optimizing existing intelligence-sharing mechanisms, formalizing executive oversight, and scaling technical collection capabilities.

Strategic Enhancement Roadmap

- Proposal 1: Establish an EU Intelligence Council — A formal oversight body of national intelligence directors providing a direct advisory link to the European Council and HR/VP.

- Proposal 2: Deepen "SIAC 2.0" All-Source Fusion — Full operational integration of INTCEN and EUMS INT with dedicated joint cells for hybrid threats.

- Proposal 3: Support Regional Sub-Bloc Coalitions ("EuroEyes") — Flexible, tiered intelligence-sharing frameworks tailored to shared regional vectors (Baltic, Mediterranean).

- Proposal 4: Expand SatCen & Indigenous GEOINT Assets — Direct funding for commercial and dual-use satellite feeds alongside automated AI imagery exploitation.

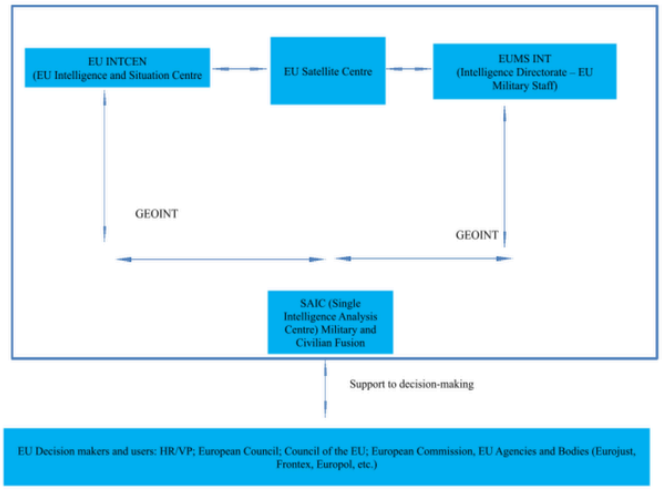

Figure 1: The Intelligence Analysis Structure

Proposal 1: Establish an EU Intelligence Council

To address governance fragmentation, the EU should establish an EU Intelligence Council, as proposed by Seyfried (2017). This body would serve as a formal, high-level forum bringing together the directors of member states' national intelligence and security services alongside the HR/VP, the Director of EU INTCEN, and the Director-General of the EUMS.

EU Intelligence Council Architecture:

- Membership: Heads of Member State National Intelligence Services, HR/VP, Directors of EU INTCEN & EUMS INT

• Institutional Role: Strategic consultation, priority-setting, and operational oversight

• Operational Mandate: Direct intelligence requirements for SIAC; coordinate joint counter-intelligence responses

• Legal Mechanism: Established via Council Decision under the CFSP framework (Article 31 TEU)

The Intelligence Council would not replace national agencies or compel data transfers. Instead, it would provide a structured mechanism for national intelligence chiefs to set collection priorities, discuss shared threat assessments, and coordinate responses to transnational risks, such as cyber warfare, foreign interference, and terrorism. By preserving national command authority while providing an executive platform, the Council could foster trust and facilitate voluntary cooperation.

Proposal 2: Operationalize SIAC 2.0 and Joint Civilian-Military Fusion

While SIAC co-locates civilian (INTCEN) and military (EUMS INT) analysts, true analytical fusion remains incomplete. The EU should implement an updated "SIAC 2.0" framework designed to merge civilian and military intelligence workflows.

SIAC 2.0 would establish joint analytical cells focused on specific regional and thematic domains, including:

• The Baltic Sea and High North Vector

• The Black Sea and Eastern Flank Vector

• The Western Balkans and Southern Mediterranean Vector

• Hybrid Threats, Counter-Disinformation, and Critical Infrastructure Protection

By producing integrated strategic assessments that combine political, economic, and military data, SIAC 2.0 could provide European decision-makers with comprehensive situational awareness.

Proposal 3: Foster Differentiated Coalitions and Tiered Sharing

Recognizing that uniform sharing among all 27 member states is constrained by operational differences, the EU should support flexible, sub-regional intelligence coalitions. Building on the "EuroEyes" concept, coalitions of willing member states—such as the Nordic-Baltic group, the Weimar Triangle, or Southern Mediterranean nations—could form tiered intelligence-sharing agreements (Lunday, 2025; de Mitri, 2026).

Tier Level	Composition & Scope
Tier 1: Sub-Regional Coalitions ("EuroEyes")	High-trust coalitions (e.g., Baltic, Nordic) executing deep, real-time tactical and operational intelligence sharing.
Tier 2: SIAC Synthesis Core	All-member-state strategic summaries processed through EU INTCEN for general European Council distribution.
Tier 3: Functional Task Forces	Issue-specific platforms (e.g., Europol, Frontex) focused on criminal, terrorism, and border intelligence.

These regional sub-coalitions could execute real-time operational exchanges tailored to localized threat vectors. The strategic intelligence produced by these sub-groups could then be anonymized and fed back into SIAC,

elevating the overall quality of analysis available to the broader Union.

Proposal 4: Expand SatCen and Commercial GEOINT Infrastructure

Because geospatial intelligence avoids many of the security restrictions associated with HUMINT and SIGINT, the EU should significantly expand SatCen's operational budget.

The EU should fund a dedicated constellation of European earth-observation satellites, supplemented by commercial synthetic aperture radar (SAR) feeds, ensuring all-weather, day-and-night imagery coverage. Integrating artificial intelligence and automated image processing into SatCen's operations would accelerate imagery exploitation, allowing European decision-makers to track force movements, maritime activity, and border developments in real time without relying on external assets.

5. Comparative Evaluation of Reform Pathways

To determine the viability of these strategic proposals, it is useful to evaluate them against feasibility, political resistance, and potential intelligence impact.

Image to follow

Reform Pathway	Intelligence Impact	Political Feasibility	Treaty Requirement
Centralized EU Collection Agency	Very High	Extremely Low (Sovereignty Veto)	Major Treaty Revision (Unanimous Consent)
EU Intelligence Council	High	Medium-High (Preserves MS Control)	Council Decision (Article 31 TEU)
SIAC 2.0 Fusion Upgrades	Medium-High	High (Internal EEAS Reform)	Administrative EEAS Adjustment
"EuroEyes" Sub-Regional Framework	High	High (Voluntary Sub-blocs)	Flexible Intergovernmental Agreements
SatCen Capability Expansion	High	Very High (Technocratic Consensus)	Budgetary Allocation via EU Budget

Attempting to establish a centralized "European CIA" remains politically unviable, as it would encounter member state vetoes and require complex treaty amendments. Conversely, pursuing a combination of an EU Intelligence Council, SIAC 2.0 upgrades, sub-regional EuroEyes frameworks, and SatCen expansion offers a practical pathway forward. This hybrid approach respects national sovereignty while systematically building European analytical capacity, reducing vulnerability to external shocks, and reinforcing the Union's strategic autonomy.

6. Conclusion

The European Union's ambition to act as a geopolitical player depends on its capacity to analyze, anticipate, and respond to global crises. Yet, its intelligence architecture remains constrained by legal limits, cultural compartmentalization, and historical reliance on American collection capabilities. As geopolitical tensions rise along the Eastern Flank and transatlantic relations fluctuate, relying on an

ad-hoc, fragmented information-sharing model exposes the Union to strategic vulnerabilities.

Creating a supranational intelligence collection agency remains politically unfeasible under the current treaty framework. National capitals will not cede executive authority over national security assets.

However, meaningful progress can be achieved by optimizing intergovernmental structures. By establishing an EU Intelligence Council, upgrading SIAC into a civilian-military fusion capacity, supporting flexible "EuroEyes" sub-regional coalitions, and expanding SatCen's geospatial infrastructure, the EU can build a robust analytical apparatus. These reforms will preserve member state sovereignty while equipping European decision-makers with the strategic intelligence required to navigate an increasingly volatile world.

Furthermore, cementing these structural upgrades requires aligning financial investments with long-term strategic objectives. European defense funds must prioritize dual-use technological innovation, particularly automated satellite processing, secure quantum communications, and artificial intelligence-driven predictive analysis. Interoperability across national intelligence architecture must be treated not as a secondary preference, but as an operational imperative. While individual member states will inevitably retain sovereign control over their most sensitive assets, creating standardized protocols for threat reporting will drastically improve early-warning reaction times. By transforming fragmented national inputs into a cohesive European analytical output, the Union can bridge the gap between strategic intent and operational reality, securing its autonomy amidst shifting global powers.

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October 2026

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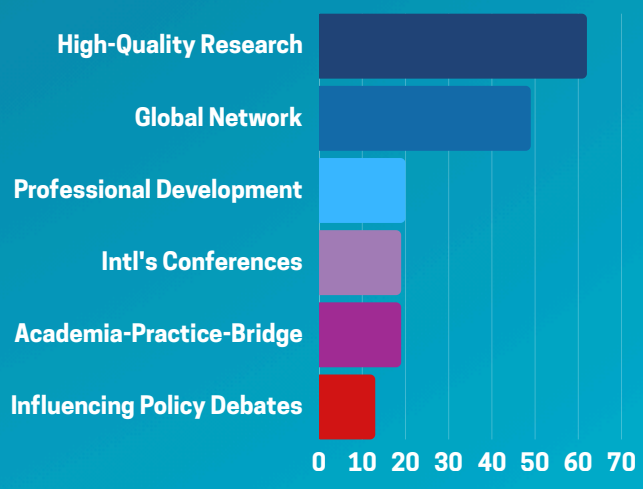

SECURITY POLICY & DEFENCE



Reconfiguring Europe's Forward Presence on the Eastern Flank

Designing a Credible Eastern Flank Posture Amid Reduced U.S. Military Commitment

Anton Hahn and Anna Lena Gansaeuer

About the Article

"a forward defense strategy cannot succeed on political declarations alone"

About the Author

Anton is currently enrolled in the Master's program "Strategy and International Security" at the University of Bonn, specializing in defence studies and military strategy in Europe. He has gained professional experience as a Research Assistant at the Institute for Security Policy Kiel (ISPK) and CASSIS Bonn. Anton aims to leverage his expertise in defence matters to contribute to the success of the report group "Security Policy & Defence".

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Abstract

Russia's 2022 full-scale invasion of Ukraine disrupted the European security architecture, forcing NATO to transition its Eastern Flank posture from a punitive "tripwire" strategy to operational forward defence. This operational shift designed to deny territorial gains at the border requires robust, high-readiness force packages and extensive operational enablers.

However, as the United States recalibrates its global posture toward the Indo-Pacific and adopts a transactional approach to transatlantic security, Europe faces a dual imperative: it must build a credible forward presence while simultaneously replacing US strategic capabilities.

This paper evaluates the evolution of NATO's force posture on the Eastern Flank, analyzes the capability deficits created by a diminishing US footprint, and details the structural gaps in European Intelligence, Surveillance, and Reconnaissance (ISR), space infrastructure, long-range precision strike, and military mobility.

Finally, it outlines policy recommendations for a cohesive European Grand Strategy capable of delivering independent, high-intensity conventional deterrence.

Introduction: The Strategic Imperative for European Autonomy

The post-Cold War security framework in Europe has concluded. Russia's full-scale invasion of Ukraine in February 2022 confirmed a strategic effort by Moscow to overturn the Euro-Atlantic security architecture, re-establish exclusive spheres of influence, and constrain NATO's operational reach.

Despite sustaining heavy equipment and personnel attrition in Ukraine, Russia is executing a structural re-organization of its armed forces. The formation of the 44th Army Corps in Karelia near the Finnish border and plans to expand existing brigades into full divisions signal a long-term commitment to a high-intensity conventional posture along Europe's Eastern Flank.

This tripwire posture is adequate to signal responsiveness and reassure, but not substantial enough to successfully defend against armed aggression

Furthermore, Russia's Northern Fleet maintains a core share of the Kremlin's strategic strike vector, including Yasen-M nuclear-powered attack submarines capable of delivering long-range, precision conventional strikes deep into the European continent (IISS, 2025). European intelligence agencies project that within the next decade, NATO will face a reconstituted, mass-mobilization military along its eastern perimeter. While potentially technologically inferior to Allied forces in specific domains, its sheer volume, firepower, and reserves will pose a severe threat (Barry et al., 2025).

Concurrently, Europe can no longer operate under the assumption of unconditioned, permanent American security guarantees. The return of President Donald Trump to the White

House in 2025 formalized a transactional policy that deemphasizes American leadership within NATO in favor of reallocating military assets to the Indo-Pacific theatre.

Estimates from the International Institute for Strategic Studies (IISS) indicate that European Allies would need to deploy approximately $1 trillion in additional capital investments beyond current modernization programs to offset the conventional forces, strategic enablers, and command structures currently supplied by the United States (Barry et al., 2025).

Because the European defense landscape remains fragmented and dependent on American enablers, the European Union and its non-EU European Allies must rapidly pivot from security consumers to security providers. Formulating an integrated European Grand Strategy is no longer an optional academic ambition; it is an operational requirement.

2. The Operational Evolution: From Tripwire Punishment to Forward Denial

Understanding the current operational demands on the Eastern Flank requires analyzing the shift in NATO's underlying deterrence posture since 2014.

The Post-2014 Tripwire Posture and Deterrence by Punishment

Following Russia's illegal annexation of Crimea and initial intervention in the Donbas in 2014, NATO established its Enhanced Forward Presence (EFP). This posture was anchored in deterrence by punishment:

Deterrence by Punishment: A strategic calculus that dissuades an adversary not by physically blocking their initial military advance, but by guaranteeing that retaliation will follow, raising the long-term cost of aggression above any immediate tactical gain (Bojang & Jacobs, 2019).

Under this model, NATO deployed four multinational, battalion-sized battlegroups (roughly 1,000 personnel each) on a rotational basis to Poland, Estonia, Latvia, and Lithuania, supplemented by a Tailored Forward Presence (TFP) in Romania and Bulgaria. These battlegroups were backed by the NATO Response Force (NRF)—a 40,000-strong follow-on force containing the Very High Readiness Joint Task Force (VJTF), capable of deploying 5,000 troops on short notice (Guerout & Romar, 2024; NATO, 2026).

Operatively, these forward battlegroups functioned as political tripwires. They were not sized or equipped to repel a full-scale assault by Russian mechanized forces. Instead, by ensuring that an attack on the Baltic States or Poland would immediately kill or capture soldiers from major Allied powers (including the US, UK, Germany, and France), the tripwire guaranteed the operational invocation of NATO's Article 5 collective defense clause.

However, wargames conducted by the RAND Corporation between 2014 and 2015 exposed the operational vulnerabilities of this strategy. In repeated operational simulations, Russian armored forces bypassed or overran forward

tripwire forces, reaching the outskirts of Tallinn and Riga in under 60 hours (Johnson & Shlapak, 2016).

The tripwire model left NATO with a grim strategic dilemma: escalate to nuclear weapons, execute an amphibious and land counter-offensive against an entrenched adversary to liberate occupied Allied territory, or concede defeat and collapse the credibility of the Alliance (Cheravitch et al., 2021).

"The article outlines Russia's growing threat, reviews NATO's reforms, and highlights Europe's capability gaps. It argues Europe must be able to deploy and sustain heavy forces autonomously and develop mechanisms that substitute for reduced U.S. contributions to NATO to maintain credible deterrence."

The Post-2022 Forward Defence Shift and Deterrence by Denial

The 2022 invasion of Ukraine rendered the deterrence-by-punishment model politically and militarily obsolete. The initial Russian advance demonstrated that Moscow was willing to absorb extreme costs to seize territory.

Furthermore, the atrocities uncovered in occupied towns such as Bucha and Irpin made clear to European planners that permitting even temporary occupation of Allied territory resulted in the systematic destruction of civilian populations (Kepe, 2024).

Consequently, at the 2022 Madrid Summit and the 2023 Vilnius Summit, NATO formally transitioned to deterrence by denial through a doctrine of forward defence:

Deterrence by Denial: A strategy that seeks to deter aggression by making an attack physically infeasible or unlikely to succeed, denying the aggressor confidence in attaining their operational objectives at the border (Mazarr, 2018).

This operational shift required four structural adjustments:

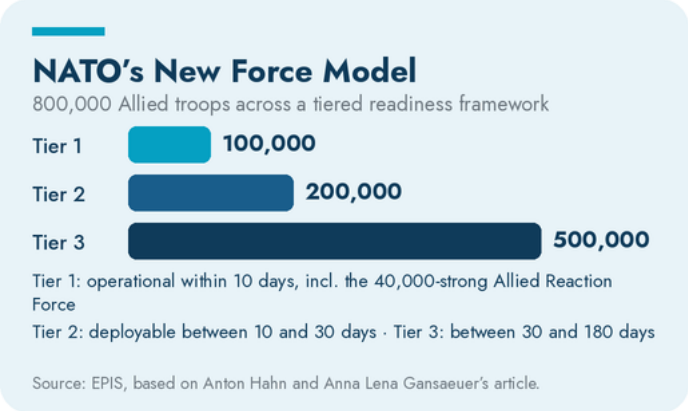
• Scaling Forward Battlegroups: The existing four battlegroups in the Baltics and Poland, along with four new battlegroups established in Bulgaria, Hungary, Romania, and Slovakia, were expanded to combat-ready, brigade-sized formations (up to 5,000 troops each) backed by pre-positioned heavy equipment and ammunition stockpiles (Calcagno & Marrone, 2024).

• The New Force Model (NFM): Replacing the NRF, the NFM organizes 800,000 Allied troops across a tiered readiness framework: Tier 1: 100,000 troops operational within 10 days, incorporating the 40,000-strong Allied Reaction Force (ARF). Tier 2: 200,000 troops deployable between 10 and 30 days. Tier 3: 500,000 troops deployable between 30 and 180 days (Major & Swistek, 2022; Fleischer & Vieth, 2024).

• Regional Defence Plans: Agreed at the 2023 Vilnius Summit, three comprehensive regional plans assign specific geographical responsibilities, readiness thresholds, and force requirements across the High North/Atlantic, Central Europe/Baltics, and the

Mediterranean/Southeastern Flank (NATO, 2023).

3. The Dynamics of US Withdrawal and Transatlantic Friction



The operational requirements of forward defence require steady force availability and long-term capability investments. However, the political environment in Washington has introduced systemic uncertainty into NATO's strategic planning.

The Reorientation of US Posture

The Trump administration's national security agenda has driven a pivot toward the Indo-Pacific, resulting in incremental drawdowns and strategic uncertainty across the European theatre:

• Force Drawdowns in the South-East: In October 2025, the US Army withdrew approximately 1,000 personnel from Romania—a 50% reduction of its footprint in the country (Costita & Furlong, 2025).

• Cancellation of Deep-Strike Deployments: In mid-2026, the Pentagon cancelled the planned stationing of the Multi-Domain Task Force (MDTF) in Germany. This unit was intended to provide an interim deep-precision strike capability using Tomahawk cruise missiles, SM-6 semi-ballistic missiles, and hypersonic glide weapons (Newdick, 2025). Concurrently, Washington rejected Germany's procurement request for 400 Tomahawk missiles, citing inventory constraints and strategic stability considerations regarding Russia (Serohina, 2026).

• Rotational Arbitrage: In May 2026, the Pentagon briefly halted the scheduled deployment of the 2nd Armored Brigade Combat Team (1st Cavalry Division) to Poland. While the decision was reversed following allied appeals, it underscored that US forward presence on the Eastern Flank is increasingly subject to political bargaining (Britzkey, 2026; Jack & Wälde, 2026).

• Naval and Air Capability Withdrawal: By late May 2026, reports indicated that the US sought to reduce its contributions of naval destroyers, attack submarines, strategic bombers, fifth-generation fighter squadrons, and high-altitude drones from NATO's regional defense allocations, while scaling back its reported contributions to the NFM Tier system (Gray et al., 2026).

4. Capability Deficits: The European Operational Gap

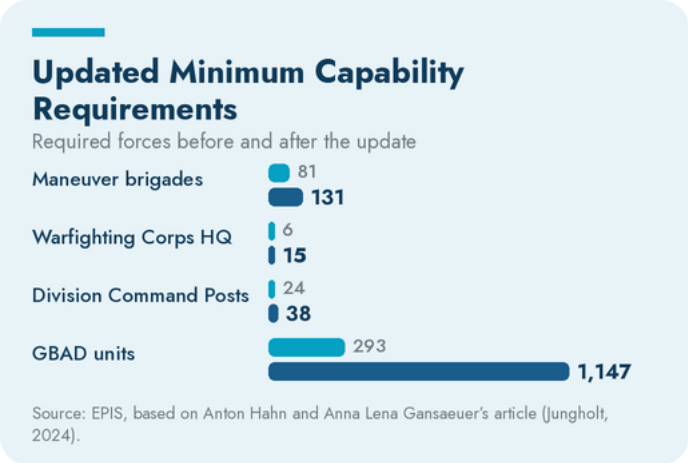
The 2025 NATO Summit in The Hague established revised defense spending and capability targets. While European defense expenditure rose nominally by 50% between 2022 and 2025, the operational demand generated by the regional defense plans creates a significant capability deficit (IISS, 2025; Ruitenberg, 2025).

The updated Minimum Capability Requirements (MCR) outline an increase in required forces:

• Maneuver Brigades: Increased from 81 in 2021 to 131.

• Command and Control Structures: Warfighting Corps Headquarters increased from 6 to 15; Division Command Posts increased from 24 to 38.

• Ground-Based Air Defence (GBAD): Increased from 293 operational units to 1,147 units—a nearly 300% surge (Jungholt, 2024).



European Allies face a dual challenge: they must expand their conventional capabilities by 30% to meet these targets while simultaneously replacing the 30% contribution historically provided by the United States.

Without American structural enablers, Europe's current force structure cannot sustain high-intensity operations along the Eastern Flank.

Intelligence, Surveillance, and Reconnaissance (ISR)

Deterrence by denial requires early warning to track, identify, and target adversary force concentrations across extended battlefields.

Europe operates a small fleet of 36 crewed ISR aircraft, compared to more than 80 operated by the US military. Furthermore, European Signal Intelligence (SIGINT) aircraft account for only one-third of the equivalent US capacity (IISS, 2025). European efforts to develop indigenous Medium-Altitude Long-Endurance (MALE) uncrewed aerial vehicles remain hindered by development delays and procurement fragmentation.

Military Space Infrastructure

Modern targeting and battle management depend heavily on orbital space assets. While the EU operates two main satellite constellations —Copernicus for Earth observation and Galileo for navigation—European militaries face structural gaps in military-grade space situational awareness, early missile warning, and SIGINT constellations (Süß, 2025).

Additionally, European space launch capabilities remain reliant on US commercial providers, while European satellite constellations suffer from low revisit rates. This hinders the maintenance of real-time situational awareness during rapidly evolving contingencies.

Military Mobility and Heavy Infrastructure

Sustaining forward defence requires moving armored formations, artillery systems, and sustainment stocks over 1,000 kilometers to the Eastern Flank. European transportation

infrastructure exhibits severe operational bottlenecks (Budginaite-Froehly, 2024):

• Rail and Structural Infrastructure: Railway gauge discrepancies between Western and Eastern Europe delay strategic rail transport. In Germany alone, over 4,000 highway bridges require structural repairs to handle military loads (IISS, 2025).

• Gap-Crossing and Bridging Deficits: Most European military bridging systems are rated at Military Load Classification 50 (MLC50) or MLC60. However, modern main battle tanks (such as the Leopard 2A7+ or M1A2 SEPv3) and heavy equipment transporters require MLC80 rated systems (Fish, 2025). A shortage of MLC80 pontoon and ferry systems creates vulnerable choke points at major river crossings, leaving advancing reinforcements susceptible to long-range strike interdiction.

5. Strategic Recommendations: Building an Independent European Defense Capability

To address these capability gaps and build a credible forward defense posture independent of US assets, European governments, the European Union, and European NATO members should pursue four strategic priorities:

Recommendation 1: Prepare for Standalone European Contingencies

European defense planning should assume that US military support in a crisis may be delayed, constrained, or diverted to other theatres.

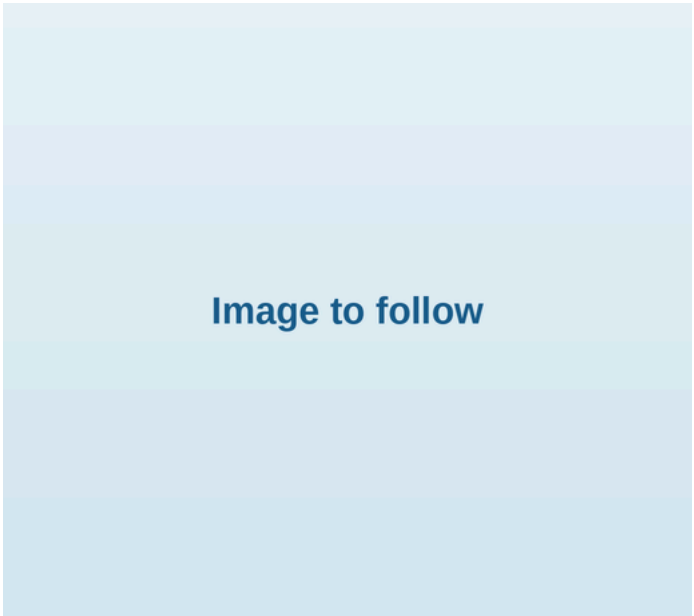
A European Grand Strategy must prioritize the independent deployment, command, and sustainment of heavy armored formations along the Eastern Flank. This requires establishing pre-positioned ammunition and equipment stocks, securing high-capacity transport corridors, strengthening air and missile defense systems, and establishing independent warfighting Corps and Division command posts.

Recommendation 2: Establish Non-US Force Frameworks

To offset potential drawdowns in US contributions to NATO's high-readiness force pools, Europe should build operational redundancy through non-US frameworks:

• Coalition Formations: Strengthen non-US multilateral frameworks, such as the UK-led Joint Expeditionary Force (JEF) or the France-UK Multinational Force–Ukraine (MNF-U), anchored at its strategic joint command headquarters at Fort Mont-Valérien in Paris.

• EU Rapid Deployment Capacity: Operationalize the EU's Rapid Deployment Capacity (up to 5,000 personnel/brigade level) using NATO Supreme Headquarters Allied Powers Europe (SHAPE) command infrastructure via the Berlin-Plus arrangement.



Recommendation 3: Integrate Commercial High-Tech Space and ISR Enablers

To rapidly close the critical ISR and satellite reconnaissance gap, European defense ministries should integrate commercial space capabilities into military operations.

Providers such as the Finnish synthetic aperture radar (SAR) company ICEYE demonstrate how commercial constellations can deliver real-time, all-weather radar imaging and data transmission. Governments should utilize long-term anchor tenancy contracts, simplified procurement tracks, and joint commercial-military data-sharing protocols to build a responsive European space architecture.

Recommendation 4: Harmonize EU and NATO Capability Planning

Dual-member states currently face competing demands from the EU's Capability Development Plan (CDP) and NATO's Defence Planning Process (NDPP). Divergent planning requirements fragment limited procurement budgets.

Europe should integrate the procurement activities of the European Defence Agency (EDA) and the NATO Support and Procurement Agency (NSPA). Merging procurement initiatives, standardizing hardware requirements, and pursuing joint equipment acquisitions will eliminate duplication and maximize the output of European defense spending.

6. Conclusion

The transformation of NATO's Eastern Flank posture from a punitive tripwire strategy to forward denial is a necessary operational response to Russian revanchism. However, a forward defense strategy cannot succeed on political declarations alone. It demands heavy armored formations, comprehensive real-time ISR, persistent orbital coverage, robust deep-strike assets, and streamlined military mobility.

As the United States shifts its military focus toward the Indo-Pacific, Europe can no longer rely on American enablers to fill its operational gaps. The security of the Eastern Flank depends on Europe's ability to develop an integrated Grand Strategy.

By building standalone force structures, leveraging alternative coalition frameworks, integrating commercial space technologies, and unifying EU-NATO procurement mechanisms, European nations can construct a credible, independent conventional defense capability that secures the continent for the decades ahead.

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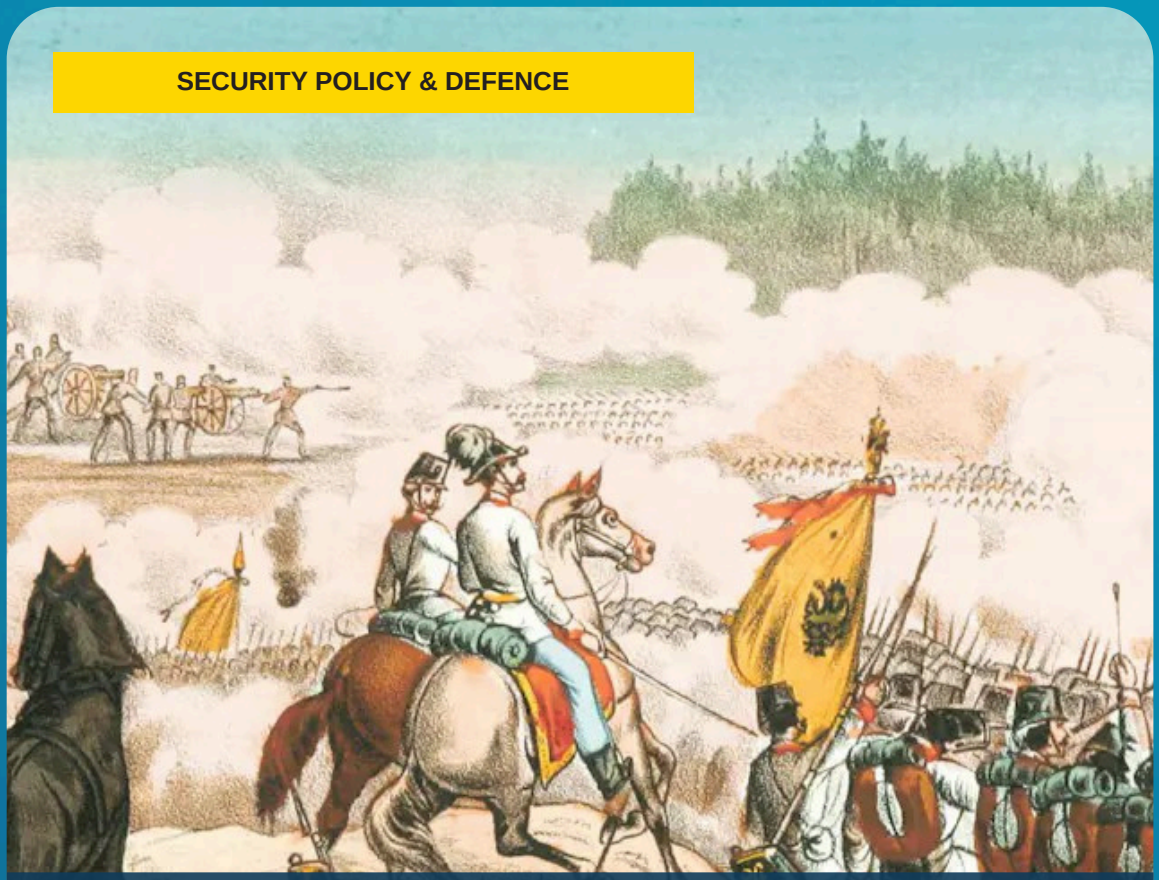

A Doctrine Before a Strategy: Building the Preconditions of European Grand Strategic Reasoning

Denisa Cepoiu

About the Article

"The strategic environment surrounding the continent demands a shift from declaratory statements to disciplined strategic reasoning."

About the Author

Denisa Cepoiu is an MA candidate in International Relations (IR) at Central European University in Vienna and a cum laude IR graduate from Leiden University. Her work centers on security issues through a critical realist lens. She has researched wartime propaganda, the security crisis in the DRC, and narratives around anti-corruption protests in Romania. Her current research focus is on populism, international security, and global order politics.

Abstract

The European Union confronts acute geopolitical pressure with strategic documents whose vocabulary outruns their substance. This paper argues that the EU's three foundational strategic documents—the 2003 European Security Strategy, the 2016 EU Global Strategy, and the 2022 Strategic Compass—each perform the grammar of grand strategy without supplying the architecture through which it could function as strategic reasoning. To remedy this constitutive deficit, this paper proposes that the EU adopt a formal Grand Strategy Doctrine, anchored in Article 22 of the Treaty on European Union (TEU).

Grand strategy is a conceptual superstructure within which all lower-order strategic instruments are situated and given coherent direction.

This doctrine performs three essential operations: it specifies a rank-ordered set of long-term political ends; disciplines subordinate functional strategies through a High Representative-led Strategic Coherence Report; and institutionalizes sustained strategic reasoning through a dedicated Strategic Reasoning Cell within the European External Action Service (EEAS) and mandatory national strategic consultations. Without this doctrine, the EU will continue to produce declaratory strategic vocabulary; with it, the EU constitutes the conceptual and institutional preconditions for genuine grand strategic reasoning.

1. Introduction: The Paradox of Grand Strategy in EU Governance

The concept of grand strategy satisfies an awkward and paradoxical position in scholarly literature and policy practice: it is both the subject of a vast literature on good practices and historical case studies, yet it simultaneously lacks a firm, universally accepted theoretical foundation (Freedman, 2022). That is to say, the concept of grand strategy lacks an academic consensus on how it should be defined, despite a broad practitioner agreement that possessing a grand strategy is far preferable to navigating international anarchy without one. While this definitional instability is intellectually frustrating in an academic setting, it becomes operationally hazardous when translated into the arena of European integration and international crisis management.

Policy makers who deploy the vocabulary of grand strategy without absorbing its structural substance tend to make two recurring analytical errors:

- Conflating Communication with Reasoning: Mistaking high-level strategic communication or declaratory policy for disciplined strategic reasoning.

- Conflating Reaction with Alignment: Confusing the reactive prioritisation of immediate crisis-driven commitments with the deliberate, long-term alignment of ends and means.

Dimension	Declaratory Policy Model	Grand Strategic Doctrine
Structural Logic	Additive cataloguing of threat vectors	Strict, rank-ordered hierarchy of political ends
Instrument Alignment	Functional silos operating with autonomous mandates	Disciplined alignment of all non-coercive/military capabilities
Institutional Mechanism	Ad-hoc strategic papers (ESS, EUGS, Compass)	Article 22 TEU binding European Council Decision
Time Horizon	Reactive crisis-driven operational cycles	Sustained horizon-scanning via EEAS Reasoning Cell

This structural failure is particularly evident within the European Union. Over the past two decades, the Union has repeatedly issued overarching security strategies that attempt to project an image of strategic coherence. Yet, when confronted with systemic crises—ranging from Russian revanchism on the Eastern Flank to maritime interdiction threats in the Southern Neighborhood—the Union frequently falls back into functional fragmentation. To move beyond this pattern, this paper submits an operationalizable framework for grand strategy, evaluates the evolution of EU strategic documents against it, and proposes an institutional policy mechanism: a European Union Grand Strategy Doctrine.

2. Conceptualizing Grand Strategy for a Sui Generis Actor

Grand strategy, properly understood, is the highest-order form of political reasoning available to a sovereign or quasi-sovereign actor. It constitutes a conceptual superstructure within which all lower-order strategic instruments—diplomatic, economic, regulatory, technological, and military—are situated, integrated, and given coherent direction. As Henke (2025, p. 100) argues, grand strategy "sits above strategies that deal with lower levels of statecraft" and is distinguished from a simple plan precisely by its capacity to account for disruption, adversarial resistance, and the irreducible gap between political ambition and achievable outcomes.

Grand strategy is what an actor does with all its instruments of power in the sustained service of a politically defined end. This insight informs the definition deployed throughout this analysis:

Grand Strategy: The sustained, deliberate alignment of all available instruments of power—military, economic, diplomatic, technological, and normative—with a clearly articulated set of long-term political ends, governed by a disciplined calculus of means and constrained by an honest recognition of the gap between aspiration and capacity.

Three features of this conceptualization merit explicit emphasis:

- Purposive and Future-Oriented: Grand strategy is inherently future-oriented and purposive; it cannot be reduced to a post-hoc rationalisation of observable patterns of institutional behavior (Brands and Feaver, 2022).

- Rank-Ordered Prioritisation: It performs an essential prioritisation function. In a world of finite material resources, competing institutional bandwidth, and operational trade-offs, grand strategy provides the rank-ordered value structure through which decision-makers determine what constitutes a core existential objective versus a secondary interest (Brands and Feaver, 2022).

- Macropolitical Scope: Grand strategy differs categorically from foreign policy in its

macropolitical scope. Whereas foreign policy operates at the level of specific regional interactions or bilateral diplomatic exchanges, grand strategy defines the overarching political course to which those lower-order interactions are subordinated (Henke, 2025).

Category	Foreign Policy	Grand Strategy
Level of Abstraction	Tactical and regional	Macropolitical and global
Primary Function	Managing immediate state-to-state interactions	Aligning all national/EU power instruments
Operational Logic	Reactive issue management	Purposive, long-horizon ends-means calculation
Resource Allocation	Sectoral budget management	Rank-ordered strategic resource prioritisation

Applying this rigorous framework to a non-state, post-Westphalian actor such as the European Union is theoretically non-trivial. Rynning (2003) has cogently argued that what the EU most conspicuously lacks is a shared strategic culture —that is, a common set of "interests and views of the world" capable of sustaining coherent joint action during acute security dilemmas. Hence, this cultural absence undermines the credibility of its security ambitions from the outset.

Smith (2011) goes further in mapping the EU's partial alignment with grand strategic logic, identifying three functional components—physical security, economic prosperity, and value projection—that correspond to the constitutive dimensions of grand strategy. However, Smith simultaneously acknowledges that the EU's institutional architecture systematically prevents their integration into a unified strategic logic.

These analytical interventions converge on a shared diagnosis: the EU does not lack strategic documents or strategic aspirations, but rather the conceptual coherence and institutional scaffolding required to transform those aspirations into grand strategy in the rigorous sense defined here.

3. Comparative Evaluation of EU Strategic Documents

To test this diagnostic thesis, it is necessary to examine the three foundational strategic documents produced by the Union over the past two decades: the 2003 European Security Strategy (ESS), the 2016 EU Global Strategy (EUGS), and the 2022 Strategic Compass.

"Question: Do the EU's three strategic documents constitute grand strategy or merely deploy its vocabulary? Argument: All three perform its grammar (threats, priorities, instruments) without the architecture for strategic reasoning; the EU has grand strategy's functional dimensions but lacks institutional integration. Conclusion: The EU needs a doctrine under Art. 22 TEU that (1) rank-orders political ends, (2) disciplines subordinate strategies, (3) institutionalizes sustained reasoning."

The 2003 European Security Strategy (ESS)

Drafted in the aftermath of the deep intra-European divisions over the 2003 US-led invasion of Iraq, the European Security Strategy, titled A Secure Europe in a Better World, represented the EU's inaugural attempt at articulating a unified security posture (Council of the European Union, 2003). The ESS catalogued five key threat vectors facing the continent:

• Terrorism

• Proliferation of Weapons of Mass Destruction (WMD)

• Regional Conflicts

• State Failure

• Organised Crime

While the document succeeded as a political instrument of intra-European reconciliation, it failed as a grand strategic blueprint. The ESS enumerated these threats in an additive, non-hierarchical manner, treating all challenge vectors as equally pressing across all geographic theaters. It positioned the EU as a globally responsible actor committed to "effective multilateralism" without supplying the military, financial, or institutional means required to enforce compliance.

The document articulated ambitious political goals—such as establishing a ring of well-governed states along the EU's eastern and southern peripheries—without establishing a calculus of means or recognizing the trade-offs required if regional actors actively resisted European normative projection.

Evaluating the 2003 European Security Strategy (ESS):

• Core Concept: "Effective Multilateralism" & Holistic Threat Cataloguing

• Structural Strength: Re-established diplomatic cohesion post-2003 Iraq crisis

• Critical Deficit: Zero rank-ordering of threats; no ends-means calculation

• Operational Output: Declaratory ambitions disconnected from CSDP force pools

The 2016 EU Global Strategy (EUGS)

Formulated in the wake of Russia's 2014 annexation of Crimea and the migration crises across the Mediterranean, the 2016 EU Global Strategy, titled Shared Vision, Common Action: A Stronger Europe, sought to inject realism into European foreign policy through the concept of "principled pragmatism" (EEAS, 2016). The document identified five broad priorities:

• The Security of the Union

• State and Societal Resilience

• An Integrated Approach to Conflicts

• Cooperative Regional Orders

• Global Governance for the 21st Century

However, "principled pragmatism" proved to be a self-defeating formulation. By elevating strategic flexibility and institutional adaptability to the status of overarching goals, the EUGS conflated the means of statecraft with its ends.

Furthermore, by designating five broad priority areas without defining which took precedence during a crisis, the EUGS reproduced the additive error of the 2003 ESS. By making everything strategically important, the EUGS ultimately prioritized nothing. It provided no guidance for how the Union should allocate political capital or material resources when the

promotion of normative values conflicted directly with hard security or energy supply considerations.

Evaluating the 2016 EU Global Strategy (EUGS):

- Core Concept: "Principled Pragmatism" & Resilience Building

- Structural Strength: Acknowledged hard security realities and regional crises

- Critical Deficit: Conflated adaptability (means) with political purpose (ends); equal weighting of all five strategic priorities

- Operational Output: Sectoral policy expansion without overarching alignment

The 2022 Strategic Compass

Drafted in the shadow of Russia's 2022 full-scale invasion of Ukraine, the Strategic Compass for Security and Defence was designed to give operational substance to the EU's security ambitions (Council of the European Union, 2022). The document organized its action plan around four operational pillars:

- Act: Enhancing rapid deployment capabilities (including a 5,000-strong EU Rapid Deployment Capacity).

- Secure: Anticipating threats, securing maritime/cyber spaces, and countering hybrid warfare.

- Invest: Closing defense capability gaps and strengthening the European Defence Technological and Industrial Base (EDTIB).

- Partner: Deepening cooperation with NATO, the UN, and regional partners.

While the Strategic Compass represents a step forward in specifying timeline-bound operational deliverables, it suffers from a fundamental conceptual defect: it mistakes capability planning for grand strategy. The four pillars describe the instruments of security policy without defining the overarching political ends to which those instruments are answerable.

The Strategic Compass tells the EU what capabilities to acquire, but fails to define what for in a rank-ordered geopolitical framework. It treats strategic culture not as a structural precondition for effective action, but as an output that the document itself will magically generate through implementation.

Evaluating the 2022 Strategic Compass:

- Core Concept: Action-oriented Capability Building across 4 Pillars

- Structural Strength: Established concrete operational targets (e.g., EU RDC)

- Critical Deficit: Reduced grand strategy to capability planning; assumed document implementation would generate strategic culture

- Operational Output: High-level shopping list of military enablers without an articulated hierarchy of political ends

4. The Structural Diagnosis: Functional Splintering and Institutional Circularity

The limitations identified across these three documents reflect the institutional architecture of the European Union. Each successive drafting attempt reproduces the constitutive deficit diagnosed by Smith (2011): the EU possesses the individual instruments of grand strategy but lacks the institutional framework required to integrate them into a coherent strategic logic.

This institutional fragmentation is structurally embedded across three distinct domains:

- The Supranational Domain: Encompassing trade policy, internal market regulation, energy standards, and economic sanctions, managed primarily by the European Commission under supranational decision-making rules.

- The Intergovernmental Domain: Covering traditional foreign, security, and defense policy (CSDP), governed by unanimity within the Council of the European Union and subject to member state national sovereignty vetoes.

- The Autonomous Normative Domain: Spanning development finance, neighbourhood enlargement policies, and human rights conditionality, operating through bureaucratic frameworks insulated from hard military calculus.

Because these three operational pillars function under different legal bases, voting rules, and institutional cultures, their objectives frequently collide during complex geopolitical crises. For instance, European trade conditionality or environmental regulatory standards have historically operated in isolation from CSDP strategic stability objectives in regions like the Western Balkans or Northern Africa.

Strategic Document	Core Theoretical Deficit	Institutional Consequence
2003 ESS	Unranked threat list; zero calculus of means	Strategic declaratory expansion without operational capability
2016 EUGS	Conflated adaptability (means) with purpose (ends)	Proliferation of uncoordinated sectoral priorities
2022 Compass	Reduced grand strategy to capability planning	High-level capability goals lacking political direction

The Strategic Compass exposes this institutional circularity by treating strategic culture as an output of the document rather than a prerequisite for strategic coherence. This is an attempt to produce through documentation the shared "interests and views of the world" (Rynning, 2003) that must be in place before coherent strategic action becomes possible.

An entity built on the deliberate dispersion of coercive authority and the procedural sublimation of power cannot produce grand strategy in the traditional Clausewitzian sense without transforming its institutional logic. Each successive strategy document has developed a sophisticated strategic vocabulary; none has established the baseline for strategic reasoning.

5. Proposed Solution: An Article 22 TEU Grand Strategy Doctrine

To bridge the gap between strategic vocabulary and strategic reasoning, the European Union should adopt a Grand Strategy Doctrine. Rather than issuing another declaratory document listing regional priorities or military targets, the EU requires a foundational meta-text that defines what grand strategy means for a post-Westphalian actor, establishes relations of subordination among existing policy instruments,

and creates the institutional mechanisms required to maintain strategic reasoning over time.

The proposed doctrine performs three essential operations:

Operation 1: Operational Definition Anchored in Article 22 TEU

The Grand Strategy Doctrine must be formally adopted by the European Council pursuant to Article 22 of the Treaty on European Union (TEU). Article 22 empowers the European Council to "identify the strategic interests and objectives of the Union" based on the principles set out in Article 21 TEU, operating under unanimity.

Article 22 TEU Legal and Institutional Value:

• Legal Basis: Article 22 TEU (European Council Decision)

• Voting Requirement: Unanimity among all 27 Heads of State and Government

• Binding Scope: Legally and politically binding on both the European Commission and the Council of the European Union

• Constitutional Role: Converts abstract foreign policy principles (Art. 21) into a binding, rank-ordered hierarchy of interest

By utilizing Article 22 TEU, the doctrine acquires legal and political authority binding upon both the European Commission and the Council. Crucially, the doctrine must establish a strict, rank-ordered hierarchy of political ends that permits trade-offs during a crisis, explicitly rejecting the additive logic of past documents:

• Primary End (Existential): Physical Security of the Union & Citizens Territorial integrity, NATO alignment, border defense

• Secondary End (Structural): Preservation of Economic Security & Resilience Supply chain integrity, market protection, energy lines

• Tertiary End (Enabling): Safeguarding European Strategic Autonomy Industrial defense base, technological independence

• Quaternary End (Conditional): Projection of Normative Values & International Law Human rights, climate diplomacy, global rules

Under this hierarchy, when normative value projection conflicts directly with the physical security of the Union or critical economic supply lines, the doctrine mandates that lower-order goals yield to primary objectives.

Operation 2: Disciplining Subordinate Instruments via the Strategic Coherence Report

The second operation establishes relations of subordination among the EU's fragmented planning instruments. Sectoral documents—such as the EU Trade Policy Review, the European Defence Industrial Strategy (EDIS), the Global Gateway initiative, and energy transition roadmaps—must be designated as subordinate instruments legally required to align with the hierarchy set out in the Grand Strategy Doctrine.

To enforce this alignment:

• The High Representative for Foreign Affairs and Security Policy (HR/VP), acting in their dual capacity as Vice-President of the Commission and Chair of the Foreign Affairs Council, will be mandated to produce an annual Strategic Coherence Report.

• This report will evaluate all subordinate strategies, identifying policy drift, institutional contradictions, and instances where sectoral initiatives undermine higher-order strategic ends.

• Drafts of the Strategic Coherence Report must be submitted to the President of the European Commission for formal review and approval prior to submission to the European Council, bridging the gap between Commission regulatory power and EEAS diplomatic/security assets.

Operation 3: Institutional Architecture for Sustained Strategic Reasoning

To cultivate a shared strategic culture over time, the doctrine must establish permanent institutional infrastructure:

• The Strategic Reasoning Cell: A dedicated unit embedded within the EEAS, reporting directly to the HR/VP, tasked with continuous horizon-scanning, policy interpretation, and long-term threat-and-opportunity assessment. Unlike operational task forces, this cell is tasked solely with maintaining ends-means alignment.

• Mandatory National Strategic Consultations: A structured consultation cycle operated under a joint EEAS & Council General Secretariat framework requiring each member state to regularly submit a National Strategic Outlook. Synthesizing these 27 national submissions ensures that the EU doctrine is grounded in member state perspectives, correcting for the historic tendency of EU strategic documents to be top-down, Commission-driven exercises.

6. Structural Limitations: Qualified Clausewitzianism

It is necessary to address the structural limits of this proposed policy framework. The European Union is not a sovereign nation-state. It does not possess a sovereign military command structure, nor does it control the coercive military assets that constitute the ultima ratio of traditional statecraft.

Defense competencies remain intergovernmental, governed by the unanimity rule of Article 24 TEU and constrained by member state sovereignty over military force deployment. Any grand strategy doctrine adopted by the Union is therefore a doctrine of qualified Clausewitzianism:

Qualified Clausewitzianism: A strategic framework that aligns, commands, and deploys non-coercive instruments of power—trade, regulation, financial sanctions, technological standards, energy policy, and defense-industrial subsidies—while orchestrating, but not commanding, the sovereign military assets reserved to member states.

Image to follow

Strategic Dimension	Traditional Clausewitzianism	Qualified Clausewitzianism
Primary Actor	Sovereign Nation-State	Supranational / Multi-State Polity
Military Command	Direct sovereign command over armed forces	Orchestrated intergovernmental force coordination
Primary Power Vectors	Kinetic force projection & military deterrence	Regulatory market power, sanctions, defense-industrial integration, trade leverage
Sovereignty Model	Centralized monopoly on violence	Dispersed coercive power; pooled non-coercive power

This model does not pretend that the EU can instantly transform into a Westphalian military power, nor does it accept that its post-Westphalian nature prevents grand strategic reasoning. Instead, it tailors grand strategy to an actor whose coercive authority is dispersed across 27 capitals, but whose non-coercive, economic, and regulatory instruments are concentrated to a degree unmatched by any other entity in the international system.

Image to follow

7. Comparative Policy Synthesis

Criterion	2003 European Security Strategy	2016 EU Global Strategy	2022 Strategic Compass
Overall verdict	Inaugural strategic vocabulary; not yet strategic reasoning. Begins the grammar of grand strategy without its substance.	Performs strategic comprehensiveness without rank-ordered value structure.	Ambitious in scope deficient in reasoning. Capability-planning document organized around four pillars (Act, Secure, Invest, Partner) rather than grand strategic reasoning.
Brands & Feaver: architectonic standard	Fails — enumerates instruments (diplomatic, developmental, normative) without a unifying intellectual architecture that subordinates them to a political end.	Fails — 'principled pragmatism' dissolves the ends/means distinction; adaptability is treated as the strategy rather than a means toward it.	Fails — four operational pillars constitute capability planning, not grand strategic reasoning; the document specifies what to acquire, not what for.
Prioritisation function (Brands & Feaver)	Absent — five threats catalogued (terrorism, proliferation, state failure, organised crime, regional instability) without rank-ordering or resource calculus.	Absent — five strategic priorities treated as simultaneously urgent; no calculus for the allocation of finite institutional bandwidth.	Absent — full threat spectrum (Russia, China, hybrid warfare, energy, terrorism) treated as co-equal.

Comparative Analysis — EU Strategic Documents Against the Grand Strategy Framework

Criterion	2003 European Security Strategy	2016 EU Global Strategy	2022 Strategic Compass
Henke: distinction from foreign policy	Collapses — operates at the level of foreign policy coordination, not macropolitical course-setting with a ten-to-fifteen year horizon.	Collapses — 'resilience' positioned as quasi-strategic objective rather than instrumental condition for larger political ends; forecloses macropolitical reasoning.	Collapses — document is reactive (written under shadow of Ukraine invasion) rather than architectonic; calibrated to emergency rather than deliberate long-term posture construction.
Rynning: strategic culture deficit	Confirmed — absence of a shared strategic culture (common 'interests and views of the world') means even a document with grand-strategic ambition cannot be a grand-strategic product.	Confirmed — without common political ends, the EU settles for a meta-capability to respond to whatever ends present themselves rather than specifying its own.	Confirmed — document aspires to generate strategic culture rather than express it ('will help us build a common strategic culture').

Comparative Analysis (continued)

Criterion	2003 European Security Strategy	2016 EU Global Strategy	2022 Strategic Compass
Smith: integration of three functions	Functions present but unintegrated — physical security, economic prosperity, and value projection are all present but distributed without a unifying institutional logic.	Integration papered over — all three dimensions present but held together only by the rhetorical coherence of a single document. Better understood as strategic communication than grand strategy.	Integration failure — intergovernmental defence, supranational trade, and autonomous normative instruments are structurally insulated from one another; the Compass does not resolve this.
Conceptual character of the document	Strategic vocabulary — marks the beginning of a strategic grammar, not the beginning of strategic reasoning in the analytically demanding sense.	Strategic communication — clothes foreign policy coordination in grand strategic vocabulary; constitutes a form of conceptual stretching that makes subsequent rigorous reasoning harder.	Capability-planning document — reducible to a lower order of strategic reasoning.

Comparative Analysis (continued)

To demonstrate the structural advantages of adopting an Article 22 TEU Grand Strategy Doctrine, the table below compares previous strategic documents with the proposed framework across five core operational dimensions:

Image to follow

Operational Dimension	2003 ESS	2016 EUGS	2022 Strategic Compass	Article 22 TEU Grand Strategy Doctrine
Legal Status & Adoption	Council Statement; non-binding declaratory text	EEAS High Representative Report; non-binding	Council Endorsed Document; political commitment	Unanimous European Council Decision under Article 22 TEU; binding
Ends-Means Architecture	Unranked threat list; no means calculus	Adaptability as purpose; additive priorities	Capability focus; lacks rank-ordered political ends	Strict rank-ordered hierarchy of political ends
Policy Integration	Functional silos operating independently	Expanding priorities without coordination	Focus on CSDP and military enablers	Mandatory Strategic Coherence Reviews across trade, CSDP, and market instruments
Institutional Enforcers	None; ad-hoc implementation	EEAS implementation reports	Annual progress reports on CSDP deliverables	HR/VP Strategic Coherence Report + EEAS Strategic Reasoning Cell
Member State Integration	Top-down diplomatic compromise	Top-down EEAS drafting	Intergovernmental negotiation	Mandatory National Strategic Outlook submissions

8. Conclusion

The European Union stands at a critical juncture in its geopolitical evolution. The strategic environment surrounding the continent demands a shift from declaratory statements to disciplined strategic reasoning. The EU's historical reliance on strategic documents—from the 2003 ESS to the 2022 Strategic Compass—has developed a sophisticated vocabulary without providing the institutional scaffolding necessary for effective statecraft.

Adopting a Grand Strategy Doctrine anchored in Article 22 TEU offers a practical pathway forward. By establishing a rank-ordered hierarchy of political ends, mandating a High Representative-led Strategic Coherence Report to align subordinate instruments, and embedding

a permanent Strategic Reasoning Cell within the EEAS, the EU can establish the prerequisites for grand strategic reasoning.

This doctrine respects the sovereign limits of member states over kinetic military force while maximizing the strategic weight of the Union's economic, regulatory, and technological powers. Without such a doctrine, the EU will continue to produce strategic documents whose vocabulary outruns their substance. With it, the European Union acquires the conceptual and institutional tools required to act as a coherent, autonomous strategic actor on the global stage.

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Still got Questions ?

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One model, distinct results: Why is Bukele model failing in Ecuador

Martin Borecky

About the Article

"The Ecuadorian case shows that the Salvadoran model is not transferable one-to-one, but is rather a response aimed at a specific threat."

About the Author

International Studies graduate from Leiden University specialising in Latin America and its role in global affairs. Experienced in interdisciplinary problem solving, data analysis, and cross-cultural communication. Proven ability to conduct research, analyse complex global issues and work effectively in international and multi-cultural settings, with experience from Czechia, the Netherlands, Singapore and Mexico. Currently on a Gap Year. Starting Master's programme at Sciences Po this September.

On the 7th of January, guards at La Regional prison in the port city of Guayaquil found the cell of crime boss Adolfo 'Fito' Macías empty. In response, Ecuadorian president, Daniel Noboa, then in office for just two months, declared a two-month state of emergency and a curfew, which granted the authorities the powers to suspend certain rights and allowed the mobilisation of the military inside prison facilities (BBC News, 2024). Riots, kidnappings and explosions ensued, culminating with gunmen storming the studio of TC Television during a live broadcast (Le Monde, 2024).

Splintering: The fragmentation of a criminal network after its leader is removed, where rival factions violently compete for control rather than the group being neutralised.

Following the horror scenes, President Noboa declared that Ecuador is in a state of internal armed conflict and designated more than 20 criminal groups as terrorist organisations (ICTJ, 2024). Noboa's response to the violence was similar to that of another Latin American leader, Salvadoran president Nayib Bukele. His success in curbing crime in El Salvador made him the most popular president in Latin America in 2024 (Harrison & Vilcarino, 2024). In just a few years since his election in 2019, Bukele managed to turn El Salvador from one of the region's most violent countries to one of its safest. Noboa, running on a security-first platform, sought to replicate these results by following the Salvadoran example.

Yet two years on, Ecuador, following Bukele's playbook, is unable to contain its security crisis. The difference is highlighted in figure 1. Its homicide rate reached the highest level in the country's modern history in 2025 with more than 50 homicides per 100 000 people (Statista, 2025a). Between January and April 2026, Ecuador recorded more than 2700 homicides, the second highest number in history and roughly 40% higher than in 2024 (Gobierno de Ecuador, 2026). In this paper, I look into why an approach that produced such spectacular results in El Salvador failed to deliver a durable collapse in violence in Ecuador. Policy analysts warned early on that Ecuador should not replicate the Salvadoran model (Isacson & Walsh, 2024); this paper extends that argument with the actual developments from 2025–2026 and brings forward institutional divergence as a distinct causal factor. I show that the model failed to produce comparable results for three reasons. First, Ecuador faced a fragmented gang structure, rather than a consolidated one found in El Salvador, which limited the effectiveness of mass arrests. Second, Ecuadorian institutions did not allow for a complete subordination of everything to security policy, limiting the executive power of the president. Lastly, Ecuador's position as a node in the lucrative global cocaine trade means that there is a much bigger incentive for criminal groups to operate in Ecuador. Therefore, the two countries, though superficially alike, differ in a fundamental way, limiting the effectiveness of the Salvadoran security approach.

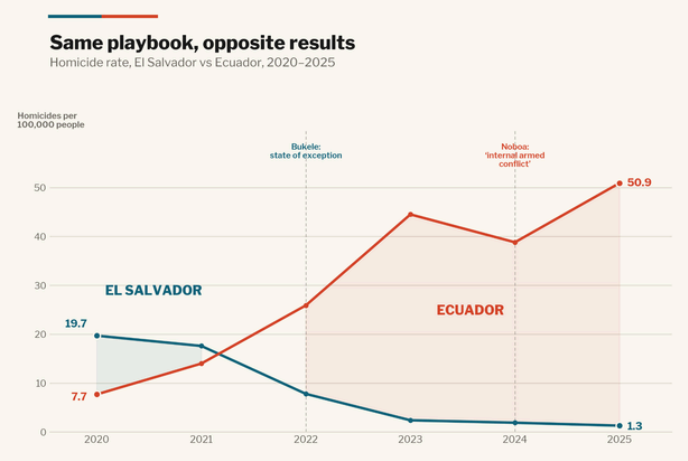

Figure 1: Homicide Rate in El Salvador and Ecuador, 2020–2025 Note: Data from Statista (2025a, 2025b). Figure created by the author using Claude Opus 4.8.

The Salvadoran Model

The successful Salvadoran model stands on three pillars: a permanent state of exception, mass incarceration and total militarisation. After a series of gang killings in March 2022, Bukele declared a state of exception, which has since been extended more than fifty times (Asamblea Legislativa, 2026). The state of exception suspends constitutional guarantees, such as the right to be informed of the reason for arrest, extends the maximum period of administrative detention or suspends the inviolability of correspondence and telecommunications and allows for warrantless arrests (IACHR, 2026). These powers granted to the authorities led to a wave of mass arrests, which made El Salvador the country with the highest incarceration rate in the world, with more than 1,659 inmates per 100,000 people (Statista, 2026). For comparison, the incarceration rate in the EU is 113 per 100 000, roughly fifteen times smaller (Eurostat, 2026). The symbol of this policy of mass arrests became the Terrorism Confinement Centre (CECOT), with a capacity of 40,000 inmates. Furthermore, under the Bukele model, the armed forces gained prominence as one of the most important actors in domestic policy, performing day-to-day policing duties. The armed forces also have the right to cordon off entire neighbourhoods or cities, carefully monitoring who can leave and enter, while conducting searches, looking for members of criminal groups (Alemán, 2024).

This approach, based on mass arrests, permanent state of exception enhancing the powers of security forces, and total militarisation produced its results. Between 2019 and 2025, the homicide rate has fallen almost 30-fold. In 2019 – the year Bukele assumed office – El Salvador recorded a total of 2,390 homicides, whereas in 2025, it recorded only 82 (Alemán, 2026).[1] This collapse is widely credited to the crackdown, but the picture is more layered: homicides had been in continuous decline since their 2015 peak, when El Salvador was the deadliest country in the world. Analysts attribute much of that earlier fall to covert truces with imprisoned gang leaders. However, the security-policy effectiveness after March 2022 is striking, with the rate falling to a low of 1.3 per 100,000 in 2025; roughly thirteen times lower than the 17.6 recorded in 2021, the last full year before the crackdown began (Statista, 2025b).

This approach was not without costs. Human rights organisations report widespread human-rights breaches in the country. First, the arrests were often based on appearance, social background or even anonymous calls. Given the sheer number of detentions, many of those arrested were innocent. In August 2023, the government itself acknowledged that it has released more than 7,000 people since the beginning of the state of exception, but many claim they are still held inside the prison system

despite being innocent (Papadovassilakis, 2023). The situation is even worse inside the prison facilities. Basic due-process guarantees are suspended, meaning that detainees are held without formal charges, denied access to their lawyers, waiting for a trial with no set date. Furthermore, a Salvadoran human-rights organisation Cristosal has brought forward hundreds of cases of death in custody, alongside allegations of torture. Simply put, the model normalised mass detention and switched off basic legal checks (Avelar, 2026).

Noboa followed the described model rather faithfully. Even before the January unrest, he announced the building of two new maximum-security prisons, modelled directly after CECOT (Agence France-Presse, 2024). Since the January violence, Noboa designated gangs as terrorist organisations, deployed military to patrol streets and prisons, and has since kept Ecuador in a quasi-permanent state of emergency, rotating between the provinces (Herrera, 2026). According to government figures, under the Plan Fénix, the government detained almost 17,000 people in the first three months of 2024, following the example of Bukele's mass arrests (González, 2024). As discussed previously, even such measures failed to contain the homicide rate.

If Ecuador adopted the Salvadoran model this faithfully, the failure cannot be explained by implementation alone. The instruments, at least initially, were very similar – mass arrests, military in the streets and prisons, state of emergency – but the results diverged significantly. The following sections examine three fundamental differences explaining the reason for different outcomes.

Gang Structure

The first fundamental difference is that each country was dealing with a different kind of enemy. The Salvadoran gang landscape is dominated by Barrio 18 and MS-13, which are consolidated, territorial, extortion-based groups. That extortion base shapes everything about them. Because extortion is collected from a controlled area, the gangs are place-bound, carving up cities into rigid zones. The gang leadership[2] was often already imprisoned by the time Bukele took office, instead coordinating activities from inside the prison cell (InSight Crime, 2023). Against such structure, the mass arrests and prison lockdowns were an extremely effective tool. They allowed the authorities to seize the gang's territory, while a total prison lockdown severed the communication between the gang leadership and the foot soldiers.

On the other hand, Ecuador's criminal landscape is almost exactly the opposite. Rather than being dominated by two hierarchical gangs, more than 70 groups operate across the country. Furthermore, the principal organisations such as Los Lobos, Los Choneros and others, are deeply interconnected with other international criminal groups, be it the Sinaloa Cartel, Jalisco New Generation Cartel, Colombian Armed Groups or the Balkan Mafia (Freeman, 2024). This fragmented and international structure makes it far more resilient to local imprisonment, as there is no concentrated leadership to seize and the trade is often directed from outside the country. Therefore, jailing local operators has much less effect on the criminal groups' operations than in the case of El Salvador.

The fragmented gang structure carries another risk: splintering. That is a well-documented

effect, whereby removing a head of a fragmented criminal network does not decapitate it but rather leads to an outbreak of violence as the different factions compete for primacy over the operations. For instance, one of the most powerful criminal groups in the country, Los Lobos, emerged in late 2020 as a splinter group of Los Choneros, following the assassination of the Choneros leader, Jorge Luis "Rasquiña" Zambrano (InSight Crime, 2022).

Furthermore, Ecuador's problem is exacerbated by geography. Ecuador, a much larger country than El Salvador, has an extensive area of ungoverned territory with a long and porous border with Colombia. Since Ecuadorian gangs are not as territorial as the Salvadoran, they can disperse in times of danger into these remote regions along the frontier and regroup.

Institutions

The second fundamental difference was that Noboa, unlike Bukele, was unable to completely subordinate the state institutions to his security policy. Bukele, since he assumed office in 2019, systematically dismantled every check on his power. Immediately after gaining a supermajority in the Legislative Assembly in 2021, Bukele dismissed all five magistrates of the Constitutional Chamber of the Supreme Court, along with the Attorney-General, replacing them with loyalists. Crucially, the Constitutional Chamber was the only institution in the country which could meaningfully challenge the executive powers as it could strike down presidential decrees or terminate the state of exception, so vital to Bukele's security policy (Americas Quarterly, 2025). With no domestic opposition capable of limiting him, Bukele was able to extend the state of exception more than fifty times, as well as make changes to the penal code, allowing for provisions that might otherwise not have been possible. Additionally, the Constitutional Chamber, now staffed with loyalists, allowed for Bukele's reelection, despite the constitution only allowing one presidential term (Olmedo, 2025).

By contrast, Noboa, who shared the same instinct for centralisation as Bukele, failed to subordinate Ecuadorian institutions to himself and to his security policy, the way Bukele was able to. For instance, the Ecuadorian Constitutional Court suspended and struck down key provisions in his security legislation on procedural grounds (MercoPress, 2025). The legislation included the National Solidarity Law and Public Integrity Law and the Organic Intelligence Law, which were the backbone of Noboa's security agenda. They expanded executive and intelligence powers. Noboa then tried to circumvent the courts by creating a Constitutional Assembly, tasked with rewriting the constitution, which would enhance the president's executive powers. The Constitutional Court again intervened, blocking the effort (ConstitutionNet, 2025). Not giving up on his goal, Noboa called a national referendum. Despite his popularity, winning elections in April 2025 with 56% of the vote, the public voted overwhelmingly against in the November referendum. In response to his numerous failed advances, Noboa said the courts are aiding "the enemies of the people" and blamed them for the worsening security situation (Martínez-Moscoso, 2025). The Ecuadorian institutions prevented a complete "Bukelisation" of the security policy. As a result, Ecuador was never able to introduce the Salvadoran model at full strength, limited by the country's institutions and rule of law.

Position in Global Drug Trade

The third difference is largely the work of geography. El Salvador sits outside the main drug trafficking routes in Latin America (Isacson & Walsh, 2024). Salvadoran gangs are therefore focused on extortion, which inevitably makes them self-contained and largely domestic. According to estimates, the extortion economy was worth roughly 3% of GDP at its peak, bounded mostly within the country (The Economist, 2016). For this reason, the violence is endogenous, without a strong external driver. This means that once destroyed inside the country, there is no external force allowing them to regenerate.

Ecuador's situation could not be more different. It is wedged between the two largest coca producers in the world: Peru and Colombia (see Figure 2.). This, alongside its deep-water ports on the Pacific Coast, makes it one of the most efficient gateways for shipping cocaine from the region (Dalby, 2019). Its dollarized economy makes the process even more efficient. Ecuador is therefore a crucial node in the enormous cocaine trade. This makes its violence partly exogenous. As long as there is cocaine trade, there is incentive for criminal groups to operate in the country and use its infrastructure. Destroying one criminal group does not end the flow of drugs; that group is simply replaced by another. As the source of the revenue for the groups operating in the country sits outside of it (USA and Europe), the state capacity to reduce the external motivators for the groups to operate is significantly reduced. Compare this with the case of El Salvador, where the revenue is primarily home-grown and within reach of the state.



Figure 2: Ecuador in the global drug trade Note: Coca-growing regions adapted from Mallette et al. (2016). Cocaine flows are indicative and not drawn to scale. Figure created by the author using Claude Opus 4.8.

One objection remains: that Ecuador was simply not given enough time, and that the model would bear fruit in a few more years. The problem is that the trajectory under Noboa points the wrong way. Whereas in El Salvador the results were immediate, in Ecuador violence dipped in 2024 before surging to record highs in 2025 (Statista, 2025a). Based on the preliminary data for 2026, violence is slightly below 2025 but still far above 2023 and 2024 levels, nothing like the sustained drop seen in El Salvador (Gobierno de Ecuador, 2026). Crucially, the claim here is not that

violence will remain at the extreme 2025 levels indefinitely, but rather that under current conditions the model will fail to bring Ecuador anywhere near to the levels of homicides achieved in El Salvador.

Conclusion

The Ecuadorian case shows that the Salvadoran model is not transferable one-to-one, but is rather a response aimed at a specific threat. In El Salvador, the model succeeded in reducing violence because it fit the enemy: consolidated, extortion-based gangs whose "business model" was bounded mostly within national borders. It also worked because Salvadoran institutions were subordinated to security policy in every aspect. In Ecuador, none of these conditions existed. The fragmented gang landscape, which lacks a central command structure and is tied into international criminal networks, is far less susceptible to mass arrests and prison isolation. Furthermore, Ecuadorian institutions did not allow the same degree of subordination of the state to security policy seen in El Salvador. The broader lesson is that security policy cannot be transferred without acknowledging the specific situation on the ground. For Latin American countries, the Salvadoran model can therefore serve as a useful example, but it should not be viewed as a panacea for the region's security problems.

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[1] El Salvador's official figures exclude prison deaths, police killings, and bodies in unmarked graves, so the true rate is somewhat higher than reported, though the scale of the fall is not in doubt.

[2] The gangs are not dominated by a single person but rather by leadership councils.

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Let me start with a bold statement for everybody who might confuse sovereignty with autonomy. This is not achievable in semiconductors.

— Andreas Schumacher in conversation with Felix Heuner

SECURITY POLICY & DEFENCE



Investing in Security: How EU Fiscal Rules Undermine European Strategic Autonomy

Patryk Borowski

About the Article

"The window for action is both narrow and identifiable."

About the Author

Patryk Borowski is an MA candidate in Economics and an MA graduate in International Relations (Security & Strategic Studies) from the University of Warsaw. His interests include German and Austrian foreign, security, and domestic policy; the nexus of international economics and defence planning; East Asian security; and Caucasus politics. He gained initial experience in international banking, linking global financial dynamics with international affairs.

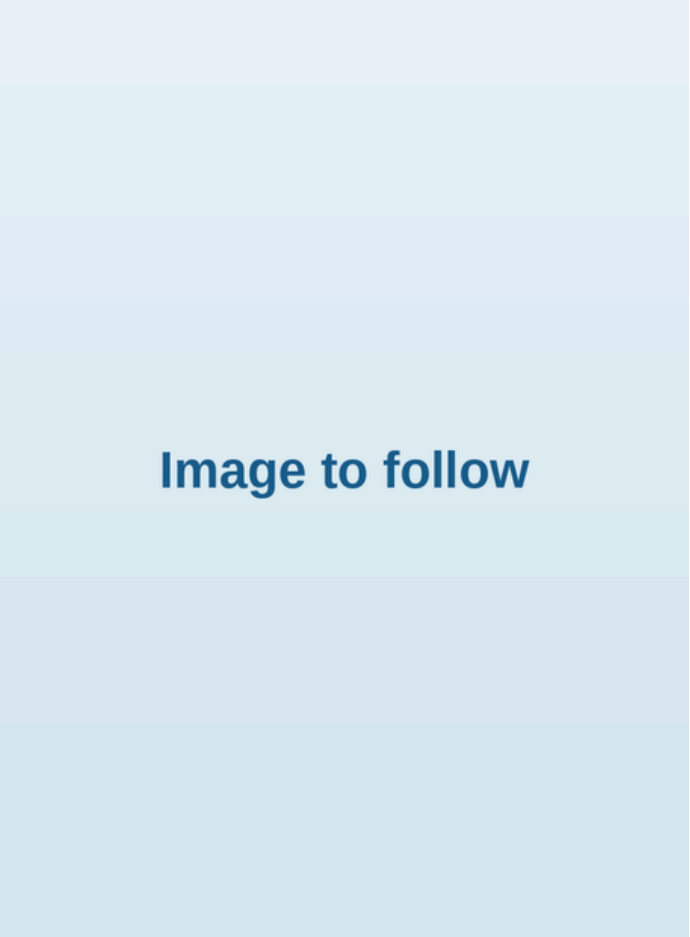
Introduction

Europe has been caught unprepared by strategic shocks twice in recent memory – by the return of large-scale conventional war in 2022, and by the energy-dependency crisis that this war exposed. In both cases, the warning signs were visible well in advance, and in both cases the response came late, at high cost, and under conditions of acute pressure. The standard response has been to identify capability gaps and call for increased spending. This diagnosis, I argue, is incomplete. The gaps are a symptom of a deeper and more structural problem, namely the manner in which European democracies make long-term investment decisions.

National escape clause - an EU fiscal tool letting member states temporarily deviate from budget rules during exceptional, uncontrollable events, while maintaining long-term debt sustainability

Electoral cycles penalise deferred costs, and EU fiscal rules do not distinguish strategic investment from ordinary current expenditure in a stable, long-term and systematic way. The mechanisms that do accommodate strategic investment are the product of emergency response rather than long-term design. The rearmament now underway is real, but it rests on temporary fiscal flexibility rather than on a permanent mechanism, which means that the underlying bias remains in place. Unless that architecture is altered, Europe will continue to arrive at each crisis underprepared, regardless of how many capability targets it sets for itself. Targets express ambition; they do not, by themselves, change the incentives of the governments asked to meet them.

This document maintains that the appropriate remedy is institutional rather than rhetorical. I propose a Security Investment Rule, embedded in EU fiscal governance, that would legally protect a minimum level of long-term strategic investment and remove it from the annual budgetary bargaining that consistently erodes it. The argument proceeds in four steps. First, I show that European underinvestment is a recurring pattern rather than a post-Ukraine anomaly. Second, I set out the political mechanism that produces it. Third, I explain how the EU's fiscal rules reinforce, rather than correct, this mechanism. Fourth, I present the proposed rule, address the principal objections to it, and identify the moment at which it could realistically be adopted.

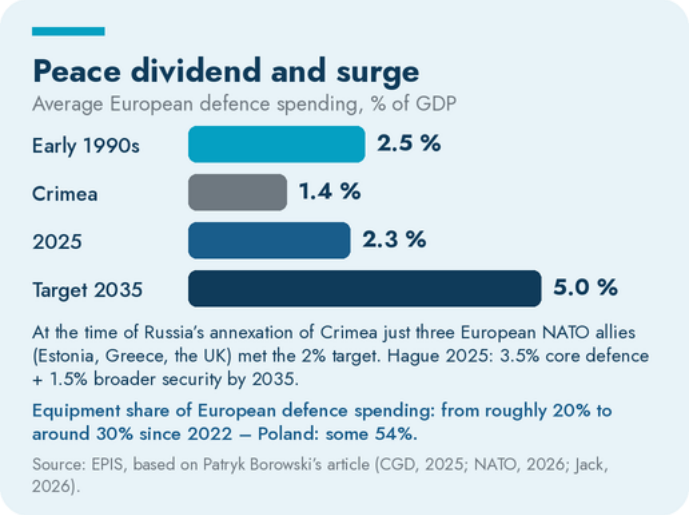


Problem

A recurring pattern

European strategic underinvestment is not a failure of intent. It is the predictable output of short-term political behaviour, and it has recurred after every reduction in perceived threat. The "peace dividend" of the post-Cold War period is the clearest illustration. Average European defence spending fell from roughly 2.5% of GDP in the early 1990s to around 1.4% at the time of Russia's annexation of Crimea, the year in which just three European NATO allies (i.e. Estonia, Greece, and the UK) met the agreed 2% target (CGD, 2025; NATO, 2026). This decline was not the result of a single decision. It was the cumulative effect of many individually defensible budget choices, each of which deferred a little more investment to a future that seemed unlikely ever to require it.

The surge that followed the full-scale invasion of 2022 is equally real and considerable in scale. European allies reached 2.3% of GDP in 2025, all of them now exceed the 2% threshold, and at the 2025 Hague summit, they committed to a new target of 5% of GDP, 3.5% for core defence and a further 1.5% for broader security to be met by 2035 (NATO, 2026). The increase is visible not only in headline budgets but in their composition. Equipment spending, i.e. the investment component that NATO tracks through its guideline that at least 20% of defence outlays be devoted to major equipment and research and development, has risen disproportionately, from roughly 20% to around 30% of European defence spending since 2022, with Poland now allocating some 54% of its budget to equipment (Jack, 2026; NATO, 2025).



This does not, in my view, refute that the EU member states de-prioritise strategic investment. It confirms it. The increase is crisis-driven, and the historical record indicates that such efforts reverse once the threat recedes from political salience. Spending surges when the threat is acute, which suggests it is also the first thing to be cut when the threat fades. The pattern is therefore cyclical rather than linear: long periods of erosion punctuated by short, expensive bursts of catch-up, in which governments pay premium prices for capabilities they could have built steadily and more cheaply.

More importantly, much of the present increase is being delivered not through a durable rule but through a temporary loosening of the fiscal framework, which lets member states spend more on defence outside the normal deficit rules until 2028. The incentive to cut strategic investment once the pressure passes has therefore not been removed but merely suspended. This matters particularly for industry. Defence-industrial capacity, like energy infrastructure, is built over many years and requires a predictable flow of demand. Firms are unlikely to expand production lines on the

strength of a fiscal exemption that may lapse before the first contracts are fulfilled.

The political mechanism

The mechanism behind this pattern is, in essence, a problem of political time horizons (Nordhaus, 1975). Governments operating under electoral pressure systematically undervalue strategic public goods, because the benefits of preparedness are diffuse and accrue long after the costs are paid, whereas the costs of unpreparedness fall on later governments and a later electorate. Strategic investment, therefore, loses, predictably, to expenditure whose returns are visible within the electoral cycle. This is best understood as an agency problem between voters, governments, and future generations, and it operates irrespective of the intentions of any single administration. In good times, the sense of urgency is absent, and in bad times, the resources are scarce.

A further asymmetry compounds the problem. Successful preparedness is largely invisible: a deterred attack or an averted supply shock leaves no record that a government can point to. Unpreparedness, by contrast, becomes visible only once it is too late to correct cheaply. A government that invests prudently thus receives little political credit, while one that cuts strategic investment to fund visible priorities rarely bears the eventual cost itself.

This mechanism is not merely theoretical. Governments tend, empirically, to shift spending away from defence and towards social consumption in the run-up to elections, and the trade-off is largest precisely where no salient threat concentrates voters' minds (Bove, Efthyvoulou & Navas, 2017). The way elections affect defence spending has itself changed. During the Cold War, governments tended to increase military budgets before elections, because security won votes. Since then, they have tended to cut it, because security no longer decides elections – a reversal confirmed across more than two hundred estimates (Klomp, 2023). The implication is uncomfortable but important: the current political salience of security is itself a temporary condition, and a framework that relies on it will weaken as it fades.

How the fiscal rules reinforce it

The EU's fiscal architecture does not correct this bias. It entrenches it. The Stability and Growth Pact, reformed in 2024, now governs national budgets through a single operational indicator – a multi-year net-expenditure path calibrated to place public debt on a downward trajectory (Regulation (EU) 2024/1263). The framework draws no permanent distinction between, for instance, a semiconductor plant and a current transfer competing for the same fiscal space, and it does not exempt investment programmes from the path (Bruegel, 2025). A multi-year defence-procurement contract is counted against the expenditure ceiling in the same way as any other outlay. The consequence is that whenever consolidation is required, which is often, strategic investment is among the easiest items to reduce, precisely because its returns fall outside the horizon of those making the reduction.

The EU is aware of this difficulty but has so far addressed it only on a temporary basis. In March 2025, as part of the ReArm Europe / Readiness 2030 package, the Commission invited member states to activate the "national escape clause", which permits additional defence spending of up

to 1.5% of GDP outside the normal expenditure path. By the middle of 2025, the Council had activated it for more than fifteen member states, including Poland, for the four years from 2025 to 2028 (European Commission, 2025; Council of the EU, 2025). This is a patch rather than a structure. It is capped, time-limited, and discretionary, and once it lapses, the default treatment of strategic investment returns unchanged. It also covers defence alone, leaving other strategic categories, such as critical-infrastructure resilience and energy independence, exposed to the same pressures as before.

This vulnerability is not peculiar to defence. The wider evidence on fiscal consolidations shows that public investment is cut most sharply and earliest, while politically salient consumption such as pensions and healthcare is shielded (Jacques, 2025). Investment is, in this sense, the most flexible part of the budget, and flexibility under fiscal pressure means exposure. The remedy proposed in that literature is itself institutional, i.e. fiscal rules that protect investment by its composition rather than leaving it to absorb the adjustment (IDB, 2022; De Mello & Jalles, 2026). It is such a rule, applied to strategic investment, that I set out below.

The proposal

I propose that the EU convert this temporary flexibility into a permanent Security Investment Rule within its fiscal-governance framework. Under this rule, each member state would be required to maintain a minimum annual investment of 0.5% of GDP in qualifying strategic categories. By qualifying strategic investment, I mean expenditure on defence-industrial capacity, dual-use research and development, critical-infrastructure resilience, and strategic energy independence.

This floor would be scored as a distinct category within the Stability and Growth Pact, treated as capital investment rather than current consumption, and accommodated within the net-expenditure path rather than competing against it. In practical terms, qualifying expenditure up to the floor would not force offsetting cuts elsewhere in the budget, but neither would it be exempt from the Pact's broader limits. The rule would thus change the relative position of strategic investment in the budgetary queue without changing the overall level of fiscal discipline.

To prevent the term "strategic" from being stretched, qualifying expenditure would be defined jointly by the European Defence Agency and the Commission and tied to agreed capability priorities and to the categories already used under the European Defence Fund and PESCO. Building on these existing categories has two advantages. It avoids the creation of a new and contested taxonomy, and it anchors the rule in priorities that member states have already endorsed collectively. The list would be reviewed periodically, so that it can follow changes in the threat environment without being reopened every year.

Compliance would be monitored through the existing European Semester. Member states would report qualifying expenditure as part of their regular fiscal reporting, and the Commission would assess it alongside the net-expenditure path. Persistent shortfalls would be flagged in the country-specific recommendations, and spending that failed to

meet the eligibility or additionality criteria would simply revert to its ordinary treatment under the Pact. This approach relies on machinery that already exists, which keeps the administrative burden low and the procedure familiar.

The rule would not prescribe what governments should buy; that remains a national prerogative, but it would lift a minimum level of strategic investment out of the annual budgetary auction that currently eliminates it whenever short-term fiscal pressure arises. It functions, in effect, as a commitment device. By binding themselves collectively and in advance, governments protect strategic investment from their own future incentives, in much the same way that independent central banks protect price stability from the temptations of the electoral cycle.

A permanent Security Investment Rule

The author's proposal within the EU fiscal framework

0.5 % of GDP

minimum annual investment per member state in qualifying strategic categories

Qualifying categories	How it works
Defence-industrial capacity · dual-use R&D · critical-infrastructure resilience · strategic energy independence	Defined by the EDA and the Commission · scored as capital investment within the net-expenditure path · monitored through the European Semester

Source: EPIS, based on Patryk Borowski's article.

The choice of the EU rather than NATO as the venue is deliberate. NATO sets targets but has no means of enforcing them beyond peer pressure, and its targets apply to defence alone. The EU, by contrast, already possesses a legally binding framework of fiscal surveillance, and the strategic categories proposed here extend beyond the military domain into energy and infrastructure, where the Union has direct competence. The two frameworks would therefore complement rather than duplicate each other.

Objections

A binding floor of this kind invites several reasonable objections, each of which the design must answer.

Financing

The first objection concerns financing and holds that 0.5% of GDP is a considerable sum. The figure, however, is calibrated to be material but modest. It sits well within commitments that member states have already made, far below the 2% NATO floor that every ally now meets, and further still below the 3.5% core-defence target agreed at The Hague (NATO, 2026). For most states, the problem has never been whether they can afford such spending, but that nothing protects it from being cut when budgets tighten. The rule does not add a new obligation on top of what states have already promised; it simply protects part of it. For states already investing above the floor, the rule would require no additional outlays at all; its effect would be felt only when a future government attempted to cut below it. The floor is meant to be a minimum that survives the next period of fiscal tightening, not a ceiling on national ambition.



Fiscal discipline

A second objection holds that the rule would simply exempt defence spending from the deficit rules. This is partly true, and deliberately so, but it operates within an established logic rather than as a loophole. The reformed Pact already differentiates investment in practice, allowing the fiscal adjustment period to be extended from four to seven years in exchange for investment and reform commitments, and the Union has spent the past year accommodating defence outside the expenditure path through the national escape clause. The proposed rule would simply make that permanent, open, and capped, rather than temporary and case-by-case. Counting a defined floor as capital is a deliberate design choice, not a way around fiscal discipline: the 3% deficit and 60% debt limits would still apply. Indeed, a clear and capped rule is arguably more disciplined than the present arrangement, under which flexibility is granted through discretionary activation and its limits are renegotiated under pressure.

Gaming and substitution

The third, and in my view the most serious, objection is that states could attempt to game the rule. This concern is not hypothetical. The European Fiscal Board's first review of the new rules found that the Commission had allowed states to count defence increases already made between 2021 and 2024 as headroom, thereby freeing budgetary space for non-defence spending (Filbien & Foucault, 2026). This is precisely the risk of relabelling and substitution that the design must close: a state could otherwise reclassify existing spending as "strategic", finance it through new debt, and divert the resources thus freed towards consumption. For this reason, the rule must rest on the principle of additionality. Spending should count towards the floor only to the extent that it rises above a multi-year baseline, checked jointly by the European Defence Agency and the Commission, so that the rule rewards genuinely new effort rather than relabelling.

Theoretically, this safeguard secures the rule. However, it is not bulletproof, and Germany's special fund for infrastructure and climate protection is a useful recent example. Introduced in 2025, it carried an explicit additionality clause, written into the Basic Law, requiring its money to finance investment over and above the regular budget rather than in place of it. Yet, according to the Ifo Institute, of the 24.3 billion euros in additional debt raised under the fund in 2025, public investment rose by only 1.3 billion euros – the rest freeing room in the core budget for current spending, a finding the Federal Court of Auditors echoed (ifo, 2026; Bundesrechnungshof, 2026). In other words, additionality is not self-enforcing. It fails when the baseline is set too low, measured against budget plans rather than actual outturns, and left without consequences.

The German case therefore offers not a reason to abandon the principle but a guide to designing it properly. Three conditions follow. First, the baseline should be calculated on the basis of actual outturns over several preceding years, not on planned figures that governments can adjust in advance. Second, the assessment should be carried out by actors outside the national budgetary process, here the Commission and the European Defence Agency, rather than by the government whose spending is being measured. Third, failure must carry a consequence: expenditure that does not pass

the additionality test should lose its favourable treatment and be counted against the net-expenditure path in the normal way. With these conditions in place, relabelling becomes costly rather than free.

Sovereignty and neutrality

A final objection concerns national sovereignty, and in particular the position of member states with traditions of military neutrality. A binding floor on strategic investment could appear to impose a common defence posture by the back door. The breadth of the qualifying categories addresses this concern directly. Because the floor covers critical-infrastructure resilience, strategic energy independence, and dual-use research alongside defence-industrial capacity, a state can meet it without increasing military spending at all. The rule obliges governments to protect a minimum of long-term investment in their own resilience; it does not tell them what form that resilience must take.

Conclusion

The window for action is both narrow and identifiable. The national escape clause expires in 2028, after which strategic investment reverts to its ordinary and vulnerable status under the Pact. The post-2027 Multiannual Financial Framework and the early implementation of the reformed fiscal rules are being negotiated now, while threat perception, and therefore political will, is at its height. This combination is unusual. Institutional reforms of this kind are rarely possible when they are least needed, and they become harder to agree once the sense of urgency has faded – which is precisely the dynamic that the rule is designed to counter.

Embedding a permanent Security Investment Rule before the temporary flexibility lapses is the difference between consolidating the current rearmament and allowing it to decay on the timetable of the previous three decades. Capability targets adopted without an accompanying institutional floor will continue to be eroded, because the incentives that eroded them before remain unchanged. The floor is the structural correction that the present rules lack. It would not guarantee that Europe is ready for the next crisis, but it would ensure that preparedness no longer depends on the crisis arriving first.

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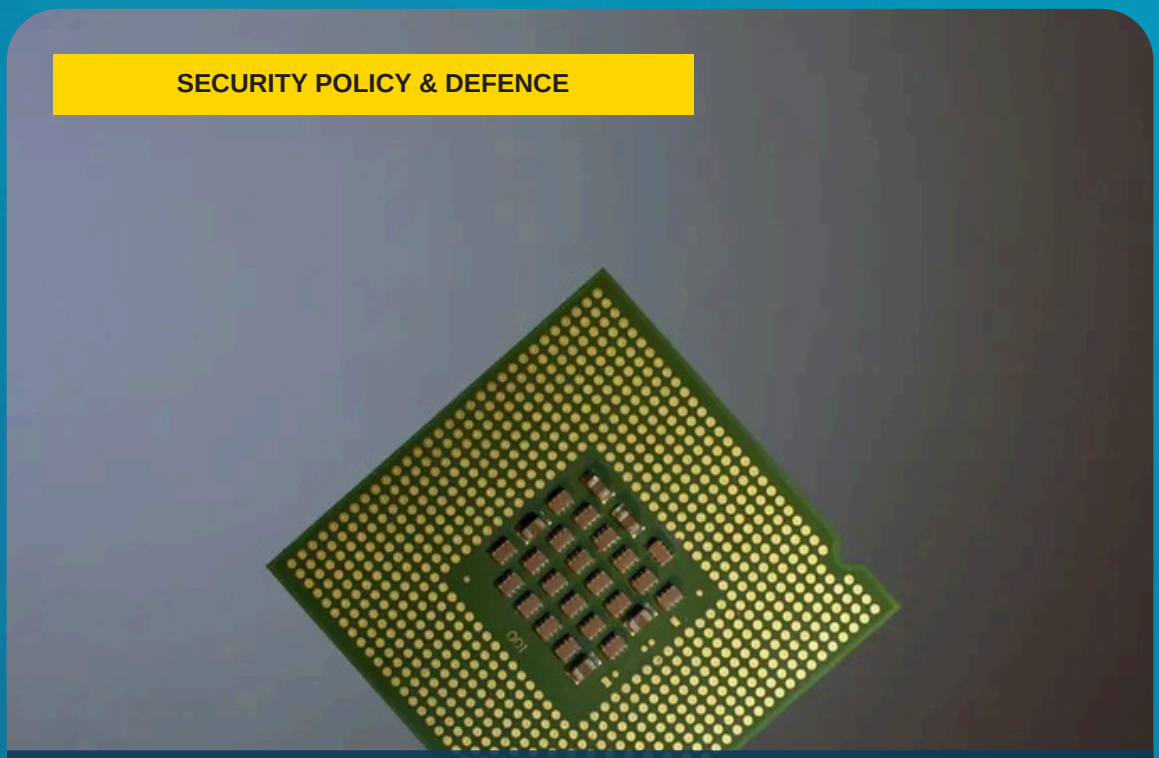

Why Europe Can't Go It Alone on Chips: An Interview with Andreas Schumacher

Infineon's strategy chief on why chip sovereignty means managed interdependence, not autonomy

Felix Heuner

About the Article

"Having a partner is not a weakness, but it's a strategic choice."

About the Author

Felix Heuner has completed a B.A. in European Studies at Maastricht University. As a scholarship holder of the Studienstiftung des deutschen Volkes, his research focuses on international security and industrial policy. After completing internships at the German Foreign Ministry in New York, the German Ministry for Economic Affairs in Berlin, and the department for geopolitical risk analysis at the BMW Group, he is currently pursuing a M.Sc. in Crisis and Security Management at Leiden University.

Felix

Thank you for agreeing to this interview. We've worked together on an academy on technological sovereignty. Before we start, let me say one or two sentences about your background.

You have a degree in physics from the Karlsruhe Institute of Technology and a PhD in physics that you did in Berkeley. Afterwards, you worked for Infineon and Siemens, and now you are the Head of Corporate Strategy and Mergers and Acquisitions at Infineon. In 2024, you worked at the CSIS as a visiting fellow in the Economic Security & Technology Department.

Andreas Schumacher

Head of Corporate Strategy and Mergers and Acquisitions at Infineon

- **Physics**
  Degree from the Karlsruhe Institute of Technology
- **PhD**
  PhD in physics in Berkeley
- **Industry**
  Infineon and Siemens
- **2024**
  Visiting fellow at the CSIS, Economic Security & Technology Department
- **Today**
  Head of Corporate Strategy and M&A, Infineon

Source: EPIS, based on Felix Heuner's interview.

Coming from this very technical background of physics, what sparked your interest in geopolitics, and what made you want to develop in that direction?

Andreas

The step to geopolitics has to be broken down into at least two, if not three, sub-steps. Otherwise, it really seems impossibly large. The first step is the one from a technical background, physicist in my case. I started as a development and R&D engineer towards more of a general management and then ultimately a strategy role. What drove me there were two aspects. One, I am a person who is very curious and likes to explore new topics, and that's not necessarily limited to physics. Of course, there's a lot to explore in physics, but if you are in a large company like Infineon, for example, there's much more beyond the immediate realm of being an R&D engineer. So expanding my horizon and looking at strategic topics, innovation topics all across the company, seems kind of a natural evolution in retrospect.

Then the other sort of axis which motivates me is working with people, whether that's with a group of students like we did six weeks ago, or whether that's with an ever larger part of an organization, helping them to grow, shaping their environment.

Managed Interdependence: geostrategy where regions leverage their specific technical strengths to build sustainable advantages, ensuring stable partnerships by setting clear limits on nations trying.

Image to follow

If you sort of think in these two axes, it's not surprising, at least in retrospect, that I ended up or am currently in a strategy role. So that's the first transition.

The second transition is also, if broken down into those two steps, a relatively straightforward one. The semiconductor industry, from a political perspective or from a geostrategic, geoeconomic perspective, was pretty much a backwater until the early 2010s. China had already put it on various roadmaps early then, but really around 2015, 16, 17, the U.S. administration, late Obama and the first Trump administration, put some Chinese firms on an export control list. ZTE and Huawei. And that then essentially escalated throughout Trump one, Biden, and Trump two.

Fast forward, you have the COVID crisis and semiconductors were suddenly on top of every policymaker's list of hot topics. This met an industry which in the past wasn't used to lobbying or explaining, like maybe the pharmaceutical industry or the automotive industry in Germany. And so I found an interesting void, where I readily embraced this new opportunity to once again learn and work with people in an area that was still developing.

Felix

You mentioned the aspect of shaping the view of policymakers as a technology company. This is one part of your work, as I understood it. In your daily work at Infineon as head of corporate strategy and mergers and acquisitions, what is the impact of geopolitics in that field? How do you consider geopolitics in your own corporate decisions?

Andreas

First of all, let me sidestep the question a little bit and confess that I don't like the word geopolitics in this context. And I'll explain to you why. Especially in German, where you cannot distinguish between policy and politics, everything is "Politik", as you well know, especially in German, but also globally, evoking politics somehow, I find gives decision makers, managers, not only at Infineon, but in industries left and right of ours, almost like an excuse to be relatively passive. Because after all, it's politics, right?

So it is almost like the ability to be the masters of our own destiny has been taken out of our own hands. And while that is true to some extent, there is also a lot which we can influence as companies, as Infineon, but as companies in general. We can build resilient supply chains, and we can diversify our supply, just to give one very immediate example. And so what I like to call it is we have a challenging geostrategic or geoeconomic situation in front of us.

If you evoke economics and strategy in this discussion at a global scale, then you are evoking pictures which a company should be able to deal with. A company has a strategy. A company can make a supply chain resilient. So that's kind of the first remark I wanted to make.

Second remark, then, if you accept this notion, ask yourself, what is Infineon doing about this, and how is it impacting Infineon? Of course, it's impacting Infineon. The semiconductor industry, since it was basically created around 1947, has evolved to be one, if not the most global industry in the world.

There are very distinct areas of excellence, sometimes called choke points, but that already has a certain ring to it. So the industry grew up, matured at this incredible pace dictated by Moore's law for decades, again, to be one of the most global industries. And then if you suddenly throw sand into these gears, you have an industry in search of a new equilibrium. And I would argue that this equilibrium hasn't settled yet.

So, finding from a corporate perspective, a point where we can work in this new equilibrium, or from a policy perspective, how we can support policymakers in finding this new equilibrium in a meaningful way, I think, is a very fascinating and certainly worthwhile task.

Felix

Building on what you said about this challenging geo-economic framework and the drive of nation-states, or blocs of states, to reach a level of sovereignty, what would technological sovereignty be for a continent like Europe? What is a desirable and reachable objective to have?

Andreas

Let me start with a bold statement for everybody who might confuse sovereignty with autonomy. This is not achievable in semiconductors. As I had mentioned before, semiconductors are not raw materials; they are probably the most highly engineered good humankind has ever created. If you look at even a single machine, like a lithography machine, it easily consists of hundreds of thousands of parts. Some of them may be commodity parts, but the vast majority of them are highly engineered goods in themselves. And that's only one part in one manufacturing step of a modern semiconductor. Multiply that many, many, many times over, and you come to a situation where full autonomy is simply unachievable, not only for Europe, but I would argue for any country or any region in the world.

Word is still a little bit out on China. China has tried for the longest time and has been the most determined about this. But I would argue for any other region, this is simply not in the cards. So if you accept this notion, you automatically have to turn to the need for partners. And if you think that through, the first conclusion you arrive at is obviously you want to preferably work with partners you can trust. The partners who share the same values or who have been long-term allies, and where you can even overlook some maybe short-term fluctuations, which are driven by politics and then maybe partially by policy.

So I think that's the first conclusion. Having a partner is not a weakness, but it's a strategic choice. This also gets to the point of comparative competitive advantage between nations and regions.

The next question, though, which you need to ask yourself, just in case this partner does not want to embrace a common goal, but turns out to be a little bit more self-centred for one or the other reasons, what are ways and means beyond a contract between nations that can assure that this partnership remains a stable one?

That gets you immediately to the point of what some have called weaponized interdependence. I like the word managed interdependence a little bit better because it has a less aggressive ring to it. But essentially a situation where those nations or those regions, as you called them very aptly,

have their, call them specialties or really their strengths, which they promote, where they have a long-term sustainable competitive advantage, and where if push comes to shove, they can simply show another nation or another region the limits of trying to go it alone.

To make this a bit more concrete, look at what China is doing with the rare earth minerals, where just the mere mention of rare or minerals export restrictions or outright bans can get other countries, the U.S., for example, but also Europe, to concessions in trade negotiations.

Now, if we were to look again, in the semiconductor supply chain for similar strengths, which Germany has, which Europe has, which the U.S. has, those strengths are quite evident for everybody who knows the industry reasonably well.

I think these are the most important aspects, recognising what your strengths are, ideally eliminating your worst weaknesses if this is economically feasible, and then looking for trusted partners, striking agreements which are as reliable as they can possibly be. Narrow agreements can have an advantage here, so you get a focus when you work on these agreements. And then, finally, knowing and managing your interdependencies with those countries and regions. I think that's kind of the toolbox, and that's the one I would also recommend policymakers to look at.

Managing interdependence: the toolbox

Andreas Schumacher's recommendation to policymakers

1. Recognise what your strengths are
2. Ideally eliminate your worst weaknesses – if this is economically feasible
3. Look for trusted partners and strike agreements that are as reliable as they can possibly be – narrow agreements give focus
4. Know and manage your interdependencies with those countries and regions

Source: EPIS, based on Felix Heuner's interview with Andreas Schumacher.

Felix

The critical supply chains we talk about might be located in a state, but they are operationally and strategically managed by private companies, such as Infineon. What would you say should be the role of these private companies in a cooperation with the state? Because we see very close cooperation in China, and in the US, there's a very close cooperation as well between some of the tech companies and the US military or the state. So, how do you see that situation in Europe? How is the relationship between private tech companies or companies in general and the state?

Andreas

I find this a very fascinating question and probably worthy of a PhD thesis or some academic research. Think back about what we saw in the semiconductor industry and the debate about export controls, whether they harm innovation, and whether they achieve their goals. That's been a debate which has been very, very active during the last three to four years. If you look at other industries, which are seen as strategic and relevant for national and economic security, say for example, a company which would build nuclear submarines. It is clear, and it

was clear from the very beginning, that you don't sell nuclear submarine technology to North Korea. Nobody would, in their right mind, suggest that we shouldn't have export controls on nuclear submarine technology.

From the very inception of those industries, it was clear that there are certain guardrails, such as export controls. The market for these goods is not global, but you need to carve out certain parts of the world. This is essentially in the DNA of any of those companies in strategic industries.

The semiconductor industry has had export controls ever since it was invented. Part of it was not always visible, but it was always there. Now, the semiconductor industry has seen tremendous growth, and eventually, this military part, the export control part, faded somewhat in the background. Stakeholders of companies expected companies to make global profits and be more or less free of any government interference, whether that's export controls on one hand, but it's also the non-market promotion of competitors with large amounts in, for example, countries like China, to just name one of them.

So essentially, we are now looking at a semiconductor industry, which is suddenly in an era of new industrial policy. On the one hand, this industrial policy focuses on promotion. You have the CHIPS Act in Europe, and we are currently debating the CHIPS Act two. You had funding schemes in the US, in Korea, in China, in Japan, pretty much everywhere in the world. Yet at the same time, you have governments imposing restrictions.

And some might argue that's fair because you are now a strategic industry and you benefit from certain subsidies, so you have to undergo certain restrictions. I don't think the industry has settled in an equilibrium yet.

I think now, if we look beyond the semiconductor industry to the general German and European industries, that equilibrium has not been found yet. As we are recording this, just a few weeks ago, the first draft of the Industrial Accelerator Act for Europe was published. It's heavily debated how much we should see Europe buying European goods, especially European industrial goods. The verdict is out, and there's a heavy discussion.

There are companies which promote that, and there are others which say, if we do that in Europe, then we will automatically invite retaliation and a U.S. market or a Chinese market will be closed for us. So you can kind of know which companies are on which side of the fence if you simply look at their global revenue distribution. But once again, this whole equilibrium hasn't settled.

Frankly, I believe that setting a sovereign framework of industrial policy rules and regulations is the job of the sovereign, i.e. the state. Whether that's the European Union or the German government, ultimately, companies will adapt. And it is the role of companies, people like myself, to help policymakers understand the implications if they go one way or the other, so that they can arrive at sound, long-term, wise decisions. But ultimately, it's a decision of the sovereign. Once the guardrails have been set in a new way, the market will adapt.

We just have to realise that even though we as a company, Germany as a nation, have long advocated for a free, WTO-compliant market and markets where IP is respected, this sort of free, flat, end of history, Fukuyama-type world, this world simply isn't there, at least for the foreseeable future. And the state needs to adapt its policy, and we as companies need to adapt to these new situations eventually.

Felix

You said that in the end, the decision comes down to the state, which could be a good transition to your work at the Center for Strategic and International Studies in Washington, which is a key institution in advising the US government. What does the work at such a think tank look like for someone who comes from a technological background, and in your case, also from a corporate background?

Andreas

I say my two main observations were, first of all, I felt like a fish in the water in the most positive sense, because as we have now discussed in the first part of the interview, the need to educate policymakers about technology more broadly, semiconductor technology specifically, is large. And many, many policymakers are keenly interested in genuinely learning, not being necessarily lobbied in one way or the other, but sort of genuinely, honestly educated by somebody who understands how they're thinking, but also somebody who has a broad enough view of the industry in general to give them the type of education they seek. That part I found super receptive at CSIS. And then, of course, the people I talked to through my engagement at CSIS. So that's the first aspect.

The second aspect is more of a personal one, but maybe also interesting for your readers. If you come from a company in a role like the one I have, you are generally interrupt-driven at a fairly high frequency. Like we now have 1/2 hour interview, I have another half hour appointment after this one, and then my day is kind of split into typically one-hour time blocks. So you do that, and your brain gets used to it. And then I suddenly get to this think tank, and I'm basically time warped back into my PhD time or even earlier, when I get to the office at nine o'clock in the morning, and I basically have nothing in my calendar except maybe a lunch appointment.

I have a stack of papers, and I have 8 hours, 10 hours, or however long I want to do something. And so getting your brain into this deep thinking mode again was totally fascinating. It was super difficult at the beginning. Maybe there was even something biochemical going on. But it literally took me two months until I wrote my first paper because it was so difficult to simply sit down and focus and write something. Also, the art of writing I had to rediscover on my own, I should say. Eventually, I learned that I can also use LLMs, but initially, I had to do that on my own. At some point it was kind of like a switch flipped, and then writing came at a faster pace.

Felix

How would you compare the US think tank ecosystem that you have experienced with the European one? Because the US is, at least that's the impression of many people, much more strategic in its approach to technology and geoeconomics. Does that perhaps also come from the ecosystem that surrounds the policymakers?

Andreas

The short answer is yes. I think the roots for that are deeper, and that's once again a topic which I would find fascinating to explore. To put it in a very, very simple way, if you count the number of think tanks, absolute or per square mile, in Paris, London, Berlin, you will find an order of magnitude lower numbers than in Washington, D.C.

If you have an order of magnitude more, you also have more diversity. You have more diversity when it comes from a political spectrum, all the way to what we say the classical left to the classical right, and you have some think tanks which are very focused on, say, economics, others which are more technology-focused, and you have military-focused ones. So really a very broad diversity.

Now, if you ask why that is, your guess could go down a number of roads. One is that in general, the interaction, in my view at least, between industry and academia and government, in the US, is more open than it is, for example, in Germany. Now, again, you can argue whether that's good or bad. It carries compliance risks, but it also has the advantage that, especially in fast-paced technologies or generally areas where things change quickly in the industry, policymakers have easier and faster access to information from the private sector.

I think the situation in France is yet again a little bit difficult because you have the École Normale system there. For historical reasons, it might also be different in the UK. But if you put all this together, you find a different think tank ecosystem in DC than now, say, in Berlin or let alone Munich, where I am.

I think we in Europe, without throwing our values and the way we do things overboard, could benefit from that closer cooperation because times have changed and because things in the private industry change faster, whether that's in semiconductors, in AI more broadly, and many other fields. It is important that policymakers get this direct access. And if this direct access between a company or a group of companies and the policy makers is fraught from a compliance perspective, then I think the next best options are really think tanks, which act as a clearing house or as an exchange platform for that. So, I very much look forward and contribute the little I can to growing this think tank ecosystem in Germany a little bit further.

Felix

Thank you very much. This was an incredibly interesting interview. And I will get back to you once we publish our report on security policy.

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