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## Article

# European defense sovereignty in the making: Notable gains, enduring dilemmas

EconPol Forum

## Provided in Cooperation with:

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*Suggested Citation:* Iso-Markku, Tuomas; Helwig, Niklas (2025) : European defense sovereignty in the making: Notable gains, enduring dilemmas, EconPol Forum, ISSN 2752-1184, CESifo GmbH, Munich, Vol. 26, Iss. 3, pp. 4-9

This Version is available at:

<https://hdl.handle.net/10419/323809>

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## Policy Debate of the Hour

# European Defense Sovereignty in the Making:

## Notable Gains, Enduring Dilemmas

## Key Messages

- The combination of Russia's war against Ukraine and the declining US engagement in Europe have resulted in increased strategic convergence between Europeanist and Atlanticist states
- For the time being, the primary goal is to strengthen NATO's "European pillar." To do so, member states will also use EU tools, which will help them to work toward the NATO spending goals
- Key questions remain – especially how to balance national and collective defense efforts. The ReArm Europe plan, for example, increases national fiscal space, but does little to foster EU-level cooperation
- At the same time, Europeans are still unsure to what extent they can, or want to, replace US capabilities. This is where the old dividing line between European states is still visible
- Other trade-offs include rearming quickly versus long-term defense industrial investment, and closing current capability gaps versus focusing on future technologies



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After Russia started its full-scale invasion of Ukraine in February 2022, defense quickly became one of the most important political priorities in most European capitals as well as within the EU, with European states seeking to support Ukraine and to bolster their own defense capabilities. Since then, almost all EU and NATO members have announced increases to their defense budgets. Meanwhile, the EU has introduced new instruments to incentivize joint procurement of defense equipment and to increase the production capacity of the European defense industry.

Donald Trump's victory in the 2024 US presidential election has given fresh impetus to European defense efforts. Already during his first term as president (2017–2021), Trump demanded that European allies invest more in defense and questioned the US commitment to NATO. This created widespread anxiety among Europeans, initiating largely theoretical debates about "European strategic autonomy" or "European sovereignty" (Helwig and Sinkkonen 2022). In the end, the worst fears of the Europeans, including a US withdrawal from NATO, did not materialize – and when Joe Biden, a committed Atlanticist, entered the White House, this seemingly ended Europe's pursuit of increased defense sovereignty.

However, Trump's return has changed the equation. While running to become the Republican candidate for the 2024 election, Trump renewed his criticism of the European allies' inadequate defense spending, going as far as to suggest that Russia could do "whatever the hell they want" to any NATO ally not meeting the alliance's spending pledge. Simultaneously, the idea of a "dormant NATO" (Maitra 2024) was floated in Washington and gained a lot of attention in Europe. After winning the election, Trump did not propose a US withdrawal from NATO. However, he demanded that NATO allies spend 5 percent of their GDP on defense – a pledge that was achieved at the NATO Hague summit and may have tempered Trump's worst instincts for now.

With Trump in office, the US also changed its position on both Ukraine and Russia. While the Biden administration unequivocally condemned Russia's aggression and was committed to supporting Ukraine (even if often acting hesitantly), Trump announced that his priority would be to end the war. Although Trump's views on both Russia and Ukraine have wavered, he has shown readiness to achieve his aim by putting pressure on Ukraine and accommodating Russian demands. Even though the US has not completely halted its military support to Ukraine – except for a short period – it seems highly unlikely that defending Ukraine or pushing back against Russia would become major priorities for Trump.

In the context marked by Russia's continued aggression against Ukraine, Russian hybrid measures against EU and After Russia started its full-scale invasion of Ukraine in February 2022, defense quickly became one of the most important political priorities in most European capitals as well as within the EU, with European states seeking to support Ukraine and to bolster their own defense capabilities. Since then, almost all EU and NATO members have announced increases to their defense budgets. Meanwhile, the EU has introduced new instruments to incentivize joint procure-

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In the context marked by Russia's continued aggression against Ukraine, Russian hybrid measures against EU and NATO members, and significant uncertainty about the willingness of the US to provide the kind of political and military leadership that Europeans have grown accustomed to, the idea of European defense sovereignty has once again gained currency. This article assesses the current state of

play regarding European defense sovereignty, laying out what has been achieved so far and where some of the major challenges lie.

### Increased Strategic Convergence Among European States

Ever since the idea of European strategic autonomy, or European sovereignty, has been part of the European defense debates, it has been a highly controversial one. Traditionally, European states could be roughly divided into two camps with opposing views on European strategic autonomy (Strauß and Lux 2019). An “Atlanticist” camp has insisted on the importance of continued US commitment to and presence in Europe and the primacy of NATO in organizing European defense. The Atlanticists have viewed any talk about European strategic autonomy as not credible and even dangerous, potentially sending the wrong kind of signal to the US. For the Atlanticists, the EU’s defense dimension has been of secondary importance, at worst representing a digression from what NATO already does. Especially Central and Eastern European states, whose foreign and defense policies have been strongly shaped by the perception of Russia as a permanent military threat, have been ardent Atlanticists, as has the United Kingdom with its “special relationship” with the US. The Atlanticist currents have also been strong in Denmark, the Netherlands, and, in their own distinctive way, Germany.

The counterweight to the Atlanticists has been built by a “Europeanist” group of countries, France being its most prominent and consistent member. For most of its post-war history, a capable and autonomous European defense has been an ideal that France has strived toward. This has manifested itself in France’s ambivalent relationship with NATO. The EU, for its part, has been an important vehicle for France to pursue its defense ambitions and advance its defense-industrial interests. However, France has also invested in other kinds of defense frameworks, including bilateral ties with EU and NATO members and the European Intervention Initiative, which it launched in 2018. France’s ideas have received various degrees of support from countries such as Spain, Belgium, Luxembourg, and, on occasion, Germany. In contrast to the Atlanticists, the Europeanist states have not perceived Russia as a major military threat, instead focusing primarily on terrorism, organized crime, and instrumentalized migration.

What is notable about the current European security and defense debates is that the dividing line between the Atlanticists and the Europeanists seems to have eroded considerably, with both Russia’s war on Ukraine and the Trump presidency reshuffling long-held positions. In essence, the

Russian aggression has led to a partial convergence of threat perceptions, with even those further from the Russian border acknowledging Russia as a threat to European security, although not necessarily as an existential one. At the same time, the Trump presidency has made even the most enthusiastic Atlanticists recognize that Europe needs to become more capable and less dependent on the US – even if simply to accommodate US demands for burden-sharing. These shifts have been particularly notable in the case of France and Germany, and to a somewhat lesser extent, in Poland and the UK.

In France, Russia’s full-scale invasion caused a strategic rethinking. Unlike before the war, France now considers Russia a major security threat for Europe. Accordingly, France has also shown readiness to take more responsibility for NATO’s deterrence and defense tasks in Eastern Europe (Kunz 2025). While France’s military aid to Ukraine has been less significant compared to others, France is supportive of Ukraine’s NATO path and has also been proactive in shaping Europe’s response to the haphazard US-led efforts to end the war in Ukraine.

Meanwhile, France’s long-standing insistence that Europeans should prepare for a gradual US retreat from Europe has been vindicated. With Trump in the White House, French ideas about European defense are hence taken more seriously also by the Atlanticist countries. For example, both Germany and Poland have recently welcomed a discussion on the role of French and British nuclear assets in European deterrence and defense – a topic they long shunned. Germany, Poland, and the UK are also largely in agreement about the need to strengthen the European role in NATO. After his party won the 2025 German election, Chancellor-in-waiting Friedrich Merz explicitly stated that Europe should seek to become independent of the US and used this also as a key justification to push through a reform of Germany’s debt brake to give Germany more leeway to spend on defense.

All this does not mean that the strategic convergence is complete. With Hungary and Slovakia, there are currently at least two “spoilers” within both the EU and NATO; both have demonstrated their readiness to veto common decisions – and may force other states to rely increasingly on “coalitions of the willing.” Moreover, there are influential political forces in many EU and NATO states that question the course of action chosen by their governments. Nevertheless, it is noteworthy that major European states, above all France, Germany, Poland, and the UK, currently see eye to eye at least on the fundamental questions of European security, even if this consensus is limited and may prove fragile.

## Toward a “European Pillar” of NATO – with a Little Help from the EU?

The increased strategic convergence in Europe has also helped clarify the roles of the EU and NATO. While the relationship between the two remains complicated, in the context of the Ukraine war they have mostly focused on their respective competences and strengths, acting in a largely complementary manner (Iso-Markku 2024).

For all those that harbored any doubts about it, the start of Russia's full-scale invasion of Ukraine emphasized that NATO remains the central organization within which European deterrence and defense is planned and executed. At the same time, war has shown that there are many tasks that the EU can undertake in times of crisis. Apart from sanctions, economic aid to Ukraine, and the resettlement of Ukrainian refugees, the EU has also played a role in providing military support to Ukraine through the European Peace Facility and in training Ukrainian soldiers. Moreover, the EU's broad policy agenda and instruments can also be more suitable than those of NATO to address issues such as cyber and hybrid threats and military mobility.

Importantly, the EU has also adopted a central role in mobilizing the necessary funding for European states to strengthen their military capabilities. This is particularly significant in view of the new NATO spending pledge. At the Hague summit, the allies committed themselves to increasing their defense spending to 5 percent of their GDP by 2035, with at least 3.5 percent of their GDP being allocated to defense proper and 1.5 percent to different supportive measures. The European Council of June 2025 invited the 23 EU member states belonging to NATO “to coordinate among themselves the implementation of the relevant commitments.”

While nothing can currently be taken for granted, for now European defense sovereignty seems to mean above all the strengthening of the European pillar of NATO. The EU, by contrast, does not seek a role as an independent defense actor. While projects such as the development of the European Rapid Deployment Capacity will likely continue, their importance is presently limited. Instead, the EU will use its powers and instruments mainly to help its member states strengthen their defense capabilities and industries, thereby contributing to the European pillar of NATO.

The centerpiece of the recent EU efforts is the so-called ReArm Europe Plan, which was first presented by the European Commission in March 2025. The ReArm Europe plan encompasses five different funding schemes, the first two of which are the most important ones. According to

the Commission's own estimates, these two together could unleash as much as EUR 800 billion in defense spending. However, this number should be treated with a healthy dose of skepticism.

In financial terms, the most significant part of the ReArm Europe plan is the possibility for the member states to activate the so-called national escape clause. In practice, this means that part of their defense expenditure will not be taken into consideration when the Commission assesses whether they fulfill the deficit and debt criteria of the European Stability and Growth Pact. This gives the member states additional fiscal leeway to increase defense spending. If each member state were to take maximum advantage of this leeway and increase their defense spending by 1.5 percentage points, the Commission calculates that this would mean EUR 650 billion of additional investment into European defense.

The second central measure is the introduction of the Security Action For Europe (SAFE) instrument that was adopted by the Council in May 2025. SAFE sees the Commission borrow a total of EUR 150 billion from the capital market and then lend it on to interested member states, who can use it for joint procurement of defense equipment involving at least two member states or one member state and one non-EU partner. The Commission will manage the distribution of the loans based on plans presented by the interested member states.

The third, fourth, and fifth parts of the ReArm plan are complementary measures. They consist of the possibility to repurpose cohesion funds for defense investment, attempts to mobilize private funding, and the proposal to extend the role of the European Investment Bank (EIB) in defense financing. Apart from funding, the EU is also seeking to use its regulatory power to the benefit of European defense. The Defence Readiness Omnibus, prepared by the Commission, aims to reduce bureaucratic barriers for defense-related projects and to facilitate cross-border cooperation. Taken together, the EU's activities show that the Union is not trying to rival NATO in terms of military structures but is instead positioning itself as an enabler of European defense preparedness (Scazzieri 2025a).

## Many Unanswered Questions

Russia's continuing war in Ukraine, together with the new NATO spending pledge and the available EU instruments, will ensure that European defense spending stays on an upward trajectory. Above all Germany's debt brake reform is a major turning point, offering the German government unprecedented opportunities to invest in defense. However, spending alone will not solve Europe's other major de-



fense issue, that is, the perennial lack of coordination and cooperation, which has resulted in significant inefficiencies in European defense.

NATO's defense planning process is primarily focused on the capabilities that each ally is expected to deliver, paying less attention to how states obtain those capabilities. The EU, by contrast, places considerable importance on cooperation and coordination, even if its track record in this regard is mixed at best (Helwig and Iso-Markku 2024). However, the cooperative aspects are not as central in the ReArm plan as in many previous EU initiatives (Santopinto 2025). The activation of the national escape clause increases fiscal space at the national level but offers little incentive for member states to spend the money in a collaborative manner. With the SAFE instrument, there is at least the requirement that the loans need to be used for projects involving a minimum of two states. Moreover, the money is to be invested in areas that have been commonly defined as priorities – and largely align with NATO's collective capability requirements. Still, it is unclear whether this is enough to avoid further fragmentation in Europe's defense landscape.

In addition to how the money will be spent, what the money will be spent on is also key in determining the level of defense sovereignty Europe can achieve. Currently, the Europeans still seem unsure to what extent they can, and should try to, replace US capabilities (Scazzieri 2025b). This is where the dividing line between Atlanticists and Europeanists is still visible, with the former being more unwilling to envision a European defense with a minimal US contribution. Much will depend on the ongoing review of the US military posture. If the US were to announce major withdrawals of troops and capabilities – a highly unwelcome scenario for Europe – that would certainly change the parameters of the debate.

Another difficult balancing act for the Europeans is choosing between rearming as fast as possible or making longer-term investments in Europe's defense-industrial capacity. The former would be necessary if the US were to withdraw quickly – but it would also present a dilemma for the Europeans, as it would likely mean continued investment in tried-and-tested US military equipment, thereby maintaining Europe's military-technological dependence on the US. Choosing the latter option, on the other hand, would increase Europe's autonomy in the defense-industrial realm, but requires a substantial amount of time that Europe does not really have. Europe will also need to decide between filling long-standing capability gaps and investing in future technologies. The current pace of technological change makes this choice difficult.

Finally, larger questions about a postwar security order for Europe remain open as well. These concern the arrangements needed to guarantee security on Europe's eastern flank, including Ukraine. This will be a crucial but challenging endeavor in view of the ongoing US strategic reorientation.

### Policy Conclusion

Europe is facing a unique window of opportunity to upgrade its defense readiness, as threat perceptions partly align, defense expenditures increase, and a clearer division of labor between NATO and the EU becomes visible. However, rising defense budgets come with the risk of uncoordinated spending along national lines, as defense planners with full coffers feel less pressure to seek synergies across borders. That is why it is important to make sure that the European dimension of the current rearmament efforts is developed further.

As the formal negotiations for the upcoming EU Multinational Financial Framework (MFF) 2028–2034 are scheduled to begin at the end of 2025, new ways and means for the EU to invest jointly in European defense industries and capabilities need to be found. In the past, funding for defense at the EU level was limited due to a narrow interpretation of the Treaties – specifically Article 41(2) of the Treaty on European Union (TEU), which prohibits the use of the EU budget for operations with military or defense implications. However, the restrictive reading has begun to fade, as exemplified by the European Defence Fund (EDF). The creation of the SAFE instrument marks a new turning point, demonstrating a growing political will to use innovative financial mechanisms to support European defense. The current trajectory suggests that future MFF negotiations could see a more ambitious and flexible approach to EU-level defense spending, with an emphasis on common procurement, industrial cooperation, and strategic investment, thereby embedding defense more firmly into the EU's long-term budgetary planning.

The introduction of the SAFE instrument has also subtly shifted the political conversation around joint EU borrowing. While limited in scale compared to NextGenerationEU and framed as a one-off response to urgent strategic needs, SAFE has opened the door to the idea that joint borrowing can play a role in addressing shared security challenges. This could pave the way for discussions on more permanent mechanisms to jointly finance Europe's defense in the future.

Finally, the increased strategic alignment between traditionally Atlanticist and Europeanist member states may

help lay to rest the long-standing tensions over the need to procure American defense equipment for reasons of alliance politics. Even staunch Atlanticists are starting to acknowledge the strategic and economic value of buying European. At the same time, amid full order books and global supply chain shortages, the US appears increasingly indifferent to whether EU countries purchase American or European systems, as long as NATO's capabilities are enhanced and US responsibilities reduced. This convergence opens a political window for the EU to push more assertively for joint procurement of European-made defense goods. •

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