German Council on Foreign Relations

No. 6
June 2023

DGAP REPORT

European Defense in A New Age (#EDINA)

Geostrategic Changes and European Responses Shaping the Defense Ecosystem

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Introduction

Russia's full-scale invasion of Ukraine in February 2022 set off a dramatic shift in the European security landscape – European defense is entering a new era. However, the changes are far from uniform across the continent.

This publication analyzes the consequences of the Russian invasion for the European defense ecosystem. It examines how the war has changed perceptions of the European security landscape and what impact it is having on the continent's future military order, the European Defense Technological and Industrial Base (EDTIB),[1] and on defense cooperation both in a broader sense and in terms of defense-industrial cooperation. This publication is part of a long-term project on European Defense In a New Age (EDINA), partly carried out in cooperation with the Friedrich Naumann Foundation for Freedom (FNF).

In January 2023, DGAP and FNF brought together defense experts from European NATO members (Germany, France, United Kingdom, Spain, Italy, Norway, Finland, Greece, Turkey, Poland, Hungary, Romania, Lithuania, Estonia, Bulgaria)[2] for a workshop on the changes underway in the European defense ecosystem. Their collective findings formed the basis of a paper published by the FNF at the Munich Security Conference 2023. This summary is an adapted version of that publication.

In preparation for the workshop, experts were asked to prepare country reports as input for the workshop and a starting point for discussion. The reports were based on a questionnaire based on the four categories mentioned above:

The Geostrategic Landscape: New Realities
- How does your country's government assess the new geostrategic environment (Russia and beyond)? (Changes/Continuities)
- Which (changing) priorities result from that regarding security and defense policies?

Europe's Future Military Order
- What are the implications for the military's level of ambition and tasks?
- What are the main challenges to achieving those ambitions and tasks, and what are the proposed solutions?
- What are the key developments regarding force structure/personnel and procurement/equipment?

The Future European DTIB (Defense Technological and Industrial Base)
- How has the DTIB responded to the changed circumstances (companies, government)?
- Are there any concrete plans/announcements that impact industrial capacities or technology development?

Cooperation
- From your country's perspective: What are the most important cooperation formats/projects?
- Are there potential areas discussed for cooperation among governments/armed forces or on the industrial level?

After the workshop, the authors had the opportunity to adapt their reports in the light of the discussions. The reports informed both the workshop and the FNF publication. They provide a unique insight into the process of change affecting the European defense ecosystem.

The key findings are followed by the country reports. They have been slightly edited to meet grammatical and spelling standards. Any opinions expressed in the reports are those of the authors and do not necessarily reflect the views of the German Council on Foreign Relations (DGAP).

1 "Defense Technological and Industrial Base" is an umbrella term. The DTIB organizes the infrastructure, institutions, and ideas that ensure the Security of Supply (SoS) of armed forces in times of peace and war. This includes safeguarding supplies of defense material and services against political risks (for example, another state blocking the delivery of means of warfare) or industrial risks (companies no longer offering supply). Stakeholders include actors involved on the supply side of arms production, for example, arms-producing companies, their suppliers, and research centers involved in the development of weapons systems. The DTIB can be defined nationally (for example, the German DTIB which consists of all actors based in Germany) or with a wider geographical scope (for example, the European DTIB which consists of all actors operating in Europe).

2 We selected the countries based on a mix of geographic diversity, size, and proximity but also underrepresentation in Western European discourse.

Key Findings

GEOSTRATEGIC LANDSCAPE: ASSESSING POLITICAL CHANGE IN EUROPE

1 Russia's war against Ukraine has exposed the **existence of not one single Europe, but several.** Governments are reacting differently in the areas of threat perception, alliance policy, defense budgets, or arms deliveries to Ukraine. Changes are taking place at different speeds, to different extents, and with different political orientations. This could point to possible fault lines underlying the unity Europe currently demonstrates. Also, as the war drags on, governments may find it increasingly difficult to maintain public support for the compromises needed to maintain unity. **Divisions could become more likely.** Therefore, the war also serves a test case for the alliance's ability to maintain cohesion in the event of a future conflict that would directly involve NATO.

2 **Many European states saw the confrontation with Russia coming.** Strategic documents from Eastern European countries, but also France and the UK, described Russia as a potential aggressor, even if they did not explicitly mention the possibility of war. But this awareness has not led to similar policies toward defense, Russia, and Ukraine in different parts of Europe. Not all Europeans see Russia as an existential threat to themselves or to Europe. Most would probably agree that Russia is at least not the only threat to Europe.

3 **The policy changes in European countries vary from fundamental changes to their strategic documents to adaptation in budgets.** For some governments, the war has meant a reordering of priorities – their strategic documents had not foreseen the Russian aggression and could not be used for guidance in coping with the new reality. Others saw their expectation of a negative and aggressive role of Russia confirmed – meaning their strategic documents proved valid after the military escalation in February 2022. Many countries made changes as part of their annual policy cycle, for instance as regards budget changes. Germany, Sweden, and Finland have taken significant decisions involving fundamental policy shifts beyond the budget cycle.

4 There is also a **global perspective on the impact of the war in Ukraine**, and it is often about **China's role as Russia's partner or as a security actor.** The Russian war has opened the eyes of some European governments to the **reality of geostrategic competition** (Spain, Italy, UK, France, Finland, Germany). China as a strategic rival has gained attention, and governments are discussing taking up a more confrontational stance toward China. This is the case for Germany and Spain. Other European countries such as the UK, France, and Finland already acknowledged the challenge posed by China in earlier strategic documents. The outbreak of the war in February 2022 did not force them to reassess their position, as they were already aware of the security implications of China's rise to global power.

Group 1: Shaken out of Obliviousness
Italy, Spain, Finland, Germany

This first group consists of countries that used to be largely oblivious to the threat that Russia poses to European security. For some, this reflected geographic distance. Both **Spain** and **Italy** paid more attention to security threats in their southern periphery, focusing on crisis management rather than on conventional territorial defense. Both countries have experienced wake-up calls. Spain went through a drastic shift in its threat perception and now clearly identifies Russia as the main threat. Italy has pledged to strengthen its support to NATO's eastern flank, and both countries have made new commitments regarding defense spending.

Finland did not underestimate the Russian threat per se. It has always identified its eastern neighbor as the most immediate threat to its security. However, Russia's invasion of Ukraine changed the security environment so dramatically that Finland overturned its long-standing policy of non-alignment and applied for NATO membership.

Germany is the most extreme case of a country in which the perception of the security environment is fundamentally changing. The Russian war has not only destroyed the European security order but almost all German mainstream assumptions about security and peace and about partnership with Russia. In fact, it took the Russian war, which, for the first time, confronted Germany with the new reality of insecurity in Europe, to get Germany to accept the relevance of geostrategy. This was acknowledged by the German Chancellor

Olaf Scholz in his now famous „Zeitenwende" (tidal change) speech in February 2022.

Group 2: Seeing One's Fears Confirmed
UK, Estonia, Lithuania, France, Norway, Romania, Poland

A second group of states sees the escalation in Ukraine as a confirmation of their threat assessment. **France, the UK, and Norway** have adjusted their threat assessment following the Russian annexation of the Crimean Peninsula in 2014 and have re-prioritized their response to **Russia. Poland, Estonia**, and **Lithuania** have consistently highlighted the Russian threat to their security due to their shared border with Russia and their history of having been part of the Soviet sphere of influence.

Group 3: Unconvinced by the Russian Threat
Hungary, Bulgaria

Both **Hungary** and **Bulgaria** have officially condemned the Russian invasion of Ukraine. However, both maintain a somewhat ambivalent position. Hungary still hopes for a return to the status quo ante, a position that can partly be explained by the country's continuing energy dependence on Russia. Bulgaria, on the other hand, is caught in a protracted internal political crisis with changing governments. As a result, its position on the Russian invasion is not coherent. Beyond practical considerations, however, both countries share the perception that Russia, while to be taken seriously, is not a real threat to their security and the security of Europe in general.

Group 4: Focused on Conflicts Elsewhere
Greece, Turkey

Greece is clearly more concerned about **Turkey** as a security threat than Russia. At the same time, Greek governments have never ruled out the possibility of large-scale conventional war in Europe. Therefore, Greece feels that is better prepared for the new age of European defense than other European countries.

Turkey takes a balanced approach toward Russia, cooperating where possible but pursuing a strategy of „contained confrontation" where their interests conflict. In general, Turkey seems more concerned with threats on its periphery, including its strategic rivalry with Greece.

5 **Domestic audiences are an important factor for governments that see Russia as a threat and wish to shape their defense policy accordingly.** However, this is a double-edged sword: In the case of Hungary, the government made use of the war to emphasize the scope of its bargaining power to obtain lower energy prices. In Spain, the evolution of the public discourse made it possible for the government to reposition itself toward greater support for territorial defense and Atlanticism. In other cases, for instance in Germany and Italy, the public discourse fluctuates between positions such as seeking to establish security with Russia or security against Russia. For France, the UK, but also for Turkey or Greece, the role of domestic politics is unclear.

POLITICO-MILITARY ORDER

6 **The way Europe organizes its security no longer fits the purpose:** There have been frequent calls for improving the division of labor between the EU and NATO in the past. Yet even with better arrangements between the two, it is unlikely that all the relevant needs that have become apparent through the current war can be covered. Neither the EU nor NATO offer an effective institutional framework for industrial cooperation, and the existing frameworks are difficult to join. Non-military decisions which nevertheless affect security, such as infrastructure, technology, or cyber policies, are taken solely by EU institutions. NATO as an institution or European countries outside of the EU have no direct influence on the EU's decision-making, even if it affects them.

7 **NATO is receiving increased attention as the main defense institution** that European states rely on. For the countries on NATO's eastern flank, the effective implementation of the alliance's new strategic concept, adopted at the 2022 NATO summit in Madrid (which includes a New Force Model, a strengthened regional focus, and deterrence by denial) is essential, given their heightened perception of threat from Russia. Southern states like Italy and Spain, which have traditionally focused either on their own periphery or the EU, have not increased their commitment to NATO's defense planning and the protection of its eastern flank. As a result, **European strategic autonomy is losing momentum** and importance. Even France, a traditional supporter of EU defense efforts, is now paying more attention to NATO as the backbone of its security.

8 **In a parallel development, some governments have stressed that Europe needs to take more responsibility for its own security** and especially for the security of its eastern member states. However, this would require a more coherent EU defense concept. At the same time, EU governments and Institutions see compatibility with NATO as crucial. Other countries, such as Finland, argue for a stronger EU role in security beyond classical defense. Greece also emphasizes the role of the EU, but mainly because Turkey is also a NATO member, which precludes NATO intervention in the event of an armed conflict.

9 **Countries that are currently not covered by security institutions find themselves neglected.** Several European countries which are at risk of becoming a target or a lever for Russian non-military aggression and destabilization, like Moldova, are neither part of the EU nor of NATO. France has recently proposed setting up a new body, the European Political Community (EPC), to bring them closer to the EU. However, neither the EPC nor the countries associated with it currently play a role in the reflection about future politico-military missions and the role of the EPC in European defense.

NATO'S TRANSFORMATION AGENDA

10 The change in geostrategic conditions goes beyond the Russian war. The most important example is the imminent **accession of Sweden and Finland to NATO** which will give NATO greater strategic depth in the North and regionally based capabilities.

11 The second major factor, which serves both as a trigger and yardstick for a successful transformation of NATO, is the **belief shared by European NATO members, Ukraine, and even Russia (although with a different connotation) that the United States' role in European defense will change**. Even assuming that a possible future Republican president will be less dour than Donald Trump, the midterm vector of US defense priorities is clear to all and pointing away from Europe.

12 **NATO will also face a new deterrence debate**, including on the role and distribution of nuclear capabilities. The understanding of what constitutes a relevant commitment will inevitably change. This will have an impact on inputs, meaning defense spending. Here, an increase of the commitment to spending more than two percent of GDP is already under discussion. In terms of outputs, meaning capabilities, it will no longer be sufficient to offer a token or minimal contribution from a largely outdated and underequipped national force pool. The new focus on territorial defense has to be backed by NATO's force structure – which means higher number of troops are necessary.

13 The other debates in NATO, which primarily focus on the conventional side, will be about **procurement priorities and land-based versus multi-domain operations (MDO)**. This could be a false dichotomy: The war in Ukraine has all the criteria of MDO instead of being primarily fought by land armies. But where some may have thought of MDO as a bloodless clash in the cyber domain or between unmanned systems, the war in Ukraine has surely destroyed such illusions. In NATO, MDO is undoubtedly seen as a warfighting concept that involves death and destruction.

14 The **gap between the usefulness of armed forces and the purpose of defense capabilities** could widen. In any case, new tensions will spring up between national defense agendas, given their own competing priorities, and collective priorities and actions. In which areas will Europeans decide to continue together?

DEFENSE SPENDING AND BURDEN SHARING

15 Many European governments have come to the conclusion that **this new age of defense requires them to increase their efforts to modernize and strengthen their military capabilities**. Increased defense spending is the result. Some countries have adjusted their budgets significantly, in particular Poland, Norway, Lithuania, and Estonia. The outlier is Poland, which in 2022 decided on a rapid rise in defense expenditure to around four percent of GDP. The country's baseline budget will reach three percent of GDP, to be augmented by a special fund for technical modernization. Italy and Spain have renewed their commitment to NATO's two percent target. However, their additional funding remains moderate. One reason certainly is that it takes time to implement change. Another reason may be uncertainty over the shape of the security threat emanating from Russia once some kind of settlement in Ukraine has been reached.

16 Here, too, two extremes can be found, with Germany on one and France and the UK on the other side: In the Zeitenwende speech, the **German government pledged to rebuild Germany's deteriorating armed forces**. To achieve this, the government committed itself to **increasing the defense budget to two percent of GDP and set up a special fund of EUR 100 billion**, which will count toward the expenditure goal. The UK did not announce any major budget increase in response to the Russian invasion for Ukraine. However, it had already established an extra budget to support Ukraine in response to the changed geopolitical situation after the Russian annexation of Crimea in 2014. France entered a commitment to regularly increase its budget in 2017; the latest announcements in January 2023 confirm this trend with an expected doubling of the defense budget between 2017 and 2030.

17 Looking ahead, the budget discussion will be shaped by several aspects: First, there are concerns that **European states may find it difficult to maintain current increases in defense spending** due to economic problems or dwindling domestic support. Second, while there certainly is more money available for defense, spending needs may be growing even more quickly. As a result, the **defense investment gap could become even larger than before.** Finally, there is the challenge of spending the money wisely, which suggests that the efficiency of the defense bureaucracies also needs to be increased.

18 One point stands out, both for the upcoming discussion about NATO spending levels and the taxonomy of defense expenditure: So far, non-military efforts to improve resilience, such as the protection of critical civilian infrastructure, have not played any role in the spending debate. However, given their importance for military operations, many countries have identified a need to improve civilian readiness and the protection of critical infrastructures. Hence, **defense planning needs to be even more attentive to the resilience of critical civilian infrastructures.**

19 The current impetus to upgrade defense capabilities has originated mostly at the national level. As a result, there will be a **nationally diversified demand for capabilities which will challenge NATO's coordinating capabilities**. In the past, having less money available did not lead to closer cooperation. It would be shortsighted to assume that more money would automatically mean more cooperation.

20 European nations may soon reach a **critical juncture:** Either they are able to define a wide spectrum of missions to be conducted collectively, or, if their national priorities prove too divergent, they will be forced into a new dimension of division of labor. The ensuing discussion about specialization and reliance on allies could lead to a strategic decision that would allow the European capability pool to be shaped (intentionally). Alternatively, it could happen from the bottom up, which would force European nations to make a series of short-term adjustments (accidentally). The latter option becomes far more likely if threat perceptions, and thus the availability of resources, decline unevenly across Europe.

LEVEL OF AMBITION

21 The **need to change the current Levels of Ambition** (LoAs) or, more fundamentally, the approach to defining what is needed, arises from various directions. The mix of tasks demanded of the armed forces, stretching from crisis management to deterrence/defense, has an impact, as does the type of deterrence approach nations wish to employ.

22 Ukraine has taught many countries lessons about the **importance of timelines and the need for a larger pool of troops**. Deterrence for many countries seems to mean **increasing the readiness of forces** and the number of forces at high readiness. This has implications for the overall readiness, mass, and sustainability of the armed forces. The challenge goes beyond creating appropriate frontline capabilities – it points to the need for a different technological and industrial base, with more attention focused on war production capacities and the endurance of systems in war. This has numerous implications for military mobility, logistics, maintenance, and personnel. In some cases, efforts to raise the level of ambition are compromised because of a shortage of well-trained personnel or because the conscription force is insufficiently qualified. Greece and Bulgaria in particular have reported this problem.

Accepting the Need for a Higher European Level of Ambition

The governments of most of the countries covered by this survey agree that the European level of ambition needs to be raised. To accelerate the shift initiated in 2014, Europe's armed forces need to be able to fight high-intensity, large-scale territorial conflicts against a near-peer competitor in order to effectively deter Russia. There is also a widespread understanding that the United States is pivoting toward the Indo-Pacific region, which will challenge European states to take more responsibility for their security. For now, European militaries do not seem ready to meet these challenges.

When addressing the need for a higher level of ambition, Eastern European and Baltic countries as well as the UK focus on NATO to provide additional capabilities. Southern and Western European states consider the EU and NATO to be equally important, while France and Finland see the EU as the most important forum for European defense.

Group 1: Set Higher National Levels of Ambition
Some states (Poland, Germany, Estonia, Spain, Italy, Hungary, Norway, Romania) have not only called for higher European levels of ambition but are also stepping up their national efforts. For states like Poland, Estonia, Spain, Italy, and Germany, higher readiness and a greater contribution to territorial defense are key objectives. Germany and Poland have set themselves ambitious goals. Germany wants to turn the Bundeswehr into the most capable army in Europe. Poland declared its intention to have the most capable land force in Europe.

Group 2: Stay With Current National Capabilities
Other countries (UK, France, Finland) have not made any significant announcements to change their level of ambition. They trust in the current capabilities of their militaries and had already adjusted their strategic documents before the outbreak of the Ukraine war in 2022.

Group 3: Watch From the Sidelines
A small but significant number of states (UK, Hungary, Turkey) do not actively participate in the debate on Europe's future military order. This is true for Turkey because of its obvious skepticism toward the EU, the UK partly for the same reason and partly because of the inward-looking bias it has developed since Brexit, and for Hungary because it does not see Russia as a major military threat.

Group 4: Focus on Territorial Defense, too
Territorial defense is back. This is a clear consequence of the Russian invasion. However, this has not led to a decrease in crisis management commitments. Countries like Spain and Italy, which have focused on their peripheries, will maintain their level of commitment to crisis management while also increasing their territorial defense efforts.

CAPABILITIES

23 **There seems to be a need for a new combination of the elements of mass, delivery time, cutting edge technology, complexity, and sustainability in war.** The Russian invasion of Ukraine is accelerating reflections and discussions. At the same time, however, there is a risk of biases such as situational overestimations. New assumptions and observations are emerging while old wisdom is being challenged: High-intensity warfare may be less high-tech than previously assumed. Should the armed forces continue to concentrate on multi-domain operations based on a greater technological edge, information superiority, and agility? Large-scale, long-lasting wars have been underrepresented or even ignored in planning. Now, equipment fragmentation has evolved from a theoretical problem to an eminently practical issue that presents challenges for logistics and maintenance, repair, and overhaul (MRO). In the short term, land and air forces may be receiving more attention. But nations with the experience of classic naval missions will hold on to those capabilities. The challenge presented by scarce resources will accelerate the division of labor. Decisions on technological pathways, for example the use of unmanned systems, will be taken more quickly. The same is true for dealing with gaps and legacy systems.

24 Several contributions highlight the need to strike a **new balance** between acquiring complex, state-of-the-art capabilities (which can only be produced in small quantities) and making less complex weapon systems available on a large scale. This choice will have significant implications for procurement and industry. **Obtaining mass-produced goods in sufficient quantities** is both difficult and important; therefore, the ability to fight a long war needs to be supported by industry. The more supportive industry can be, the more the equation between innovation and production will shift in favor of manufacturing.

25 **Fragmentation** has been identified as one of the main challenges to raising the European level of ambition. European defense efforts remain incoherent, in particular with regard to procurement. Defense industrial cooperation between European countries is not yet delivering the benefits in terms of cost savings and interoperability that it should. Governments have been purchasing off-the-shelf products because of their need to rapidly upgrade capabilities. However, this has led to a loss of momentum in joint European procurement and development.

Group 1:
Modernization and Speeding Up Procurement
Several countries (Poland, Lithuania, Estonia, Germany, Bulgaria, Finland) have announced changes to the personnel structure of their armed forces. Hungary and Estonia will increase the number of troops significantly, too.

Most other countries focus on procurement. In the case of Germany, Italy, and Estonia, they are procuring a range of new capabilities, including sixth-generation fighter aircraft. Others, as for instance Finland, are accelerating existing procurement programs. The common focal points of all the programs are air defense systems, modern combat aircraft, and long-range artillery systems (especially in the Baltics). Poland is a prime case of heavy investment directed toward developing its land forces branch.

Group 2: No Major Adjustments
Some states – UK, Norway, France, and Spain – have not yet translated higher European levels of ambition into concrete adjustments to their national defense structure or equipment procurement. These are the same states that have not adjusted their national level of ambition.

Overall Tendency: Focus on the Land Domain
Although the picture is not entirely clear, there seems to be a tendency for the land domain to receive more attention in the allocation of new funds. This makes sense, as territorial defense depends on credible land forces. However, such a shift in investment may put a question mark behind multi-domain operations and concepts.

DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE

26 Europe's difficulties in supplying Ukraine with the necessary equipment and munitions to defend against Russia show that that **the European defense industry is ill-prepared to support a large-scale war** in terms of both arms and ammunition production. Production capacities were significantly reduced over the last decades as a result of the financial crisis and threat assessments that focused on crisis management rather than territorial defense. Many defense companies shifted production to high-value, complex weapon systems manufactured in small numbers. However, large-scale war requires more mass, which the EDTIB is currently unable to deliver.

27 Reduced funding means that even in larger industries like Germany's, **some production capacity has been lost.** Also, many industries are hampered by personnel shortage and slow procurement processes. Only the UK and France were able to maintain almost the full range of capabilities due to their relatively high level of funding in the past.

28 **The Russian war has not led to major adjustments at the DTIB level** due to additional or modified procurements, nor have there been other reasons for scaling up activities. Countries with large industries like the UK have not increased their defense budgets, while countries with smaller NTIBs like the Baltic States do not have the technological edge or production capacity to benefit from increased national funding. However, some industries are experiencing a moment of revival.

29 **The case of France remains somewhat ambivalent.** On the one hand, the French President Emmanuel Macron announced the need for a „war economy," on the other hand, French industry remained reluctant to increase production capacities, as no new procurement programs were announced that would have made industry confident that higher production capacity would pay off. However, of all the countries in the survey, France was the only one to announce a reform of procurement procedures.

30 **Turkish and Hungarian industries have been growing for a few years** due to increased defense spending and modernization programs. However, these efforts were not a consequence of the war in Ukraine but were initiated before.

Group 1:
US-Dependency in Central and Eastern Europe
Most states in Central and Easter Europe are heavily dependent on the United States for their defense equipment. This makes them less open to intra-European defense cooperation. Another factor is the relatively small size of their NDTIB, which makes off-the-shelf purchases and offsets more attractive. Also, the additional bureaucracy required to set up European programs often outweighs the potential gains of economies of scale. Delays, typical for multinational programs, are also seen as a handicap which weighs all the more heavily given the acute character of some capability gaps. There are exceptions to this tendency, for instance Romania, which participates in several PESCO and EDF initiatives.

Group 2:
No Clear Picture of Cooperation Potential
Although Western European states are more engaged in European defense cooperation and strongly support the further development of PESCO and EDF projects, **no clear areas of potential cooperation could be identified from this survey.** On the contrary, the Russian invasion has led some key stakeholders in EU cooperation to rely more heavily on off-the-shelf systems mainly from the United States. The German decision to buy F-35 aircraft is a case in point. The French government in particular is disappointed by such tendencies. It does not look as if the war in Ukraine would be giving a new impetus to European cooperation.

31 **Industrial policy with a focus on national DTIBS could further divide Europeans** in terms of defense production, procurement, and operations. For the time being, there is no significant push for European DTIBs. While Europe hosts some multinational defense companies like Airbus, MBDA, Thales, or Leonardo, these are driven by national procurements rather than European ones. The current call for filling gaps and increasing stocks in the context of the war in Ukraine does not provide sufficient political direction and scale to keep the European DTIBs alive.

32 **The future of European DTIBs will be driven by the Western European states with large industries** and countries that can invest significantly in future defense procurement and innovation. Off-the-shelf national procurements and acquisitions from extra-EU partners weaken European projects and EU institutional pillars for a more unified European DTIB. Yet in the context of the Russian war, there are many cases in which only non-EU partners can provide the capabilities quickly enough.

THE FUTURE

33 European defense is an open system with highly interdependent core issues. Debates and decisions on one element can have unintended consequences for many other elements of the system. The future of Ukraine, Russia, and the United States' engagement in Europe are interacting variables that define the system just as much as the future defense path of more than 40 European nations. **A more Europeanized defense requires a new consensus on the strategic outlook, the level of ambition, but also on the purpose and role of the military and corresponding capabilities.**

34 The Russian war against Ukraine has created the need, but also the opportunity, to generate a **new consensus** in the overlapping circles of NATO and the EU. European countries that do not yet belong to these institutions should be included in the process. The proposed European Political Community could offer a political opportunity for making a new start toward European security.

35 **Europe may be more divided than expected** in its response to the future of collective action. What are now differences in nuances could turn into deeper rifts once the war is over or difficult compromises have to be made. Looking back to the state of relations after the fiscal crisis and the COVID-19 pandemic could be instructive for anticipating what European governance will be like after the end of the Russian war.

36 **Discussing end-of-war scenarios** and their implications for European defense, while necessary, may have collateral effects and put governments into paradoxical situations. Moreover, allocating more resources is so urgent that it is imperative to preserve the unity of Europe. Holding a potentially divisive discussion over possibly hard-to-align objectives could make it difficult to agree and achieve collective action.

37 However, Europe will also have to address other threats than Russia. A **diversification of the risk and threat landscape** should be expected and accepted as part of the reality and complexity of European security. The problem of collective action and individual actors trying to pursue objectives on the margins is by no means a new phenomenon. On the contrary, it is constant factor in collective politics.

38 **Future deterrence** will need to incorporate several aspects: At the strategic level, the challenge will be how to deal with strategic surprise and nuclear blackmail (in the German case, Russian propaganda threatening with nuclear escalation influenced the public debate). But questions of capabilities and capacities will also have to be reassessed. The ability to fight a long war not only has implications for the DTIBs that sustain such a war, but reserves and readiness also play a role in this complex equation. The ability to fight a long war could all by itself become a deterrent: An aggressor should not believe in being able to obtain a quick victory.

39 **Alliances and partners:** Smaller countries like Estonia and Latvia are particularly vulnerable to the policy choices of their partners. Frictions can arise when partners do not share their approaches, for instance on the need to shift toward a posture of deterrence by denial. Nonetheless, interoperability is of great benefit here, too.

40 **Dealing with Russia:** All experts who contributed to this survey agreed that even after the war in Ukraine has ended, Russia will continue to pose a serious threat for Western allies. Russia's great power ambitions will remain a serious challenge to the territorial integrity of its neighbors and the European security architecture. Therefore, the future of the Russian threat to European security depends on three variables:

- The immediate outcome of the war in terms of the Russian posture: Even after the war, Russia will have a fearsome military. While the army will be severely depleted and the air force weakened to some extent, the naval and strategic forces will be intact.
- Moreover, what lessons the Russian leadership will draw from the conflict at the political, strategic, and military levels and how it organizes that learning process will be critical.
- The political and military priorities of the United States and its commitment to NATO will also heavily influence the level of threat that Russia poses for Europe.

41 **How to deter Russia** may become more and more of a guessing game in the near future, as Russian perceptions of security and threats will become less and less comprehensible. Europe's immediate task is to rebuild its knowledge of Russia and the post-Soviet space as a political and social sphere. In part, Europe has seriously misunderstood Russian intentions and ambitions, resulting in a naive attitude toward the current Russian leadership. There is an urgent need to rebuild expertise on Russian society and politics. Only then will it be possible to identify effective approaches to tackling the root causes of the war. In the meantime, a fundamental objective should be to deny Russia quick victories with which to bargain. As a short-term strategy, it is crucial to reduce Russia's leverage in international negotiations. What has also not been exploited are the pressure points offered by the Russian international presence and its weakening through war.

UKRAINE: LESSONS LEARNED AND FUTURE SUPPORT

42 **The question of Ukraine's future** – short-term and long-term – in the European strategic landscape is by far the most important issue. It affects not only Ukraine's immediate need for support but also has an impact on the course of the war and on how and when it will end. It will therefore also shape the state of Russia's posture and strategic options at that time. However, the state of affairs right after the end of the war will not define the character of Ukrainian and Russian attitudes in the more distant futures, i.e., the 2030s. Both sides will continue to aim for outstanding military capabilities. This will take place in reference to the respective other side and will be supported by partners. Ukraine is likely to receive high quality capabilities from the West for a long time even after the "hot war" is over to ensure minimum deterrence vis-à-vis Russia. Thus, Ukraine and Western Russia may remain a focal point of geostrategic conflict in Europe, with their border serving as a demarcation line between two political spheres.

43 From this point of view, the **question of the quality of military assistance to Ukraine gains in strategic relevance as well as urgency**. Whether Ukraine wins the war or not will make a difference for the next chapter of the confrontation. It will also set the parameters for Western relations with Ukraine. The country will be an important deterrent for Russia which will shift some of the burden away from others European nations.

44 So far, **NATO allies cannot agree on how far they are willing to go**, and which sacrifices they are willing to make, to help Ukraine win the war. Part of the problem may be that they are either not yet clear about the long-term strategic importance of a Ukrainian victory, or they have concluded that Ukraine is not essential or as important to their security as other issues.

With Russia's full-scale attack on Ukraine in February 2022, European defense has entered a new era. This is currently characterized by a new unity of Western allies, an increased focus on NATO as the main provider of European security, and a heightened sense of the importance of territorial defense. However, Europe is more divided than it seems. The country reports show that there are diverging underlying trends regarding defense spending, threat perception, and capability outlook. The same is true for

European countries' support to Ukraine. The NATO summit 2023 in Vilnius can help and shape these developments. But political statements will need to be backed up by an increased effort for cooperation especially among the Europeans. Taking more responsibility for European defense is a conditio sine qua non for the European nations, no matter which role the United States will play in and for Europe in the future.

Europeans cannot just focus on the European theatre and defense; they must adjust to a more complex geopolitical equation. The most important example is the potential for a conflict between the United States and China, which would affect much more than just the military domain. Any such conflict would have implications for Europe's solidarity with the United States as well as for the military capability gaps that a rapidly increasing US engagement in Asia would mean for the European theatre. European states will therefore have to solve a difficult equation when it comes to defining their future defense ecosystem, taking into account their security and defense policies, capability profiles, and the required technological-industrial base, as well as what they need to do collectively, be it within NATO, the EU, or in multinational coalitions.

Please be aware that the subsequent country chapters were published as submitted by the authors, without any editorial modifications.

Bulgaria

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SUMMARY

- Bulgaria supports the development of European defense and participates in all common initiatives, although it has no separate strategy for participation in them.
- Efforts to build European defense should not duplicate NATO, which remains the backbone of common defense, especially territorial defense.
- Bulgaria sees the development of the European capabilities as a tool to cope with numerous challenges.
- The country's participation in European defense projects is an opportunity to increase the capabilities of the armed forces and to modernize the technological and production base.

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

Russia's aggression against Ukraine is undoubtedly the most serious challenge to peace and security in Europe and the world. It was a wake-up call for many politicians in the country that security and defense need to be taken more seriously. The question of the role of NATO and the EU in the defense of Europe, and of Bulgaria in particular, became a central issue in public debates, including on Bulgaria's role and participation in the common defense.

It should be noted that despite the prevailing assessment that the war in Ukraine is the most serious challenge to European peace and security, the attitude of politicians and Bulgarian society toward the war as such and toward Russia remains ambiguous. After the outbreak of hostilities, approval of Russian President Vladimir Putin among Bulgarians fell dramatically, but the majority of Bulgarian society still has a positive attitude toward Russia. This can be explained, among other things, by the long-standing historical, cultural, and other ties between the two countries. At the same time, the vast majority of Bulgarians remain committed Europeans and Euro-Atlanticists.

On November 3, 2022, the newly elected Parliament by a large majority condemned the aggression of the Russian Federation against Ukraine as „the most significant threat to peace and security in Europe." With the same decision, it voted to provide direct military aid to Ukraine, but some of the parties – Socialists and Nationalists – categorically opposed the donation of arms to Ukraine. Some political parties and many Bulgarian citizens still see the war in Ukraine as a bilateral conflict between Russia and Ukraine and not as a major geostrategic rift and a crisis of the international security architecture.

At the same time, it is hard to define the position of the Bulgarian government regarding the war or military assistance to Ukraine. There are rather diverse positions of different governments depending on the political parties participating in the coalitions. Since 2021, Bulgaria has been in a constant political crisis with frequent changes of government. For example, the previous regular government in June 2022 assessed the Russian military aggression in Ukraine in a categorical manner „as a threat to peace and security in Europe and a direct challenge to NATO and the EU." The current caretaker government has a different assessment. This was most clearly expressed by the defense minister on December 13, 2022, when he stated in the Parliament that „because of the war in Ukraine there are risks for national security because of the proximity of the conflict, but there is no real threat to the country's security at the moment." These risks are seen as a secondary consequence of the war, such as refugees, floating mines in the Black Sea, problems with energy sources, inflation, etc. The war is not perceived as having a direct impact on the country.

As mentioned above, the population remains divided in its assessment of the war for many reasons, to mention only the general positive attitude toward Russia as the liberator from the Ottoman Empire, cultural ties, widespread pro-Russian propaganda, divergent messages from different political parties, lack of common strategic communication, and many other factors.

The fact that the war is being fought just a few hundred kilometers from the country's borders heightens the sense of risk and pushes politicians to look for ways to mitigate it. Despite the different assessments of the war, the vast majority of political parties agree that the defense capabilities of the Bulgarian army need to be further developed. Undoubtedly, NATO and the EU are seen as the most important factors in protecting the country's security. Bulgaria strongly supports all NATO and EU measures aimed at strengthening the eastern flank, providing Ukraine with assistance, including military, and putting pressure on Russia to stop its aggression and withdraw its troops from Ukrainian territory. As part of these measures, a multinational battalion combat group led by Italy has been deployed on Bulgarian territory.

EUROPE'S FUTURE MILITARY ORDER

Bulgaria supports the development of the Common Security and Defence Policy and the strengthening of European defense capabilities. Located on the eastern border of both the EU and NATO, it considers itself particularly vulnerable to external risks and threats. There is an understanding that Europe should develop mechanisms to realize its priorities. In this context, Bulgaria participates, for example, in PESCO projects. At the same time, it can be said that the country participates in the construction of European defense with moderate enthusiasm. The main principle followed by Bulgarian governments is that NATO is the core of the collective defense of the whole Euro-Atlantic area. National documents state that „NATO and the EU should work together, complement each other, and do everything possible to strengthen both organizations. NATO remains the main guarantor of security and the achievement of the EU's strategic autonomy is possible only on the basis of the transatlantic bond."

There is a generally accepted position among politicians that Bulgaria's commitments and cooperation within the CSDP will be compatible with commitments to NATO. A guiding principle is that efforts to build European defense should not duplicate efforts within NATO. This is mainly motivated by financial and economic considerations, as the country cannot afford to allocate more resources to defense and create capabilities for the EU separate from those for NATO. Most political parties accept that NATO is the core for collective defense, including the defense of the European continent. European defense is seen as a European pillar of NATO.

The war in Ukraine has put on the political agenda the need for decisive modernization of the Bulgarian armed forces. However, there has been no decision to seriously increase the defense budget, which is expected to reach two percent of GDP by 2024.

There is no doubt that the Bulgarian armed forces are in need of decisive modernization. The main challenge is that the main combat systems get produced according to the standards of the former Warsaw Pact, some of them were produced in the former USSR and are morally and physically obsolete and incompatible with NATO and EU standards. The main objective of the modernization is to acquire new, modern platforms that meet NATO/EU standards. The Bulgarian MOD has developed an ambitious modernization program, but due to a lack of financial resources, its implementation cannot be ensured in the short or even medium term. For the development of key capabilities, the Bulgarian Armed Forces will rely on the defense budget, but also on assistance from allies. In this regard, participation in multinational EU and NATO projects is an opportunity to acquire new capabilities and to bring the country to a new technological level. The latter is crucial, as the Bulgarian defense industry is currently virtually excluded from the modernization of the army.

In recent years, Bulgaria has acquired various NATO-standard platforms, including 16 new F-16 Block 70 fighter jets from the United States, transport aircraft, helicopters, and vehicles. A project to build two battleships for the navy is underway. There are several other priority projects, including the purchase of new infantry fighting vehicles, radars, drones, etc.

Key to the modernization of the armed forces is a high level of integration with NATO and the EU. This includes more training and exercises with allies, participation of Bulgarian soldiers in joint operations and activities, etc. The chronic shortage of personnel remains a serious challenge. Almost 20 percent of posts are vacant, and the situation is not improving. There are not enough applicants to serve in the armed forces, as service in the armed forces remains unattractive due to low salaries. At the same time, more than 70 percent of the military budget is spent on personnel, reducing the amount available for the acquisition of new systems and weapons. It is a challenge to find a balance so that more money is spent on personnel, new equipment, and training.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

In recent years, the Bulgarian defense industry has exported production worth about EUR 1 billion annually, mainly to countries in Asia, Africa, and the Middle East. In 2021, exports increased many times over due to the war in Ukraine. Large quantities of arms and equipment were exported from Bulgaria to Ukraine through private companies.

Most of the companies in the Bulgarian military production complex were built during the Cold War to produce and maintain weapons and equipment to the standards of the former Warsaw Pact. Since Bulgarian companies have enough orders for weapons and ammunition to Warsaw Pact standards, they have no interest in switching to NATO standards.

At present, with a few exceptions, all companies are privately owned, which deprives the state of the possibility of influencing production and providing resources. The state has distanced itself from research and development (R&D). Human resources in research are in constant decline due to low salaries, better opportunities in other industries, or better offers from the defense sectors of other countries.

Since companies do not produce military equipment, weapons, and ammunition to NATO/EU standards, the Bulgarian defense industry is in practice excluded from participation in the modernization of the armed forces and cannot take part in multinational EU or NATO projects.

For its modernization plans, Bulgaria has to buy new systems from its allies without being able to engage its own military-industrial complex, which is seen as a serious problem. A key issue is the division of countries from different parts of Europe into ‚producers' and ‚buyers'. This issue needs to be addressed at the EU level in order to ensure the geographical balance of the common European defense market.

It is worth noting that there is interest on the part of Western companies to invest in local production, but the investments are made subject to the receipt of orders for military equipment. An alternative for the participation of Bulgarian companies in multinational projects is the involvement of high-tech, innovative companies developing new technologies or intellectual products. The country is currently debating how the state can support such companies.

COOPERATION

Apart from its participation in several PESCO projects, Bulgaria has not established deeper cooperation in European defense projects.

For Bulgaria's defense, the strategic partnership with the United States is key. An agreement on defense cooperation was signed with the United States in 2006, allowing for the joint use of facilities and the stationing of a certain number of US troops on Bulgarian territory. Such strategic cooperation has not been implemented with any other NATO and/or EU member state. Currently, a multinational NATO battlegroup led by Italy is deployed on Bulgarian territory as part of efforts to strengthen the eastern flank. This is seen as an opportunity to develop deeper bilateral relations between Bulgaria and Italy.

Bulgaria is developing enhanced defense cooperation with neighboring countries, in particular Romania and Greece, in areas such as air defense, joint training, and others. This cooperation could be extended to the joint acquisition and sharing of armaments and equipment or the creation of joint capabilities, but no such project has been implemented so far.

Bulgaria supports multinational projects within the EU and NATO that would lead to the development of key capabilities while optimizing the acquisition and maintenance costs of participating countries. Bulgaria participates in several projects such as the Strategic Airlift Capability, AGS, a European missile defense project, and others. It is believed that participation in such projects also leads to better interaction between allies.

Another key issue for the country is support for investment in defense companies to produce weapons and equipment to NATO and EU standards. For this reason, the Bulgarian ministry of defense equires foreign companies participating in modernization projects to invest in the Bulgarian defense industry. This is seen as an opportunity not only to acquire technology but also to provide much-needed investment funds.

Estonia

Tony Lawrence, Head of Defence Policy Strategy Programme, International Centre for Defence and Security, ICDS

THE GEOSTRATEGIC LANDSCAPE

Since the restoration of its independence, Estonia's foreign policy, security, and defense discourse has been dominated by consideration of the threat posed by Russia, often going against the grain of attitudes and policies prevalent in other Western states.[3] Nevertheless, Russia's full-scale invasion of Ukraine in February 2022 was a shock. Its brutality and scale—the land captured by Russia in northern Ukraine alone in a matter of days in its failed attempt to take Kyiv amounts to around 60 percent of Estonia's territory—and its stark rejection of European norms and values vividly confirmed for Estonia the utter incompatibility of Russian and western conceptions of security for small states.[4]

The invasion was also seen as a vindication of Estonia's perceptions of and policies toward Russia and an implicit condemnation of those western states that had allowed themselves to be misled about Russia's nature. While Estonia has taken substantial additional steps to build up its own defense during 2022, a key foreign policy aim has thus been to persuade other European states of the need to (finally) take the Russian threat seriously and take similar actions. The country has also been at the forefront of those urging tougher sanctions on Russia, in particular in the energy sector.

The European security environment is seen to have changed radically. Of course, the outcome of the war cannot be known, but because of Russia's unrepentant behavior and its continued aspirations to restore its great power status, Estonia expects Russia to find itself excluded from any future European security arrangements. Estonians have been quick to condemn suggestions from Western partners that Europe can return to business as usual with Russia, that future security arrangements must take into account Russia's special interests, or that Ukraine must make concessions in the service of peace. On the contrary, Estonia's immediate foreign policy priorities are that Russia be comprehensively defeated, that it be held accountable for its crimes of aggression and the physical damage it has caused, and that Ukraine's territorial integrity be restored. These conditions are seen as essential for sustainable security: Lesser outcomes would simply not deter Russia from future aggression.

Throughout the war, the government has insisted that there is no direct military threat to Estonia. However, while Russia's conventional forces have been weakened by Ukraine, it remains a credible nuclear power and will rebuild its military. Meanwhile, it retains the ability to attack Western states in the grey zone. The war has thus given Estonia, and Europe more broadly, a short period in which to prepare for a future Cold War-like situation.

In such circumstances, military power will become increasingly important. Diplomacy and dialogue with Russia have failed, at least without the backing of military power, and Europe must now take action to reverse decades of military decline (while continuing to provide maximum military support to Ukraine). Capability gaps must be filled and sufficient stocks built up for a prolonged conflict. Meanwhile, the precarious situation calls for continued U.S. engagement in European security, including military engagement. NATO will therefore remain an indispensable institution. The EU, meanwhile, has found a strong role for itself in supporting Ukraine in the war and should build on this to complement NATO, leaving behind the more controversial (hard security and defense) aspects of strategic autonomy. Both organizations need to recognize that grey and buffer zones are sources of instability and that vulnerable states on Europe's periphery need to be brought into Western security structures.

While Estonia's security considerations are for now overwhelmingly focused on Russia, there is also a recognition that European states must not make the same mistakes in becoming dependent on China.

3 For example, Estonia's 2010 National Security Concept stressed Russia's preparedness to use military force and energy supplies to achieve its goals, while NATO's Strategic Concept, issued in the same year, sought a „true strategic partnership" with Russia: National Security Concept of Estonia (Tallinn: Government of Estonia, 2010), 7; NATO, Active Engagement, Modern Defence (Brussels: NATO, 2010), 29.

4 Júlia Ledur, „What Russia has gained and lost so far in Ukraine, visualized," The Washington Post, November 21, 2022.

FUTURE MILITARY ORDER

Estonia has contributed steadily and at a reasonably high level to international operations since the 1990s – most recently, following its involuntary withdrawal from Operation Barkhane in mid-2022, it has announced its intention to send a company to participate in the US-led Operation Inherent Resolve in Iraq this year – but this has never been a driver of force development. The core task of Estonia's armed forces has always been to provide territorial defense, both independently and with allies. Russia has been regarded as the only potential threat to peace and security in the region, and defense efforts have been aimed at building armed forces of sufficient size and capacity to deter, and if necessary, defend against Russia. The focus has been on the training and equipping of reserve-based land forces.

The main challenge is one of resources. Estonia's defense forces are well funded according to NATO guidelines, but the country and its economy are small, certainly compared to Russia, which has built up large and seemingly capable forces in its Western Military District. To fill the gap, Estonia, along with other allies on its northeastern flank, has sought to engage the rest of the alliance in Baltic security. The most visible successes of these efforts have been Baltic Air Policing and the enhanced Forward Presence.

Russia's full-scale invasion of Ukraine has not altered this approach in principle, but it has increased the sense of urgency and led Estonia to call for a substantial change in the means of implementation. Estonia (along with Latvia and Lithuania) has essentially rejected NATO's post-2014 deterrence posture, in which the enhanced Forward Presence would act as a tripwire in the event of an armed attack, triggering large-scale allied reinforcement and territorial restoration operations. The three countries have argued that Russia's brutality in its war in Ukraine has shown that it simply cannot be allowed to set foot on allied territory – Baltic territory should not be restored by NATO but defended from the outset. In the run-up to and at NATO's Madrid Summit, they advocated a shift from deterrence by punishment to deterrence by denial (often referred to as ‚forward defense'), which would require more and different military capabilities and higher-level command structures in the Baltic region.

For their part, the three states increased spending and began to invest in new capabilities. Through two decisions in early 2022, the first even before Russia's full-scale invasion of Ukraine, Estonia allocated more than €800 million of additional funding for both military and non-military defense in 2022-5. Defense spending in 2022 is now estimated to be 2.34 percent of GDP (EUR 771 million). The government plans to spend 2.85 percent of GDP (EUR 1.098 billion) in 2023 and 3.26 percent of GDP (EUR 1.317 billion) in 2024.[5] Estonia's political parties, which are currently positioning themselves for the March 2023 parliamentary elections, all call for defense spending to be at least 3 percent of GDP in the coming years.[6]

Much of the increased funding will be used to build readiness, including substantial sums to procure ammunition to build wartime stocks. Estonia's territorial defense units will be doubled in size to 20,000, largely by assigning reservists (former conscripts) who had no dedicated wartime role to new reserve structures. The government has established a 'divisional structure' under the framework of NATO, which will see the defense forces establish a division headquarters to which the Estonian 1st and 2nd Brigades and several support units, and an allied (mostly UK) brigade will be assigned. A new garrison and training area will also be established in southern Estonia to meet the needs of the enlarged wartime structure—36,000 personnel—and to accommodate a brigade-sized allied contingent.

The additional funding will also allow some big-ticket investments to be brought forward. The procurement process for two medium-range, ground-based air defense batteries has begun, a EUR 200 million contract for six HIMARS multiple launch rocket systems has been signed (much of the funding is from US Foreign Military Financing), and a further twelve K9 Thunder self-propelled howitzers have been ordered from South Korea for EUR 36 million to bring the total fleet size to 36, while a joint project with Latvia, worth EUR 693 million over ten years, will allow a range of logistical and other vehicles for the defense forces and other agencies to be procured.

5 Dropping back to 2.74% in 2025 and 2.46% in 2026. Ministry of Finance (Estonia), Riigi eelarvestrateegia 2023–2026 [State budget strategy 2023–2026], 111.

6 Vahur Lauri, Estonia's parties want to raise defense spending to 3-6 percent of GDP, ERR News, December 1, 2022.

COOPERATION

Estonia participates in five PESCO projects, two of which it coordinates (Integrated Unmanned Command System, and Medium-Size Semi-Autonomous Surface Vehicle). The country is keen to build on its high-tech (cyber) reputation and sees autonomy as one of its key strengths. Estonian companies participate in several EDIDP-funded projects (EUR 6 million in 2021).[7] With the UK, Estonia is the joint host of the European regional office of DIANA, while an Estonian official currently heads the transition team setting up DIANA.

However, most of Estonia's defense acquisition is off-the-shelf procurement of mature technologies, where the savings possible through economies of scale may not be worth the additional investments in the bureaucracy of international cooperation. This, combined with the need for Estonia and its most likely cooperation partners to make substantial additions to their defense budgets in a short period of time, means that opportunities for acquisition cooperation are rather limited. However, in addition to their recently announced joint procurement of logistics vehicles, Estonia and Latvia have signed a Memorandum of Understanding to jointly procure ground-based medium-range air defense systems through the Estonian Defence Investment Centre.

The opportunities for cooperation in operational matters are somewhat more extensive. Estonia's key partner here is the UK, which is the framework nation for the enhanced Forward Presence Battlegroup in Estonia, entailing regular and extensive cooperation. The UK will also assist Estonia in developing its new divisional structure, to which UK forces will be assigned in times of crisis. Another important development has been the discussions with Finland concerning cooperation in coastal missile defense – Estonia has recently acquired Blue Spear anti-ship missiles from Israel.

The United States also remains a key partner. Estonia would not wish to see opportunities for defense cooperation with or procurement from the United States excluded by the development of protectionist European policies. The HIMARS procurement is an important development in this regard, as is the recent return of a rotating US infantry company (the US rotational presence in Estonia was halted shortly after the deployment of the enhanced Forward Presence).

7 The projects of Estonian defence industry companies received EUR 6 million from Europe, Estonian Defence and Aerospace Industry Association, July 1, 2021.

Finland

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

By applying to join NATO in 2022, the Finnish security policy leadership (key government ministers and the president) has sought to further strengthen the network of international security cooperation that has been built up over the past three decades; hence the argument that Finnish NATO membership is only the latest step in a broadly consistent foreign policy path. However, the pursuit of NATO membership reflects a new assessment of how to deal with a changing security environment in Europe within a broader global geostrategic framework; hence the argument that Finnish security policy has changed dramatically in 2022.

Overall, the evolving recognition that the security environment was changing can be seen in post-2014 government security reports, but a geostrategic 'great power competition' -framing only emerged in the 2020 report. Despite this, for a number of reasons, only Russia's expanded attack against Ukraine in February 2022 resulted in a broad political and societal recognition that the security environment had changed so dramatically that Finland needed to make dramatic changes to its security policy – seeking NATO membership.

For Finland, this change did not mean a shift away from the core instinct to seek improvements in human rights, support for international institutions, and the desire to address major global challenges through a multilateral approach remains. The post-2020 framework of global great power competition has led to a more geopolitical and geo-economic perspective in Finland's foreign and security policy, and NATO membership will further strengthen this framework.

At the global level, this means understanding that the European Union remains Finland's most important global security linchpin, especially in addressing climate change, technological challenges, and (geo-)economic competition. The impact of NATO membership will depend on how active NATO itself is beyond its Euro-Atlantic remit. At the regional, Euro-Atlantic (and MENA) level, Finland's NATO membership is perhaps the most consequential, as NATO becomes a key forum for Finland to discuss regional geopolitical issues and prepare for deterrence and regional defense. However, the EU will remain the more important of the two memberships in terms of overall security.

At the national level, the war in Ukraine has reinforced the belief that Finland's approach to national defense is broadly correct and that NATO membership is seen as an additional layer of deterrence (including nuclear) and, if necessary in the future, defense. It is also recognized that NATO membership will inevitably require Finland to develop and take positions on issues relevant to global security that it has not been able to address so clearly before (e.g. nuclear weapons, specific technology transfer and trade issues).

EUROPE'S FUTURE MILITARY ORDER

Neither the great power framework nor Russia's expanded aggression against Ukraine has changed Finland's fundamental understanding of, or approach to, the role of the military. This is because, unlike most European states, Finland had not changed the basic tasks of its military in the post-Cold War environment, maintaining a robust national defense capability. It is clear, however, that Russia's attack provided the domestic political support for further strengthening national defense through emergency funding to increase stocks and accelerate some ongoing procurement projects (especially for materiel that the war in Ukraine has shown to be particularly useful). The Russian attack also allowed Finnish security leaders to publicly acknowledge that a deterrence posture based solely on Finnish defensive capabilities, while robust, was not sufficient due to the fundamental asymmetry in military capabilities with Russia (in terms of volume and nuclear capabilities).

The key future military challenges are related to Finland's forthcoming NATO membership: (1) contributing to NATO's ongoing deterrence activities and integrating Finnish and NATO defense plans; and (2) the strategic cultural change from „defending alone, hopefully with others" (the latter part especially since 2014) to being part of a „collective defense family". Despite NATO membership, there is a clear sense among Finnish politicians and the population at large that it is always Finland and the Finns who are ultimately responsible for the defense of the country – that external assistance is complementary to the national defense capability.

Officially, Finland is reluctant to comment publicly on how it might contribute to NATO's ongoing deterrence activities, with officials stating that the focus must be on achieving membership, not on getting ahead of the game. Unofficially, Finnish and NATO officials have discussed what Finland's contributions might be, for example to the eFP units, the air policing missions (Baltic and Icelandic), and the Standing Maritime Groups (SMGs). Since Madrid, Finnish and NATO officials have exchanged more information and ideas on defense planning, but actual defense planning will have to wait. It is likely that Finland could contribute a company to the British-led eFP, with a full battalion available in Finland at short notice. Baltic air policing could also be done from Finland, but contributing to rotations (and extending the time present) in Iceland would probably be a more welcome contribution. Sending a Finnish MCM ship to the Mediterranean could be an easy way to contribute to NATO's maritime operations.

Recent developments in force structure, personnel, and procurement are largely independent of developments in Ukraine. The most important examples are the selection of the F-35 as Finland's future fighter jet (December 2021), the ongoing project to begin construction of the Finnish Navy's new large surface combatant, the Pohjanmaa class (nee Squadron 2020), the high-altitude air defense system (downsized to two Israeli-origin systems in 2022), and the goal of increasing the cadre force by a few hundred more officers and NCOs.

Russia's attack on Ukraine has accelerated some procurement projects, such as anti-battery radars and various drone systems. In addition, most of the extra EUR 600-800 million that the government has added to the defense budget (for 2022-23) has been spent on increasing stocks of critical material (such as long-range artillery/rockets, anti-tank systems, personal protective equipment, communications, and sensors (including NVGs). Some of the money has also been spent on a sharp increase in training exercises, particularly for reservists.

The official view, supported by unofficial estimates by external analysts, is that the Finnish military has never been in better shape, with high readiness and capabilities that match the security threats well.

NATIONAL DEFENSE AND TECHNOLOGICAL INDUSTRIAL BASE (NDTIB)

The DTIB in Finland is relatively small, with only a few small prime contractors (Patria being the most important). Discussions with industry representatives, the government, ministries and the Defense Forces revealed a lack of initial understanding of the realities of defense procurement, particularly with regard to the time and financial requirements for opening new production lines. Finland was accustomed to ‚piggybacking' on other larger orders (made through NATO, EU, or bilateral cooperation) rather than being the initiator of new production lines. This reflected the bureaucratic experience and established policy of previous decades. By the end of 2022, this understanding had improved.

There are many discussions that Finland is having directly with the industry, with its current partners and future allies. The main conceptual discussions revolve around balancing immediate needs with creating a sustainable approach that does not lead to overcapacity. How to support Ukraine in 2023 is also a concern, as most industry sources indicate that production cannot be seriously ramped up until governments jointly decide to do so and finance it with at least some multi-year, longer-term contracts. In Finland, the defense establishment continues to strike a balance between ever larger and more lethal military assistance packages to Ukraine (eleven so far, totaling some EUR 200 million, including mortars, APCs, a range of man-portable systems, anti-aircraft guns/cannons) and ensuring that Finland, as a frontline state (to use NATO parlance), is able to defend itself; unlike many less exposed NATO members, Finland cannot ‚empty its stores to buy new ones in a few years' time. Nevertheless, Finland's purchases of materiel in 2022 have supported the continuation and opening of production lines that can directly support Ukrainian efforts if the war in Ukraine continues.

France

Camille Grand, Distinguished Policy Fellow, European Council on Foreign Relations (ECFR)

France has traditionally been the strongest proponent of European defense since the signing of the Brussels Treaty in 1948, although the definition of 'European defense' has fluctuated over the decades, including in recent efforts to develop and refine the concept of 'strategic autonomy.'

From a French perspective, the Russian war on Ukraine is a defining moment for the European defense agenda. On the one hand, it puts to the test many core French beliefs, as it once again highlights the dependence on the United States, given European military shortfalls and many dependencies on US critical capabilities and stockpiles. On the other hand, it makes the case for a much more robust European defense in a degraded strategic environment and vindicates the French view that Europeans need to do more across the board. It also reshapes the institutional environment of the EU and NATO in many ways, with a new focus on collective defense and defense capabilities. The paradox, however, is that despite recent decisions to maintain a robust defense effort until 2030, French defense policy is only marginally evolving in light of current events.

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES VIEWED FROM PARIS

France and the New Security Environment

Altogether, the French authorities did not experience a watershed moment and did not have to argue for some form of Zeitenwende, as they would claim that France never ruled out the major conflict scenario in Europe. Hence, France has been investing in deterrence and defense over the years when many Europeans were cashing in the peace dividends and moving away from collective defense or from defense altogether. This view is substantiated by several facts:

French defense spending, while under pressure, never declined to a breaking point. The reinvestment in defense started in the mid-2010s in the context of a wave of terrorist attacks and to support a high pace of operations in the Sahel region primarily. Under the fully implemented 2019-2024 Military Programmatic Act aimed at „repairing" the armed forces, defense spending has been sustained over time, bringing the budget back to the two percent of GDP NATO benchmark before the 2022 Russian war in Ukraine. The future Act covering the 2024-2030 period intends to „transform" the armed forces. Altogether, this means a doubled French defense budget over a decade.

The French force model retained a high degree of readiness and some robust capabilities, even though its ability to deliver mass or sustain a major conventional engagement over an extended period of time was increasingly questionable in multiple capability domains given the focus on demanding but limited crisis management operations over the past decades.

The French long-term investment in its independent nuclear deterrent has been sustained over decades and has always been connected to the risk of conflict involving a major power.

This general posture, more favorable than for many European countries, did nevertheless not prevent France from developing an interagency National Strategic Review[8] released in November 2022, which opens with the following statement capturing the French strategic understanding of the new strategic environment and the new priorities:

Russia's invasion of Ukraine on 24 February 2022 represents a major shift in strategy. Firstly, combined with other core developments, it confirms the changes to the threat assessment observed and described in the 2017 national defence and security strategic review, updated in 2021. Secondly, it calls for adaptation to our strategic response, with the aim of building up our morale and resilience, consolidating our alliances and modernising our defence capability more quickly.

Given the relatively fast-paced production of French strategic documents, the French government can claim that the 2017 Defence and National Security Review and its 2021 Strategic Update had – at least partially – anticipated the events of 2022. The 2017 document already painted a dark picture of a „challenged international system," noting „the

8 Revue Nationale Stratégique 2022, Secrétariat Général de la défense et de la sécurité nationale, November 9, 2022.

consequences of the deconstruction of the European security architecture are severe". While the emphasis was still on terrorist threats and instability on Europe's southern flank, it was already pointing at the tensions on „Europe's Eastern and Northern flanks" experiencing „the reassertion of Russian power and the resurgence of war" and „Moscow's intent to rebuild a sphere of influence." Regarding Ukraine, it was noting a „permanent risk of escalation."

On this basis, the 2022 Strategic Review noted the „confirmation" of an era marked by tougher strategic competition, the weakening of the tools that build our collective security, the effects of intimidating and aggressive states of readiness, blending military and non-military actions, manipulation of information, and even nuclear threats in which global and regional powers shedding any inhibitions about pursuing revisionist agendas and opportunistic military policies is combined with a growing trend toward isolationism or identity-based withdrawal.

It also called for a „consolidation" of „the efforts already made while also accelerating, adapting and supplementing our strategic readiness in response to threats that are themselves changing in their speed, nature and location."

The French 2022 Strategic Review fully recognizes Russian revisionist ambitions as the first „area of antagonism," with Russia „pursuing a strategy that seeks to undermine European security, of which the war against Ukraine, launched on 24 February 2022, is the most open and brutal manifestation." Interestingly, it also points at other strategic challenges such as the „affirmation" of the People's Republic of China, the „persistence of proliferation crises," and „the international jihadist movement which „will continue to spread and pose a security challenge for the next decade."

In a January 2023 speech to the armed forces, President Macron confirmed this assessment of multiple and overlapping threats and shared a sobering assessment about the security environment that is characterized by an „ *[...] accumulation of threats of all types and in all regions: a sort of anthology of war risks that have tempted many generations before us: unbridled imperialism, nuclear proliferation and terrorist violence. Some wars that are very old, others unprecedented, but they all add up and can feed into one another."*

Priorities in a World of „Strategic Confrontation"

On this basis, the French authorities approved in November 2022 a series of ten strategic objectives.[9] While many of those objectives are consistent with the core (and traditional) principles of French security and defense policy, it noteworthy to highlight the new emphasis put on NATO (strategic objective 5) with the commitment „to increase the Alliance's operational added value" and its intent to „continue to contribute fully to all the missions of the Atlantic Alliance, fulfilling its role within military structures and operations" as well as this notion of an „economy contributing to a defence mindset," what President Macron called an „économie de guerre" (war economy) as early as June 2022 in a speech at the Eurosatory armament show (see below). More recently, he clarified in his January 2023 speech that

a war economy supported by such an investment from the Nation is not some kind of perpetual emergency prompting us to spend unwisely. It requires building the conditions for a more sustainable sovereignty where we spend more efficiently.

If the analytical framework seems well suited to the current strategic environment, the fragility of the French approach may lie precisely in this perception of having been vindicated by events. It could be argued that the French have decided to stay the course: an increase in the defense budget, but in line with previous priorities, faster delivery of some capabilities, and efforts to replenish equipment donated to Ukraine, but no overhaul of the French military. The future Loi de programmation militaire (the 2024-2030 multi-annual military programming law), to be voted on by the French parliament in 2023, is the first opportunity to further adjust this course through another substantial increase in the defense budget.

9 1 A robust and credible nuclear deterrent; 2 A united and resilient France; 3 An economy contributing to a defence mindset; 4 First-class cyber resilience; 5 France as an exemplary ally in the Euro-Atlantic area; 6 France as a driving force behind European strategic autonomy; 7 France as a reliable sovereignty partner and credible provider of security; 8 Guaranteed autonomy of assessment and decision-making sovereignty; 9 The capacity to defend and act in hybrid fields; 10 Freedom of action and the capacity to conduct military operations, including high-intensity operations in all fields (multi-environment and multi-field)

EUROPE'S FUTURE MILITARY ORDER: A FRENCH PERSPECTIVE

What are the implications for the level of ambition and tasks of the military?
France recognizes that the European level of ambition needs to be reviewed as the tasks for the military are evolving taking into account the security environment. The French premises in this context are clear:

- The current security environment is likely to perdure,
- It will require to refocus on collective defense tasks,
- The Europeans need to share the burden with the United States as Washington faces competing priorities, and ideally do it together,
- Sustained military investment with a doubled defense budget over a decade (2019-2030) as far as France is concerned.

What are the main challenges to achieving the level of ambition and tasks, and what are the proposed solutions?
In France's view, Europeans do not have the right skills and have failed to develop them together. The challenges fall into three categories. First, they need to rebuild capable militaries over time. In other words, be prepared to sustain the budgetary effort. Second, they need to act more collectively. This is why France is the strongest supporter of the European Union's instruments to support joint capability development. Third, they must strike the right balance between mass and technology. Europe needs not only to rebuild capabilities and some mass but also to maintain and develop its technological edge in several areas.

While these challenges have been identified – neither surprising nor specifically French – the way forward is only beginning to emerge through recent announcements, but concrete proposals at EU or NATO level are still lacking.

Developments regarding force structure/personnel or procurement/equipment
The French have not announced any significant transformation of the French armed forces by the establishment of new units or major acquisitions associated with the new environment. This rather unusual posture amongst NATO allies is connected to the assessment that the French forces demonstrated the appropriate level of readiness and engagement in the days and weeks following the invasion of Ukraine by Russia, proving their ability to deploy swiftly significant forces in Romania while preserving their presence in Estonia, and increasing their air and maritime commitments to NATO and the security of Europe.

While this „stay on course" approach was confirmed by the president in his announcement about the next multi-year Procurement Law (or Military Programming Act 2024-2030), he also announced a very significant increase in the defense budget over time with an aggregated effort of EUR 413 billion over the next seven years (versus EUR 295 billion in the previous cycle 2019-2024). As noted by president Macron: „in total, these two Military Programming Acts will [have] double[d] our armed forces' budgets“[10] in ten years, bringing the annual defense budget to EUR 60 billion. Recognizing the effect of the past cuts, the French stated ambition is to move from „repairing“ the armed forces to „transforming“ them.

The exact priorities will have to be fine-tuned in the ministry of defense and through the parliamentary process. However, they have already been announced: intelligence and surveillance capabilities, „going from a model designed to conduct operations in situations where our freedom to act was strong, to an ability to evolve in challenging environments, against battle-hardened adversaries, who are technologically skilled across a wide range of conflicts.“ In other words, „ a move to high intensity“ with a focus on responsiveness with the intent „to scale up operational preparation, improve the availability of equipment, adapt our alert levels to the intensity of the threat, and organize and build up our stocks of ammunition, our logistics, and our support.“ These priorities remain to be further refined in the ministry of armed forces and through the parliamentary process, and the full details will be important to fully understand where the French armed forces put the effort.

Unlike other European allies, however, it is clear that the French stance is not intended to focus solely on a single (Russian) threat, as the president also mentioned numerous other challenges ranging from pandemics to cyber-attacks, from threats on French

10 All quotes in this section extracted from the 20 January 2023 speech by President Macron.

overseas territories „particularly in the Pacific and the Indian Ocean“ to „other challenges includ[ing] ensuring the security of our immediate neighborhood, from the Mediterranean to the Balkans, from the Middle East to Africa, and of course fighting climate change, consistently and continuously.“

This important nuance in focus has to be connected to deterrence, which is „what makes France different from other European countries“ and most probably justifies a lesser focus on heavy equipment delivering mass, as the major war in Europe scenario is perceived as constrained by nuclear deterrence.

THE FUTURE EUROPEAN DTIB (DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE)

The DTIB is an integral part of the French defense policy. It is robust and covers nearly the entire range of defense technologies. This policy, however, comes with a significant cost, sometimes criticized as a „sample-policy," as many of the major platforms are only procured in small numbers. The case of the high-performance Caesar artillery system is illustrative in this regard, as only 78 guns were acquired, leading to capability tensions when the equipment was donated to Ukraine.

Furthermore, the French DTIB is sized to meet the demands of the domestic national armed forces (which have been significantly downsized since the end of the Cold War and professionalization in the late 1990s) and of export markets. As in many Western countries, they suddenly proved not sized or capable to meet easily the demands associated with a major conflict in Europe or a rapid expansion of the force structure. This triggered a debate between the government and industry in the summer of 2022 which highlighted several challenges.

First, in the absence of major new contracts, industry remains reluctant to expand production capacity or to suggest a multi-year boom in the defense market. Second, several bottlenecks related to supply chain production capacity (which could only be expanded to a limited extent) were identified, including access to critical components (microelectronics, energetics) and, in some cases, critical raw materials.

First concrete announcements to address industrial capacities and technology development:

This led the Ministry of Armed Forces to undertake a systematic survey of the defense sector following the already quoted speech of Emmanuel Macron calling for the establishment of a „war economy" in June 2022. The initial finding led to four „commitments" announced by Minister Lecornu on 6 September 2022:

- „Simplify the expression of need" to produce more, faster and with a controlled budget, with a focus as much on production capacities as on questions of program design. If the emphasis on innovation must be maintained, it should not prevent „rusticity." To meet massification needs, the General Directorate of Armaments (DGA) and the Armies is tasked to formulate requests that are simpler to conduct. Each option on a piece of equipment is an obstacle to the speed of manufacture.

- „Simplify administrative procedures," as the notions of risks and dangers have evolved considerably and require a change of approach „in times of war." A simplification of administrative procedures for manufacturers has become essential.

- „Set up a relocation agenda" to preserve France's sovereignty in terms of armaments, to address supply chain challenges with subcontractors, located outside the national territory or even outside the EU.

- „Change the approach to inventory management," as the war in Ukraine reveals the importance of stocks, particularly of ammunition, in the context of a high-intensity conflict. To meet this new challenge, the French armies will replenish their ammunition stocks, which will now be assessed to respond to the hypothesis of a major engagement. In addition, manufacturers are incentivized to organize themselves to build up reserves of raw materials and thus be able to respond effectively to orders from the ministry. In this regard, the pooling of stocks between DITB companies is also under study.

For their part, manufacturers have also committed to significant production accelerations concerning priority equipment.[11] While not revolutionary, these

11 Thus, the 155 mm shells can be delivered in three months instead of nine. The Caesar gun, which took more than 30 months to design before, compared to 24 months today, will soon be produced in just twelve months.

announcements and „commitments" acknowledge the need to address previous industrial shortfalls through a series of concrete steps.

The first available information on the new „Military Programming Act" suggests some consistent priorities „to improve the balance between equipment, maintenance, ammunition, operational activities, and logistical coherence, consolidate support services that have in the past been cut back too often, and strengthen our health services" with the move to the „sole use" of the Rafale aircraft, „increase our capabilities in all areas of air defense by at least 50 percent; that of course includes anti-drone combat", a focus on space as a domain, and „naval capabilities which are commensurate with our country's maritime assets."

RENEWED OPPORTUNITIES FOR COOPERATION

The deployment of additional French forces on the Eastern flank generated additional opportunities for deepening operational cooperation in a NATO framework with Romania and two additional contributing nations (Belgium and the Netherlands) to the French-led battlegroup in Romania. This new presence, operational since May 2022, complemented the French participation to the UK led battlegroup in Estonia.

On the armament front, France expressed some frustration about decisions by allies, especially Germany and Poland, to address urgent requirements through off-the-shelf acquisitions through US and other non-EU suppliers at the expense of European projects/options. France continues to push hard its agenda for European cooperation. In this framework, France pushed for and welcomed the most recent developments in Brussels in the Ukrainian context (use of the peace facility, the EDIRPA proposal by the European Commission to mobilize EUR 500 million to incentivize joint procurement to replenish stocks, etc.) and expects to build upon to further develop the European DTIB.

It also intends to push forward bilateral (CaMo with Belgium in the land domain), trilateral (FCAS with Germany and Spain for future air combat) cooperation on major equipment and remains vigilant on the implementation of these major projects.

Amongst its fellow European partners, France typically falls into the group of countries that have not dramatically altered their strategy or policy while recognizing that the transformed security environment required a sustained effort in defense in order to „transform" and „harden" armed forces. Over time, it will be a significant evolution. By comparison, the most important point might well be an intent to sustain this defense effort over time rather than focusing on emergency decisions.

Germany

Christian Mölling, Deputy Director of the Research Institute; Head of the Center for Security and Defense (DGAP)

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES FOR GERMANY

How does your country's government assess the new geostrategic environment (Russia and beyond)? (Changes/Continuities)

Germany is experiencing the most fundamental debate on foreign and security policy since the end of the Cold War or even since the end of the Second World War. Russia's war against Ukraine has caused the breakdown of widely shared beliefs on the nature of international war and peace, Germany's role in the world, and its partnership with Russia. For the first time, Germany is confronted with the new reality of insecurity in Europe without being able to evade the issue.

In fact, change is hitting a Germany that is largely unprepared. Before the invasion of Ukraine, no one in the current political leadership was thinking through the many key considerations and decisions that concern the nature of military power, nuclear deterrence, and escalation. Today, politics and society are widely discussing the past, present, and future of the country's security policy, but the starting point is low.

It is not surprising, then, that the assessment of the new security environment is still in flux. Germany currently operates either out of the blue or on the basis of outdated plans, assumptions, and models. What this means for the country's future security and defense policies is still unclear. Change is trickling down from the strategic assessment via all the levels of analysis and policy to defense and industrial topics. Yet, it seems that the initial urgency to fundamentally change German policy that was felt in the early days of the war has lost momentum.

While the political elite agrees that the Russian war has fundamentally changed the strategic outlook, differences exist among key actors (among the parties in parliament and within the government) regarding the right policy response. This concerns the extent of military aid to Ukraine and the desired end state but also the appropriate level of defense spending. The German government and the political class have realized that the cooperative security order is being destroyed by Russia. However, especially Social Democrats frequently speak of a return to a cooperative relationship with Russia as a long-term goal. Clearly, the change from "security with Russia" to "security from Russia" has not yet been internalized.

However, recent statements by Chancellor Olaf Scholz may indicate that he is moving toward a more ambitious level of support for Ukraine; he recently spoke of Ukraine taking back its entire country.

Germany's First National Security Strategy (NSS)

Germany's first National Security Strategy (NSS) was published on June 14, 2023. However, many believe that it falls short of the consolidated assessment and guidance on strategic priorities that had been hoped for. As the government kept quarrelling over direction and competences, the drafting process was cumbersome, which significantly delayed publication. Significant differences persist even among the parties in government on key issues of security, for instance on how to deal with China. However, the strategy contains surprisingly clear language on the role of NATO, the two percent commitment, allied defense and deterrence, and especially on nuclear deterrence. Moreover, the ambition for the Bundeswehr has been restated.

Some actors, especially the foreign office, have become much more serious about security and defense concerns. They realize that the NSS will be tested by reality from the day it is published, which has not been the case with earlier documents. But others fear that fixing on a strategy could limit their room for maneuver in the short term. Hence, on many of the controversial issues, compromises had to be found, reflecting the absence of a consensus for political action. The NSS may also have been informed more by Germany's old way of security thinking (along normative concepts of what ought to be right and effective) than by recent experiences (of what is actually right and effective).

Zeitenwende

Russia's war of aggression of Ukraine shocked German Chancellor Olaf Scholz into making an extraordinary and very personal commitment practically overnight. Having realized that Europe had changed fundamentally, and that Germany had to respond in order to not become isolated, Scholz gave his so-called Zeitenwende speech on February 27, 2022. With it, he committed Germany to a tidal change in security and especially defense policy. The Zeitenwende speech addressed four broad policy areas:

- Defense with a focus on revitalizing the Bundeswehr
- Reacting to the Russian war of aggression, including by providing support for Ukraine
- Energy security
- Foreign policy in a broader sense

Rebuilding Defense

Two elements – the revitalization of the Bundeswehr and military support for Ukraine – have become the litmus test for the Zeitenwende. They are being discussed and negotiated primarily in the following context:

- An acute need to support Ukraine
- A Bundeswehr widely incapable of delivering military power because it was hollowed out for decades
- A landscape of partners who are increasingly and explicitly critical of Germany
- A self-proclaimed leadership role that is not reflected in communications and actions

The Zeitenwende represents a comprehensive test case because the country has a weak defense identity: In Germany, military power is not a normal instrument in the government's toolbox. Its usefulness has been fundamentally called into question for decades. Building a serious defense demands a U-turn on the very concept of security, going from the conviction that security can be safeguarded without recourse to military means to the idea that security needs to be backed by military means. This is why allies treat change in this area, besides Berlin's position on the ongoing war in Europe, as the key indicator for progress on German change.

As for the Bundeswehr, Chancellor Scholz announced the following measures in the Zeitenwende speech:

- Setting up a special fund (Sondervermögen) of EUR 100 billion to provide long-term financing for large projects, such as new aircraft. The Bundestag approved the special fund on June 3, 2022, and set its implementation in motion.[12]
- Increasing the defense budget to two percent of GDP. While Germany had in 2014 committed to meeting the NATO target by 2024, its promises have not yet been integrated into its medium-term financial planning. In the current draft budget, the two percent target is to be achieved through contributions from the Sondervermögen. This would make Germany's defense spending the largest in Europe.[13]
- Realizing controversial procurement projects, such as armed drones or the acquisition of F-35 fighter jets to secure Germany's role in nuclear deterrence.

The objective is to transform the Bundeswehr into a modern and capable army, able to achieves its tasks in a radically changed security environment.[14]

EUROPE'S FUTURE MILITARY ORDER

What are the implications for the level of ambition and tasks of the military?

Since the Zeitenwende speech, ministers have waxed lyrical about the future of Germany's armed forces. The Bundeswehr should become the largest army in NATO Europe,[15] the most capable army in Europe, modern and well equipped, and this should all happen within a short time.[16]

To address any remaining uncertainty, the Chancellor Olaf Scholz explained his thinking in a landmark speech in September 2022 at a Bundeswehr

12 Bundesministerium der Verteidigung: Deutscher Bundestag verabschiedet das Sondervermögen Bundeswehr, 03.06.2022: https://www.bmvg.de/de/presse/deutscher-bundestag-verabschiedet-sondervermoegen-bundeswehr-5441248.

13 Mölling, Christian/Schütz, Torben: Zeitenwende in der Verteidigungspolitik. German Council on Foreign Relations (DGAP), Policy Brief 16/2022, p.5.

14 Deutscher Bundestag: Parlamentsprotokoll 27.02.2022: https://www.bundestag.de/dokumente/textarchiv/2022/kw08-sondersitzung-882198

15 Bundeskanzler Olaf Scholz zur Zeitenwende: „Deutschland wird bald die größte Armee Europas haben" Märkische Oder Zeitung, https://www.moz.de/nachrichten/politik/russland-ukraine-krieg-bundeskanzler-olaf-scholz-zur-zeitenwende_-_deutschland-wird-bald-die-groesste-armee-europas-haben_-64704161.html

16 Lindner plant Sondervermögen: Bundeswehr soll "schlagkräftigste Armee Europas" werden: https://www.n-tv.de/politik/Bundeswehr-soll-schlagkraeftigste-Armee-Europas-werden-article23160774.html

conference. It reads as a consolidated vision of the future of the country's armed forces. "Our army must become the cornerstone of conventional defense in Europe, the best-equipped armed force in Europe," Scholz said.[17] He also defined collective and territorial defense as core tasks of theBundeswehr, paving the way to further restructuring of the armed forces.

Germany's level of ambition is almost entirely defined by NATO capability requirements. There is no structurally relevant national level of ambition. Germany announced that from 2025, it will contribute up to 30,000 soldiers and 85 aircraft and ships to the NFM (New Force Model) set up by NATO. These forces will likely form a division, doubling the current commitment and requiring about 100.000 troops to be on high readiness. A second division is supposed to be ready by 2027. In light of the current understaffing of the Bundeswehr, it seems questionable whether this ambition can be reached in the coming years. Currently the armed forces employ only around 175.000 soldiers.

What is also largely unclear is how Germany's new and old commitments and initiatives relate to each other. Most importantly, Germany used the Framework Nation Concept in NATO to push forward with the development of capability clusters and larger formations among European nations. It is unclear if the NFM commitments will be given priority and what will happen to the cooperation areas of the FNC.

Chancellor Scholz and his Minister of Defense, Boris Pistorius, have claimed a leadership role for Germany in Europe in order to foster cooperation and harmonization in procurement. However, beyond the general ambition, only two specific areas have been identified: air defense and artillery support to Ukraine.[18]

What are the key developments regarding force structure/personnel or procurement/equipment?

The new government has taken several decisions to implement its initiatives and empower the armed forces:

Force Structure:

- Maintaining a larger part of the armed forces in high readiness (Kaltstartfähigkeit)
- Ensuring that the armed forces as a whole become capable as a fighting force, not only parts of it

Procurement

- The EUR 100 billion special fund (Sondervermögen) was set up in June 2022.
- A list of strategic projects to be financed through the special fund was defined, and first procurement orders were placed.

OVERVIEW: KEY PROCUREMENT PROJECTS
THE PROCUREMENT PROCESS IS DIVIDED INTO FOUR PHASES

CAPABILITY/EQUIPMENT TYPE	TYPE	NUMBER OF UNITS	PROCUREMENT PHASE	SPECIAL FUND/ REGULAR BUDGET
NUCLEAR CAPABLE JETS	F-35		ORDERED	SPECIAL FUND
HEAVY LIFT HELICOPTERS	CH-47	60	ORDERED	SPECIAL FUND
FCAS SYSTEM, NEXT PHASE			ORDERED	SPECIAL FUND
MARITIME PATROL AIRCRAFT (MPA)	P-8 POSEIDON	8	ORDERED	SPECIAL FUND
AIR DEFENSE	ARROW		CONSIDERED	UNDECIDED
INFANTRY FIGHTING VEHI-CLE	PUMA		AGREED	REGULAR BUDGET
MAIN BATTLE TANK	LEOPARD 2A8 (REPLACEMENT)	18	AGREED	REGULAR BUDGET
ARTILLERY	PH2000 (REPLACEMENT)	22	AGREED	REGULAR BUDGET

17 Rede von Bundeskanzler Olaf Scholz bei der Bundeswehrtagung am 16. September 2022: https://www.bundesregierung.de/breg-de/suche/rede-von-bundeskanzler-scholz-bei-der-bundeswehrtagung-am-16-september-2022-2127078

18 Rede von Bundeskanzler Scholz an der Karls-Universität am 29. August 2022 in Prag: https://www.bundesregierung.de/breg-de/suche/rede-von-bundeskanzler-scholz-an-der-karls-universitaet-am-29-august-2022-in-prag-2079534

- Considered: Final decision on purchase is still outstanding
- Agreed: Budget Committee has signed off the budget
- Ordered: A contract has been signed
- Received: The armed forces have started receiving the equipment

Procurement Process
- Ministry aims to make more frequent use of the exemption from EU public procurement procedures due to national security interest involved (Article 346 TFEU).
- Ministry raised the financial threshold for contracts that may be awarded without an invitation to tender.
- Speed has become the political priority for procurement: Capability gaps are to be closed as soon as possible, even if this indirectly affects quality or price. Less equipment will be designed specifically for Bundeswehr-needs, even if this limits cooperation options.
- All procedures and regulations that only apply to the armed forces and their procurement processes are suspended. Exceptions are made for laws or procedures and regulations that have been categorized as mandatory/critical.

Political Leadership and Command Structure
- The potentially most important change in the defense sector took place in early 2023, when Defense Minister Christine Lambrecht was replaced by Boris Pistorius.
- As an immediate consequence, the new minister replaced several key officials, namely the chief of the armed forces (Generalinspekteur) and one of the state secretaries. Rumors about a larger organizational reform of the ministry persist. While necessary, they could paralyze the ministry for a certain time.

What are the main challenges to achieving the proposed level of ambition and tasks, and what solutions have been proposed?

While the government has a clear ambition to implement the Zeitenwende in defense, it lacked awareness of the sector's structural problems.

By late 2022, German defense experts had become profoundly concerned that the objectives of the Zeitenwende in defense would be met late or not at all. While the government argued that a large number of projects (such as procurement projects voted in parliament) had been put on track, it could not hide the fact that it was ignoring the scope of problems in the defense sector. It took a change at the head of the ministry for at least some of the challenges to be addressed.

In fact, the combination of several shortcomings and the long-term absence of political guidance and leadership have caused the defense sector to deteriorate so far that it has effectively ceased to be a functioning system. The problem is not that a single factor is badly managed – it is that the system cannot function anymore because so many key elements have ceased to work properly. As a result, they cannot interact effectively or contribute to creating an effective system output. Within this web of dysfunctionality, three problem areas need to be highlighted:

Structural underfunding: Despite the EUR 100 billion special fund, Germany's armed forces will not have enough money to procure the equipment required to reach the overall level of ambition outlined above. The special fund is too small and limited to a section of the needed equipment, namely to capabilities that Germany offered to NATO back in 2014 and capabilities that require complex multinational procurement. Many other procurement areas remain underfunded.

Money for those procurement areas, but also for personnel and day-to-day operations, must be provided through the regular annual budget which is fixed at EUR 50.1 billion. As paying for personnel and operations takes precedence over investment into new equipment, rising personnel and operating costs will eat into the armament budget. According to estimates, in 2026/27, the Bundeswehr could reach the point where not a single euro from the normal budget will be available for armaments. This would lead to further loss of capabilities.

Nevertheless, the government has no intention to increase the annual budget to bridge this growing gap, let alone reach the two percent benchmark promised to NATO. The Bundeswehr risks experiencing another deep crash in financing once the special fund has run out. At most, the ministry of defense (MoD) can hope for a minimal boost to prevent additional cuts to procurement in 2024. Alternatively, it could ask to divert resources from the special fund to the annual budget. Neither option offers sustainable financing.

Procurement system: At the same time, the German government's ambition to modernize existing and provide new military capabilities as quickly as possible is visibly reaching its limits. Within the existing system, neither the procurement bureaucracy nor industry are able to absorb significantly more resources from one year to the next. This cannot be changed quickly, be it by appealing to industry or announcing procurement reforms.

The current level of intervention and change envisaged by the MoD addresses only parts of the problem and will create new dilemmas. Instead of taking an approach that would encompass the whole defense technological and industrial base (DTIB) and bridge the gap between ends and means, the ministry has selected one single area for reform, namely procurement. Focusing exclusively on faster processes there, however, will have effects on both quality and price that will soon be felt.

Recruitment and retention: The armed forces are understaffed in both quantitative and qualitative terms. A recent study concluded that even when people apply who are interested and qualified to serve in the armed forces, the Bundeswehr's recruitment system does not make effective use of them.[19]

THE FUTURE EUROPEAN DTIB (DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE)

Germany is under constitutional obligation to have combat-ready armed forces (Art 87a of the Basic Law). This implies, among other things, the existence of a DTIB which can generate the goods and services needed to keep the armed forces operating both in times of peace and war.

Yet none of that is matched by reality. Germany's armed forces are in a poor state, and procurement, maintenance, and innovation are not sufficient to safeguard their defense value. There is no reserve capacity to increase industrial production, not even for the spare parts that the Bundeswehr needs to maintain its equipment.

How has the DTIB responded to the changed circumstances (companies, government)?

The Russian war against Ukraine and Berlin's support for Ukraine have not led to a major increase in Germany's defense industrial activities. In general, industry has been waiting for signals and especially contracts to expand production. Some companies, for instance Rheinmetall, had increased their portfolio in the area of ammunition production before the war.

Bureaucracy-Industry Disconnect

The disconnect between the MoD's bureaucracy and the defense industry was obvious from the beginning of the Russian war: Only days after Chancellor Scholz's Zeitenwende speech, the MoD called on German industry to suggest ways to improve the Bundeswehr's readiness, close its capability gaps, and provide support options for Ukraine. When a majority of companies contributed, they found the MoD's follow-up and response deeply frustrating. Many never even heard back from the ministry.

Despite the war, the MoD's defense bureaucracy, including at the highest echelons, did not change its modus operandi. Regarding, for instance, the deliveries of ammunition and spare parts to Ukraine, it simply failed to implement the political will of the government. Eventually, industry had to push the government to stop losing time. As a result of the delays, howitzers and anti-aircraft tanks only started arriving in Ukraine eleven months after the beginning of the Russian invasion.

Politics-Industry Disconnect

There is also a disconnect between politics and industry. Industry, of course, expected to gain new business from the special fund and the financial support provided to Ukraine, nationally and via the EU. Instead, relations between industry and the political leadership continued to sour. The government had made it clear that it expected industry to quickly scale up production, saying that it should take the lead and produce while contracts would follow. Initially, defense company CEOs reinforced those expectations by extolling how much money they could adsorb from the special fund. Then, however, the companies were not able to deliver, which led to further distrust. It took a long time for politicians to understand why industry could not fulfil their expectations. Three reasons stand out:

19 Martin Elbe, Bewerberstudie 2022. Vom anfänglichen Interesse bis zur abgeschlossenen Bewerbung bei der Bundeswehr. Forschungsbericht 134. Potsdam: Zentrum für Militärgeschichte und Sozialwissenschaften der Bundeswehr 2023: https://zms.bundeswehr.de/de/studie-bewerbung-soldat-soldatin-5621970-5621970#:~:text=bei%20der%20Bundeswehr-,Bewerberstudie%202022,PDF%2C%20nicht%20barrierefrei%2C%201%2C4%20MB,-Urheberrecht

- In some areas, industry did not have the capacity to respond, as companies had closed production facilities or were already working at full capacity.

- Regarding some products, especially weapons, companies were obliged to wait for formal government approval because it would have been illegal to produce them otherwise.

- As part of a privately owned industry, Germany's defense companies depend on contracts from governments, German or other, to begin production. Their shareholders would not have appreciated them taking risks.

Eventually, tangible activities began materializing: KMW and others have started working on maintenance of equipment used in Ukraine. Hensoldt has helped Ukraine with sensors, especially radar, and is now increasing production capacity. Diehl has increased production and is building new facilities to manufacture the ground-based air defense system IRIS-T. Also, the replacement of some of the donated equipment has been approved, especially Leopard MBT and Howitzer 2000, implying contracts for KMW and Rheinmetall.

Are there any concrete plans/announcements that impact industrial capacities or technology development?
The planned update of the government strategy to support the national DTIB has been postponed, presumably because of the war. The same seems to be true for the national defense exports law. There is currently no evidence that the government is assessing the pros and cons of different procurement options for DTIB development, with the possible exceptions of the Future Combat Air System (FCAS) and the Main Ground Combat System (MGCS).

The government's spending plan for the EUR 100 billion fund does set out some priorities, especially for longer-term projects. At the same time, government statements imply that a lot of equipment will be bought off the shelf, mainly from US companies, to fill gaps quickly. This will have an impact on the capacity and development of the DTIB.

As the annual defense budget has been frozen, no impulse should be expected from there for Germany's DTIB.

COOPERATION

Are there areas discussed for cooperation among governments/armed forces or on the industrial level?
The focus on urgency means that Germany is deciding against joint procurement – let alone joint development – for all areas where off-the-shelf options exist. Yet Germany is still repeating its general rhetoric that it is in favor of more cooperation, especially on the European level, to reduce cost and increase interoperability. It remains to be seen how it aims to reconcile these conflicting aims.

Existing key cooperation projects have been kept so far. This concerns the future combat air system (FCAS) and the main ground combat system (MGCS), as well as smaller projects like the Eurodrone, a new artillery system with Great Britain, a new frigate with the Netherlands, and submarines with Norway.

There is only one new area of cooperation which has developed since the beginning of the war, and the options for industrial cooperation involved are quite limited: Chancellor Scholz, in his keynote speech on Europe in Prague,[20] pointed to air defense as an area of cooperation. This resulted in the ESSI, the European Sky Shield Initiative, with 15 countries signing letters of intent.[21] However, it remains unclear how this new and rather limited initiative relates to the long-standing and well-known efforts such as the NATO framework nation concept that Germany has introduced and started implementing.

20 Rede von Bundeskanzler Scholz an der Karls-Universität am 29. August 2022 in Prag: https://www.bundesregierung.de/breg-de/themen/europa/scholz-rede-prag-karls-uni-2079410

21 Bundesministerium der Verteidigung: European Sky Shield – die Initiative im Überblick, 31.10.2022: https://www.bmvg.de/de/aktuelles/european-sky-shield-die-initiative-im-ueberblick-5511066

Greece

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INTRODUCTION

Greece's distinction in the European defense universe at the current juncture lies, of course, in its strategic rivalry with fellow NATO member-state Turkey at a period when Turkey has stretched its Western ties to breaking point and has become, militarily speaking, highly assertive. This new chapter in the Greco-Turkish rivalry has prefaced the Russo-Ukrainian war for Greece and made it better prepared to enter the New Age of European Defense. That being said, the country's policymakers need to tackle a series of formidable challenges for Greece to both serve and be served by, to the maximum degree possible, European Defence in this New Age.

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The new (old) reality is that European defense must be prepared to conduct conventional warfare on a massive, industrial scale in order to secure such vital interests as the territorial integrity of EU members and other like-minded nation states in Europe and beyond.

Greek policymakers were alert to this threat before the outbreak of the Russian-Ukrainian war last February and even before the seizure of Crimea in 2014, as Turkey contested control of the south-eastern Mediterranean. Two milestones in this dispute are the Imia Islands incident of 1996 and the submission of a letter by the Turkish foreign ministry to the UN Security Council in the summer of 2021, linking Greece's sovereignty over its eastern Aegean islands to their demilitarization.

Greece today is arguably in a half-way house. It has a large conscript-based land army and is rapidly modernizing its navy and air force through the acquisition of new weapon systems and advanced munitions. Its air force and navy in particular are highly experienced, having responded to the high tempo of grey zone operations by the Turkish armed forces as well as taken part in increasing and varied combined exercises with regional partners and the advanced militaries of France and the US.

Greece has also supplied ammunition and IFVs to Ukraine and provided a key logistical base for NATO's collective defense and the Ukrainian war effort, namely the port of Alexandroupolis. In this way, Greece's own actions have effectively strengthened the kind of collective defense on which it depends as a country that is convinced its own territorial integrity is under threat.

Yet Greece still has much to do to protect itself from the kind of mass industrial warfare that the war in Ukraine has shown is all too possible on the European continent. Greece needs to follow Finland's lead in massively improving the quality and equipment of its conscript army, which is currently undertrained and underequipped, as well as expanding and upgrading the key weapons systems of its land army and building up its ammunition stocks. The country's armed forces are still primarily reconfigured for a short, sharp armed conflict with Turkey, involving mainly its navy, air force and elite land army units – not for the kind of conflict that an autocrat will be willing to massively expand, especially if he is initially checkmated in a more limited engagement.

Greece is also dependent on the acceleration of European collective defense, as NATO's Article 5 is rendered redundant by Greece's and Turkey's joint NATO membership. An important substitute for its collective defense needs is its mutual defense treaty with France, which provides for assistance in the event of war, a treaty cemented both by a common understanding of the Eastern Mediterranean-North Africa nexus and by Greece's acquisition of French Rafale fighter jets and Belharra frigates. Ultimately, however, what has been done on a bilateral basis needs to be translated at the EU level.

EUROPE'S FUTURE MILITARY ORDER

Historically, the Greek armed forces have not benefited from civilian-led reform efforts. High-end weapon platforms and ammunition in the hands of dedicated officers, together with NATO exercises and interoperability requirements, have been the main drivers of force modernization. Grey zone operations due to Turkey's contestation of control in the Eastern Aegean, at sea and in the air, also generated a spirit of cutting-edge tactical innovation and operational excellence. On the negative side, Greece's civilian leadership in the post-1989 era provided ground forces for expeditionary operations with the most limited caveats to avoid domestic backlash in the event of casualties, as in the case of Greece's participation in ISAF-Afghanistan.

As a result, and unlike countries such as Italy and Sweden, which have actually suffered out-of-area casualties, the Greek army has not gained significant experience in integrating its operations under a common allied operating picture, nor has it introduced, for example, UAVs as a pillar of its operations down to the smaller tactical level. As in many other countries, the transition to professionalization has proved problematic: The Greek armed forces have not been able to attract professional recruits either in sufficient numbers or with a sufficient range of skills, and those it has attracted, mostly to fill combat positions, have now reached a high average age, necessitating the recruitment of a new batch of professionals, a process which is currently underway.

As noted above, the perception of the current Turkish threat is such that it has led to a rapid buildup of Greek capabilities through a combination of procurement decisions, grey zone operations, and allied exercises. However, the twin imperatives of literally re-equipping the Greek armed forces and strengthening relations with external security providers, namely France and the United States, after a decade of fiscal crisis that has adversely affected the readiness of the armed forces, has not left much room for a systematic reform process involving the Greek force structure as well as the introduction of important new capabilities.

In light of some of the lessons learned from the Russo-Ukrainian war, we would identify several areas where action is needed, such as a) extending the duration and training of conscripts so that a wider range of skills can be integrated into the operations of the Greek armed forces, such as cyber warfare, open source intelligence gathering, as well as offering conscripts a professional career path of varying durations with the same goal in mind; b) securing resources for the Greek army to introduce innovations in warfare such as the use of UAVs at all levels, down to platoon level, as well as to improve combined arms warfare capabilities; c) creating a „whole of society" national security strategy, drawing on the Ukrainian experience, Scandinavian templates, and recent improvements in the operations of the Greek civil defense as well as the rapid advances currently underway in the digital capabilities of the Greek state and society.

The set of recommendations outlined above requires Greece's civilian leadership to take a number of decisions that will be costly, either because of their fiscal implications or because they increase citizens' obligations to national and possibly European collective defense.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

The main drivers of change in Greece's NDTIB have been a) Greece's financial crisis, which has led to the attraction of private capital to Greece's main state-controlled defense companies, involved in aerospace, shipbuilding, vehicle manufacturing, and the production of ammunition and infantry weapons; b) the need to secure subcontracting work, either to acquire weapons platforms from abroad or to upgrade existing platforms, as in the case of the acquisition of the Belharra frigates and the upgrading of F16s to the Viper configuration; c) the extroversion of Greece's smaller defense companies, both in terms of securing European Defence Fund funding and export orders, an extroversion driven by the decade-long drying up of ministry of defense orders due to Greece's fiscal crisis; and d) the growing maturity of Greece's R&D innovation ecosystem, catalyzed by European Research Council and Cohesion funding, as in the case of ICT-oriented research, and by the growth of Greece's high-tech start-up scene, due to a mix of European Investment Bank and private funding.

These drivers, alone or in combination, provide both opportunities and constraints for Greece's participation in European defense. In the absence of a robust European collective defense identity and in the face of the Turkish threat, Greece has opted for bilateralism in its procureme nt and, by extension, its defense industrial partnerships. As a result, scarce fiscal resources are already tied up in non-collective European procurement decisions for the decades-long lifecycle of weapon systems such as frigates and fighter jets. In addition to the weapon systems already mentioned, we must add Greece's formal expression of interest in acquiring the fifth-generation F-35 fighter jet from the US. However, through such bilateral commitments, Greece's major defense companies, as well as smaller subcontractors, will enhance their operational capabilities, improve their financial position, and move up the technological value chain – in other words, they will become more capable potential partners in any future European defense industrial partnership. Greece has much to gain from increased Europeanization and can contribute even more in the future.

Increased national funding for defense-related research, both outside the MoD and within it (currently negligible), can build on the growing maturity of the Greek scientific community and high-tech ecosystem, thus catalyzing innovation in the Greek defense sector. Such funding can enjoy powerful synergies with the Greek armed forces, precisely because of the intensity of the strategic rivalry with Turkey. Just to mention a counterfactual: If such funding had been in place for the last fifteen years, Greece today could well have been an innovator within the NATO-EU defense community in developing counter-UAV solutions to out-innovate Turkey's technological and operational innovation in UAV warfare. Similarly, Greece could have been an innovator in archipelagic defense, given the Polynesian nature of the Aegean, and in the integration of multi-type air fleets, given its history of procuring fighter jets from both the United States and France in order to spread its security provider bets. Such innovation, in the context of the EU's collective defense, could be useful both to fellow EU members and to the EU's allies - witness Ukraine's efforts today to absorb equipment of different national origins, either within the European continent or outside it, such as Egypt or India. Importantly, due to rising defense budgets and common threat perceptions across the European continent, such a greater allocation of national resources, catalyzing already existing Greek strengths, can be expected to yield high economic returns, both directly and indirectly, by increasing the export capacity of the Greek NDTIB, both within and outside Europe, and by expanding the overall innovation frontier of the Greek NDTIB, with positive spill-over effects on the entire Greek R&D ecosystem.

Greece can also benefit from a stronger EU-based defense industrial partnership, from R&D to production and procurement, as this will improve the governance and technological level of its weapons systems procurement process, which has suffered from corruption in the past. Such ‚end-to-end' participation in a joint European endeavor will provide Greek defense companies with a long-term investment horizon, organic interactions with some of the world's leading defense companies, and an improved procurement process at the Ministry of National Defense in terms of competence and integrity.

COOPERATION

Where Greece feels that EU cooperation is currently under-institutionalized is in the area of EU defense exports to third countries that pose a threat to one or more EU member states. Given Turkey's claims on Greece's sovereignty and sovereign rights, the fact that EU member states such as Germany and Spain have not suspended the supply of such key weapons systems as advanced submarines and aircraft carriers makes a mockery of the very idea of a common European defense. This lack of action is even more striking when one considers that the United States has not hesitated, albeit for its own reasons, to kick Turkey out of the F35 program and, with the help of Greek diaspora lobbying in the US Congress, to delay the upgrading of Turkey's F16 fleet, virtually guaranteeing Greece's air superiority over Turkey for years to come. Undeniably, Greece in this respect has a vested interest in accelerating the maturity of the EU's defense sector – such a sector would strengthen the EU's cohesion as a geopolitical actor, not least by providing a more unified market space for the defense firms of EU member states so that exports to any single third country would never acquire such a mercantilist significance as to undermine our shared commitment to each other's collective defense and to the wider cause of a democratic, peaceful, and stable Europe. To illustrate the importance of this point, let us all consider what the situation would be today if France had not decided in 2014 to cancel the sale of its Mistral command and control and helicopter-carrying ships to the Russian Federation.

Conversely, where Greece is most under-institutionalized as a European defense actor is in aligning its future defense needs with EU priorities, either in the actual implementation of one of the major pan-European defense projects, such as the Eurofighter or the A400M military transport aircraft, in which it has never been an industrial participant, or on the R&D front, where the current high participation of Greek companies - they rank 5th - in the 2021 European Defence Fund calls has not been coordinated with the Ministry of National Defense, but rather reflects individual companies' motives to secure R&D funding unavailable from national sources.

This country presentation closes with these two major absences, one European, the other Greek, deliberately and in order to highlight, from a Greek perspective, the distance to be covered in this new era of European defense.

Hungary

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The Hungarian government's perception of current geostrategic events, especially Russia's aggression against Ukraine, is clearly an outlier. On the one hand, its official position reflects conformity with the assessment of NATO and EU allies, which recognizes the fact of armed aggression against the sovereignty and territory of Ukraine. On the other hand, it somewhat misjudges and misinterprets the direct and indirect consequences of the resurgence of a major armed conflict in Europe. Misjudged in the sense that, almost a year after the conflict, hopes are still alive for a possible return to the status quo ante with Russia, especially in the field of energy policy (natural gas, oil, and also nuclear energy). Misinterpreted in the sense that the Hungarian government has adopted a 'harbinger of peace' position for domestic political purposes and, as a result, selectively opposes those allied efforts that prolong the war by providing Ukraine with the necessary means to withstand Russian aggression. The reasons for this outlier position are manifold and can be briefly assessed according to the following arguments, on the basis of which a path dependency can be observed:

- Relations with Ukraine have been in a negative spiral since 2014 due to minority rights concerns – elevated to NATO/EU + Ukraine formats and spilt over to other policy areas, blocking several Ukrainian endeavors to forge closer formal cooperation with these institutions and forcing allies to circumvent consensual decisions using n+1 formats. The most recent outcome has been the Orbán government's limited support for Ukraine's war effort.

- The Hungarian foreign policy establishment did not anticipate war and was convinced that long-term damages to geostrategic relations could be avoided. Budapest first expected a brief, low-intensity conflict (as during the annexation of Crimea), then a relatively short war and a partial return to status quo ante (as after the destabilization of the Donbas) – but the war became protracted and no 'plan B' has been developed by the government.

- The 'harbinger of peace' role was designed for domestic audiences (as parliamentary elections were scheduled to take place on April 3, 2022) and paid out for the governing coalition, retaining power (54 percent of votes, 68 percent of mandates). However, because of this message's central role in political campaigning, reversing it has very limited chances and legitimacy.

- The slogan of 'cutting utility prices' (cheap household energy) has been one of the main pillars of the government's domestic popularity since around 2014, and despite its degree of effectiveness, it was deemed politically risky to abandon it completely. This is also part of the explanation for the Hungarian government's opposition to sanctioning (any form of) Russian energy imports, which could potentially jeopardize access to cheap energy. Relatively cheap energy has also been a key factor in industrial competitiveness.

- In addition, energy dependence on Russia has remained an unresolved issue, as energy policy decisions throughout the 2010s have tended to increase rather than decrease this dependence. In January 2014, the nuclear agreement on the Paks-2 extension (officially 'capacity maintenance') was signed: two units of 1200MW each are to be built by Rosatom by the early 2030s for EUR 12.5 billion, 80 percent of which is to be covered by Russian industrial loans. In October 2021, a 10+5 year long-term gas supply contract was signed with Russia for 4.5 billion cubic meters per annum (bcma), TTF indexed, base load contract (with two delivery points: 3.5 bcma from Serbia via Balkan Stream and 1 bcma from Austria). In addition, the purchase of 700 million cubic meters of natural gas from Russia was agreed in the summer of 2022, together with a partial payment extension (practical Russian industrial credit) agreed in September for natural gas deliveries in the winter of 2022/2023. These steps underline the fact that the Hungarian government, despite the ongoing war in Ukraine, has taken exactly the opposite steps as allied countries in Europe, presumably driven by the belief that maintaining energy supplies from Russia would be manageable and could bring cost savings over alternative sources of natural gas from the world market. Neither of these assumptions has yet been proven, while at the same time widening and deepening strategic dependence on Russia and undermining allied confidence and willingness to cooperate.

As a result, the room for maneuver in Hungarian foreign policy has been reduced until the end of 2022, as the forced decisions of the European Council and the Commission on reconstruction funds and the MFF show. As an unintended consequence of the war, Budapest faces the simultaneous challenges of looming economic and energy security crises in 2023 and the disintegration of regional security formats in which Hungary is involved. Some small gestures were made in late 2022 – such as President Katalin Novák's official visit to Ukraine – that could be interpreted as partial damage control, but they do not currently amount to a clear shift in Hungary's Russia policy.

In the absence of political momentum and economic drive, Hungary's behavior is characterized by inaction rather than forward-looking cooperation with allies. This is driven by the perceived risk of losing the shop-window role for Russia within NATO and the EU, which would present Hungary as a pragmatic actor interested in (energy) cooperation and thus undermine the country's energy security. However, due to the country's limited means and potential for action, it was only possible to slow down allied action (obstruction), with the threat of vetoing consensual decisions remaining the last resort (and triggering further mistrust and aversion on the part of allies). There was inaction on arms assistance to Ukraine (including the possibility of transfers through Hungary), and obstruction on the first veto of an EU loan to Ukraine for 2023. Support remained limited in terms of direct economic and humanitarian aid to Ukraine but more substantial in terms of support for refugees fleeing Ukraine throughout 2023 (with a total of only 33,600 refugees registered for temporary protection in Hungary by the end of January 2023, according to UNHCR).

As the governing elite still seems to follow its own interests and believes in a possible return to the status quo ante with Russia, at least to the extent of the pre-war 'dual track approach', leaving room for economic (energy) cooperation, there is limited room for challenging views – despite the perceived realities among the allies. This position also implies that Prime Minister Viktor Orbán implicitly accepts some Russian claims as legitimate, including a post-Soviet sphere of influence at the expense of Ukraine if necessary. As a result, Ukraine's surrender of territory and the end of the war with a weakened Ukrainian state could be an acceptable outcome under current considerations – although, according to him, some entity between Russia and Hungary should be maintained as a buffer. It is uncertain whether this position would change in the first half of 2023 despite growing difficulties – in other words, whether the Orbán government would try to sit out the end of the war or be forced by external economic and political pressure to revise its position..

However, Russian aggression is (still) not perceived and addressed as a realistic military threat to either Hungary or its NATO and EU allies. The review of the National Security Strategy (adopted in 2020) and the National Military Strategy (2021) will take place in 2023, as this has become a legal obligation under the Law on the Harmonization of the Security and Defense Sectors (originally adopted in 2021, effective from 2023). This review must also take into account the Russia-Ukraine war, at least with regard to the relevant specificities (use of the armed forces as an instrument of foreign policy, kinetic and non-kinetic threats, protection of critical infrastructure, energy security, cyber security and resilience, the lessons learned from the war, and the provision of the necessary capabilities, as well as innovative military technological solutions).

EUROPE'S FUTURE MILITARY ORDER

With the ongoing Russian aggression not perceived and politicized as a military threat either indirectly to Hungary or directly to NATO, and with solidarity with Ukraine remaining limited, discussion of the future European military order is worryingly scarce.

However, Hungary's defense modernization was already intense before the war, so increased ambitions and underpinning goals in procurement, personnel, and structure can be observed independently of the ongoing war in Ukraine. The National Military Strategy 2021 and the underlying 'Zrínyi' Homeland Defense and Armed Forces Modernization Program currently have a modernization horizon until 2032, with full alignment with the NDPP and ensuring NATO interoperability. (Alignment specifically with EU capability development and capacity building is observed but not a formal priority as such).

Current force structure development plans are based on a target of increasing troop numbers from the current 26,700 active plus 11,000 reserve to 37,650 active plus 20,000 reserve by 2026. The realization of this substantial increase depends largely on the ability to recruit (and retain) the additional personnel, which has been a priority for years. Increased salaries and benefits, technological modernization, and a greater emphasis on strengthening social embeddedness, including visibility and recognition of HDF members, are the pillars of this effort.

Technological modernization is the central element of the ongoing developments, which encompass virtually all procurements in almost all armed services: small and light weapons, ammunition, anti-tank weapons, infantry fighting vehicles, tanks, artillery ranging from mortars to long-range artillery, light and medium utility and multi-purpose helicopters, military transport, training and combat aircraft, air and missile defense; command, control and communication, and logistics, repair, and maintenance capabilities are being modernized.

The modernization programs are underpinned by an ambitious defense budget, which sets another record spending target for 2023. If realized, this level of spending would fulfil the Wales Defence Investment Pledge one year ahead of schedule.

After three decades of underfunding and neglected modernization, this spending increase - if maintained at the level of two percent of GDP - can stabilize the development of the armed forces. However, the 2023 defense budget already contains a degree of uncertainty, as only HUF 596 billion is earmarked in Chapter XIII 'Defense' of the central budget for fiscal year 2023, and the remaining HUF 842 billion would be provided from a newly introduced 'Homeland Defence Fund' in Chapter LI. This fund is the designated source of procurement and modernization expenditure, and the funds are to be raised from newly introduced taxes on the banking, finance, and insurance sectors – if this is possible in times of recession.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

The entire Hungarian defense ecosystem is undergoing a fundamental transformation through the 'Zrínyi' program, which involves not only a generational upgrade in technology but also the adoption of appropriate modern doctrines and operational procedures as well as the adaptation of the workforce and the training of service personnel to the use of new hardware and software. The Russia-Ukraine war itself has not changed this dynamic, and although some would like to see a more rapid pace of transformation, the redesign of procedures and training as well as the delivery of procured assets, take a relatively long time and cannot be rushed.

In addition, the NDTIB has undergone a similar upgrade and transformation in its operations, with the aim of creating and/or strengthening certain pillars of the defense industry that have been weak or non-existent in Hungary since the Cold War. These include the assembly, production (and future development) of small arms and light weapons, some artillery, armored vehicles (especially IFVs), and radars and sensors. Some niche products are also targeted (helicopter parts). Successful transformation is driven by strong links to the networks of major European arms manufacturers (Rheinmetall, Krauss-Maffei Wegmann, Airbus), the acquisition (Hirtenberger, Aero Vodochody) or the creation (ZalaZone, Lynx, Gidran) of new defense industrial plants. This prospective integration into top European value chains is accompanied by a 'networked' regional defense industrial cooperation involving German, Austrian, Czech, and Turkish companies.

COOPERATION

The expansion and strengthening of regional frameworks for defense cooperation became a goal of Hungarian defense policy around 2011, initially within the Visegrad Group (leading to the creation of the V4 EU Battle Group). In 2018, a further step was taken by initiating the establishment of larger formations under Hungarian leadership: HQ Multinational Division - Central (MND-C) reached initial operational capability by 2022 and was attached to NATO, while the Regional Special Operations Component Command (R-SOCC) is under development. Both frameworks have a regional focus on central Europe, with Germany, the United States and Turkey potentially joining as NATO allies. These frameworks also build on most of the (potential) partners involved in defense industrial cooperation.

Although usually pragmatic, low-level military-to-military cooperation is not hampered by political tensions between allies, Hungary's outlier position vis-à-vis Russia is likely to make it difficult to flesh out these initiatives, both in terms of associated personnel/troops and activities.

Italy

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The conservative Giorgia Meloni's government, in power since October 2022, has shown a remarkable degree of continuity with Mario Draghi's predecessor government in terms of defense policy[22]. Actually, two out of three major parties composing the current ruling coalition (Lega and Forza Italia) have been also governing Italy with Draghi for two years, and the leading party Fratelli d'Italia (headed by Meloni) has taken a mainstream position on international security and defense[23].

The Italian government currently sees Russia as a major threat to Euro-Atlantic and national security. This follows Russia's invasion of Ukraine and represents a major shift in Italy's position, which began on February 24, 2022, and has evolved through a fierce public debate. Accordingly, the government is maintaining sanctions against the Russian Federation and supplying arms to Ukraine as other major European countries such as France have done – including artillery and missiles, armored vehicles and helicopters, Stingers, up to SAMP-T missile defense systems – despite the fact that a large part of the electorate would welcome any peace agreement that could be reached. The political leadership seems to have understood that Italy's geopolitical position in the Western camp must be maintained without the ambiguities and sympathy for Moscow that were deeply ingrained until the war began.[24] By outlining its defense guidelines to the Parliament in January 2023, Defense Minister Guido Crosetto affirmed that a „historic transformation" is happening which recalls the „20th century world conflicts."[25]

The Meloni administration also perceives China in a negative way, in line with NATO and EU recent strategic documents, and is aware of the need to keep control in Europe of key technologies also because of the Chinese strategic competition across the board, and openly talks about technological sovereignty.[26] The launch of the Global Combat Air Programme (GCAP) by the UK, Italy, and Japan marks a new level of Italo-Japanese partnership and will link Rome more closely to the Indo-Pacific.[27] Having said that, neither China nor the Indo-Pacific represent a priority for Italy's defense policy, which continues to focus on the Euro-Atlantic area and the wider Mediterranean region.[28]

Which (changing) priorities result from that regarding security and defense policies?

As a result of the war in Ukraine, Italy is focusing its security and defense policy more than ever on NATO's eastern flank. Rome will lead the multinational allied battalion in Bulgaria and join the one in Hungary while continuing to contribute to the Enhanced Forward Presence in Estonia. Italian air and naval capabilities – including the carrier strike group Cavour – are deployed under NATO aegis in the North Sea, the Black Sea and the Mediterranean. Strategic reflection within NATO and the EU on the war has also occupied much of Italy's foreign policy attention, including the question of Kyiv's accession to the Union and the gas price cap – both issues that have been heavily securitized as closely linked to the conflict.

At the same time, Italy has maintained its military presence in the wider Mediterranean area, notably through: (i) the command of NATO's KFOR in Kosovo and the training mission in Iraq; (ii) the command of the UN's UNIFIL2 mission in Lebanon; (iii) a series of bilateral military commitments in Africa, from Libya to Niger. Under the Meloni government, these foreign deployments were accompanied by high-level political engagement, including visits by the Italian ministers of defense and of foreign affairs to Kosovo and by the prime minister to Iraq.

22 On the continuity between Draghi and Meloni governments see https://www.iai.it/it/pubblicazioni/litalia-dal-governo-draghi-al-governo-meloni

23 https://www.iai.it/it/pubblicazioni/defence-policy-giorgia-melonis-government

24 See in this regard to coalition political manifesto https://www.ansa.it/documents/1660243246870_CENTRODESTRA.pdf and the prime minister *Parliamentary Address on the Government Programme*, 25 October 2022, https://www.governo.it/en/node/21000.

25 https://www.ilsole24ore.com/art/difesa-priorita-crosetto-revisione-strutture-vertice-e-nuovo-metodo-finanziamento-AENni9ZC?refresh_ce

26 https://www.lastampa.it/politica/2022/10/24/news/adolfo_urso_e_lora_della_sovranita_tecnologica_riportiamo_a_casa_chip_droni_e_batterie-12195345

27 https://thediplomat.com/2023/01/why-and-how-italy-and-japan-are-upgrading-their-partnership

28 See in this regard https://www.difesa.it/Il_Ministro/Documents/Strategia%20Mediterraneo%202022.pdf

EUROPE'S FUTURE MILITARY ORDER

The main implications for Italy's armed forces are twofold. First, they are shouldering an increased burden to ensure continued deployments in the wider Mediterranean, new deployments in Eastern Europe, and a much larger pool of high-readiness units under NATO's forthcoming new force model. In other words, the level of ambition has risen significantly, putting pressure on the armed forces.

The second implication is a shift toward procuring military equipment for high-end, large-scale conflicts against a NATO near-peer competitor – clearly with a view to Russia. This is the spirit – and letter – of the 2022 Strategic Concept which will influence the Italian military mainly, but not only, through the NATO Defence Planning Process, and this is the rationale also of the EU Strategic Compass. In the Italian case, it regards particularly future naval combat systems, the army's helicopters and main battle tanks within the concept of „Army 4.0"[29], as well as the replenishment and enhancement of the stocks donated to Ukraine over 2022-2023, including air and missile defense.[30] In 2019, the air force already initiated a program to develop and produce a sixth generation fighter aircraft with the UK after their F-35 experience, which has turned into December 2022 in the aforementioned GCAP[31].

The Italian government seems aware of these implications. Indeed, the military has been pushing the arguments in this direction beyond 2022, Defense Minister Guido Crosetto is keen to embrace them, and Prime Minister Meloni is closer to the defense sector than many of her predecessors. In general, the entire conservative coalition tends to be supportive of both the military and the defense industry. For the first time, the communiqué on the launch of a major procurement program such as GCAP was issued by the prime minister's office – and not just by the MoD[32].

At the European level, too, the war's main implications are twofold, and they also concern Italy. The first concerns support for Ukraine during and after the current war. The military transfers to Kyiv over 2022 were unexpected, and neither the militaries nor the EDTIB are prepared to support such a pace in the medium term. But the war and Ukraine's appeal for help may well continue for several months, and the Europeans will have to deal with it.

Looking at possible future scenarios, once some sort of ceasefire has been achieved, Europeans will also have to deal with Kyiv's request for a military presence to monitor the frontline and deter further Russian aggression – a presence that is unlikely to be provided through NATO. Europe will also have to continue to equip the Ukrainian armed forces to maintain a credible front against Russia. This could be part of a broader effort to build defense capacity and reform the security sector, should Ukraine move forward in the EU accession process. The Italian government is likely to be an active participant in the overall European effort, as it fits well with both (i) Italy's track record in crisis management and stability operations, and (ii) Rome's support for European defense instruments such as the European Peace Facility and its use in the Ukrainian context.

The second implication is even more important for Europeans, including Italians. The return of a conventional war on the old continent between two major countries means that Europe must prepare for this scenario, both in terms of deterrence and defense. Operationally, a large part of NATO's forward defense and high readiness forces will have to be European, as the United States will continue to shift its focus to China. In terms of procurement, Europeans will have to spend more and focus more on collective deterrence and defense capabilities.

In theory, this is nothing new in terms of NATO's 2014 commitment. In reality, the war in Ukraine has led to an unprecedented increase in national budgets in 2022, albeit quite asymmetric across Europe, and has accelerated the path toward the two percent GDP threshold in several countries. The most important investments have been made in war-fighting capabilities. Here, the Italian situation is mixed. On the one hand, the Meloni government is keen to continue the path taken by its predecessors of spending more than 20 percent of the defense budget on procurement, as agreed at the Wales summit, and to meet the military's demand for high-end capabilities. On the other hand, both the Draghi and Meloni governments have so far missed the window of opportunity provided by the Ukraine war to overcome domestic opposition to

29 https://www.esercito.difesa.it/comunicazione/editoria/Rivista-Militare/Documents/2022/Esercito%204.0.pdf
30 On Italy's plans on short range air defence see https://www.iai.it/sites/default/files/iai2207_en.pdf
31 https://www.defensenews.com/global/europe/2022/12/09/move-over-tempest-japan-pact-takes-uk-italy-fighter-plan-global
32 https://www.governo.it/it/articolo/dichiarazione-congiunta-gcap-global-combat-air-programme/21235

a significant increase in defense spending. As a result, Italy is lagging behind other European countries - especially Germany - which have accelerated toward two percent For Italy, this means larger and better planned procurement investments.

What are the main challenges to achieve ambition and tasks and what are the proposed solutions?
At the national level, the main challenge for Meloni government is to augment the defense budget in a way proportionate to the increased level of ambitions and tasks for the military. As of January 2023, Minister Crosetto set the priority of a „three-years investment law"[33] to give more stability to defense budget, and further confirmed the Italian commitment to reach two percent but did not provide details on its timing[34].

At the European level, there are at least three main challenges. First, the increasing fragmentation of military procurement leads to less commonality, interchangeability, and even interoperability than was already the case. This is an old problem, but it is exacerbated when it comes to joint, complex, large-scale, multinational operations for collective defense on NATO's eastern flank. Second, such fragmentation will make logistics, maintenance, repair, overhaul, and upgrade (MROU) more complicated, expensive, and vulnerable for Europe for decades to come, draining resources and hampering the deployability of capabilities. Third, the rush to procure off-the-shelf equipment, largely from non-EU suppliers, structurally weakens several projects within PESCO and EDF, to the detriment of the performance and relevance of the main institutional pillars of European defense.[35]

What are the key developments regarding force structure/personnel or procurement/equipment?
A key development could be a renewed emphasis on mass, albeit to varying degrees across Europe. This may lead to a review of some national force structure/personnel policies in order to increase military numbers, also in line with the new NATO force model mentioned above. This in turn would have implications for infrastructure, equipment, and procurement. In terms of personnel, Italy has postponed until 2032 the reduction of the armed forces that was foreseen in a previous law to take place by 2022. [36] A key issue will be how to keep the average age of the armed forces below a certain threshold, while adequately staffing the recently established Space[37] and Cyber Commands.[38]

A second development stems from the increased focus on the northern and eastern European border with Russia following Moscow's invasion of Ukraine. This may lead some major European countries (e.g. Germany) to prioritize investment in land and air capabilities over naval capabilities. However, this is unlikely to affect Italy, which will continue to develop its naval combat capabilities, or traditional (air)sea powers such as the UK. Finally, as noted above, a key development will be the shift toward capabilities for high-end, large-scale conflict with a NATO near-peer competitor.

It remains to be seen whether the US concept of multi-domain operations (MDO) will influence European militaries. In Italy, recent MoD documents have mentioned MDO, but the concept has had little impact on a rather conservative military, where the main issue remains the strengthening of the joint level (interforze) as opposed to the individual powerful services. In particular, Crosetto's guidelines include strengthening the joint level to make military decision-making and command more agile.[39]

THE FUTURE EUROPEAN DTIB (DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE)

The impact of the changed circumstances on the Italian DTIB has so far been limited. As mentioned above, Italy has not significantly increased its defense budget, nor has it announced new major programs such as Germany's European Sky Shield.

Certainly, Italian companies are trying to take advantage of the new opportunities offered by the increase in national procurement in Europe, especially but not only in Poland and the UK, where Leonardo and other industries are already present.

33 https://www.ilsole24ore.com/art/difesa-priorita-crosetto-revisione-strutture-vertice-e-nuovo-metodo-finanziamento-AENni9ZC
34 https://www.agenzianova.com/news/nato-il-ministro-crosetto-impegno-di-spesa-del-2-per-cento-del-pil-ribadito-da-tutti-i-governi
35 See in this regards, among others, https://www.euractiv.com/section/defence-and-security/opinion/to-face-the-russian-threat-europeans-need-to-spend-together-not-side-by-side
36 https://www.affarinternazionali.it/la-difesa-aspetta-ancora-la-riforma-del-suo-strumento-militare
37 See chapter 6 of the IAI study https://www.iai.it/en/pubblicazioni/expanding-nexus-between-space-and-defence
38 See chapter 2 of the IAI study https://www.iai.it/en/pubblicazioni/italy-and-cyber-defence
39 https://www.ilsole24ore.com/art/difesa-priorita-crosetto-revisione-strutture-vertice-e-nuovo-metodo-finanziamento-AENni9ZC?refresh_ce

COOPERATION

Both the government and the national DTIB continue to invest heavily in long-term European cooperation projects through the EDF and PESCO, particularly in the naval sector – i.e. the European Patrol Corvette (EPC) led by the Fincantieri-Naval Group joint venture[40] – and in the space sector. There is widespread support for EU and bilateral/ mini-lateral initiatives aimed at pooling new investments caused by the war in Ukraine into cooperative programs for the benefit of national and European DTIB. In this context, there has also been frustration at the non-inclusion of Italy and MBDA suppliers in the European Sky Shield program.

Italy is also actively involved in NATO cooperative initiatives on next-generation rotorcraft capabilities,[41] as well as the Allied Working Group on Standards for Counter-UAS Capabilities, which could facilitate intra-European cooperation.[42] The GCAP represents an important novelty in this regard since it involves two NATO members and Japan in a long-term, robust defense industrial cooperation.

In this context, some key cooperative programs are already well-established and will move forward on their respective tracks, such as EURODRONE, EPC and GCAP – plus the mid-life upgrade of major capabilities such as Orizzonti vessels or the Eurofighter life-cycle MROU.

Areas with greater potential for international cooperation are main battle tanks – where Italy is interested in the Main Ground Combat System project – helicopters, missile defense, short-range air defense ,and the whole space sector, where Italy has committed significant funds at the 2022 European Space Agency Ministerial Meeting. [43].

A final note concerning German-Italian relations: The industrial consolidation between Leonardo and Hensoldt and the activism of Rheinmetall Italia may present opportunities for further cooperation.

40 https://www.iai.it/en/pubblicazioni/naval-defence-cooperation-eu-potential-and-hurdles
41 https://www.nato.int/nato_static_fl2014/assets/pdf/2021/2/pdf/2102-factsheet-ngrc.pdf
42 See chapter 4 of the IAI study https://www.iai.it/en/pubblicazioni/short-range-air-defence-operational-and-technological-developments
43 https://www.affarinternazionali.it/litalia-protagonista-europea-nello-spazio

Lithuania

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The Russian factor has been an important aspect of the threat assessment in Lithuania since the restoration of its independence in the 1990s. It has developed in various forms: from direct military threat to weaponization of energy dependency and to cyber and information offences. The severity of the Russian threat in Lithuanian defense planning has gradually increased since the Russian invasion of Georgia in 2008 and then the war in Ukraine in 2014 and has had a significant impact on defense planning (increased defense budget, reintroduction of conscription, increased investment in military equipment). Certain procurement contracts have been streamlined, e.g. purchase of multipurpose wheeled armored vehicles, emphasis on air defense systems. A full-scale Russian conventional aggression against Ukraine in 2022 has provided further impetus to review defense planning in Lithuania. The defense budget has been increasing since 2014 (the low point was 0.77 percent of GDP in 2013), reaching 2.52 percent (EUR 1.499.2 billion) in 2022. The parliamentary parties have agreed to keep it at least at the level of 2.5 percent, and discussions on increasing it to 3 percent are still ongoing.

Along with national efforts to strengthen defense capabilities, NATO's presence in Lithuania has also increased. Since 2017, Lithuania has hosted a German-led Enhanced Forward Presence (eFP) battalion as part of NATO's reinforcement efforts. Additional US troops are present in Lithuania on a bilateral rotational basis. The US battalion will remain in Lithuania at least until 2026. As a result of the decisions taken at the NATO Madrid Summit, additional troops are and will be arriving in Lithuania as part of NATO's forward defense. The NATO Madrid Summit Communiqué and the Joint Communiqué of the President of the Republic of Lithuania and the Chancellor of the Federal Republic of Germany provide for the reinforcement of Lithuania's defense with the additional German-led robust and combat-ready brigade in Lithuania, dedicated to deterring and defending against Russian aggression. Although there are still ongoing discussions in both Germany and Lithuania on when and in what form (in Lithuania or designated for Lithuania) this agreement will be implemented, the German Forward Command Element of the 41st Brigade was already deployed in Rukla in early September 2022.

Hosting additional troops has also had an impact on Lithuania's defense planning. There is a need for a significant expansion of infrastructure, and a large part of the defense budget is allocated to its development. There is a strong political will in Lithuania to continue supporting infrastructure development. Each year, two to six percent of the defense budget is invested in infrastructure development. In 2022, two additional financial injections (outside the current defense budget) for the development of host nation support infrastructure will be transferred from the government to the Ministry of National Defense.

Russian aggression against Ukraine has not had a significant impact on defense procurement, as most defense procurement projects are long term (mostly focused on four main areas: maneuver, anti-tank, air defense, and C2). However, in several cases procurement cycles have been brought forward by five to six years. For example, in December the Lithuanian government signed a $495 million procurement contract with the United States for the HIMARS high mobility artillery rocket system. Another factors influencing procurement is the increased overall budget which allows for more acquisitions and military aid to Ukraine. In the 2022 defense budget (total EUR 1.499.2 billion) with a ratio of spending on personnel of 37.2 percent and on procurement of weapons and military equipment of 15.8 percent, the budget for acquisitions has been steadily increasing since 2014. Lithuania was one of the first countries to provide military assistance to Ukraine. In the first two months of the war, Lithuania transferred or procured weapons for Ukraine to the value of EUR 100 million. Military aid to Ukraine has depleted the stocks needed for national defense, so new purchases should be planned, especially for ammunition. The war in Ukraine has also drawn attention to the need for certain weapons, such as drones. It has also increased government support for the local defense industry and visibly increased private investment flows.

Lithuania's view of the future geostrategic environment is that the Russian military threat will not disappear in the near future, so strengthening regional defense is the core task of our security policy: investing in national capabilities, hosting international troops, and supporting regional formats. Lessons learned from the war in Ukraine and recent developments in Russian defense – a return to large formations – are also influencing defense planning in Lithuania. There is a clear understanding that in order to ensure credible defense, large formations, with all their support systems and enablers, must be present in the region. The German-led brigade is one direction, building national capabilities is another. The defense minister recently announced that Lithuania has ambitions to form a Lithuanian division in the future, while receiving division-level capabilities such as HIMARS.

EUROPE'S FUTURE MILITARY ORDER

For several years, Lithuania has been one of the most pro-Atlantic member states of the European Union, leading to a pragmatic skepticism toward the EU's Common Security and Defence Policy (CSDP). Although Lithuania remains actively engaged in the CSDP, it sees it primarily as a platform for developing crisis response capabilities and strengthening the EU's ability to respond to hybrid threats. The main security concerns for Lithuania, especially now, are conventional military threats emanating from Russia. As the EU is currently and in the foreseeable future unable to provide sufficient deterrence and defense against Russia, Lithuania sees NATO as the cornerstone of the future European military order. There is a perception that the conventional military threat emanating from Russia will not abate even after the war in Ukraine, and therefore defense planning and the main tasks of the military are focused on the national and collective defense of alliance members. Lithuania continues to participate in NATO-led missions in Kosovo and Iraq, as well as EU-led missions IRINI, ATALANTA, training missions in the Central African Republic, Mozambique, and Mali. UN Minusma crisis management operations outside the Alliance are not considered a priority for defense planning. Even before the outbreak of war in Ukraine in 2022, Lithuania participated in a bilateral military training mission in Ukraine. This mission was suspended when the war broke out.

Lithuania considers defense cooperation with regional partners as one of the main priorities for strengthening national and regional security. In particular, German-Lithuanian defense cooperation has been growing for several years, as Germany is a framework nation for the eFP battalion stationed in Lithuania and has also contributed significantly to the development of the host nation support infrastructure in Lithuania. This cooperation will be expanded in the new formats foreseen in the communiqués of the Madrid Summit and the one signed by the Lithuanian President and the German Chancellor. Germany and more than a dozen NATO allies signed an agreement in October to jointly procure air defense systems to protect allied territory from missiles. This is a vital step that would reduce one of the region's major defense vulnerabilities. It could also illustrate Germany's growing role in regional defense. There are high hopes in Lithuania that the turning point defined by the German Chancellor will become a turning point for the transformation of the Bundeswehr, thereby increasing Germany's role in regional security in all domains (land, air, and sea). Cooperation with Poland and the United States is also very important, especially in securing the availability of certain weapons and weapon systems. The NATO membership of Sweden and Finland is a game changer that will not only increase the defensibility of the whole region in terms of strategic depth, but also significantly strengthen the military capabilities of the region.

THE FUTURE EUROPEAN DTIB (DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE)

As a member of the EU, Lithuania participates in various CSDP formats, such as the EDF, CARD, Capability Development Plans (CDP), Permanent Structured Cooperation (PeSCo), and others. It sees new added value in PeSCo and also in the EDF, in particular as a framework for developing new capabilities needed to address hybrid threats. For example, Lithuania is participating in PeSCo projects related to military mobility and cyber security, which have a direct impact on Lithuanian defense.

Although the Europeanization of the defense industry and defense procurements aimed at strengthening the European Defense Technological and Industrial Base (EDTIB) is generally seen as a positive trend, allowing for economies of scale and the unification of European capabilities, Lithuania does not show much interest in playing a major role in this process. The Lithuanian defense industry could be defined as very small, relatively young, niche-oriented, and essentially private. The state owns only one defense company – AB Giraitė, which produces ammunition. Lithuanian companies have little chance of competing with the large companies in France, Germany, or Spain. Small size could also be seen as an advantage, as Lithuania is not constrained by the need to protect national infrastructure and production as many other countries are and could therefore be more flexible in participating in various European initiatives. However, the incentives and capacity to participate in EDTIB are low.

There is a limited number of small private companies (SMEs) active in this field, mostly specializing in areas such as laser sights, communications, intelligence, surveillance, target acquisition, cyber security, civil security, production of transport, ammunition and equipment, as well as the provision of services. Most of the production is exported to NATO countries, with the United States being one of the main partners in a number of production categories. Participation of Lithuanian companies in tenders of the European Defence Agency (EDA) is rather low. The main obstacles are lack of knowledge and experience, high administrative costs, relatively low overall profits (due to small size), and the protectionism of large states' defense industries. At the state level, the Lithuanian Ministry of Defense states that one of its priorities is to integrate the Lithuanian defense industry into EU initiatives by supporting local companies to participate in larger European consortia. It is therefore expected that the situation for private companies to participate in EU-led projects will become more favorable in the future.

COOPERATION

The potential for cooperation for the Lithuanian defense industry with other partners at the European level is low due to the lack of interest and the absence of state-owned defense companies. Another potential area of cooperation in the EDTIP is joint procurement. The European Defence Industry Reinforcement Through Common Procurement Act (EDIRPA) is an important step forward in creating the basis for Europeanization and unification of European military capabilities. It could also create more incentives for the development of European defense production.

At present, however, there is little interest in using this instrument in Lithuania. First of all, this attitude is influenced by the peculiarities of Lithuanian defense procurement. Lithuanian defense procurement is guided by a number of different methods (capability-based, threat-based, resource-based), but the most commonly used method is the „opportunity-based" method, which is determined by a number of factors: the size of the budget, the needs of the armed forces, the availability of products at a certain price on the market, and political decisions. Political decisions are also important when considering which contracts to choose. The United States is one of the largest suppliers of various defense systems, with a large proportion of these purchases made through US military aid (Foreign Military Fund and, from 2015, European Reassurance Initiative Fund). Most procurement contracts are government-to-government contracts, which are seen as advantageous because they allow the best product to be obtained at the best price and with the most appropriate technical specifications. These procurement methods limit the incentives to participate in joint European defense procurement projects. In addition, European procurement procedures are too bureaucratic, inflexible, and administratively burdensome. This is particularly difficult at a time when stocks are low and demand for certain defense systems is high. However, certain financial incentives for participating in EDIRPA, such as the abolition of VAT, could be a decisive factor in national defense procurement decisions.

Norway

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Concern, but no Zeitenwende in Norway

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

On 8 April 2022, the center-left coalition that came to power in October 2021, presented a white paper on defense to parliament. Originally intended to put the new government's stamp on the long-term defense plan (LTP) approved by parliament in November 2020, the Russian invasion of Ukraine on 24 February gave it a new role. It allowed the government to present its first, formal reaction to the new situation in European and global security.

While underlining that the „serious threat picture" is not new, the white paper states:

The [Russian] attack on Ukraine represents the start of a new era in Europe and a permanent change in the security environment we face. [...] Even though it is considered unlikely that Russia will attack a NATO country, the Russian invasion of Ukraine has major consequences for Norwegian security.[44]

While emphasizing Europe, the April white paper also takes a global perspective. Here, the outlook is more familiar to that prior to February 2022. The paper states: „At the same time as the security situation in Europe is under pressure, the global shift in power toward Asia continues."[45] This shift draws „the attention of the United States" toward „an increasingly powerful China" and entails that „Europe must take greater responsibility for its own security." Moreover, the increased „strategic cooperation between Russia and China increases pressure on European security institutions."

Overall, the government's perception of the new geostrategic environment is characterized by both continuity and change. The view that the Russian February invasion as the start of a „new era" – a November document calls the situation the most serious „since the Second World War" and warns of „a long-lasting confrontation" with Russia[46] – is mixed with one interpreting events as a deterioration of a situation that has existed at least since 2014. While this continuity is evident in the perception of Russia and European security, it is most clearly so in the view of global security.

A final event that has influenced Norway's perception of the geostrategic environment, is the decision by Finland and Sweden to join NATO. This has major geostrategic significance for Norway, as it changes its status from a small NATO island in the North, given the absence of a land connection to other NATO countries, to a significantly larger one together with Finland and Sweden.

Which (changing) priorities result from that regarding security and defense policies?

The April white paper was not intended as a fully-fledged LTP. The next LTP is due in 2024 and work on it has already started. Both a defense commission and the chief of defense will submit recommendations in May 2023. The implications of the Russian war in Ukraine will likely be a core theme in both reports. Perhaps at least partly due to these ongoing work strands, the government has so far made no major and fundamental adjustments to security and defense policies.

There have been several short-term changes in priority, however. Most significantly, the government has increased the budget for peacetime vigilance – readiness and activity in the form of presence, training, and exercises. In late March, the government proposed increasing the defense budget by NOK 3 billion (ca. EUR 290 million), with about two thirds earmarked for enhanced peacetime vigilance and one third for replenishing „wartime contingency defense supplies."[47]

Another significant shift has been the abandonment of the traditional policy, established in 1959, of not exporting arms to countries in armed conflict. In addition to the equipment Norway has supplied to

44 Meld. St. 10 (2021–2022), Oslo: MoD, April 8, 2022, p. 5. Found at regjeringen.no.

45 Quotes in this paragraph from ibid., pp. 12-13. All translations from Norwegian are the author's.

46 Prop. 18 S (2022–2023), Oslo: MoD, November 25, 2022, p. 1. Found at regjeringen.no.

47 'Norway to increase short term defence spending in 2022', regjeringen.no, March 21, 2022. Parliament approved the increase in late April. Innst. 270 S (2021-2022), April 28, 2022. Found at stortinget.no.

Ukraine, parliament on October 26, 2022, approved an NOK 3 billion increase in the defense budget to support Ukraine, on top of NOK 400 million (EUR 38 million) in June, primarily in the form of contributions to multinational funds.[48]

All in all, as figure 1 shows, the Norwegian defense budget grew significantly in 2022 compared to 2021. The original budget for 2022 (without correction for technical budget posts that inflate the budget by about NOK 4 billion) stood at about NOK 69 billion (ca. EUR 6.6 billion). With the extra funds, this has increased to almost NOK 81 billion (EUR 7.7 billion) – or by 17 percent. The increases have partly been unrelated to the war, but mostly triggered by it.[49]

As figure 1 also shows, the government proposed defense budget for 2023 does not follow up the war-related increases in 2022.[50] On paper, the budget is slated to fall by 6.5 percent in 2023 compared to 2022. Ultimately, the yellow curve in figure 1 will be flatter than shown, as the defense budget is unlikely to be fully spent in 2022 – with funds transferred to 2023.

Despite a significant increase in defense spending from 2016, as shown in Figure 1, Norway has shied away from responding to the war in Ukraine by fully committing to spending two percent of GDP on defense. This distinguishes Norway from most NATO members, as well as Finland and Sweden. While initially an aspirational goal, the two percent benchmark has become a concrete political expectation in NATO. As Figure 2 shows, Norway reached the two percent target in 2020. This was partly due to the fall in GDP during the COVID-19 pandemic The economic recovery in 2021 and 2022, fueled in 2022 by additional revenues from oil and gas, has caused the projected GDP ratio to fall sharply, despite the increased defense budgets. The projected figure for 2022 is 1.55 percent, but this does not include the additional funding described above.

While proclaiming its continued adherence to the two percent target, Norway is one of the few NATO countries that has not presented a plan for achieving it. In addition, Norway is the only NATO member bordering Russia that has not increased beyond the two percent target or has no ambition to do so.[51]

Overall, thus, despite proclamations that the Russian invasion of Ukraine represents the start of a new era, there has been no German-style Zeitenwende in Norway.

EUROPE'S FUTURE MILITARY ORDER

As suggested, the government has made no fundamental decisions regarding the overall structure and tasks of the Norwegian armed forces. Such shifts might result from the ongoing process of developing a new LTP. However, events connected to the war have triggered one concrete, important, and probably long-term shift in the level of ambition and tasks of the Norwegian military:

In the spring of 2022, the government took several steps to increase both civilian and military readiness. However, it formally announced a shift in military readiness only after the attack on the Nord Stream pipelines on September 26, 2022.[52] The sabotage was interpreted as a warning that also Norwegian petroleum installations both offshore and onshore were at risk.

In September, the government announced that it had placed parts of the Norwegian oil sector under the provisions of the National Security Act.[53] This was a move that the oil sector had long resisted, mainly for economic reasons. The decision paves the way for increased cooperation between industry and the Norwegian security and intelligence services, as well as the armed forces.

Traditionally, the armed forces, including the Norwegian Intelligence Service, have been primarily focused on the North, where Norway borders Russia. The protection of petroleum installations in the North Sea has received scant attention. With the government's decision to designate, amongst other, the „'transport of gas in pipelines to Europe' as a

48 Innst. 34 S (2022–2023), 26 October 2022; Innst. 450 S (2021-2022), June 10, 2022. Found at stortinget.no.

49 The unrelated include, amongst other, NOK 733 million (EUR 70 million) in refunds from participants in exercise Cold Response 2020 and NOK 1.4 billion (EUR 130 million) in unused funds transferred from 2021.

50 See also Prop. 1 S (2022-2023) Forsvarsdepartementet, September 23, 2022. Found at regjeringen.no.

51 For an overview where the contrast between Norway and other members is evident, see 'Defence spending pledges by NATO members since Russia invaded Ukraine', commonslibrary.parliament.uk, August 11, 2022.

52 'Norway raises military readiness', regjeringen.no, 1 November 2022.

53 Statement by Prime Minister Støre at a press conference about the gas leak in the Baltic Sea, regjeringen.no, September 28, 2022.

fundamental national function," the level of ambition for the protection the armed forces should provide particularly to offshore installations has increased.[54] This will entail a shift in the use of surveillance assets such as maritime patrol aircraft and an increase in naval sailing hours in the south at the expense of activity in the north.

NATIONAL DEFENSE AND INDUSTRIAL TECHNOLOGICAL BASE (NDTIB)

The most important companies are the Kongsberg Group, which produces, among other things, the Protector series of remote weapon systems, the Naval Strike Missile (NSM) and Joint Strike Missile (JSM), and the NASAMS air defense system; and Nammo, which produces small and large caliber ammunition, the M72 series of shoulder-launched rockets, and solid rocket motors for missiles such as the AMRAAM and IRIS-T.

The increase in defense spending in many countries in recent years has benefited Norway's NDTIB. Kongsberg, for example, has seen a surge in orders for the NSM/JSM – the UK being the latest customer – and for NASAMS. It reported an order backlog of NOK 54.1 billion (EUR 5.2 billion) at the end of the third quarter of 2022.[55] Nammo reported a tenfold increase in ammunition orders and an eighteen-fold increase in orders for the M72 in 2022.[56]

How has the DTIB responded to the changed circumstances (companies, government)?

Both Kongsberg and Nammo are investing to increase production capacity. Nammo reported increasing its investments fivefold in 2022, to NOK 1 billion (EUR 96 million), and building raw material stocks for NOK 750 million (EUR 72 million).[57] Simultaneously, the company in September asked the government for a NOK 650 million (EUR 62 million) subsidy to alleviate the risk increasing production capacity entails. Instead of offering a subsidy, on 13 January 2023, the government responded by announcing a major, multi-year order for 155 mm artillery ammunition worth NOK 2.6 billion (EUR 242 million).[58]

COOPERATION

Like most European countries, Norway is engaged in a range of cooperative formats on security and defense. These are partly equipment related, partly broader. Norway's single most important partner is the United States – in general, but also specifically in the equipment-related category. Among other formats, two stand out: cooperation with Great Britain and Nordic cooperation. While Norway has an association agreement with the European Defence Agency and joined the European Defence Fund as the only associated country, Norwegian interest in EU-led cooperation has long been lackluster.[59]

The UK has historically aspired to have a leading role in Northern European security and defense. After a hiatus in the 1990s and 2000s, UK Defence Secretary Liam Fox in 2010 revived such a role by proposing a 'Northern Group' as a forum for regional security and defense dialogue.[60] Northern Europe is central also to the Joint Expeditionary Force (JEF) force pool that the UK government launched in 2014.[61] Norway is one of two main deployment areas for the JEF in its collective defense role, the other being the Baltic Sea region.

The second, main cooperative format for Norway is the Nordic. Nordic defense cooperation developed from 2007 and found its current form with the creation of NORDEFCO in 2009. Until 2014, the main driver for Nordic cooperation was cost savings through integrating procurement, maintenance, and logistics. After 2014, shared security concerns and increasing Finnish and Swedish integration with NATO, have shifted emphasis to operational aspects.[62] With Finland and Sweden joining NATO, a key obstacle to deepened Nordic cooperation – the lack of a formal commitment to mutual support in

54 Ibid.

55 'Norwegian Naval Strike Missiles to the British Royal Navy', regjeringen.no, November 23, 2022; 'Kongsberg achieved 25% revenue growth and record-high EBITDA during the quarter', kongsberg.no, no date 2022.

56 Mats Rønning, Europa ruster opp: Aldri sett noe lignende, aftenposten.no, September 4, 2022.

57 Ibid.

58 Regjeringen øker norsk ammunisjonsproduksjon , regjeringen.no, January 13, 2023.

59 Erik Breidlid, Hvor går Norges forsvarssamarbeid med EU? , IFS Insights, 6/2022.

60 'Defence Secretary launches new forum of northern European countries', gov.uk, November 10, 2010.

61 Sean Monaghan, 'The Joint Expeditionary Force: Global Britain in Northern Europe?', csis.org, March 25, 2022

62 E.g. 'Statement of intention on enhanced operational cooperation', regjeringen.se, September 2020.

crisis and war – is removed. Operational cooperation particularly among Finland, Norway, and Sweden seems poised to strengthen further in coming years.

Germany is also a key partner for Norway. Defense cooperation is both equipment-related (notably submarines) and operational (in the 1st German-Netherlands Corps) but has generally been less dynamic than that with the UK. The recent joint initiative to protect offshore installations in the North Sea represents a broadening of security and defense cooperation.[63]

The most important equipment-related cooperation formats, involving both governments and industry, are with the United States and the United Kingdom on the F-35 fighter and the P-8 maritime patrol aircraft. With Germany, the focus is on the acquisition of Type 212CD submarines.

Depending on whether Norway chooses the Leopard 2A7 or the K2 Black Panther as its new main battle tank, cooperation with Germany or South Korea (from which Norway has already purchased the K9 howitzer) will be expanded. Norway will also soon decide on the renewal of its surface combatant fleet, a multi-billion NOK decision that is likely to involve both government and industrial cooperation.

63 'Norwegian Prime Minister and German Chancellor propose a NATO surveillance centre for subsea infrastructure', regjeringen.no, December 1, 2022.

Poland

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In Poland, the Russian invasion of Ukraine is widely seen as a turning point for the European peace order, which can no longer include Russia but must be developed against the Russian threat. Even though Russia's escalation has long been expected by Poland – and prepared for, mainly in the sense of Poland's staunch policy in NATO – the fact that Russia openly invaded a neighboring country, citing illegitimate security interests as a reason, was received with deep concern in Poland. It is widely seen as the ultimate proof that Russia has returned to a neo-imperial policy. As a result, Poland's vital long-term security interests are at stake. What followed was an unprecedented plan to strengthen national military capabilities through both force transformation and technological modernization, including a rapid increase in military spending to over 3 percent of GDP. Poland also doubled down on its alliance policy, seeking an ambitious implementation of NATO's new strategy and furthering its defense and defense industrial cooperation with the United States, the United Kingdom, and the Republic of Korea, which became Poland's newest defense industrial partner.

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The Russian invasion of Ukraine on February 24, 2022, has been widely seen in Poland as the final confirmation of the long-standing Polish concern that, since the collapse of the USSR, Russia's strategic goal has been to dismantle the post-Cold War legal and political security order in Europe. In a more historical and general sense, the invasion was also seen as further proof of Russian imperialism, of which Poland had been a victim for the past three centuries. As a result, both the political elites – almost all, across the party spectrum – and the general public express very strong support for Ukraine, both on the political level and in practical terms (record donations of military equipment, reception of over 9.4 million refugees, of which approx. 1.1 million have been in Poland since February 24).[64] Effective resistance and eventual military victory in Ukraine is widely seen in Poland as the only way to prevent Russia from further escalating the conflict. It is widely recognized in Poland that while Russia may be temporarily weakened militarily by its losses of manpower and equipment in Ukraine, the chances of Russian political elites abandoning their neo-imperial ambitions even after a strategic defeat in Ukraine are extremely slim. At the same time, any political settlement of the conflict that would grant Russia territorial or other gains over Ukraine is seen in Poland as an invitation to further aggression. It is argued that if Russia has resorted to the overt use of force in pursuit of its illegitimate strategic goals toward Ukraine and is rewarded (even if only in a very limited sense, such as cementing Ukraine's status as a country with limited sovereignty over parts of its territory), then any future Russian leadership will be tempted to follow such calculations and might at some point escalate against NATO.

Opinion polls support these assumptions. In March 2022, 85 percent of Poles saw the war in Ukraine as a direct threat to Poland's security (47 percent „definitely threatening", 38 percent „rather threatening"; 10 percent „rather not threatening"; 1 percent „definitely not threatening").[65] In May 2022, 42 percent of Poles thought there was a direct threat to Poland's independence, the highest number since April 2014 (47 percent); at the same time, only 43 percent of Poles thought there was no direct threat to Poland's independence, a sharp decline from 57 percent in February 2020 and 74 percent in 2013.[66] Interestingly, terrorism or China do not appear as threats in public debate and are rarely discussed in this way by political elites. Chinese policy, however, is viewed very critically by the Polish strategic community, mainly because of China's clear support for Russia at the political level.[67]

As a result of this threat perception, Poland has doubled down on the established pillars of its security

64 I. Kacprzak, Polska wydała na pomoc uchodźcom z Ukrainy 5,5 mld zł [Poland spent 5,5 bn PLN for helping Ukrainian refugees], „Rzeczpospolita", October 23, 2022, www.rp.pl . Straż Graniczna. Informacja Statystyczna za 2022 r., [Border Guard. Statistical Information for 2022], Official Communication of Polish Border Guard, January 2022 www.strazgraniczna.pl

65 Polacy wobec rosyjskiej inwazji na Ukrainę [Poles toward the Russian invasion on Ukraine], CBOS „Komunikat z Badań" nr 38/2022, March 2022, www.cbos.pl .

66 O bezpieczeństwie państwa i kwestiach związanych z obronnością [On security of the state and the issues related to national defence], CBOS „Komunikat z Badań" nr 79/2022, June 2022 www.cbos.pl .

67 More: M. Przychodniak, Determinants of China's Policy Toward the War in Ukraine, PISM Bulletin no 78 (1995) 16 May 2022

policy: the development of national military capabilities, the strengthening of alliances, primarily with NATO, and the building of a consensus on the West's strategic approach to Russia. With regard to the latter, Poland has cemented its position as a staunch supporter of the expansion and tightening of the sanctions regime, while at the same time being one of the first European countries to completely cut off imports of Russian gas back in April. There is now a widespread belief in Poland that the only possible Western policy toward Russia is containment, which includes credible defense and deterrence. With regard to NATO, Poland supports an ambitious implementation of the decisions of the Madrid Summit on the Forward Defence Concept – in terms of the necessary reform of the NATO Force Structure, the NATO Command Structure, Allied Operational Plans, and Capability Planning.[68] On the assumption that credible allied defense and deterrence is only possible with a strong US commitment to defend Europe, including through the military presence of American forces on European soil, Poland calls for a fairer burden-sharing in NATO, which would require serious investment in meaningful military capabilities by key European allies. Given the clear US focus on China and a potential escalation in the Indo-Pacific, it is widely seen in Poland as necessary to increase the contribution of European allies to defense and deterrence, as this is seen as the only way to enable effective US support in the event of a future escalation with Russia (this is also how the current US National Security Strategy and National Defense Strategy are seen in Poland).[69] In terms of national defense policy, Poland has embarked on an unprecedented military build-up, both in terms of force transformation and technological modernization.

EUROPE'S FUTURE MILITARY ORDER

The heightened perception of Russia as a direct threat to Poland's sovereignty, together with early lessons learned from the Ukrainian battlefields, led to a series of quick decisions by Poland in 2022 regarding a deep and broad transformation and technical modernization of the Polish Armed Forces. These decisions are largely based on the 2017 Defense Concept of the Republic of Poland (DCRP) for the period 2017-2032, but at the same time they go much further in their scope.[70]

This is a direct consequence of the lessons learned from Ukraine, both at the political and strategic level. The DCRP level of ambition was to have Polish military play a role of a „unifying force of allied activities in the Eastern Flank"[71] and thereby provide a credible deterrent in the context of a potential Russian escalation. Now, the discourse among experts and decision-makers mostly points to the need to effectively defend Polish territory already at the border. This is seen as a prerequisite for both: protecting the population and infrastructure from cruel Russian tactics, as seen in places like Bucha or Irpin, and enabling effective allied support for Poland, including NATO defense operations. In other words, there is now a widespread understanding in Poland that the more effective national defense is in blunting potential Russian aggression, the more likely allied assistance will be. At the same time, there is an understanding that if Ukraine, inferior to Russia, was able to effectively deny Russia a quick victory, then Poland, with a robust military force already in place, could achieve the same result in the medium term.

As part of this concept, Poland recently announced the start of the process to create a new land division, which would bring the number of such units in the Polish armed forces to a total of five.[72] This is a significant increase from the three land divisions deployed until 2017, when it was decided to create a fourth division (operational but still under construction as of early 2023).

A direct consequence of the profound changes in the order of battle is the need to increase the size of the force. The target is now set at 300,000, with an operational force of 250,000 (now about 112,000) and a territorial defense force of 50,000 (now about 33,000).[73] The growth is meant to be possible mainly through a new type of voluntary, full-time service (DZSW) limited to one year, which is intended to both prepare reserves and facilitate recruitment for the professional force.

68 More: W. Lorenz, NATO Madrid Summit: a Response to Russia's Revisionism, „PISM Bulletin" no 114 (2031) 15 July 2022, www.pism.pl

69 More: M.A. Piotrowski, National Security Strategy: U.S. Focuses on Relations with Asia and Europe, „PISM Bulletin" no 162 (2079), 19 October 2022 and A. Kacprzyk, U.S. National Defense Strategy Prioritises Deterrence of China, Then Russia, „PISM Bulletin" no 170 (2087), 3 November 2022 www.pism.pl

70 See: „Defence Concept of the Republic of Poland", June 13, 2017, https://www.gov.pl/web/national-defence/defenceconcept-publication

71 Ibid.

72 Poland creates new army division on eastern border, Polskie Radio, January 9, 2023, www.polskieradio.pl

73 Bezpieczeństwo to nasz priorytet [Security is our priority], „Polska Zbrojna", interview with defence minister M. Błaszczak, January 5, 2023, www.polska-zbrojna.pl

Another key assumption is that the Polish armed forces will move away from post-Soviet legacy weapon systems. While this has been an ongoing process (the purchase of Leopard 2 tanks from Germany in 2002, the purchase of F-16s in 2003, the development of the indigenous AHS „Krab" self-propelled howitzer, the decision to purchase F-35s in 2020, etc.), it gained speed and scale in 2022. The immediate reason was donations to Ukraine (as many as 300 T-72 tanks and their Polish-developed PT-91 derivative, while 14 Leopard 2s have recently been announced), but the underlying factor was the issue of security of supply.[74] What the Russian invasion has shown is that access to ammunition and spare parts for NATO-standard weapon systems is much wider than for post-Soviet armaments.

As a result, Poland's primary goal is to replace its entire fleet of main battle tanks and long-range precision fires/artillery with latest-generation platforms. In two separate programs, Poland aims to acquire over 350 M1 Abrams tanks from the United States (116 second-hand M1A1s by 2024 and 250 brand new M1A2SEPv3s by 2026, the latter program having started in 2021). At the same time, the Republic of South Korea became Poland's new partner in a number of other programs. The largest of these was the purchase of approximately 1,000 K2 tanks, of which about 180 will be delivered by 2026 in the current basic specification, while the remaining 800+ will be produced in Poland after that date in a new version tailored to Polish needs (K2 „PL"). The second largest program is the procurement of K9 self-propelled howitzers. Again, some 212 will be delivered in a current version, while 460+ will be produced in Poland after 2026 in a „PL" specification. In addition, there is also a program for the acquisition of 288 K239 MRLS platforms, which partly solves the problem of the United States not being able to fully respond to Poland's interest in acquiring 500 M142 HIMARS systems (a letter of request was sent to the USA in May under the FMS procedure).[75]. In particular, both programs involving the United States and Korea also involve the delivery of very significant quantities of ammunition of various types, including longer-range missiles.

Many other programs – some of potentially huge value – were also launched or advanced in their implementation phases in 2022. For example, Poland has sent a Letter of Request to the United States for 96 AH-64E attack helicopters.[76]. A contract was also signed with Airbus on December 28, 2023 for the delivery of two Earth observation satellites (Pleiades Neo), which will significantly improve the ISTAR capabilities of the Polish armed forces. [77]

In order to finance the transformation and technical modernization of the armed forces, Poland decided already in March 2022 to increase its defense spending to the level of 3 percent of GDP from 2023 (the original assumption in the 2021 draft defense bill was that spending would rise from 2.2 percent of GDP in 2022 to 2.6 percent of GDP in 2026). In absolute terms, the 2023 defense budget is approximately EUR 20.78 billion. As it is a legal obligation, at least 20 percent of this sum will be used to directly finance the acquisition of new capabilities; according to current budgetary assumptions, Poland's technical modernization spending may reach a total of over EUR 140 billion in the period 2022-2035.[78]

In addition, Poland has set up a special fund (FWSZ) to support only technical modernization. While its actual value will depend on the reaction of the financial markets to government bonds, which will be the main source of funding for the FWSZ, it is estimated to be around EUR 8.5 billion in 2023. With total defense expenditure of approximately EUR 30 billion in 2023, Poland could reach the 4 percent of GDP-level and clearly stand out among NATO allies.[79]

Not surprisingly, the ability of the economy to sustain such an increase in defense spending is being questioned in the open debate. High inflation (around 17 percent year-on-year at the end of 2022) and exchange rate volatility (PLN/EUR; PLN/USD) are cited as key factors that could derail long-term financial plans. What remains largely unquestioned, however, is the need to strengthen Poland's military capabilities. In particular, the differences across the political spectrum relate to priorities and partner-

74 D. Hinshaw N. Ojewska, Poland Has Sent More Than 200 Tanks to Ukraine, „Wall Street Journal", April 29, 2022, www.wsj.com
President's Office: Poland to deliver 60 modernized tanks to Ukraine, „Kyiv Independent", January 27, 2023, www.kyivindependent.com

75 Korean military equipment already in Poland, Communication of the Ministry of the National Defence of Poland, December 6, 2022, www.gov.pl

76 J. Adamowski, Poland asks US for Apache helicopters to pair with its Abrams tanks, „Defense News", September 9, 2022, www.defensenews.com

77 R. Jewett, Airbus Signs Deal to Build 2 EO Satellites for Poland Based on Pléiades Neo, „Via Satellite", January 6, 2023, www.satellitetoday.com

78 Informacja ministra obrony narodowej na temat polityki uzbrojenia [Information of the minister of national defence about the armaments policy], Hearing of the National Defence Commission of the Senate of the Republic of Poland, October 25, 2022, www.senat.gov.pl
The original figure, and all further figures in this paper were calculated to EUR by the author, using the 2022 average EUR/PLN exchange rate

79 Wiceszef MON: musimy dozbroić polskie wojsko po donacjach dla Ukrainy [Deputy defence minister: we need to arm Polish military following the donations for Ukraine], Polish Press Agency, October 10, 2022, www.pap.pl

ships rather than actual needs. Experts also point to Poland's relatively low level of public debt as a percentage of GDP, which allows for optimistic projections regarding the government's ability to borrow more money on the financial markets.[80]

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

When considering the consequences for the national defense technological and industrial base (DTIB) of Poland's doubling of its defense policy priorities, two main factors need to be taken into account: First, the bulk of the DTIB, including virtually all land systems and the naval branch, is controlled by the state through the Polish Armaments Group (PGZ), while only the aeronautics branch has been privatized and is now owned by global prime contractors (Lockheed Martin, Leonardo, Airbus). Second, the Polish DTIB has almost exclusively implemented indigenous programs, which have involved the licensed production of platforms (KTO „Rosomak" 8x8 IFV) or the integration of various components (some also licensed) into an indigenously designed platform (AHS „Krab" SPH). In particular, the Polish DTIB has virtually no experience of participation in multinational armament programs, apart from relatively small R&T projects financed under the EDF and earlier projects within the EDA (cat. A and B) and OCCAR (in the case of ESSOR, now the EDF flagship project).[81]

Taking these two factors into account, DTIB's responses to the changing strategic environment have to be seen largely as a function of Poland's force transformation and technical modernization choices, rather than a bottom-up adaptation to changing market perspectives, as in the case of fully private companies in Western Europe or the United States. While offsets do not feature prominently in the most recent programs (unlike in the past, with F-16 being the best analyzed case), there is a guiding assumption that the Polish DTIB should at least develop a capacity to maintain and upgrade acquired foreign weapon systems. For most of the flagship programs, the consequences of this approach for the DTIB are still to be determined, as contracts have yet to be negotiated. However, programs involving the Republic of Korea initially envisage local production of hundreds of platforms (K2, K9, M239), which will require large investments in the DTIB and should also create opportunities for numerous subcontractors. Two industrial centers for Korean programs have already been identified.[82] Programs involving the United States are expected to bring somewhat fewer industrial benefits, though it is a declared Polish goal to gradually develop a capability within Polish DTIB to maintain Abrams tanks (but not the F-35).[83] In turn, the industrial share of the HIMARS program is planned to be much larger, with more components of the platform eventually being produced in Poland and the entire system being integrated by Polish companies. Investments will also be made in other parts of the DTIB, most of which implement national programs. For example, there will be an additional production line for Polish AHS „Krab" SPHs, and a number of companies will expand their production capacity as a result of large contracts recently signed to replenish stocks of small arms, ammunition, and systems such as ATGMS and MANPADs, which Poland has donated in large quantities to Ukraine.

COOPERATION

Poland's alliance policy and partnerships have not changed significantly in the aftermath of the Russian invasion of Ukraine. The strategic partnership with the United States remains the most important pillar of Poland's security policy, along with the development of national defense capabilities and NATO membership. In 2022, Poland expanded the scope of defense-industrial and military cooperation with the United States by deciding to purchase more American weapon systems. Further purchases (such as F-15s) are being discussed among experts. At the same time, Poland has traditionally sought to make the rotational presence of US troops on its territory permanent. In response to the Russian invasion of Ukraine, the United States doubled its troop strength to approximately 10,000 troops, including – perhaps most importantly – an additional brigade combat team. Poland points out that even if the US intention was to respond to the uncertainties of the early stages of the Russian invasion with regard to a possible

80 Euroindicators, January 23, 2023, Eurostat, https://ec.europa.eu/eurostat
81 More: M. Terlikowski, Defence innovation: New models and procurement implications. The Polish Case, „ARES Policy Paper" no 73, March 25, 2022, https://www.iris-france.org/ares
82 PGZ określa lokalizacje produkcji Krabów i K2 [PGZ indicates the location of the K2 and Krab production], „Defence24", November 4, 2022, www.defence24.pl
83 Ibid.

escalation against NATO, it is prudent to maintain the increased presence of allied troops on the eastern flank, as Russia still has the capacity to test some military scenarios that could be seen in Russian thinking as a challenge to NATO solidarity and the allies' readiness to respond directly and militarily to Russia.[84]

The UK is becoming an important defense industrial partner through two major programs: ‚Narew', which involves the development of a short-range air and missile defense system based on the CAMM missile, and ‚Miecznik', which involves the construction of three air defense frigates based on the Arrowhead 140 design. The UK is also reinforcing Poland's security by deploying its land force elements from early 2022.

The decision to enter into a comprehensive defense industrial partnership with the Republic of Korea is perhaps an outlier. However, Poland points mainly to technical factors that led it to choose the Korean offer: the availability of the required platforms, which could be delivered quickly, and the compatibility of Korean designs with NATO standards (Poland's indigenous AHS „Krab" uses the K9, which is produced under license in Poland). The prospects for broader political cooperation on defense and security are not yet clear, although both Poland and Korea point to the potential of bilateral cooperation to enhance security of supply in the event of an escalation on the eastern flank or on the Korean peninsula.

Against this backdrop, defense cooperation within European formats or mini-lateral vehicles such as the Visegrad Group (V4) has not been identified as a priority and has not seen any concrete progress. Poland also remains skeptical about the development of military capabilities within the EU framework, pointing out that potential EU support in the form of the prepared EDIRPA and EDIP instruments should allow for the participation of non-EU entities in the consortia.[85] This reflects Poland's focus on extra-EU partners and a general concern that multinational cooperation within the EU framework may deliver results – in terms of military capabilities – too late in the context of the acute needs of the Polish armed forces and the prospective perception of the threat from Russia.

84 More: A. Kacprzyk, U.S. Increases Military Presence in Europe, „PISM Bulletin" no 95 (2012), June 10, 2022, www.pism.pl
85 Proceedings of the European Union Commission of Sejm of the Republic of Poland, no 164, September 16, 2022, www.sejm.gov.pl

Romania

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

According to the Romanian government, the Russian Federation is a revisionist actor that seeks to change the international order in order to promote its strategic interests and maintain its influence, especially in Europe.[86] Romania's official position is that the Russian Federation is using a wide range of hybrid warfare methods to change the international order, including military, economic, diplomatic, cultural, and legislative measures, as well as combating democracies, electoral processes, internal political decisions in neighboring countries, manipulation, and cyber-attacks.[87] The Russian invasion, which began in February, confirmed the official Romanian position that after 2014, the Russian aggression against Ukraine would continue with a second stage.

After the beginning of the war on February 24,2022, the Romanian government maintained its assessment that the invasion had far-reaching consequences for the entire Euro-Atlantic security space, with profound implications for the balance of power in Europe.

The Romanian government is aware that any concessions made by the European states to the demands of the Russian Federation (the provision of security guarantees, the withdrawal of NATO from its 1997 position, the recognition of the annexation of some Ukrainian territories, and the withdrawal of US military forces from Eastern Europe) will undoubtedly lead to a dramatic change in the order of Europe. These concessions will lead to the continuation of Russian aggression in Europe.

The official Romanian position emphasizes three important aspects. First, Russian revisionism seeks to re-establish a sphere of influence in Eastern Europe in order to secure a buffer zone against NATO and the US military presence in Europe.

Second, the dynamics of the war in Ukraine have confirmed Romania's official position on the role of the Black Sea region as an area of strategic importance for European security.[88] For the Romanian government, the center of gravity of the entire region remains the Russian military presence on the Crimean peninsula, the source of the most critical threats to Romania.

A third important aspect is the Romanian government's interest in the security situation in Moldova. Since the beginning of the war, the Romanian government has believed that the Russian Federation will increase its pressure on the neighboring state. Since February 2002, the Romanian government has been concerned about the possible destabilization of Moldova. In this sense, Romania decided to expand its cooperation with Moldova, promote its EU association candidacy, and strengthen its resilience. The pro-European President of Moldova, Maia Sandu, and her reformist government decided to intensify the political dialogue with the Romanian government. In this favorable context, Romania has been able to increase its assistance to Moldovan citizens, including those with Romanian citizenship.[89]

In the military sector, in 2015 the country's Supreme Defense Council approved a ten-year plan to allocate two percent of GDP to defense. This budget supported the implementation of the „Army 2040" program, the long-term strategic program of the ministry of defense to ensure the modernization of the army.[90]

On October 25, 2022, the Country's Supreme Defense Council decided to amend the „Army 2040" program based on the decision that starting from 2023, Romania will increase the defense budget to

86 Simona Fodor, „Romanian president condemns Russia's attack on Ukraine," Romania Insider, February 24, 2022, https://www.romania-insider.com/iohannis-condemns-ukraine-attack-russia-feb-24-2022, accessed January 2023.

87 Administrația Prezidențială, „Strategia națională de apărare a țării pentru perioada 2020-2024," 2020, https://www.presidency.ro/files/userfiles/Documente/Strategia_Nationala_de_Aparare_a_Tarii_2020_2024.pdf, accessed January 2023.

88 Bogdan Aurescu, „Intervenția ministrului B. Aurescu la Conferința Gândirea Militară Românească – „Dinamica arhitecturii de securitate în Zona Extinsă a Mării Negre, în contextul conflictului din Ucraina și al noului Concept Strategic NATO" | Ministry of Foreign Affairs," 2022, https://mae.ro/node/60172, accessed January 2023.

89 Guvernul României, „România sprijină Republica Moldova în domenii strategice," 2022, https://gov.ro/ro/stiri/romania-sprijina-republica-moldova-in-domenii-strategice, accessed January 2023.

90 The transformation Program of the Romanian Army 2040 in MApN, Military Strategy, 2016, „Carta albă a apărării," 2021, https://www.mapn.ro/programe_strategii/documente/carta_alba_2021.pdf, accessed January 2023.

2.5 percent of GDP, representing approximately USD 9.5 billion/year to the existing defense budget.[91]

From the military perspective, the national defense posture implies the development of national packages of robust, resilient, credible, interoperable, flexible, and efficient defense capabilities.

Romania's military strategy (2021) considers threats and risks coming from Russian Federation and their strategic implications for Eastern Europe and the entire Euro-Atlantic area. In the short term, we may face conventional low-intensity war in Europe, hybrid threats from the Russian Federation, and a significant economic impact.[92]

Regarding the change in Romania's priorities in the new context of war, the government's policy has undergone two significant changes. The government has accelerated the implementation of some of the existing priorities of the Romanian defense strategy adopted after 2014. Most of them concern the consolidation of the strategic partnership between Romania and the United States and the establishment of a permanent NATO and US military presence in Romania. Another example of an existing policy that will be accelerated after 2014 is the modernization of the Romanian army through the acquisition of new military equipment. The second type of change is the acceleration of bilateral military and security cooperation with Ukraine, with which we previously had a modest level of cooperation. At the same time, the Romanian government has expanded the scope of cooperation with the Republic of Moldova in the areas of border security (including cooperation with Ukraine in a trilateral format), refugee assistance, wheat transport, energy security, non-lethal military assistance, medical assistance, and military cooperation in training.

EUROPE'S FUTURE MILITARY ORDER

The current European level of ambition sets the following goals: to act rapidly and robustly whenever a crisis erupts; to enhance our ability to anticipate threats, guarantee secure access to strategic domains, and protect our citizens; to invest more and better in capabilities and innovative technologies, fill strategic gaps, and reduce technological and industrial dependencies; and to strengthen our cooperation with partners to address common threats and challenges.

This level of ambition, which was adopted at the time of change in the strategic paradigm in Europe, should be considered as transitory. It was developed in a complex context where assessments were fluid and heavily influenced by developments in the first months of the war in Ukraine.

President Klaus Iohannis believes that Europeans should assume greater responsibility for European security – an allusion to the fact that many European countries do not adopt a defense budget of at least two percent of GDP and contribute too little to the collective effort. In the context of the war in Ukraine and the change of the security context shortly, Europe must adapt to a more unpredictable and dangerous strategic reality to deter, defend, challenge, and deny the success of any aggressor in achieving his goals.

The debate surrounding strategic autonomy hampered the viability of this level of ambition. The perspective of a prolonged war in Europe brings uncertainty not only in the strategic estimates regarding the future of security in Europe but also in the definition of strategic autonomy. The formulation and implementation of a level of ambition are linked to the future strategic identity of Europe. At the same time, the level of ambition will be strongly influenced by the trends at the national level of military adaptation to the dramatic changes in Europe, for example, the accession of Sweden and Finland to NATO, the process of modernization and capability development in Germany, Poland, and Romania, or the new defense and security posture of the United Kingdom.

The analysis of the EU Strategic Compass suggests that most of the assumed objectives cannot be implemented at the conceptual, policy, and operational levels earlier than the 2030-2035 horizon. Moreover, this time horizon is the same as the one that predicts a meaningful change in the world's power hierarchy in favor of China.

The current European level of ambition reflects the more normative dimension of the European defense project and less the ambition to become a geopolitical actor.

91 This is an unofficial author estimate based on the 2022 GDP indicator.

92 MApN, „Strategia militară a României," 2021, https://www.presidency.ro/files/userfiles/Documente/Strategia_Nationala_de_Aparare_a_Tarii_2020_2024.pdf, accessed January 2023.

The adoption of a geopolitical strategy leads to the adoption of a balance of power narrative and the management of strategic competition. In the new strategic context, where the distinction between crisis, systemic conflict, and war disappears, the concept of the level of ambition plays a minor role in the implementation of priorities within a framework of strategic competition.

There are challenges to which we must respond. First, it will be difficult to develop a strategy for a European normative power with geopolitical ambitions. This strategic ambiguity is counterproductive in the context of global competition. On the one hand, the United States will perceive Europe as an actor oscillating between Washington and Beijing, trying to take advantage of conjunctures and therefore less predictable. On the other hand, China will perceive Europe as an actor with geopolitical ambitions hidden in a non-conflict soft power strategy. More importantly, Beijing's perception is one of competition with the entire northern hemisphere, including the Euro-Atlantic security space.

Second, PESCO focuses on crisis management and societal security, but without an integrative approach within the continuous spectrum between states of peace, crisis and war. The post-2015 complementarity with NATO has not progressed far enough for us to say that we have better coordination between the European level of ambition and that of NATO. The EU-NATO division of labor between collective defense and crisis management has not progressed into coordinated joint planning. The planning processes in the two organizations are parallel and may lead to the risk that states are forced to prioritize not only participation in missions but also the operationalization of their national capabilities.

Finally, managing CSDP and EU ad-hoc missions in parallel is a challenge. The current level of ambition does not distinguish between the two types of missions. An ad hoc mission based on a coalition of the willing entails political costs that may differ from those of a CSDP mission, different management of European resources, and the risk of competition for capabilities.

For two reasons, Romania prefers to offer a coherent and diverse contribution to NATO. First, in the interest of greater synergy, the US military presence in Romania is fully interoperable with Romanian and NATO forces. The second is NATO's decision to maintain a permanent military presence in Romania with a French-led battlegroup. The adoption of the new NATO force model at the NATO Summit in Madrid (2022) and the definition of the Black Sea region as a region of strategic interest are solid reasons for Romania to be more involved in the alliance dimension than in the European dimension.

At the EU level, Romania is involved with civilian capacities and experts for civil emergencies, border police, humanitarian assistance, cybersecurity, and the fight against disinformation.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

Since 2014, Romania has developed an ambitious plan to modernize its armed forces and revitalize its defense industry in response to these risks and challenges. A synthetic look at the program shows us that Romania aims to ensure the modernization of all categories of ground, air, and naval forces that are interoperable with NATO and US forces.[93]

It should also be said that Romania also faces problems in securing contracts for Romanian state-owned companies. The dominant trend in public procurement is government-to-government contracts. The government has promised that by the end of 2022, it will propose a strategy for the defense industry that will involve Romanian companies in the procurement process and participate in the industrial compensation process (defense industry offsets) by attracting investors. The state sector of the defense industry comprises 25 production companies with a wide range of specializations, but which face a lack of state contracts, require an infusion of competitive technology and restructuring, and face an ongoing struggle with a lack of young and specialized workers.

The hope is that the government's new strategy for the defense industry will provide a basis for developing the research and development sector and increasing the budget to ensure a minimum level of investment. It must be said that there is also a lack of public-private partnerships in the defense industry, even though Romania has a private sector with

93 MApN, „Programe de înzestrare - Direcția generală pentru armamente," 2023, https://www.dpa.ro/dgarm/programe-de-inzestrare, accessed January 2023.

companies specialized in both military and civilian or dual-use for cyber security, drones, communications and IT, armaments, ammunition, or aeronautics.

Romania' MoD has priority programs with ongoing procurement contracts: PIRANHA 5 - 8x8 Armoured Personnel Carrier (TBT), HSAM PATRIOT Long Range Surface-to-Air Missile System, HIMARS Long-range Multiple Missile Launch System, Force F16 Multirole Aircraft.

There are several programs in the preparation phase: C4I systems - C4I with ISTAR integration capabilities, SHORAD-VSHORAD - Integrated low and very low surface-to-air missile system, IAR 99 - revitalization and modernization of IAR 99 aircraft from the Forces Aeriene Ro, U.A.S. Drone Class II tactical, operational UAS system and MANPAD - portable close/very short-range anti-aircraft missile system.

Other procurement contracts are PIRANHA IIIC - 8x8 armored troop transport, TPS-77 - 3D radar with a large detection range, mobile and military trucks - car transport platforms, multifunctional on wheels.

At the same time, there are also problems regarding military purchases, and we have blocked programs: multirole corvettes for the Naval Forces, delays in the program for military transport trucks, and the purchase of class II tactical drones.

Since the beginning of 2022, the government has expressed its intention to purchase Bayraktar drones from Turkey and has signed the letter of intent to participate in NATO's multinational initiative to purchase an integrated anti-missile defense system coordinated by Germany.

On December 15, 2022, the government announced the start of the first phase of the „Light Tactical Armoured Vehicles“ (ATBTU) program for the purchase of 1,000 vehicles at a cost of approximately EUR 1 billion.

COOPERATION

For Romania, the most important form of cooperation remains the strategic partnership with the United States, which has four dimensions: political (dialogue and mechanism for security guarantees), military (US military presence in Romania), economic (IT, defense industry, energy security), and security/intelligence (anti-terrorism and intelligence sharing).

At the European level, especially in recent years, Romania has begun to increase its participation in different formats. Romania has assumed participation in 20 PESCO projects (16 with member states and four with observer status), two of which are coordinated by our country (the EU Diving Center Network and the CBRN Defense Training Ground).[94]

Romanian companies are currently participating in seven European Defence Industrial Development Programme (EDIDP) projects with the support of the Ministry of National Defense. In addition, the Ministry of National Defense expressed its support for the participation of Romanian entities in 16 project proposals launched in the framework of the 2021 EDF call.

Romania supported the efforts of the European Defence Agency to promote cooperation between EU Member States. Currently, our country participates in 19 projects implemented under the auspices of the EDA.

The Romanian government will continue to promote the importance of the wider Black Sea region for the security of the Eastern flank and for European security, militarily, economically, and in terms of energy.

Romania is interested in supporting regional cooperative security formats, the 3Seas Initiative, the Bucharest Initiative, trilateral formats with Poland-Turkey and Moldova-Ukraine, and the partnership with Georgia.

94 MAE, „Evolutions in the Common Security and Defense Policy | Ministry of Foreign Affairs," 2023, https://www.mae.ro/en/node/2064, accessed January 2023.

Spain

Author: Félix Arteaga, Senior Analyst, Royal Institute El Cano

THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The Spanish strategic assessment began to change in 2021 on the way to the NATO Summit in Madrid and gained momentum after the Russian invasion of Ukraine in 2022. The foreseeable changes in the Alliance's military doctrine in the run-up to the forthcoming NATO Strategic Concept collided with the Spanish strategic culture's aversion to confrontational policies. However, the appointment of Spain as host of the NATO Summit made the Spanish government more sensitive to the progressive hardening of the Alliance's geopolitical and military postures toward China and Russia. Nevertheless, the shock of the invasion overcame any possible reserve and helped the Spanish government to adopt a new public discourse on the geostrategic environment.

The invasion dramatically changed public perceptions of threat. After three decades of peacekeeping missions, Spain had abandoned its territorial defense in favor of crisis management missions and operations, but suddenly Spain was in danger because of the war in Ukraine, not only because of its economic consequences, but also because of its military ones. Public opinion saw the war in Ukraine as the main European problem and the Russian Federation as a threat to European and Spanish security. Accordingly, public support for NATO, defense policy and even military spending peaked in the months following the February invasion.[95]

The change in public perception gave the government the opportunity to fully embrace the harsh conditions of geopolitical competition with China, which NATO's Strategic Concept and the EU's Strategic Compass recognized in 2022, as well as the need to strengthen national deterrence and defense against Russian revisionism. The new geostrategic environment also opened a window of opportunity to ease the long-standing Spanish demand for a southern flank in NATO since 2014, in order to avoid the fragmentation of risks within the Alliance. The Russian and Chinese presence in areas of strategic interest such as the Mediterranean, North Africa, and the Sahel helped Spain to include its southern threats in NATO's 360 degree approach, a strategic goal for national security not recognized in any previous Alliance strategic document. However, regardless of resilience, the responsibility for protecting critical infrastructure and most grey zone threats remains in civilian hands.

Similarly, the geostrategic changes allowed the government to announce its commitment to meeting NATO's two percent of GDP pledge by 2029. All previous Spanish governments had expressed their desire to reach this target by 2024, but total spending had stagnated at around 1.0 percent of GDP due to political and social reluctance to increase military spending, whether for ideological or pragmatic reasons. Before the end of 2022, Congress approved a 25.8 percent ncrease in the 2023 defense budget (from EUR 9.791 billion in 2022 to EUR 12.317 billion in 2023), which confirms the willingness to back up official statements with facts, at least for the time being (Spain will increase from 1.04 percent of GDP in 2022 to 1.2 percent in 2023).

As a result, defense is more important than ever, and defense policy has become a priority on the public agenda, both politically and economically, marking a turning point in Spain's strategic culture. At the political level, the president of the government has adopted an Atlanticist discourse that other governments, whether Socialist or Conservative, have been unable to adopt. The president and the defense minister have become more assertive in defense matters, publicly leading the alignment of Spanish defense policy with that of NATO and with the actions taken by NATO and the EU in support of Ukraine. However, the president avoids getting involved in controversial debates such as the supply of Leopard tanks to Ukraine, and it is the Minister of Defense who is in charge of strategic communication. Spain continues to support the development of European defense, but with less attention to achieving its strategic autonomy, given the need to postpone discrepancies between NATO allies. It also continues to contribute to NATO's forward presence in the eastern part

95 The perception of NATO as a security provider to Spain against Russia increased from 5% in June 2021 to 52% in June 2022. The war in Ukraine as the first problem reached (58%) and the support to NATO membership and a bigger defence budget grew to 83% and 52%, respectively. June 2022. Barómetro del Real Instituto Elcano, June 2022.

of the Alliance, having reinforced its presence in the Black Sea and in Bulgaria in response to NATO's call before the Russian invasion. The core task of defense has taken precedence over crisis management. However, Spain will continue to be one of the largest contributors to NATO and EU missions and operations.

EUROPE'S FUTURE MILITARY ORDER

The Spanish military planners monitor the requirements of the new geostrategic environment to adjust the defense concept of the armed forces and their military posture to the new context. Nevertheless, Spain does not conduct strategic reviews, and military transformation consists of incremental changes in the concept of force employment or the military capabilities required to adapt force structures and doctrines to warfare trends. In the absence of strategic guidance at either national or European level, most of the additional budget will be invested as usual, with no transformational goal in sight.

The post-Ukraine level of ambition reinforces Spain's defense and deterrence posture in addition to – but not at the expense of – crisis management. Among other challenges, the armed forces will have to increase the number of units to a higher level of readiness. Until now, and due to budgetary constraints, Spain has only been able to afford the highest level of readiness for units deployed abroad or those on permanent alert in Spain. From now on, Spain will have to increase the readiness of a larger number of units for deployment and reinforcement in the high-intensity scenarios of Eastern Europe. The former requires huge investments in military mobility, logistics, maintenance, and manning to enable the armed forces to carry out the new tasks. Meanwhile, the ministry of defense (MoD) will maintain Spain's contribution to international peace-keeping operations at current levels, as well as the Armed Forces' contribution to civil security and civil protection missions.

In the absence of a strategic review, the defense staff will maintain the current force structure designed for power projection as an important contribution to the strategic autonomy of NATO and the EU. The strategic ambition remains limited to the Spanish periphery, from the Baltic to the Black Sea in the northeast and from the Gulf of Guinea to the Horn of Africa in the south, with no foreseeable presence in the Indo-Pacific. Recent doctrinal trends point to a shift from joint to multi-domain operations, accompanied by a greater technological edge, information superiority and agility to adapt force employment to highly volatile scenarios.

At a lower level, the army is emerging as the winner in the race to provide territorial defense with more boots and vehicles on the ground. Armored and mechanized units, both wheeled and tracked, are once again a priority, with a flexible mix of inter-armament components, gathered in tactical battalion groups with greater mobility, lethality, and autonomy (72 hours). The new environment requires more and new vehicles, manned or unmanned, with multi-weapon platforms for missiles, rockets, guns, and smart munitions. Vehicles are looking for better protection for troops, common chassis to reduce logistics burden, and smaller size to enable airborne mobility.

The navy is facing an increase in maritime commitments at both international and national levels. A greater Spanish maritime presence in NATO missions or in the EU's maritime presence in the Gulf of Guinea or elsewhere will require a reinforcement of the Spanish navy. It is trying to take advantage of the additional budgets to complete ongoing construction (frigates and submarines), to modernize ships in service (frigates, minehunters, amphibious ships, naval aviation, and naval equipment) and to develop the fleet toward new capabilities such as the European Patrol Corvette (EPC) and the concept of future escorts (4E projects), both under the PESCO umbrella. In addition, the navy will need more ships dedicated to maritime security tasks in support of national civil authorities.

The air force changed its name to Space and Air Force in 2022 to recognize the growing importance of space in defense and is undergoing a major restructuring to modernize and integrate the space organization, its command and control network, and ground and space components into its force structure. At the same time, the war in Ukraine has highlighted the need to achieve air superiority in A2/AD environments beyond the current air policing or strategic transport operations. The Eurofighter Typhoon will therefore replace the ageing McDonnell Douglas F/A-18 fighters and upgrade them to the Long-Term Evolution version (EF2000 LTE), while the Franco-German-Spanish consortium is developing the sixth generation FCAS/NGWS combat system. In 2023, strategic mobility will include three Multi Role Tanker Transport (MRTT) and 14 Airbus 400M. In terms of modernization, the new SC2N-EA airspace command and control system will become operational in 2021. The Air Force has renewed its training fleet with 40 new Pilatus PC-21s.

It is exploring joint ventures to replace the Lockheed C-130 Hercules with a future medium tactical cargo aircraft and the ageing Lockheed P-3 Orion with a new maritime patrol aircraft. A new tactical UAV „Sirtap“ will replace the old „Searcher“ of the army and air force, while the Eurodrone, the European MALE RPAS, is still under development to accompany the MQ-9 Predator B in service. Finally, in 2022, Spain will create a Spanish space agency under the auspices of the Ministry of Defense and the Ministry of Education and Science.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

The Spanish DTIB is experiencing an energizing moment, firstly due to the relaunch of long-stalled modernization programs after the change of government in 2019 (S-80 submarines, CVR 8x8 combat vehicles, F-110 frigates, Chinook helicopters, and communication satellites for 12,000 million euros). Secondly, the expectation that defense budgets will double by 2029 has led to a new wave of major procurement programs for research, development, modernization, or innovation of all types of military equipment and munitions. After the euphoria, the Spanish DTIB and the Ministry of Defense have to solve the problem of managing an extraordinary number of projects in very demanding timeframes, stretching their management capabilities to the limit.

A lesson learned during the pandemic, and now confirmed in Ukraine, is that European DTIBs are not well prepared to sustain a high-intensity conflict. Having reduced their production capacity to meet the declining demand of recent decades, they cannot meet an extraordinary demand to replenish stocks, build strategic reserves, and produce new equipment. Moreover, any quest for greater strategic autonomy in times of difficult access to raw materials, geo-technological competition, and supply insecurity will require further structural changes in the DTIBs.

Concrete plans/announcements that impact industrial capacities and technology development
The adaptation of the Spanish DTIB to the new geostrategic environment requires significant changes, which are currently under discussion. First, the budget increase does not guarantee greater stability for the DTIB, as its investments are not included in a multiannual planning law. The funding of the DTIB depends on annual budgetary decisions, which creates uncertainty in the strategic planning of the industry. Second, the current Defence Industrial Policy of 2015 is under review to address new challenges, but its interaction with the national industrial ecosystem is now more intertwined than before. The entry of the Ministries of Industry, Education and Science and the European Commission as stakeholders in the planning system implies a more complex decision-making process and reduces the autonomy of the MoD.

Third, the MoD and the DTIB are now more interested in technology and innovation than in the past, as noted in the MoD’s 2020 Defence Technology and Innovation Strategy, but the level of public and private investment in research, technology, and innovation is rather low, and there is no master plan to increase synergies with civil actors, as recommended by the European Commission. Thus, the civilian sector remains disconnected from the DTIB. Fourth, the management system of the MoD is facing serious difficulties to cope with the increasing number of military programs, and the DTIB is aware of the need to create a procurement agency to overcome the complexity of contracting procedures and the lack of human resources. The centralization of management from the services to the ministry has been overwhelmed by the proliferation of national and European programs that require a degree of stability and specialization of managers that the military staff cannot provide. Finally, the 2021 National Security Strategy called for the establishment of strategic reserves and normative filters to avoid the loss of strategic assets for national security and defense, but its implementation is still pending. In addition, subsidies or protectionist measures adopted by some countries for their industries are changing the rules of competition and creating uncertainty in the Spanish DTIB.

COOPERATION

Spain engages in cooperation projects by principle, given its support for the development of European defense, but also by default when its DTIB or defense budgets are unable to develop military capabilities autonomously. The MoD leads major international cooperation projects such as the FCAS/NGWS on an equal footing with Germany and France. The Ministry of Industry and the Ministry of Education and Science participate in the supervision of the project, and the coordination of the Spanish actors in the project corresponds to the company INDRA, by decision of the MoD.

Most of the European cooperation projects have been shared with France, Germany, the United Kingdom, and Italy (Eurofighter, EuroMALE, Tiger), mainly in the aerospace sector, with less cooperation (Germany) in land systems and none in the naval sector. Spain shares most of its PESCO cooperation projects (26 in 2021) with France (85 percent), Germany (62 percent), Italy (58 percent), Portugal (38 percent) and the Netherlands (35 percent).

Despite these preferences, Spain supports an open strategic autonomy to include non-EU strategic partners in European industrial cooperation. The DTIB is a newcomer to the NATO industrial ecosystem and is still exploring opportunities for cooperation in areas of strategic interest such as disruptive technologies, cyber, or innovation, among others. However, cooperation with countries such as the United States or non-EU allies is hampered by protectionist mechanisms such as ITAR or the lack of EDF-type funding.

The Directorate-General for Armaments and Material (DGAM) is the main venue for international cooperation, linking DTIB actors to European programs, plans, and consortia, although some of them are becoming more autonomous within the EDTIB cooperation network (by interacting directly with EU interlocutors). In this context, the MoD oversees European cooperation through an interministerial body, including the industrial sector, in order to take advantage of the EDAP, EDF, EDIDP or CARD instruments. It encourages the internationalization of DTIB companies, the search for joint ventures through the intergovernmental bodies of the European Defence Agency, OCCAR, and LoI. In particular, the MoD has promoted the PESCO framework as a channel to promote multilateral cooperation, but for the development of secondary capabilities with little opportunity for national funding. Nevertheless, uncertainty about the availability of defense budgets to co-fund collaborative projects is an obstacle to greater DTIB stakeholder involvement in joint ventures. The DTIB actors are aware that their survival depends on their integration into European supply chains. The relationship between the government and the DTIB is fluid and constructive, but the industrial sector needs more funding for R&T initiatives, multiannual stabilization of budgets and investments and, above all, less complex and bureaucratic procedures.

Turkey

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***Disclaimer:** *This policy brief was written for academic purposes as a contribution to the German Council on Foreign Relations' (DGAP) planned academic publication following the 9 January roundtable in Berlin to continue the project European Defence in a New Age - Geostrategic Changes and European Responses. The author (Dr Can Kasapoglu) relied exclusively on open source information and literature. The author has not conducted any interviews. The output does not contain any classified information and all materials are available online as footnoted.*

DEFENSE ECONOMICS AND DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE OUTLOOK

In recent years, Turkey has built a robust defense sector that has given the Turkish armed forces more freedom to pursue Ankara's regional security and military strategy. It has also expanded exports that have increased the country's geopolitical reach and defense diplomatic edge. This rise has its roots in the early 2000s. In 2004, in a landmark decision, Turkey's Defence Industries Executive Committee (at the time comprising the prime minister, defense minister, chief of general staff, and head of the Undersecretariat for Defence Industries) cancelled several procurement projects worth a total of $11 billion. The decision was based on encouraging more indigenous and national industrial participation in conventional combat equipment.[96]

Since then, Turkey's military-industrial capacity has seen an exponential growth in the number of indigenous and cooperative projects.

Meanwhile, the Turkish military has continued to deploy a robust combat deterrent. In particular, the Syrian expeditions, starting with Operation Euphrates Shield in 2016 and continuing until today, helped the Turkish defense industry to showcase indigenous weapons in real combat. The Turkish arms market is very lucrative for foreign suppliers. Despite the COVID-19 pandemic, the Turkish government has remained steadfast in its defense spending. According to open-source databases, Ankara spent around $12.98 billion on defense in 2018, ranking seventh within the NATO alliance and 18th globally.[97] In 2021, even in the midst of the global health crisis, Turkey spent more than $15 billion on defense and military projects. In addition, its domestic defense industry generated revenues of more than $10 billion.

From a defense planning perspective, Ankara will continue to rely on foreign military cooperation to pursue its national security goals. However, this dependence is becoming more ‚refined,' moving toward more sophisticated systems and sub-systems. For this reason, defense giants must focus on thorough strategic assessments before entering into transactions in the Turkish arms market.

The proliferation and export of drones occupies an important place in Turkish defense trends. Turkey's armed drones have proven to be a critical military asset. These systems have tipped the military balance in favor of their operating militaries in various conflicts, most notably the Ukrainian defense and the Second Karabakh War. Moreover, Azerbaijan's successful implementation of the ‚Turkish way of drone warfare' suggests that Turkey is not only a drone exporter but also a doctrine and operational concept transfer state.

Ankara's 2012 to 2021 strategic plans for defense modernization have encouraged the involvement of national industries in ambitious projects. The defense industry sectoral strategy document for 2018 to 2022 sets a „sky is the limit" goal of „technology and subsystem ownership to promote a sustainable defense industry," augmenting the country's newly developed strategic autonomy efforts.[98] For the first time, the updated 2019-2023 strategic plan prioritizes the creation of an elite workforce and technological transformation to enable future technological and scientific breakthroughs.[99]

96 Hurriyet, https://www.hurriyet.com.tr/ekonomi/tank-ve-helikopter-ihaleleri-iptal-edildi-225670
97 IHS Jane's, Navigating the Emerging Markets. Turkey, October 2018, p.4.
98 T.C. Cumhurbaşkanlığı Savunma Sanayii Müsteşarlığı, 2018 – 2022 Savunma Sanayii Sektörel Strateji Dokümanı.
99 Can Kasapoglu, „Turkey's Defense Outlook for 2020s Very Promising", Anadolu Agency, 2020, https://www.aa.com.tr/en/analysis/turkey-s-defense-outlook-for-2020s-very-promising/1691178, Accessed on: January 4, 2023.

Over the past two years, Turkey's defense revenues have increased by almost 15 percent. Remarkably, revenues from foreign contracts increased by 42 percent, with some claiming it could be as high as 48 percent.[100] The volume of R&D activities, the main driver of the defense industry's technological edge, has recently increased by 30 percent. In 2021, the Turkish Defense Technological and Industrial Base (DTIB) will have an elite workforce of around 75,000. All in all, the Turkish defense technology generation has a growing and reliable base.

Despite the burden of the COVID-19 pandemic, the industry has recovered quickly, and revenues have returned to pre-crisis levels. Most of this growth in the DTIB was driven by land platforms (with revenues of $2.347 billion), followed by weapons and ammunition and missiles. In 2021, revenues generated by the munitions and missiles industry increased significantly compared to 2020. Most transactions were recorded in the Civil Aviation and Weapons & Ammunition segments.[101] Over the past two years, Turkey has also managed to reduce its defense imports (by 4.58 percent)[102] while keeping its exports fairly stable. This has been a challenge, especially given the disruptive impact of COVID-19 on global production and supply chains. This success can also be seen in the drone segment, which made a significant contribution to sales. Taken together, the two main drone manufacturers, Tusaş and Baykar, registered exports of more than $1 billion in 2021, although the former has a broader export portfolio.[103]

TECHNOLOGICAL COOPERATION AND STRATEGIC AUTONOMY PENDULUM

The Turkish armed forces remain one of the most ‚dronized' militaries in the NATO alliance. In the words of Francis Fukuyama, with lessons learned from the Syrian, Libyan, and Karabakh theatres, "it seems that Turkey's use of drones will change the nature of land power in ways that will undermine existing force structures, just as the Dreadnaught made earlier classes of battleships obsolete, or the aircraft carrier made battleships themselves obsolete at the beginning of World War II."[104] More importantly, similar to the Israeli-Arab wars of the Cold War era, the Syrian, Libyan, and Karabakh fronts have visibly demonstrated the superiority of Turkish robotic warfare solutions over Soviet- and Russian-made conventional weapons.

Turkish industries are now able to design, modernize, produce, and export, with varying degrees of indigenous content, some of the core conventional warfare assets such as corvettes, howitzers, unmanned aerial systems, smart munitions for drones, joint direct-fire munitions, armored fighting vehicles and armored personnel carriers, grenade launchers, and anti-tank sniper rifles. However, in the strategic and high-end weapons segments, such as exo-atmospheric ballistic missile defense, fifth-generation tactical military aviation, air-independent propulsion submarines, and space-based systems, the Turkish defense sector remains tied to international cooperation, indicating the limits of independence but also future cooperation. Some of Turkey's most ambitious projects are based on cooperation with its Western partners. The country's first amphibious assault ship, the TCG Anadolu, is being built on the basis of the Spanish Juan Carlos-1. Ankara's naval modernization initiative also includes a submarine-based conventional land-attack strategic deterrent, supported by the new Reis-class air-independent propulsion submarines developed in cooperation with the German defense industry.

The need for cooperation is particularly evident in complex systems and platforms such as submarines, air and missile defense weapons, fifth-generation aircraft, advanced radar systems, and space-based systems. In addition, Turkey will need to cooperate with NATO for its national defense, as it is a party to almost all major non-proliferation regimes and does not possess a deterrent of strategic weapons systems. At present, as open-source writings and

100 Bekdil, Burak Ege. „Turkey nearing 4 billion in annual defense exports", Defense News, July 19, 2022, https://www.defensenews.com/global/europe/2022/07/19/turkey-nearing-4-billion-in-annual-defense-exports.

101 SASAD, „2021 Performans Raporu", https://www.sasad.org.tr/uploaded/Sasad-Performans-Raporu-2021.pdf , Accessed on: January 4, 2023.

102 Ibid.

103 Tusas, https://www.tusas.com/medya-merkezi/haberler/tusas-bir-kez-daha-savunma-ve-havacilik-ihracat-sampiyonu-oldu#:~:text=T%C3%BCrkiye'nin%20%C3%B6nc%C3%BC%20havac%C4%B1l%C4%B1k%20%C5%9Firketi,ve%20Havac%C4%B1l%C4%B1k%E2%80%9D%20ihracat%20%C5%9Fampiyonlu%C4%9Funu%20per%C3%A7inledi, Accessed on: September 25th, 2022; Anadolu Ajansı, https://www.aa.com.tr/tr/bilim-teknoloji/milli-iha-ve-sihalar-ihracat-sampiyonunu-degistirdi/2613116, Accessed on: January 4, 2023.

104 Francis Fukuyama, „Droning On in the Middle East", American Purpose, April 5, 2021, https://www.americanpurpose.com/blog/fukuyama/droning-on

news reports indicate, Turkey's ballistic missile arsenal remains limited to tactical assets, and the Turkish navy does not currently possess a Tomahawk or Kalibr-like capability – and it currently lacks the necessary strategic defensive weapons capabilities.

RUSSIA AND CHINA

The Turkish government has not yet taken a clear stance on the emerging China challenge. Nevertheless, the Turkish government seems to be on the same page with the alliance's strategic assessment of China in 2019 (London Leaders Meeting) and 2021 (Brussels Summit).

Although Turkish-Russian relations can appear complicated and contradictory at first glance, there is a meaningful pattern between the two countries. Bilateral relations are characterized by a compartmentalization of strategic interests and disagreements. This ‚delicate dichotomy' manifests itself in several issues, such as the Ukrainian, Libyan, Syrian, and Azerbaijani borders on the one hand, and Moscow's S-400 procurement and Western sanctions on the other. While the incumbent Turkish government repeatedly condemned Russia's actions in Libya and its illegal annexation of Crimea,[105] the same government procured the S-400. The trend toward compartmentalization between Ankara and the Kremlin, which is transactional in nature, favors selective and limited cooperation alongside ‚contained confrontation' where strategic interests remain at odds.

In recent decades, Turkey's ruling elites have viewed NATO issues primarily through the lens of Turkish-American relations. Significant divergences in Turkey-US relations – including the Countering America's Adversaries Through Sanctions Act (CAATSA) sanctions imposed after Turkey's purchase of the Russian S-400 strategic SAM system – remain a major obstacle in this regard. Similarly, Washington's cooperation with PKK-affiliated groups in Syria – all of which, in one way or another, have been related to the country's NATO agenda. Nevertheless, the Turkish government has not opted for reduced participation in NATO operations. On the contrary, the Turkish armed forces continue to play key roles in Alliance operations, including the framework nation role (2021) in the Very High Readiness Joint Task Force.

As a non-EU member of the alliance, Turkey has always been wary of Euro-centric security initiatives, especially by the European Union, as such frameworks could potentially limit or undermine NATO's dominant role in European strategic affairs. When ‚European strategic autonomy' began to manifest itself in the Franco-Greek defense pact, Turkey saw the bilateral pact (especially as it included a casus foederis) as tacitly directed against itself.[106] Similarly, the establishment of closer strategic ties with the UK in the post-Brexit era is encouraged by Turkish government circles as well as former prominent Turkish NATO officials (Ildem and Ceylan, 2021).

Interestingly, Turkey has gone from being the main reason for the Kremlin to deploy its S-400s in Syria to being the only member of the transatlantic alliance to purchase the same strategic SAM (surface-to-air missile) system. This change took place in a short period of three years, between 2015 and 2018, after Turkish fighter patrols intercepted a Russian Su-24 frontline bomber. Nevertheless, NATO membership is and will remain the central pillar of Turkey's national defense, security, and military-strategic outlook in the 21st century.

Turkey's current defense technological and industrial base (DTIB) and defense economy cannot sustain full strategic autonomy. The Turkish defense industry remains dependent on Western cooperation in critical segments such as 5th generation aircraft (UK), advanced submarines (Germany), ballistic missile defense (Italy and France) and strategic power projection vessels (Spain). Thus, NATO allies remain indispensable to Turkey's security policy and evolving agenda. Ankara also needs the transatlantic alliance against growing Russian nuclear brinkmanship and saber-rattling. The nuclear dimension is now more pronounced with the Ukrainian standoff, as the Russian Siloviki elite continues to raise the possibility of the use of low-yield nuclear weapons.

Nevertheless, Turkey is not a Baltic state, nor is it Poland. Its future geopolitical choices will depend on a complex calculus. In this regard, Turkey's main criterion for defining its relations with the West remains its room for maneuver in international affairs, while maintaining its NATO membership.

105 Ministry of Foreign Affairs Turkey, https://twitter.com/TC_Disisleri/status/1440024403115446272

106 Can Kasapoglu and Sine Ozkarasahin, „Why Turkey's transatlantic identity could change forever", November 17, 2021, https://www.atlanticcouncil.org/blogs/turkeysource/why-turkeys-transatlantic-identity-could-change-foreve

United Kingdom

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THE GEOSTRATEGIC LANDSCAPE: NEW REALITIES

The UK's most recent review of the geostrategic environment was Global Britain in a Competitive Age, the Integrated Review of Security, Defence, Development and Foreign Policy (hereafter referred to as the Integrated Review or IR) published in the spring of 2021.[107] That was the first of a package of three documents with the second being focused on the defense dimensions (Defence in a Competitive Age) and the third addressing the supply base (The Defence and Security Industrial Strategy).

The IR's view of Russia built on the conclusions of the previous review of 2015 and was clear that it „remains the most acute threat to our security". It committed the UK to „working with allies to deter nuclear, conventional and hybrid threats to our security, particularly from Russia."

As the Russian build-up of forces on Ukraine's border developed in 2021/22, London could be said to have led the way in recognizing that military help, including arms supplies and training aid, should be provided to Kyiv. The first UK arms deliveries, modest in scope but of greater symbolic importance, took place in 2021, well before Russia actually moved.[108]

After the launch of the Russian invasion of Ukraine (but unrelated to it), the UK experienced a series of political crises and developments involving the resignation of Boris Johnson as prime minister and the six-week tenure in that role of Liz Truss. She was succeeded as prime minister by Rishi Sunak in February. These developments brought with them many ministerial changes, making it difficult to analyze how the government, or rather its inexperienced ministers, felt about the wider security environment. The continuous role of Ben Wallace as secretary of state for defence has, however, been a factor for stability.

We're a country that stands up for our values, that defends democracy by actions not just words. A country that commits not just our resources but our ingenuity to better the lives of others, and ourselves.[109]

In terms of formal policy stances, the big change between the 2015 review and the 2021 IR was that the latter acknowledged the growing assertiveness of China. Dialogue was to continue with China and opportunities for cooperation explored but:

We will invest in enhanced China facing capabilities, through which we will develop a better understanding of China and its people, while improving our ability to respond to the systemic challenge that it poses to our security, prosperity and values – and those of our allies and partners.[110]

China was defined as a „systemic competitor."[111]

The 2021 IR confirmed the 'global Britain' perspective that was a feature of the Johnson administration. It involved, among other things, the permanent stationing of two offshore patrol vessels east of the Gulf, growing efforts to work with Japan, and of course the AUKUS Pact of September 2021. Still with the global perspective, in September 2021 the Army launched its Future Soldier program, which envisaged British soldiers being regularly deployed around the world.

The Army will be more global in its perspective, its operations and its partnerships. This will be achieved through persistent presence. This means having more troops positioned across the globe, who are ready to anticipate and respond to emerging threats at any time.[112]

While the UK selected an ambitious policy agenda in 2021, Russia was underlined as the main threat to European security.

107 The Integrated Review 2021 - GOV.UK (www.gov.uk)
108 UK to arm Ukraine with anti-ship missiles against Russia - American Post
109 Rishi Sunak – 2022 Speech on Foreign Policy to the Lord Mayor's Banquet – UKPOL.CO.UK
110 P.22
111 P.26.
112 Our Future | The British Army (mod.uk)

Russia continues to pose the greatest nuclear, conventional military and sub-threshold threat to European security. Modernisation of the Russian armed forces, the ability to integrate whole of state activity and a greater appetite for risk, makes Russia both a capable and unpredictable actor. [113]

Which (changing) priorities result from that regarding security and defense policies?

At the end of 2022, the British Government was still in the process of deciding how its defense priorities need to change, with a 'refreshed' version of its defense and security expected to be published by the end of January 2023.

As noted, it already had defined a serious view of potential Russian actions and had measures in place to support and assure the most vulnerable of Russia's NATO neighbors. It had been sending Typhoon aircraft to conduct air policing missions in the Baltics since 2014 and regularly deploying 900 British troops to that area as part of NATO's enhanced Forward Presence program. [114] In terms of change, Russian actions in 2022 caused numbers to increase with enhanced participation in NATO exercises.[115]

However, in simple terms, while the UK has decided to commit firmly to Northern Europe, it has not specified where it will do less in order to deal with affordability issues.

What is affordable is a matter of the funds made available for defense. The picture is confused because the UK is on its third Prime Minister since the beginning of 2021. All three to varying degrees favored increasing the defense budget but economic difficulties, some of which were Brexit-related, have meant that intentions have had to be scaled back.[116] In the most basic terms, the Johnson administration allocated funds to defense that brought its share of GDP to clearly over the NATO target of two percent. The short-lived Truss regime aspired to increase this figure to three percent, and then the Sunak team decided that, in the light of a major loss of confidence in sterling and a falling GDP, the defense effort would be two percent of GDP. Thus, while the Government sees a deteriorating international security position that would justify higher defense spending, economic problems mean that implementation of such a move has to be deferred.

EUROPE`S FUTURE MILITARY ORDER

While the UK's official view of the 'Geostrategic Landscape: New Realities' can be discerned from speeches and official documents, there has been little or no formal discussion of Europe's future military order.

Arguably, the UK has been and is focused on meeting the short-term needs of Ukraine with weapons and training so that Russian ambitions can be frustrated and Ukrainian military success enabled. That has involved searching for stocks of missiles and ammunition within UK inventories and even ordering extra munitions from UK and overseas manufacturers.[117]

The yet to be addressed problem concerns how UK and other forces in Europe need to be reformed, especially in the equipment dimension, to meet future needs. What follows is very much the personal reasoning of this author. Some key assumptions need to be articulated.

- The Russian threat is not that of the Cold War, when the Soviet Union sought a capability rapidly to overrun the whole of Western Europe. The danger is that it will pursue limited territorial gains at the expense of vulnerable countries on its borders, only some of which are in NATO.
- Western European states need to be able to deter any efforts at such gains, especially to NATO members, and to reassure those on Russia's periphery that they are secure.
- Threats to escalate a conflict to the nuclear level to deter Russia would lack credibility and would likely be unacceptable to Western publics.
- The key to deterrence should be to persuade Russia that any efforts at territorial grabs could not be successful in a short period and would involve

113 Defence in a competitive age (publishing.service.gov.uk), p.5
114 Baltics | The British Army (mod.uk); UK to send 1,000 troops and Typhoon jets to Baltic states - the Lithuania Tribune; UK-led high-readiness force to deploy to the Baltic Sea - GOV.UK (www.gov.uk); Britain to deploy hundreds more troops to Baltics to see off any Russian invasion | The Sun;
115 British Army exercises boost presence across Europe - GOV.UK (www.gov.uk)
116 UK Defense Industry Analysis (2022 - 31) | Statistics, Size, Trends (mordorintelligence.com)
117 British Army to replace Nlaw anti-tank weapons given to Ukraine | News | The Times

Russia in heavy losses. Moscow should not be allowed to think that a quick win would be feasible.

- That means that forces in Europe should have the war stocks to support protracted fighting and that they should not be 'hollowed out' with low rates of readiness and sustainability.

- Europeans should consider whether they would be best served, as at present, by small numbers of exquisite platforms and weapons (where losses in conflict would markedly reduce their abilities to continue to struggle), or whether there should be more focus on larger numbers of less complex systems, of which in some cases in-war new production could be possible. Assessments should be made of whether Russian forces will be equipped with Russian technology and the extent to which it will accept it needs to import defense systems from a more advanced economy (China).

Arguably, there will be some time to address these matters, as the Russian military and political leadership seems fated to emerge from its Ukrainian experience in a weakened and perhaps demoralized condition. A major effort of time-consuming Russian defense reform will be needed although not necessarily put in place for a while.

The Ukraine crisis must have reinforced UK recognition of the importance of NATO and the US forces for European defense, although such recognition was anyway never in doubt for most British defense thinkers. There is no way that, individually or collectively, European states could have provided weaponry to Ukraine on the scale of the United States.

However, UK official statements are yet to address what will eventually emerge as the post-war priority issue, which is what help will be available to assist the re-building of Ukraine's infrastructure and from whom. Here, there will be expectations on the European Union, with the UK likely to be outside the discussions, and perhaps less American interest in the issue.

NATIONAL DEFENSE TECHNOLOGICAL AND INDUSTRIAL BASE (NDTIB)

In previous conflicts involving UK forces, British defense industry has generated greater efforts to help.[118] However, the first few months of fighting in Ukraine left industry little chance directly to react. The materiel the UK sent to Ukraine was largely from the UK's limited stocks, especially of Javelin missiles bought previously from the United States, Swedish-designed NLAW anti-tank munitions which had been made under license by Thales in Belfast, and Brimstone missiles from MBDA. The UK has donated about 7,000 missiles to Ukraine, a figure representing about half the British stockpile, defense sources have told The Times. There has been some negative reaction about the time taken by the government to place replacement orders, with the most prominent being signed only in December 2022.[119]

Before the Ukraine conflict, successive British Governments had come to accept that the UK needed to sustain its own defense industrial capabilities if the UK was to enjoy operational independence and the freedom to use its forces as it saw fit, a freedom which the 2012 National Security Through Technology had described as the „essence of sovereignty." Thus, in terms of defense industrial stances, by 2022 the UK had the Complex Weapons Portfolio (from 2005), a National Shipbuilding Strategy (2017), a Combat Air Strategy (2018), a Defence and Security Industrial Strategy 2021, and a Land Industrial Strategy (2021).

However, government spending on defense research and development in real terms remained modest compared with levels at the end of the Cold War or even the beginning of the millennium. Spending on these categories together came to just over £1 billion in 2020/21.[120]

118 See Trevor Taylor, in Adrian
119 George Gryllis, The Times, 8 December 2022, British Army to replace Nlaw anti-tank weapons given to Ukraine | News | The Times
120 Ministry of Defence, MoD Departmental Resources: 2021, 24 February 2022.

COOPERATION

From a UK perspective, what are the most important cooperation formats and projects?

Collaborative Development Projects

- The most important collaborative development program for the UK is the Japan-Italy-UK Global Combat Air Programme.

- From 2012, France and the UK have been collaborating on the development of a Maritime Mine Counter-Measures system and expanded it to cover autonomous vessels in 2018. The MMCM is best viewed as a program of related projects rather than one project.

- The UK has been invited and has agreed to take part in the PESCO-framed European Mobility Programme[121]

In-Service European Collaborative Projects

- Typhoon is a long-established program which will be in-service (with improvements) for at least the next 13 years.

- The RAF operates a fleet of A.400M strategic and tactical airlift aircraft and has used them regularly for operational missions.

- UK missiles are procured predominantly through MBDA and include the Aster family of missiles used on the Type 45 and the SCALP/Storm Shadow long-range air-to-ground heavy missile.[122] The UK's Typhoons are equipped with the ASRAAM and Meteor air-to-air missiles from MBDA, both of which are collaborative efforts.

- France and the UK have collaboratively developed the Sea Venom, a helicopter-launched anti-ship missile coming into service 2021-2022. [123]

- Among land systems, the UK has re-joined the Boxer program as a full member, a development which has been accompanied by investments by Rheinmetall and Krauss-Maffei into the UK land industrial sector.

Continental Defense Industrial Investments

British defense industry includes multiple entities that have their beneficial ownership on the continent but which have established facilities in the UK that undertake research, development, production, and support activities. The most prominent names include:

- Leonardo: airborne radars, avionics including defensive aids, and helicopters

- Thales: including sonars, submarine equipment, defense electronics, and surface to air missiles

- Airbus: space, large aircraft including wing design and production, and information technology including cryptography

- Krauss-Maffei: bridging equipment and armored vehicle assembly

Some UK defense companies have invested in continental Europe: most prominently Rolls Royce which has bought MTU in Germany and BAE Systems which owns Hagglunds in Sweden. However, UK defense investments in the United States are on a much larger scale.

The UK has also embraced defense investments from other countries including the United States. Companies concerned include General Dynamics (armored vehicles and tactical communications), Lockheed Martin (armored vehicle technology), and Raytheon (defense electronics and bomb manufacture). GE Aviation have an established dual-use business and Leidos have noted ambitions. This list excludes US and other foreign companies that have entities in the UK that serve as marketing organizations and as bodies responsible for support functions on the equipment that has been bought from their home factories. Boeing falls into the latter category.

All this reflects the greater openness to external defense investment in the UK compared to the leading continental countries of France and Germany: In 2010, it was Germany that vetoed the merger of BAE Systems with EADS in 2012.[124] With three UK major sub-system providers having been bought by US entities in the post-Brexit period (Cobham, Meggitt, and Ultra Electronics (plus Frazer-Nash techni-

121 UK joins EU military mobility project – POLITICO
122 Joint complex weapons agreement with France as UK and French relations deepen - GOV.UK (www.gov.uk)
123 Joint complex weapons agreement with France as UK and French relations deepen - GOV.UK (www.gov.uk)
124 How Germany killed the merger of BAE and EADS – BBC News

cal consultants), this issue is becoming a matter of political sensitivity in the UK.

All this means that, when the major corporate suppliers of defense equipment to the US are listed, only four can be classed as fundamentally British: BAE Systems, Rolls Royce, Babcock International, and QinetiQ.[125]

Are there potential areas discussed for cooperation among governments/armed forces or on the industrial level?

The UK choice to leave the European Union coincided with a drive from the European Commission to increase its role in defense industrial development projects by promoting the European Defence Agency, establishing a fund for European defense research, and creating the European Defence Fund. With Brexit meaning the UK departure from the Galileo program, UK-European relations on equipment reached a low point. However, in 2023 there are reasons to hope for some recovery.

The UK has remained comfortable with cooperation among European militaries, especially when it can be linked to NATO missions or to European activities in which the United States is not interested.

The Ukraine crisis has brought home the value that the UK can bring to Europe's defense while the UK has been left in no doubt as to the centrality of Europe challenges for UK security. It is not enough for the UK to leave big European countries, not least France and Germany, to make choices without hearing a British voice.

The economic consequences of the Brexit choice are increasingly recognized as significantly negative in the UK, not least by the Bank of England[126] and the Office for Budget Responsibility. While an effort to negotiate a return to the EU is off the agenda and some Brexit fundamentalists have an obsession with 'sovereignty' (not being governed by EU rules), a public view that leaving the EU was a mistake is growing.[127] Politically there is a growing sense that a positive relationship with the EU is needed.

Defense cooperation with European states and perhaps with the EU will have more appeal in the UK if it can be convincingly presented as adding to regional security and does not appear to be driven by ambition in the Commission to enhance its involvement in the defense sector.

125 MOD trade, industry and contracts 2021 - GOV.UK (www.gov.uk)

126 The impact of Brexit on UK firms | Bank of England; Has Brexit affected the supply capacity of the economy? | Bank of England; Brexit is weighing on UK economy, Bank of England officials say | Reuters; Brexit analysis – Office for Budget Responsibility (obr.uk); Impact of Brexit on economy 'worse than Covid' – BBC News

127 Rejoin vs stay out: who has changed their mind about Brexit? – UK in a changing Europe (ukandeu.ac.uk)

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DGAP receives funding from the German Federal Foreign Office based on a resolution of the German Bundestag.

Publisher
Deutsche Gesellschaft für
Auswärtige Politik e.V.

ISSN 2198-5936

Editing Bettina Vestring

Layout Luise Rombach, Lara Bührer

Design Concept WeDo

Author picture(s) © DGAP