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## EUROPEAN UNION SECURITY AND DEFENCE TRANSFORMATION IN AN ERA OF GEOPOLITICAL CHANGE: STRATEGIC AUTONOMY, INNOVATION ECOSYSTEMS, AND SUSTAINABILITY

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*Received 25 March 2026; accepted 15 August 2026; published 30 September 2026*

**Abstract.** The European Union is undergoing a profound transformation of its security and defence policy in response to a changing geopolitical environment characterised by intensified strategic competition, geoeconomic fragmentation, technological rivalry, and the consequences of Russia's war against Ukraine. This article examines the principal drivers of this transformation and analyses the relationship between defence expenditure, defence-industrial development, strategic autonomy, and emerging mechanisms of collective defence governance. Employing a qualitative-quantitative analytical approach based on document analysis, comparative assessment, and secondary data analysis, the study argues that the current evolution of European defence reflects a broader adaptation to structural changes in the international system rather than a temporary response to a single crisis. The findings indicate that the effectiveness of rising defence expenditure depends on the ability of Member States to strengthen industrial capabilities, technological innovation, and collaborative procurement mechanisms. The analysis also highlights that security and defence influence the conditions for sustainable economic development, while defence investment contributes to innovation ecosystems, technological entrepreneurship, and the competitiveness of the European economy.

**Keywords:** European Union; security and defence; strategic autonomy; defence industrial base; innovation ecosystems; sustainable development

**Reference** to this paper should be made as follows: Martaus, T. 2026. European Union security and defence transformation in an era of geopolitical change: strategic autonomy, innovation ecosystems, and sustainability. *Entrepreneurship and Sustainability Issues*, 14(1), 423-435. <http://doi.org/10.9770/y9953349244>

**JEL Classifications:** F52, H56, L64, O19

**Additional disciplines:** Security, International Relations, Political Science

### 1. Introduction

The European security environment has undergone a profound transformation over the past decade (Ivančík & Andrassy, 2026a). Assumptions that shaped the post-Cold War order, including expectations of a relatively stable strategic environment, enduring transatlantic security guarantees, and the possibility of separating economic development from geopolitical competition, have come under growing strain (Biscop, 2021; Zwolski, 2025). Russia's full-scale invasion of Ukraine in 2022 accelerated trends that had already been reshaping the international system and exposed structural weaknesses in the European Union's approach to security and defence. As a result, debates once centred primarily on defence cooperation and military preparedness have expanded to encompass industrial capacity, technological competitiveness, economic resilience, and strategic autonomy (Ivančík & Andrassy, 2025; Guseinov, 2025; Ivančík & Dušek, 2026).

This shift reflects broader changes in the international environment (Barakat, 2025). Strategic competition among major powers, geoeconomic fragmentation, technological rivalry, supply-chain vulnerabilities, and the growing use of economic instruments for geopolitical purposes have blurred the traditional distinction between security and economic policy (Georgio, 2024). Under these conditions, access to critical technologies, industrial capabilities, strategic resources, and resilient supply chains has become an important determinant of security (Ivančík & Andrassy, 2026b). For the European Union, these developments have raised fundamental questions regarding the sustainability of a security model that relied heavily on economic interdependence, limited defence investment, and extensive dependence on external security providers.

The war in Ukraine exposed the practical consequences of these vulnerabilities (Johansson-Nogués & Leso, 2025). European governments encountered difficulties in replenishing military stockpiles, expanding defence production, and coordinating procurement efforts at a scale required by a prolonged high-intensity conflict (Simón, 2023). These challenges reflected not merely temporary resource shortages, but deeper structural weaknesses associated with fragmented defence markets, insufficient production capacity, and limited coordination in capability development (Hackett & Schreer, 2025). At the same time, uncertainty surrounding the future trajectory of transatlantic relations has intensified discussions concerning Europe's ability to assume greater responsibility for its own security.

The growing prominence of defence within European policymaking therefore represents more than a reaction to a single geopolitical shock. It reflects a broader adaptation to an international environment in which security depends to a rising extent on the interaction between military capabilities, industrial competitiveness, technological innovation, and economic resilience (Ivančík & Majchút, 2026). The rapid growth of defence expenditure, the emergence of new defence-industrial instruments, and efforts to strengthen common procurement indicate that the Union is seeking not only to enhance military preparedness but also to reduce strategic dependencies and strengthen the foundations of long-term security (Bran & Bălăşoiu, 2025).

Beyond their security implications, these developments also have important consequences for sustainable economic development and innovation-driven entrepreneurship. The strengthening of defence-industrial capabilities increasingly supports broader innovation ecosystems and technological development while a stable and secure environment remains a fundamental precondition for long-term economic sustainability, investment, and industrial competitiveness (Ivančík & Majchút, 2026).

Against this background, the article examines how contemporary geopolitical developments are reshaping European Union security and defence policy and assesses whether current efforts in defence spending, defence-industrial development, and collective capability building can contribute to strengthening the Union's strategic autonomy. It argues that the ongoing transformation of European defence should be understood as an adaptation to structural changes in the international system rather than solely as a response to the war in Ukraine. While higher defence expenditure constitutes a necessary condition for strengthening European capabilities, its strategic impact depends on the Union's ability to reduce institutional fragmentation, expand defence-industrial capability, foster technological innovation, support innovation-driven industrial ecosystems, and improve mechanisms of defence governance and procurement.

The article employs a qualitative-quantitative analytical approach combining document analysis, comparative assessment, and secondary data analysis. Drawing on data from European institutions, defence agencies, and international organisations, it examines the relationship between geopolitical change, defence investment, industrial capacity, and strategic autonomy. The analysis proceeds in three stages. First, it identifies the principal geopolitical drivers of Europe's defence transformation. Second, it examines the relationship between defence spending, industrial capacity, and strategic autonomy. Third, it analyses the role of common procurement and emerging governance mechanisms in shaping the future trajectory of European defence integration.

The theoretical framework combines insights from realist approaches to international relations, geoeconomic perspectives, and the growing literature on strategic autonomy and resilience. Together, these approaches provide a basis for analysing how geopolitical pressures influence defence-industrial adaptation and institutional change within the European Union.

## 2. Geopolitical Drivers of the EU Defence Transformation

The transformation of European Union security and defence policy is frequently interpreted as a direct consequence of Russia's full-scale invasion of Ukraine in 2022. Although the war accelerated political decision-making and heightened perceptions of insecurity across Europe, such an interpretation overlooks deeper structural forces that had already been reshaping the strategic environment. The current transformation of European defence reflects a broader adjustment to changes in the international system, while the war in Ukraine served primarily as a catalyst that exposed vulnerabilities accumulated over several decades (Ivančík & Andrassy, 2026a).

A central feature of this transformation has been the erosion of assumptions that underpinned the European security order after the Cold War. Reduced defence expenditure, expanding economic interdependence, and confidence in a relatively stable strategic environment encouraged European governments to prioritise economic integration over military preparedness (Biscop, 2021). Defence gradually lost political salience as large-scale interstate conflict appeared progressively less likely. This model delivered substantial economic benefits but also reduced incentives to maintain military readiness, defence-industrial capability, and long-term investment in collective defence capabilities.

The weakening of these assumptions reflects a broader shift in the distribution and exercise of power. Strategic competition among major powers has intensified, while technological leadership, control over critical resources, and resilience of supply chains have become major determinants of geopolitical influence (Georgio, 2024). Under these conditions, economic interdependence no longer functions solely as a source of stability; it may also generate strategic vulnerabilities. The growing overlap between economic security and national security has altered the strategic calculations of European governments and expanded the scope of defence policy beyond traditional military concerns (Ivančík & Andrassy, 2026b).

Russia's actions represent the most immediate manifestation of this changing environment. The annexation of Crimea in 2014 challenged the foundations of the European security order, while the invasion of Ukraine demonstrated that conventional interstate warfare remains a central instrument of power politics. The conflict not only exposed Europe's limited preparedness for prolonged high-intensity warfare but also revealed structural weaknesses within its defence-industrial base (Simón, 2023). Difficulties in replenishing ammunition stocks, replacing transferred equipment, and expanding production capacity highlighted a persistent gap between political ambitions and the material resources required to sustain them. The war revealed not merely a military threat but a broader problem of capability generation (Juncos & Pratt, 2025).

The strategic implications of these developments extend beyond Europe's eastern border. China's rise has accelerated the redistribution of economic and technological power at the global level, linking questions of competitiveness, innovation, industrial policy, and security more closely than at any point in recent decades. Although China does not constitute a direct military threat to the European Union comparable to Russia, its growing influence has reinforced concerns regarding technological dependence, access to critical raw materials, and the resilience of strategic sectors (Council of the European Union, 2022). Security policy can no longer be separated from the ability to sustain technological leadership and industrial competitiveness (European Defence Agency, 2021).

This geoeconomic dimension became particularly visible during the COVID-19 pandemic and the subsequent disruption caused by the war in Ukraine. Both crises exposed vulnerabilities associated with external dependencies and demonstrated how supply-chain disruptions can affect industrial production, economic stability, and security preparedness simultaneously (Tocci, 2022). As a consequence, resilience and strategic autonomy have moved from largely conceptual debates to practical policy objectives.

A further driver of European defence transformation stems from uncertainty regarding the future evolution of transatlantic relations. European security has long depended on a division of responsibilities in which the United States provided the majority of capabilities required for collective defence (Lippert & Mair, 2026; Maliutin & Perepelytsia, 2026). Yet changing strategic priorities in Washington and growing attention to the Indo-Pacific

have raised questions about the long-term sustainability of this arrangement (Tatsumi, 2025). The challenge is not the disappearance of the transatlantic partnership but the possibility that Europe may need to assume greater responsibility for its own security under conditions of constrained American engagement (Council of the European Union, 2022).

Taken together, these developments have broadened the meaning of security within the European Union. Defence is no longer understood exclusively in terms of deterrence and territorial protection (Hackett & Schreer, 2025). It now encompasses industrial capability, technological innovation, economic resilience, supply-chain security, and the ability to sustain production during periods of prolonged geopolitical tension (Hellberg, 2026). This shift explains why contemporary European defence initiatives place growing emphasis on industrial policy, technological development, common procurement, and strategic autonomy alongside traditional military capabilities.

The ongoing transformation of European defence should be understood as an adaptation to a geopolitical environment in which military power, economic resilience, technological capacity, and industrial competitiveness have become deeply interconnected (Ivančík & Andrassy, 2026b). Its long-term success will depend on whether the current sense of strategic urgency can be translated into durable institutional, financial, and industrial reforms capable of strengthening Europe's capacity to act under conditions of sustained geopolitical competition (Marek & Baun, 2026).

Table 1 summarises the principal geopolitical drivers behind the ongoing transformation of European Union defence policy and identifies their corresponding strategic implications. The table illustrates that the current transformation is shaped by the interaction of geopolitical, technological, economic, and security-related pressures rather than by any single event. Understanding these drivers is essential for explaining why defence spending, defence-industrial base, and Europe's capacity for independent action have become interconnected dimensions of European security policy.

**Table 1.** Geopolitical Drivers and Strategic Implications of the EU Defence Transformation.

| Driver                    | Main Impact on EU Defence                       |
|---------------------------|-------------------------------------------------|
| Russian aggression        | Military preparedness and deterrence            |
| Rise of China             | Technological competition and economic security |
| Geoeconomic fragmentation | Supply-chain resilience                         |
| Transatlantic uncertainty | Strategic autonomy and burden-sharing           |
| Technological rivalry     | Defence innovation and industrial modernisation |

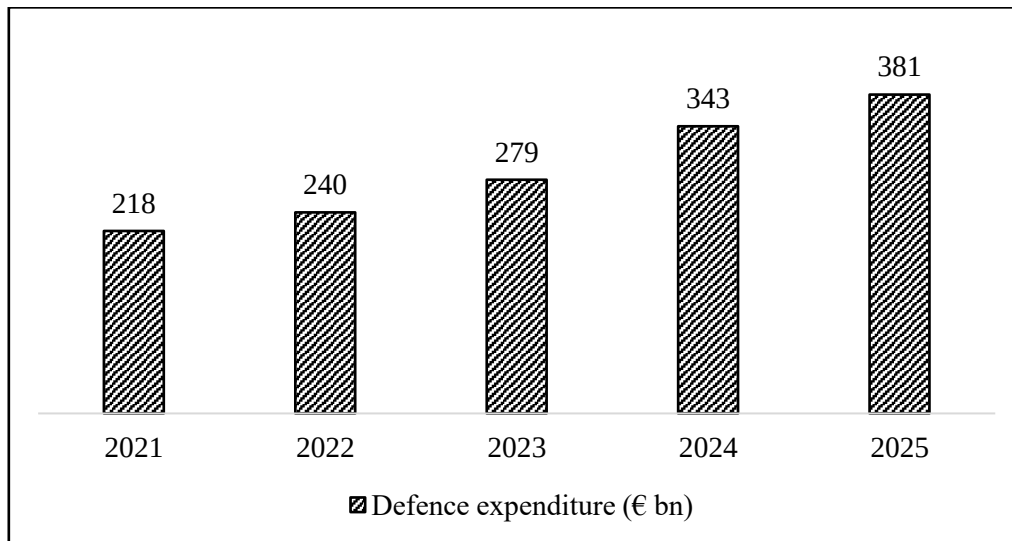
*Source:* Author's own elaboration based on the analysed literature and policy documents

### 3. Defence Spending, Industrial Capacity, and Strategic Autonomy

The transformation of the European security environment has been accompanied by an unprecedented increase in defence expenditure across the European Union. After decades during which defence budgets were constrained by competing fiscal priorities and relatively low threat perceptions, European governments have substantially revised their spending priorities (Ostanina, 2025). Yet the significance of this shift cannot be assessed solely through the volume of resources allocated to defence. A more important question concerns whether higher expenditure contributes to the development of sustainable military capabilities, technological competitiveness, and strategic autonomy (Vroege, 2023).

According to the European Defence Agency, total defence expenditure among the twenty-seven Member States reached approximately €343 billion in 2024 and is projected to rise to around €381 billion in 2025, compared with approximately €218 billion in 2021 (European Defence Agency, 2026). The scale of this increase reflects a profound reassessment of Europe's security environment and the growing recognition that military preparedness has once again become a central requirement of state security.

The evolution of European defence expenditure between 2021 and 2025, presented in Figure 1, provides quantitative evidence of this strategic reassessment. More importantly, it illustrates a broader shift in political priorities in which defence has re-emerged as a component of economic robustness, industrial preparedness, and long-term security planning.



**Figure 1.** Growth of EU Defence Expenditure (2021–2025)

*Source:* Author's own elaboration based on EDA, 2026

Rising expenditure alone, however, does not guarantee stronger defence capabilities. The principal challenge facing the European Union is not the availability of financial resources but the dispersion of defence investment across twenty-seven national systems characterised by different procurement cycles, industrial priorities, force structures, and strategic cultures (Vroege, 2023). Although Member States collectively spend more on defence than Russia and allocate resources comparable to other major military actors, fragmentation continues to limit the Union's ability to convert expenditure into coherent military capabilities (Ivančík & Andrassy, 2025). This challenge is reflected in procurement and capability development. Collaborative spending remains limited, while European armed forces continue to operate a wide range of platforms and weapons systems (Clapp, 2026). Such dispersed procurement structures increase acquisition and maintenance costs, reduces interoperability, and constrains economies of scale. The strategic consequence is a persistent gap between aggregate expenditure and collective capability generation.

Defence investment has emerged as a key instrument for addressing these shortcomings. In 2024, defence investment exceeded €106 billion and accounted for approximately 31 percent of total defence expenditure, the highest share recorded by the European Defence Agency (European Defence Agency, 2026). Expenditure on equipment procurement reached approximately €88 billion, while defence research and development spending rose to around €13 billion. These figures indicate that Member States are directing a growing share of resources towards long-term capability development, technological innovation, and military modernisation rather than solely increasing operational expenditure.

Table 2 summarises the principal investment, research, and innovation indicators associated with the current transformation of European defence. Beyond the growth of overall defence expenditure, the data highlight the increasing importance of defence investment, equipment procurement, and research and development activities.

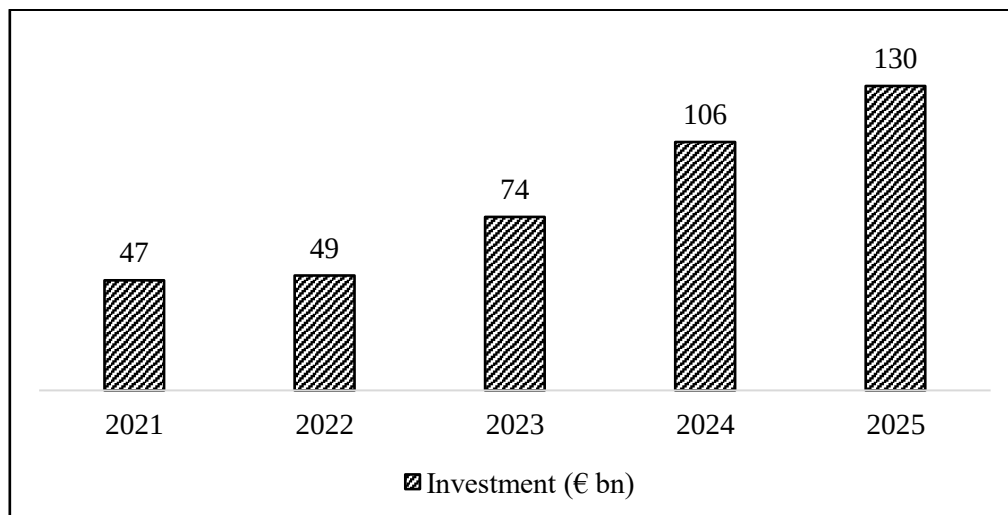
These indicators are particularly relevant because they capture the extent to which additional financial resources are being directed towards capability development, technological innovation, and the strengthening of the European Defence Technological and Industrial Base.

| Indicator                        | Value   |
|----------------------------------|---------|
| Total defence expenditure        | €343 bn |
| Defence investment               | €106 bn |
| Equipment procurement            | €88 bn  |
| Defence Research and Development | €13 bn  |
| Defence Research and Technology  | €5 bn   |

**Table 2.** EU Defence Investment, Research and Innovation Indicators

Source: Author's own elaboration based on EDA, 2026

While aggregate expenditure figures demonstrate the scale of Europe's financial commitment to defence, investment trends provide a more accurate indication of the long-term transformation taking place within the European security and defence sector. Figure 2 therefore illustrates the evolution of defence investment between 2021 and 2025. The rapid growth in investment expenditure is particularly significant because it suggests that Member States are directing a rising share of resources towards military modernisation, technological development, research and innovation, and the expansion of manufacturing capability. In the context of strategic autonomy, these developments are arguably more important than rising expenditure alone, as they strengthen the technological and industrial foundations upon which future European defence capabilities will depend.



**Figure 2.** Growth of EU Defence Investment (2021–2025)

Source: Author's own elaboration based on EDA, 2026

The trends presented in Figure 2 suggest that the quality and structure of defence spending may be more consequential for Europe's future strategic capacity than expenditure levels alone. Strategic autonomy is often discussed in political terms, yet its foundations are fundamentally economic and technological. States cannot sustain meaningful strategic autonomy without the industrial capacity required to produce critical equipment, the technological base necessary to support innovation, and supply chains capable of withstanding disruption during periods of crisis.

The war in Ukraine exposed the strategic implications of these dependencies. Replenishing ammunition stocks, replacing transferred equipment, and expanding production capacity proved far more difficult than anticipated (Marrone, 2024). In several sectors, industrial output was unable to keep pace with rapidly growing demand, revealing a gap between financial commitments and production capabilities (Hellberg & Lundmark, 2025). The conflict therefore demonstrated that the defence-industrial base constitutes a strategic asset rather than merely an economic sector.

This insight has broader implications. Contemporary military power depends not only on the quantity of available equipment but also on the capacity to sustain production, integrate emerging technologies, and adapt to changing operational requirements (Zagorodnyuk, 2026). Artificial intelligence, cyber capabilities, autonomous systems, advanced semiconductors, space technologies, and critical raw materials now shape both military effectiveness and economic competitiveness (Hellberg & Lundmark, 2025). Defence-industrial policy has consequently become inseparable from debates concerning technological sovereignty, industrial adaptability, and long-term competitiveness (European Commission, 2024).

Beyond its military significance, the strengthening of the European defence-industrial base also carries important implications for long-term economic sustainability. Sustainable development depends not only on environmental performance and social cohesion but also on the existence of secure institutional, economic, and technological foundations (Genini, 2025). Prolonged geopolitical instability, disrupted supply chains, and external strategic dependencies can undermine economic growth, investment certainty, and industrial development (Popov, 2025). From this perspective, security and defence should be viewed not as competing with sustainability, but as enabling conditions that support the resilience and continuity of sustainable economic development within increasingly uncertain geopolitical environments (Tocci, 2022; Batusaru & Sbârcea, 2023). The ongoing expansion of defence investment is also creating new opportunities for innovation-driven entrepreneurship. Emerging technologies increasingly shaping contemporary security—including artificial intelligence, cyber security solutions, autonomous systems, advanced sensors, and space applications—are frequently developed by specialised technology firms, start-ups, and dual-use innovators operating at the intersection of civilian and defence markets (Besch, 2023). Consequently, defence-industrial policy is becoming closely linked to broader innovation ecosystems that connect public investment, private entrepreneurship, research institutions, and technological commercialisation (Genini, 2025). In this regard, instruments supporting collaborative defence investment may generate effects extending beyond military capability development by stimulating technological innovation, industrial upgrading, and the emergence of new high-value entrepreneurial activities (European Defence Agency, 2021).

The pursuit of strategic flexibility nevertheless involves significant trade-offs. Immediate security requirements following the outbreak of war in Ukraine encouraged many European governments to prioritise rapid procurement over industrial-policy objectives (Genini, 2025). A substantial share of recent acquisitions has therefore been directed towards suppliers outside the European Union. While such decisions often reflect practical considerations related to availability and delivery speed, they also risk reinforcing external dependencies and slowing the development of the European Defence Technological and Industrial Base (Perotto, 2023).

This tension helps explain why recent European initiatives increasingly combine defence spending with industrial and technological policy instruments. Their objective is not simply to increase expenditure but to strengthen production capacity, stimulate innovation, support collaborative development programmes, and reduce critical dependencies (Popov, 2025). The capacity for independent action extends beyond military preparedness; it encompasses the industrial, technological, and economic foundations required to sustain European security under conditions of prolonged geopolitical competition.

Europe has entered a new phase of defence transformation characterised by sustained growth in both expenditure and investment. The strategic consequences of this shift will depend less on the absolute volume of resources available than on the effectiveness with which those resources are converted into technological innovation, industrial capacity, and operational capability. The opportunity created by higher defence spending is significant, but its long-term impact will depend on whether Member States can overcome persistent

coordination deficits and strengthen the foundations of a more resilient and autonomous European security architecture.

#### **4. Common Procurement, Defence Governance, and the Limits of European Defence Integration**

The rapid increase in defence expenditure across the European Union has intensified a longstanding question: how can national defence investments be transformed into collective military capabilities? The effectiveness of defence spending depends not only on the resources invested but also on the institutional mechanisms through which those resources are coordinated and translated into operational outcomes (European Council, 2025a). Fragmented procurement, overlapping capability-development programmes, and limited industrial integration have historically reduced the strategic return on European defence expenditure (European Commission, 2025). The current debate concerns not simply how much Europe spends on defence, but how effectively those resources are organised.

This challenge is rooted in the historical structure of the European defence market. Defence procurement has traditionally remained one of the most protected domains of national policymaking, reflecting concerns related to sovereignty, industrial development, employment, and technological control (Perotto, 2023; Mueller, 2025). While this approach helped preserve national defence-industrial capabilities, it also generated duplication, reduced interoperability, and limited economies of scale. As Europe's security environment deteriorated, the costs of market fragmentation became more visible (Johansson-Nogués & Leso, 2025).

The war in Ukraine exposed these limitations with particular clarity. European governments were required simultaneously to support Ukraine, replenish depleted stockpiles, modernise armed forces, and strengthen deterrence (Brezula, 2026). These demands revealed that fragmented procurement and production structures were poorly suited to addressing security challenges that exceeded national manufacturing capabilities. Cooperation in procurement consequently evolved from a desirable objective into a strategic necessity (European Council, 2025a).

The significance of recent European initiatives such as EDIRPA and SAFE lies less in their immediate financial value than in the logic that underpins them. Both initiatives reflect recognition that defence integration requires mechanisms capable of reducing capability fragmentation, encouraging collaborative procurement, and strengthening the European Defence Technological and Industrial Base (European Parliament and Council of the European Union, 2023). Their broader purpose is to address structural inefficiencies that have long limited the effectiveness of European defence spending and capability development.

This logic extends beyond procurement itself. European policymakers now regard industrial fragmentation as a strategic vulnerability because it constrains production capacity, weakens competitiveness, and limits the ability of industry to respond rapidly to changing security requirements. Common procurement is not merely a defence instrument; it also serves as a mechanism for industrial consolidation, technological development, and the creation of more robust production networks (European Commission, 2024; Andersson & Britz, 2025).

The growing importance of common financing reflects a similar shift in thinking. Defence integration cannot be achieved solely through political declarations or voluntary coordination if the costs of capability development exceed the financial capacity of individual states. Instruments such as SAFE, which provides access to large-scale financing for defence investment and procurement, indicate a gradual movement towards collective approaches to security financing (European External Action Service, 2026). More broadly, they reflect the growing recognition that security constitutes a collective European public good whose provision may require forms of collective financial responsibility.

These developments point towards the gradual emergence of new forms of defence governance within the European Union (Brøgger, 2025; European Council, 2025b). Security challenges associated with military coercion, cyber threats, technological competition, critical infrastructure vulnerabilities, and supply-chain disruptions frequently transcend national borders. As a result, pressures for greater coordination arise not

primarily from political ambitions for deeper integration but from the practical requirements of managing shared security risks (European External Action Service, 2026).

The development of common governance mechanisms nevertheless faces significant constraints. Defence remains closely associated with national sovereignty, and governments remain reluctant to relinquish control over procurement decisions, industrial priorities, and force-development strategies (Council of the European Union, 2022). Divergent strategic cultures and differing threat perceptions further complicate efforts to establish more integrated approaches. These factors help explain why institutional adaptation continues to progress more slowly than the changing security environment might require.

A further limitation arises from the tension between long-term autonomous capability generation and operational urgency. The need to strengthen military capabilities rapidly has often encouraged procurement from non-European suppliers capable of delivering equipment within shorter timeframes. Although such decisions may be justified by immediate security requirements, they may also reinforce external dependencies and slow the development of the European defence-industrial base (Bran & Bălăsoiu, 2025). The result is a persistent dilemma: measures that strengthen military readiness in the short term may complicate efforts to strengthen Europe's capability for independent action in the longer term.

The broader significance of contemporary European defence initiatives lies in their potential to reshape the institutional foundations of European security. Common procurement, collective financing, and defence-industrial cooperation represent attempts to reconcile national sovereignty with the practical necessity of collective action (Nemeth et al., 2025). Their success will depend not only on the availability of financial resources but also on the willingness of Member States to address the structural sources of institutional and industrial disunity that continue to limit Europe's capacity to generate collective capabilities.

European defence governance remains a work in progress. Nevertheless, recent developments suggest that defence integration is driven more by strategic necessity rather than political symbolism. The central question is no longer whether greater cooperation is desirable, but whether emerging governance and financing mechanisms can generate the level of industrial integration, technological innovation, and capability development required to sustain European security in an increasingly competitive international environment.

## Conclusion

The transformation of European Union security and defence policy represents one of the most significant strategic adjustments in the history of European integration. Although Russia's full-scale invasion of Ukraine accelerated political decision-making and exposed critical weaknesses in European military preparedness, the analysis presented in this article demonstrates that the origins of this transformation lie in broader structural changes within the international system. Intensifying geopolitical competition, technological rivalry, geoeconomic fragmentation, and uncertainty surrounding the future of transatlantic burden-sharing have collectively altered the conditions under which security is pursued and sustained. In alignment with the first phase of our analytical framework, these overarching geopolitical drivers demonstrate that the ongoing evolution of European defence is not a temporary response to a single isolated crisis, but a fundamental, long-term structural adaptation to a permanently altered global order.

The findings suggest that the current evolution of European defence should be understood not as a temporary response to a single crisis but as an adaptation to an environment in which military power, industrial capability, technological innovation, and economic security have become closely interconnected. Security is no longer determined solely by the size of armed forces or defence budgets. It also depends on the capacity to sustain production, secure critical technologies, maintain supply chains capable of withstanding disruption, and mobilize industrial resources during periods of prolonged geopolitical tension. Addressing the second phase of the analysis regarding the relationship between spending and autonomy, the study underscores that a quantitative increase in defence budgets is insufficient on its own. The strategic impact of these financial resources inherently depends on expanding the production capacity of the European Defence Technological and

Industrial Base, embedding defence policy within broader innovation ecosystems, and recognizing security as an enabling condition for sustainable economic development.

This challenge explains the growing importance of common procurement, defence-industrial cooperation, and collective financing mechanisms. Initiatives such as EDIRPA and SAFE indicate a gradual recognition that many of Europe's security challenges cannot be addressed effectively through purely national approaches. Their broader significance lies in their potential to improve the efficiency of defence investment, strengthen the European Defence Technological and Industrial Base, and reduce vulnerabilities arising from external dependencies. Focusing on the third phase of our framework, these emerging collective governance and common procurement mechanisms represent a shift toward structural, transnational risk management driven by strategic necessity rather than mere political symbolism. At the same time, significant obstacles continue to limit deeper integration. National sovereignty concerns, divergent strategic priorities, and the tension between short-term capability requirements and long-term industrial objectives remain important constraints. The pursuit of rapid military modernization has frequently encouraged procurement from non-European suppliers, illustrating the continuing difficulty of balancing immediate security needs with the objective of strengthening Europe's own technological and industrial foundations.

The future of European defence will depend less on the continued expansion of defence budgets than on the Union's ability to translate financial resources into industrial strength, technological advancement, innovation capacity, and operational effectiveness. Strategic autonomy should therefore be understood not as self-sufficiency or a substitute for transatlantic cooperation, but as the capacity to act, adapt, and sustain security under conditions of growing geopolitical uncertainty. The current period represents a critical juncture. The strategic pressures that emerged after 2022 have created a unique opportunity to address long-standing structural weaknesses within European defence. Whether this opportunity results in a more integrated and effective security architecture will depend on the willingness of Member States to overcome persistent coordination gaps, deepen cooperation, and align investment, industrial policy, innovation ecosystems, and capability development with the strategic realities of a rapidly changing international environment while supporting the long-term sustainability and competitiveness of the European economy.

The scientific novelty of these findings manifests in several interconnected dimensions that enrich the contemporary academic discourse. First, this study offers a holistic tri-sectoral integration by breaking down traditional academic silos, effectively demonstrating how industrial defence policy serves as a direct catalyst for dual-use technological entrepreneurship and economic resilience within modern innovation ecosystems. Second, the analysis reveals a critical structural paradox: the immediate operational urgency to secure external procurement directly undermines the long-term industrial foundations required for genuine strategic autonomy. Finally, the article advances the conceptualization of European defence integration by proving that the transition toward collective financing and common procurement is no longer an expression of normative or symbolic ambitions, but a functional, hybrid adaptation to transnational geoeconomic and geopolitical pressures.

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