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Unity or Fragmentation? European Defence Modernisation, Small-States' Strategies, and the EU Drone Wall

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Key points

- Europe's defence modernisation initiatives accelerated sharply after Russia's full-scale invasion of Ukraine in February 2022, driving significant increases in spending and new joint initiatives. However, the gap between technical integration and political cohesion remains the central obstacle to genuine European strategic autonomy, i.e. the capacity of European states to develop and sustain independent defence capabilities and act collectively without excessive reliance on external actors.
- Strategic autonomy is not a binary condition. In domains such as counter-uncrewed aerial systems, small frontline states are building genuine operational autonomy. In other domains such as strategic airlift, long-range strike, and space-based intelligence, dependence on the United States remains profound.
- Small states are not peripheral to EU strategic autonomy, but among its primary drivers, operating through operational pioneering, industrial enabling, and institutional shaping even when EU-wide consensus is absent.
- The EU Drone Wall illustrates both the potential and limits of coordinated European defence. Led by small frontline states, it shows how bilateral industrial partnerships can advance operational capability more rapidly than EU-wide institutional processes, but also how political divisions constrain integration.

Introduction

Europe's security environment changed fundamentally after Russia's full-scale invasion of Ukraine in February 2022. The return of large-scale interstate war to the continent exposed long-standing weaknesses in European military readiness, defence-industrial capacity, and supply chains.[1]

Defence spending increased sharply in response, and both NATO and the EU reoriented their policies towards meeting the full spectrum of contemporary strategic and military challenges. Above all, the war demonstrated the decisive importance of precise mass,[2] scale, speed, and resilience.

Yet the urgency of the post-2022 moment obscures a longer history. The questions now dominating European security debates – how much autonomy Europe should exercise from the United States, which institutions should coordinate capability development, and how states with divergent threat perceptions can find common ground – are not new.

The war demonstrated the decisive importance of precise mass, scale, speed, and resilience.

This Strategic Security Analysis examines what Europe's defence modernisation initiatives reveals about strategic autonomy and the growing role of small states.[3] It first traces the historical evolution of the European strategic autonomy (ESA) debate, then develops three models through which small states shape European defence – operational pioneering, industrial enabling, and institutional shaping – before testing them against the development of the EU Drone Wall as a diagnostic case study and setting out a path forward.

Background of European Strategic Autonomy

Strategic autonomy means different things to different actors. For France, it denotes geopolitical independence from the United States, for small frontline states that are historically sceptical of the concept as a French-led project potentially weakening NATO,[4] it means something narrower and more pragmatic – strengthening resilience[5] and reducing critical dependencies within NATO frameworks, not as an alternative to them.

Since the end of the Cold War, the EU and its member states have assembled an increasingly sophisticated architecture for collective defence and security action, yet at each critical moment, divergent national interests, asymmetric threat perceptions, and structural dependence on the United States have prevented that architecture from delivering genuine autonomy.

The St. Malo Declaration of 1998, agreed between France and the United Kingdom, affirmed that the EU should have "the capacity for autonomous action, backed up by credible military forces",[6] and gave political impetus to the launch of the European Security and Defence Policy (ESDP) at the Cologne European Council in 1999.[7] In parallel, in June 1996 NATO foreign ministers had already agreed to build up a European Security and Defence Identity (ESDI)[8] within NATO, with the aim of rebalancing roles and responsibilities between Europe and North America.[9]

The Berlin Plus agreements, formalised in March 2003, subsequently enabled the EU to draw on NATO assets for selected operations, but in practice, however, only with alliance consent and through US-controlled planning capabilities,[10] structurally embedding European dependence from the outset.[11]

The Treaty of Lisbon (2009) renamed the ESDP as the Common Security and Defence Policy (CSDP) and, under Articles 42.6 of the Treaty on EU and Protocol No. 10,[12] provided the legal basis for Permanent Structured

Cooperation (PESCO). The European Defence Agency (EDA), established in 2004, became the institutional backbone connecting national capability planning to EU-level ambition through its annual Coordinated Annual Review on Defence (CARD).[13]

PESCO was activated in 2017,[14] formally institutionalising the EU's most ambitious attempt to convert strategic autonomy from a political aspiration into a structured treaty-based defence cooperation framework, with 26 member[15] states and currently encompassing over 74 collaborative projects.[16] The 2016 EU Global Strategy made strategic autonomy explicit doctrine. The European Defence Fund (EDF), established in 2021,[17] finances cross-border industrial research and capability development.

The 2022 Strategic Compass[18] embedded strategic autonomy as EU defence doctrine, committed member states to a 5,000 strong rapid deployment capacity (which was fulfilled when the EU Rapid Deployment Capacity became fully operational in May 2025[19]) and recognised outer space as a strategic domain, prompting the EU Space Strategy for Security and Defence published in March 2023.[20] Yet its approach to outer space remained institutionally fragmented, because the European Space Agency operates under intergovernmental rather than EU rules, limiting the coherence of the EU's outer-space-defence posture.

This means that the pace of integration is determined not by the most threatened participant, but by the least willing one.

A further institutional development of significance was the appointment of Andrius Kubilius as the EU's first-ever commissioner for defence and space from December 2024, formally embedding defence industrial integration within the European Commission's mandate for the first time. Each of these represents genuine progress – but none has resolved the central problem.

This problem is not one of institutional architecture. It is that the EU's defence cooperation framework remains intergovernmental, requiring unanimity in key decisions, and embedded in an EU Council structure where a single member state can obstruct collective action. This means that the pace of integration is determined not by the most threatened participant, but by the least willing one. The result is a persistent gap: institutional infrastructure that exists on paper, capability development that proceeds in fragments, and political will that materialises only partially and temporarily, even under conditions of acute threat.

NATO's Defence Planning Process continues to drive capability convergence across Europe, but in ways that reinforce rather than reduce dependence on US enablers in strategic domains. The enduring pattern – Washington encouraging European burden sharing[21] while resisting initiatives perceived as duplicating NATO structures[22] – shaped both NATO and EU defence cooperation for three decades, but it has been fundamentally disrupted.

The Greenland crisis, in which the Trump administration pursued territorial claims over the autonomous Danish territory and threatened tariffs against European NATO allies, marked a qualitative rupture: for the first time, the challenge to European sovereignty came not from Russia, but from Washington itself. As Gregoire Roos[23] observed, this episode might not have ended in military crisis, but it had ended an illusion. This rupture is now the structural backdrop against which all current modernisation efforts must be assessed.

From Ukraine to Greenland: Europe's strategic turning points

Russia's full-scale invasion of Ukraine in February 2022 demonstrated both how much Europe depends on US intelligence, ammunition, missile defence, strategic airlift, and high-end military capabilities[24] and how limited Europe's independent capacity for large-scale military action remains. The Trump administration's signals about NATO commitment[25] have raised the cost of

that dependence to levels that even previously Atlanticist member states can no longer ignore.

In March 2026, France's President Macron outlined a concept of "forward deterrence"[26] that explicitly alluded to extending French nuclear deterrence to European allies – a signal that the parameters of European strategic autonomy are shifting more rapidly than its institutions.[27] Germany has historically prioritised NATO alignment and transatlantic interoperability, often constraining EU-led initiatives perceived as competing with alliance frameworks, although the post-2022 *Zeitenwende* and Chancellor Merz's recent signals suggest a meaningful openness to EU-level capability pooling.[28] Denmark's trajectory is equally instructive: it moved decisively following the Greenland crisis.[29]

The post-2022 strategic environment has produced a proliferation of new instruments and a step change in defence spending. EU member states allocated €343 billion to defence in 2024 – a 19% increase on 2023, with spending projected to reach €381 billion in 2025.[30] The ReArm Europe Plan/ Readiness 2030 seeks to unlock more than €800 billion for European defence readiness.[31]

The strategic moment is therefore simultaneously more favourable and more fragile than at any point in the post-Cold War period.

Additional instruments – the European Sky Shield Initiative,[32] the Military Mobility Package,[33] the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), and Act in Support of Ammunition Production (ASAP) address specific capability domains. At the Hague Summit in June 2025, European NATO allies committed to investing 5% of GDP annually[34] in defence- and security-related spending by 2035, the highest in NATO history. [35] The strategic moment is therefore simultaneously more favourable and more fragile than at any point in the post-Cold War period. The architecture exists; budgets are growing; the threat is unambiguous; and the Greenland crisis has narrowed – although not eliminated – the longstanding gap in political cohesion to act collectively based on shared threat assessments. Understanding where that cohesion has begun to form and through whom requires looking beyond the large EU/NATO member states. It is among small states that the most instructive patterns of agency have emerged.

How Small States Shape European Defence

Existing analyses of small-state behaviour in the European defence domain typically organise these states by their orientation toward or away from integration.[36] A more productive approach distinguishes small states by their primary instrument of agency, i.e. what they do to shape outcomes, and through which channels.

By definition, small states[37] face a structural power deficit, such that they cannot compete on mass or scale, and their credibility therefore depends on niche specialisation[38] in specific technologies, supply chains, or operational domains where their contribution cannot be easily replicated or substituted.

This paper proposes three models of agency that characterise small-state behaviour in the European defence domain.[39] **Operational pioneers** develop and demonstrate capabilities bilaterally before EU-wide consensus is achievable, creating facts on the ground that the EU framework subsequently scales and legitimises. **Industrial enablers** leverage supply-chain positions to become indispensable nodes in Europe's rearmament ecosystem, giving them structural influence that persists regardless of formal institutional status.

Institutional shapers use coalition building and agenda setting within EU and NATO[40] bodies to convert regional operational concerns into alliance-wide priorities. These modes are not mutually exclusive: the most influential small states combine all three, which is precisely why the Baltic-Nordic cluster has driven European defence innovation disproportionately to its aggregate size.

The three models correspond to established approaches in the small-state literature, particularly integration/hedging/neutrality typology[41] – but the critical distinction is one of mechanism over attitude. A hedging state can be a highly effective industrial enabler (Slovakia, Czechia); an integration-oriented state can be a leading institutional shaper (Estonia, Sweden); and a neutral state can contribute meaningfully as an industrial enabler without any collective defence commitment (Austria, Switzerland, Ireland, Malta). This framework asks not "how integrated is this state?" but "through what mechanism does it exercise influence?".

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EU neutral states – Austria, Malta, and Ireland – occupy a related but distinct position. They retain military neutrality,[42] but contribute to EU initiatives within their constitutional constraints.[43] Their involvement in the Drone Wall specifically is limited, and the initiative is driven by frontline NATO-aligned states with direct threat exposure, but their participation in broader EU defence frameworks demonstrates that the mechanism of selective engagement extends beyond collective defence commitments. Non-EU neutral states such as Switzerland similarly contribute to selected EU frameworks without committing to collective defence obligations. Switzerland participates in selected PESCO projects, including the Military Mobility Package and Cyber Ranges Federation.[44]

The EU Drone Wall: Small States' Operational Leadership in Practice

The Drone Wall initiative did not originate from a supranational directive, but emerged from the operational experience of frontline states. Above all, this refers to the Baltic countries, which observed in Ukraine the decisive and rapidly evolving role of drone warfare,[45] a shift driven by artificial intelligence (AI)-enabled autonomous systems already altering the terms of modern conflict.[46]

The initiative was subsequently incorporated into the European Commission's Defence Readiness Roadmap 2030, which included a European Drone Defence Initiative and the Eastern Flank Watch, with initial capability targeted for late 2026 and full functionality by the end of 2027.[47] In September 2025, the EU formally launched the initiative, commencing technical planning and capability gap assessment.[48]

Operational pioneering

Estonia and Latvia faced the most acute pressure: both share land borders with Russia and had documented drone incursions[49] in their own airspace, and neither could afford to wait for an EU framework to be formed. Lithuania and Poland have similarly accelerated national radar, sensor, and counter-drone procurement, confirming that frontline state timelines are running well ahead of EU institutional processes.[50]

These countries' response was to develop capability unilaterally first and use this working capability to claim a position of strength in subsequent multilateral negotiations. The mechanism was a memorandum of understanding between Defsecintel Solutions and Origin Robotics, signed in September

2025.[51] This was a bilateral industrial agreement sitting entirely outside EU procurement frameworks, requiring no European Council unanimity, no EDA coordination, and no EU Commission approval.[52] By the time the EU formally launched the Drone Wall initiative, Estonia and Latvia had become operational demonstrators seeking EU funding for a capability that already existed, not endorsement for a theoretical idea.

Finland and Sweden face equally serious threat exposure, but with more complex defence-industrial ecosystems and, in Sweden's case, a more recent NATO accession, as a result of which they operated on a slightly longer decision-making cycle. Their contribution was real and technically significant – electronic warfare expertise, drone detection technologies, and procurement standards advocacy.[53]

The contrast with the large NATO/EU member states is instructive. Germany, France, and Italy each brought procurement constituencies that activated the moment EU-level standardisation was proposed – slowing and distorting the original concept in ways the Baltic originating states had specifically sought to pre-empt by first building their capabilities. Where operational pioneers built the framework, industrial enablers sustained it.

Industrial enablers exercise influence through control of critical nodes in Europe's rearmament supply chain.

Industrial enabling

Industrial enablers exercise influence through control of critical nodes in Europe's rearmament supply chain. Slovakia and Czechia illustrate this most clearly. Both have leveraged EU instruments – Security Action for Europe (SAFE), the EDIRPA – to expand national munitions production while retaining full control over their industrial bases. The Czech-led European ammunition procurement initiative, which by May 2026 had supplied over one million artillery shells to Ukraine[54] through a coalition operating outside formal EU structures, is arguably the single most operationally decisive European defence contribution of the post-2022 period, achieved by a state willing to move rapidly within its own institutional space and coordinate laterally.[55]

Slovakia's contribution to the Drone Wall initiative confirms the same logic. Through EU SAFE-funded expansion of its munitions production capacity, Slovakia became an indispensable node in the supply chain sustaining the broader eastern flank defence effort. This constitutes a significant achievement, given that Prime Minister Fico's government has simultaneously maintained openly pro-Russia rhetorical positions, illustrating how industrial-enabler leverage can persist independently of a government's political orientation. Industrial commitments embedded in EU funding instruments are harder to reverse than electoral postures, and counter-drone system components are part of that supply chain. What makes Slovakia's role significant is not scale, but substitutability: key components produced within its defence-industrial base constitute a limiting factor in European ammunition production.[56]

Poland presents a more complex variant. Although neither a small state nor a great power, Poland plays an important role in shaping EU decisions vis-à-vis European strategic autonomy by building a coalition with like-minded small states.[57] Its procurement of US Patriot batteries and HIMARS systems reflects a deliberate choice to prioritise credible deterrence over European industrial solidarity.[58] Poland participates in PESCO and supports EU-level initiatives rhetorically, but its procurement decisions consistently favour interoperability with the United States over interdependence with European partners. This is a rational balancing calculus made by a state that borders both Russia and Belarus and cannot afford to wait for European industrial capacity to mature.

However, it is a calculus that runs directly against the logic of strategic autonomy as a decoupling project: every US system procured at scale embeds long-term dependencies in training, maintenance, and interoperability standards that will outlast the immediate threat environment.

The tension between bilateral urgency and multilateral legitimacy is precisely what institutional shapers resolve.

Institutional shaping

The Drone Wall's transformation from a bilateral Baltic initiative into a formal European Commission flagship project illustrates the institutional shaper model in its most effective form. Baltic and Nordic states leveraged EU intergovernmental structures where initiatives emerge from coalitions of states with shared priorities rather than from supranational directives, placing eastern flank security concerns on an agenda that larger, more distant states would otherwise have viewed differently. Because the framework is intergovernmental, states willing to move first can define the terms of the collective response.

The Drone Wall's frontline architects secured both political legitimacy and funding access that bilateral action alone could not have provided, precisely by using EU structures rather than working around them.

The Drone Wall's frontline architects secured both political legitimacy and funding access that bilateral action alone could not have provided, precisely by using EU structures rather than working around them. Once the European Commission adopts the initiative as a flagship programme, governance shifts from intergovernmental to supranational. The Baltic architects had deliberately engineered this transition, which marks the point at which institutional shaping succeeds: when an initiative outgrows the mechanism that created it.

Political divisions and NATO coordination

The clearest political constraint of the post-2022 period was the Hungarian veto, although its status changed decisively in 2026. Under Prime Minister Viktor Orbán, Budapest repeatedly exploited EU Council unanimity requirements to obstruct sanctions, procurement decisions, and financial support for Ukraine.[59]

The April 2026 election ended this pattern: Orbán conceded defeat after 16 years in power, and the pro-European government under Péter Magyar is reorienting Hungary toward the EU mainstream.[60] However, this reorientation remains in its early stages, and the government's policy trajectory has yet to be tested on key votes like sanctions renewal and financial support for Ukraine.

The Drone Wall has also exposed the political limits of EU defence cooperation. Frontline states view enhanced counter-uncrewed aerial systems (UAS) and radar integration as operationally urgent, given documented drone incidents in EU airspace.[61] Countries further from Russia's borders have pushed back on costs, technical feasibility, and the implications for national defence prerogatives, particularly regarding procurement standards and the question of EU versus national command arrangements.[62] Some larger member states have been reluctant to cede procurement decisions to an EU-level framework, preferring to retain national authority over standards and acquisition – a position that risks producing parallel, incompatible systems along different sections of the EU-Russia frontier.[63]

NATO coordination also shapes the project's operational context. Counter-drone efforts are pursued alongside NATO's Operation Eastern Sentry, launched in 2025 in response to Russian drone incursions, and any EU Drone Wall capability must interface with alliance command structures to be operationally effective. This dual institutional embedding of an EU framework for funding and coordination and a NATO framework for operational command

is not in itself a problem, but it adds procedural complexity and requires sustained political management to prevent the two frameworks from working at cross purposes.

In terms of ESA, NATO embeddedness is simultaneously an asset (interoperability with the most capable alliance) and a structural limit: European autonomous command authority over the Drone Wall remains constrained by NATO compatibility requirements, precisely the kind of dependency ESA is designed to reduce.

Does Small-State Behaviour Reinforce European Strategic Autonomy?

Operational pioneers reinforce ESA structurally. Industrial enablers reinforce ESA functionally. Institutional shapers reinforce ESA politically.

These constraints set the context for assessing whether, in aggregate, small-state behaviour has reinforced ESA. The Drone Wall case allows a direct answer to this question, differentiated by the models discussed earlier. Operational pioneers reinforce ESA structurally: by building working capabilities before EU procurement frameworks are ready, they create irreversible facts on the ground that subsequent EU programmes must accommodate, shifting technical authority towards the pioneer states.

Industrial enablers reinforce ESA functionally. Slovakia and Czechia's supply-chain positions sustain the eastern flank defence effort in ways that no EU-level procurement framework has yet been designed to replicate. Institutional shapers reinforce ESA politically: by converting bilateral operational achievements into EU-legitimised priorities, the Nordic-Baltic cluster is the mechanism through which small-state agency scales into alliance-level outcomes.

The unanimity constraint discussed above remains the key structural liability even after the post-Orbán reset. The net assessment is therefore cautiously affirmative, but domain specific. Small frontline states have generated genuine ESA in the counter-UAS domain – operational, industrial, and political. In domains requiring large-state coordination (strategic airlift, long-range strike, space-based intelligence), the structural advantages of small-state agency do not apply in the same way, and US dependence remains largely intact. Strategic autonomy is advancing not as a single condition, but as a patchwork of domain-specific capabilities, built by the states with the most to gain and the fewest interests to protect.

Path Forward

For ESA to advance beyond its current domain-specific gains, three structural conditions must hold.

Firstly, the "demonstrate and scale" process needs formal recognition within EU funding frameworks. This should be seen as distinct from PESCO, which requires member state commitments before any operational work begins, by granting EU funding recognition to capabilities frontline states have already built bilaterally. The European Commission's Defence Readiness Roadmap 2030[64] moves in this direction through its proposed Capability Coalitions mechanism, which explicitly builds on member-state-led initiatives and links them to EU funding instruments – precisely the model the Drone Wall pioneered.

Secondly, the political asymmetry between frontline and non-frontline states must be addressed structurally. States directly exposed to Russia's threat bear the operational cost of under-investment, but those geographically removed retain equal European Council voting weight while facing lower immediate risk. The Council should ensure that shared threat assessments through the CARD and NATO's Defence Planning Process should connect capability gaps on the eastern flank to funding obligations across all member states, reducing the scope for geographically distant states to treat frontier defence as someone else's responsibility.[65]

Thirdly, procurement dependencies on non-European suppliers must be deliberately reduced over time: the current pattern of major procurement flows to US firms enhances short-term deterrence while reinforcing the long-term structural vulnerabilities that strategic autonomy is meant to resolve.[66]

In domains where small-state agency cannot substitute for large-state coordination such as strategic airlift, long-range strike, and space-based intelligence, dedicated EU frameworks must incentivise France, Germany, and other large member states to function as primary drivers rather than secondary supporters of capability development.

When small states initially lead with operational clarity and industrial capability building and then seek EU legitimisation as a second or subsequent aim, the institutional machinery can follow and scale what they have built.

Conclusion

Europe's defence modernisation initiatives have produced genuine progress: higher spending, improved interoperability, expanded industrial cooperation, and new institutional frameworks. But they have not produced strategic autonomy in any comprehensive sense. The Drone Wall clarifies both what is achievable and what remains incomplete. When small states initially lead with operational clarity and industrial capability building and then seek EU legitimisation as a second or subsequent aim, the institutional machinery can follow and scale what they have built.

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