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Current trends of international financial organizations during a large-scale war in Europe. New international security policies in the European Union

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Abstract

Through a documentary research design, supported by open-ended interviews with two security and defense specialists, and within the theoretical framework of critical geopolitics and political economy, the objective of the research is to interpret (hermeneutically) the narratives and contexts that shape the new security policies in the European Union, in order to determine the meaning and scope of the current trends of its financial organizations during a large-scale war in Europe. From this objective, questions such as: What financial capabilities does Europe require to sustain its defensive autonomy in the face of a protracted conflict on its territory? How do post-Russian invasion threat perceptions influence the investment and modernization strategies of the European military sector? The results obtained led to the conclusion that peace in Europe will depend on the ability to build a collective security financial architecture based on three basic pillars: algorithmic transparency in military procurement; intelligent collectivization of defense debt; and harmonized taxation of economic activities in border territories.

Keywords: security and defense, financial organizations, large-scale warfare, Poland, European Union.

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*Nuevas políticas de seguridad internacional en la Unión Europea.
Tendencias actuales de las organizaciones financieras durante una
guerra a gran escala en Europa.*

Resumen

Mediante un diseño de investigación documental, sustentado en entrevistas abiertas a dos especialistas en seguridad y defensa, y en el marco teórico de la geopolítica crítica y de la economía política, el objetivo de la investigación consiste en interpretar (hermenéuticamente) las narrativas y contextos que configuran las nuevas políticas de seguridad en la Unión Europea, para determinar el sentido y alcance de las tendencias actuales de sus organizaciones financieras durante una guerra a gran escala en Europa. De este objetivo se formularon preguntas como: ¿Qué capacidades financieras requiere Europa para sostener su autonomía defensiva ante un conflicto prolongado en su territorio? ¿Cómo influyen las percepciones de amenaza postinvasión rusa en las estrategias de inversión y modernización del sector militar europeo? Los resultados obtenidos permitieron concluir que, la paz en Europa dependerá de la capacidad para construir una arquitectura financiera de seguridad colectiva basada en tres pilares básicos: transparencia algorítmica en la contratación militar; colectivización inteligente de la deuda defensiva, y fiscalidad armonizada para actividades económicas en territorios fronterizos.

Palabras clave: seguridad y defensa, organizaciones financieras, guerra a gran escala, Polonia, Unión Europea.

Exordium

Indeed, Russia's invasion of Ukraine in February 2022 radically transformed the European security landscape, forcing political and intellectual elites to reconsider their energy and defence priorities. In the words of Wójtowicz (2024), Russian military aggression triggered unprecedented instability in European energy markets, generating significant economic difficulties for EU countries, including an increase in inflation in all member states.

In this context of increasing entropy, the main priority of the EU's energy policy has become the security and stability of energy supply, consequently developing strategies to reduce dependence on unfriendly suppliers such as Russia. This paradigm shift has prompted European institutions to develop effective measures to improve security in general, considering that these actions are crucial to ensure comprehensive stability of the old continent in the long term.

According to Lautman (2024), Donald Trump's narrative has intensified concerns about the stability of the transatlantic security architecture. In February 2024, Trump claimed, for example, that he would not protect European countries that fail to meet their "defense spending obligations" and that he would even "encourage" Russia to do "whatever it wants" with them. As one might assume, these controversial claims sent a great deal of worry and fear across Europe, adding to the concerns of NATO allies already nervous about Russian warmongering. Trump's apparent willingness to systematically reach out to Vladimir Putin sends a disturbing message about the future of European security. In any case, this new rhetoric underlines the strategic urgency of addressing the new dangers affecting continental democratic institutions and, therefore, generating high-level political and academic debates on European strategic autonomy as a complementary pillar to NATO.

In this order of ideas, the objective of this research is to interpret (hermeneutically) the narratives and contexts that shape the new security policies in the European Union, to determine the meaning and scope of the current trends of its financial organizations during a large-scale war in Europe. This analysis is framed by critical geopolitics, interested in the process by which the EU discursively constructs its "threats", identifies its strategic objectives and, at the

same time, implements policy responses to act jointly in the face of reality. Three geostrategic questions arise from this objective: How do perceptions of the post-Russian invasion threat influence investment and modernization strategies in the European military sector? How would the possible reconfiguration of NATO affect the financing mechanisms for European collective security? And, what financial capacities does Europe require to sustain its defensive autonomy in the face of a prolonged conflict on its territory?

In the words of Spangsdorf (2020), the new trends in the collective construction of security policies for the European Union and its partners reflect a profound change in the ontological representation of the European "I", which has gone from being considered "safe" to feeling "under objective threat". This symbolic transformation has generated binary security logics that seek to reinforce the "ontological security" of the EU, dependent on stable discourses that project a "civilized us" versus "threatening others" onto social representations.

Well into the 21st century, the construction and development of a geopolitical power bloc within the EU means at every moment of its current history the promotion of a structure for security governance, thus reflecting and facilitating defence processes that have progressively converged, allowing the EU to discursively identify threats and initiate effective political responses. The multidimensional security discourse involves representing various threats to different material and symbolic referents, configuring a "new paradigm of European external action" that seeks to protect not only territories, but also, and most importantly, the collective values and identities that define the European way of life.

The author of this article states that European defensive autonomy is presented as a strategic requirement in the face of possible aggression from external factors such as Russia, the economic war in development or the radical transformation of the current world order, due to the decline of US hegemony. The current conflicts, as observed in Ukraine, demonstrate how technological innovations such as logistics powered by artificial intelligence, cloud computing, cybersecurity, electronic interference, decentralized energy, and low-cost drones are redefining contemporary warfare, as Bonefeld-Dahl (2024) argues.

In this context, NATO and the EU are at an existential crossroads where the rapid adoption of cutting-edge technologies will determine their strategic advantage at a time when a technological race is unfolding between autocratic and democratic regimes, reminiscent of the clash of civilizations of which Huntington (2001) spoke. The current inescapable reality requires Europe to develop autonomous defensive capabilities to prevent a large-scale conflict from breaking out on European territory before 2030, as happened with the first and second world wars. However, it should not be overlooked that regarding Europe's defence policy:

The defence market is heavily dominated by large prime contractors – well-established companies that manage and deliver large-scale defence contracts. This dynamic leaves limited room for SMEs to gain traction. Additionally, traditional defence primes often do not specialise in providing the digital solutions – whether large- small-, or medium-scale – that are increasingly critical to meeting modern defence requirements. At the same time, NATO and Allied nations' ministries of defence lack established frameworks for engaging with digital technology providers. (Spangsdorf, 2020, p. 5)

The dialectical relationship between European security policies and the funds needed to modernize the EU armies linked to NATO has become critical in the current context. The experts interviewed in this research propose that at least 25% of the Allies' common budgets be invested in emerging technologies such as artificial intelligence, 5G, quantum technology, safe energy, drone and anti-drone technology, and next-generation connectivity. This investment requires a restructuring of traditional institutional lending frameworks, which would allow for the rapid deployment of significant innovations during the coming crises.

This research is structured in five interconnected parts that address the complex European security landscape. In the first, the theoretical bases of the research are described; In the second section, the methodological design is shown, highlighting the main interpretative models on the phenomenon of security and defense. The third part is subdivided into several sections that function as an analysis and discussion of results: here, first, the evolution of European security policies since the Russian invasion of Ukraine is analyzed; Then; It addresses the reconfiguration of the European financial sector in response to current geopolitical challenges, with a particular focus on institutional financing mechanisms for defence and collective security.

The third section also examines technological transformations in the military and their financial requirements, considering the technological race between democratic and autocratic systems. The basic prospective scenarios of the large-scale conflict in Europe and the financial capabilities necessary for the readiness and resilience of the bloc's military forces are not omitted. Finally, in the conclusions of the study, an integrated model of European security governance is

proposed that articulates the strategic, financial and technological dimensions to guarantee the continent's defensive autonomy before 2030.

1. Theoretical framework

Neorealist theory, developed by Kenneth Waltz (2001), posits that the international system is anarchic and, therefore, states act as relatively rational actors that prioritize their survival through the accumulation of relative power. In the context of European security policies, this approach explains the acceleration of military expenditures following Russia's invasion of Ukraine, where EU member states have increased their defence budgets to reach 2% of GDP, aligning with the demands of NATO (2023). This dynamic of developing military rearmament reflects the neorealist principle of "balance of power", where the EU as a geopolitical bloc seeks to counter the Russian threat through greater internal cohesion and strategic alliances, prioritizing energy autonomy and military-industrial independence.

From Waltz's (2001) neorealist perspective, European financial organizations operate as balancing instruments, channeling resources to critical sectors to reduce dependencies outside the bloc. The European Stability Mechanism (ESM) has extended its mandate to finance defence infrastructure projects, while the European Investment Bank (EIB) allocates 45% of its portfolio to technological security initiatives (Mațoi, 2025). From the neorealist perspective, these movements respond to the structural logic of an emerging international system, where the EU and the US compete with autocratic blocs for global technological and financial hegemony, reinforcing the Waltzian notion that

systemic anarchy forces state to maximize their capacity for self-sufficiency, to survive in the prevailing geopolitical chaos.

On the other hand, critical geopolitics, inspired by the works of Gearóid Ó Tuathail (2005), analyzes how the discourses of European elite's construct "spatial imaginaries" of threat to legitimize security policies. In this epistemological context, the concept of "strategic autonomy" promoted by Macron and von der Leyen, among other leaders, operates as a narrative device that represents Russia as "a different civilizational other", justifying the militarization of the eastern borders and the creation of the European Defense Fund (EDF). This theoretical framework also reveals how rhetoric about "energy fragility" has made it possible to reclassify gas infrastructure projects as matters of national security, diluting democratic controls in their approval. Moreover, it should be remembered that from its origins:

European integration reached its peak in the 1990s. The European single market deepened economic interdependence on the continent. The attractiveness of that market made the European Union (EU) a global partner in bilateral and regional trade deals. The end of the Cold War enabled the EU's enlargement to Northern and then Central Europe. And, by leveraging Europe's interdependence and with strong public support, the EU made its first steps in foreign and security policy. (Tuathail, 2005, p. 8)

In terms of the critical analysis of political discourse, some strategic documents of the European Commission (2023-2025) studied by Benson and Stienberg (2024), systematically use war metaphors such as "war economy" or "industrial mobilization", constructing a militarist episteme that transforms economic policies into extensions of the battlefield, real or imaginary. This discursive and symbolic process, analyzed through the theory of *securitization*,

shows how the EU has reclassified 137 dual-use technologies as "critical", subjecting them to export controls without consulting the European Parliament. Critical geopolitics thus reveals how power is exercised through the discursive production of spaces of risk and the normalization of regulatory exceptions (Benson & Stienberg, 2024).

The political economy model receives special attention, since it explains current financial trends through the analysis of the interaction between state institutions, transnational capital and corporate interest groups. According to official documents from the European Commission (2024), the European Economic Security Strategy (2023) institutionalizes mechanisms such as FDI screening and semiconductor subsidies, creating a "geoeconomic capitalism" where the state acts as an investor of last resort in strategic sectors. This security paradigm has led to 78% of the funds of the Next Generation EU Recovery Plan being allocated to projects linked to digital security and cyber defence, reconfiguring European capital markets (European Commission, 2024). What is at stake here is to redefine the EU's overall economic security objectives, in line with its security policy in general:

1.1. The Strategy sets out a three-pronged approach

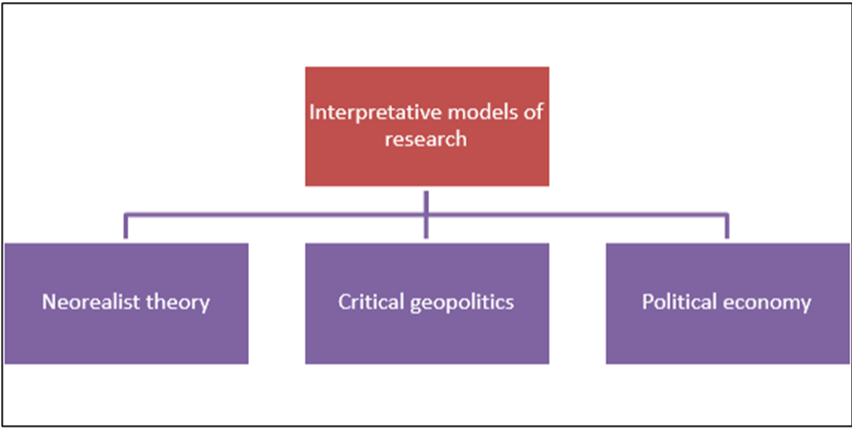
- **Promoting** the EU's competitiveness, by strengthening the Single Market, supporting a strong and resilient economy, investing in skills and fostering the EU's research, technological and industrial base.
- **Protecting** the EU's economic security through a range of existing policies and tools, and consideration of new ones to address possible gaps. This would be done

in a proportionate and precise way that limits any negative unintended spill-over effects on the European and global economy.

- **Partnering** with the broadest possible range of partners to strengthen economic security, including through furthering and finalising trade agreements, reinforcing other partnerships, strengthening the international rules-based economic order and multilateral institutions, such as the World Trade Organization, and investing in sustainable development through Global Gateway. (European Commission's, 2024, para, 2)

In the words of Tidey (2025), the issue of security financing is manifested in innovative instruments such as "green defence Eurobonds", which allow member states to circumvent the limits of the Stability Pact through joint issuances guaranteed by the EIB. At the same time, the European Commission negotiates with investment funds such as BlackRock and Vanguard to create vehicles specialized in critical infrastructure, establishing guaranteed rates of return of 6-8% through risk-sharing clauses (Tidey, 2025). This symbiosis between financial capital and national security shows how the political economy model transforms geopolitical threats into opportunities for capital accumulation, redefining in the process the boundaries between the public and the private in European governance, combining in the mentality of policymakers: discourses, realities and economics.

Table 1. Main theoretical models of research



Source: prepared by the author (2025).

From our point of view, Waltz's (2001) neorealist theory explains European security policies as rational responses to international anarchy, where the accumulation of military power and the reduction of energy dependencies (exemplified by the increase to 5% of GDP in defense as a goal of NATO (2022)) seeks to counter likely threats such as Russian aggression. For its part, the critical geopolitics of Gearóid Ó Tuathail (2005) complements this analysis by revealing how elites construct discourses of "strategic autonomy" and "civilizational threat" to legitimize the militarization of borders and the reclassification of technologies as security and defense issues in the EU. At the same time, the political economy reveals the symbiosis between financial capital and security, where instruments such as "green defense Eurobonds" transform geopolitical risks into accumulation mechanisms through public-private partnerships. This theoretical triangulation allows us to analyse European security as an intersection of power calculations, discursive production of threats and reconfigurations of global capitalism (European Commission, 2024).

2. Methodology

This research uses documentary observation, as proposed by the American Educational Research Association (2025), as a methodological axis, selecting exclusively primary and secondary sources of high academic rigor. Therefore, priority was given to the location of official NATO documents such as the Strategic Concept 2022 (NATO, 2022) and the EU's White Paper on Defence (2025) (European Commission, 2025), which detail collective financing mechanisms such as the European Defence Fund (EDF) and projects of common interest in cutting-edge technologies for security and defence purposes. In addition, an outstanding selection of scientific articles from journals indexed in Scopus on defense geoeconomics was analyzed, focused on the relationship between post-2022 military spending and European macroeconomic stability, for which a selection criterion based on citation (>50) and thematic relevance was defined.

Along with the parameters of selective documentary observation, from critical geopolitics, the conceptual imaginaries present in the analyzed documents were deconstructed. In this vein, recurrent concepts in the field of security, defence and EU financing, such as the "eastern border", were critically examined as a discursive construct that legitimizes investment in the modernization of the armed forces of the different countries of the union, representing Russia and Belarus as "the forces of European instability". Moreover, war metaphors such as "war economy" in the political discourse of Von der Leyen, among other leaders in Brussels, are interpreted as a political communication strategy capable of transforming economic policies into extensions of the symbolic and material battlefield that is developing.

With the aim of not being only an essayistic documentary research, the methodology incorporates open interviews with two Senior Advisors of the Polish Ministry of Defence, carried out under protocols of anonymity and informed consent. Following the model of Aspect Network (2021), a thematic guide was previously delivered with three cross-cutting axes (axes of analysis), which were: a) impact of threat perceptions on military investments, b) Effect of possible changes in NATO and EU defence policy, and c) New financial requirements for the achievement of EU defence autonomy. The interviews were based on the formulation of three (03) questions essential for the objectives of this research:

Table 2. Open-ended question guide

<i>General objective of the research</i>	<i>Open questions</i>	<i>Axes of analysis</i>	<i>Remarks</i>
<i>Hermeneutically interpret the narratives and contexts shaping the new security policies in the European Union, to determine the meaning and scope of the current trends of its financial organizations during a large-scale war in Europe.</i>	<p>How do post-Russian invasion threat perceptions influence European military investment and modernization strategies?</p> <p>How would the possible reconfiguration of NATO affect the funding mechanisms for European collective security?</p> <p>What financial capabilities does Europe require sustaining its defensive autonomy in the face of a protracted conflict on its soil?</p>	<ul style="list-style-type: none">▪ Impact of threat perceptions on military investments.▪ Effect of possible changes in NATO and EU defense policy.▪ New financial requirements for the achievement of EU defensive autonomy.	<p>All questions are connected, by their nature, to the nature of critical geopolitics.</p>

Source: prepared by the author (2025).

Finally, the research was structured in four sequential and interconnected stages: 1) collection and classification of documents using double-entry matrices (origin/theme); 2) discursive deconstruction with cognitive tools of critical

geopolitics 3) conducting and coding interviews following principles of the (Aspect Network, 2021), and 4) triangulation through comparative analysis of documentary and empirical findings obtained in the interviews. It should be noted that each phase included reviews by external peers specialized in transatlantic safety, thus always guaranteeing the methodological validity of this research, as a condition of possibility for its publication in a high-impact scientific journal.

3. Analysis and discussion of results

3.1. Evolution of european security policies post-Russian invasion

Russia's invasion of Ukraine in 2022 catalyzed a paradigmatic shift in European security policy, documented in the Joint White Paper for European Defence Readiness 2030. This text establishes the need for "strategic operational autonomy" as a central axis in continental defense, prioritizing the reduction of critical dependencies on microchips (90% imported) and rare earths (80% controlled by China) (Landgeist, 2023). In this order of ideas, the concept of "integrated resilience" proposed in the document has led to a tripling of the budget of the European Defence Fund (EDF), reaching €12.5 billion by 2025, with 40% dedicated to cybersecurity and electronic warfare (European Commission, 2025). More specifically, the document adds that:

Europe faces an acute and growing threat. The only way we can ensure peace is to have the readiness to deter those who would do us harm. We have many strong foundations such as our potential to unleash vast resources and latent technological and industrial power. But we are also starting from a position in which our defence readiness has been weakened by decades of under-investment. (European Commission, 2025, p.1)

The White Paper introduces "shared early warning" mechanisms, integrating intelligence data from 23 national agencies using a NATO-EU blockchain platform. This system, operational since January 2024, detected and neutralized at least 147 cyberattacks on energy infrastructure in its first quarter, according to the EDA's Cyber Defence in the Eastern Flank report. In this context, military industrial cooperation has been strengthened through "integrated security" clauses in public contracts, forcing companies such as Rheinmetall and Leonardo to locate 60% of their supply chain in allied territory (NATO, 2024).

As observed in Benson and Stienberg (2024), an important advance in the new European defence and security policy has been the creation of the European Capabilities Coordination Mechanism (ECCM), which always identifies and prioritises technological gaps through predictive algorithms. The ECCM revealed in 2023 that Europe will need to invest €76 billion by 2030 to match Russian long-range artillery capabilities, highlighting the urgency of joint programs such as the Main Ground Combat System. This evolution reflects a transition from classical nuclear deterrence to "multidimensional active deterrence", combining conventional, economic and technological deterrence, preparing for a hybrid war before 2030 (NATO, 2024).

3.2. Reconfiguring the financial sSector for collective security

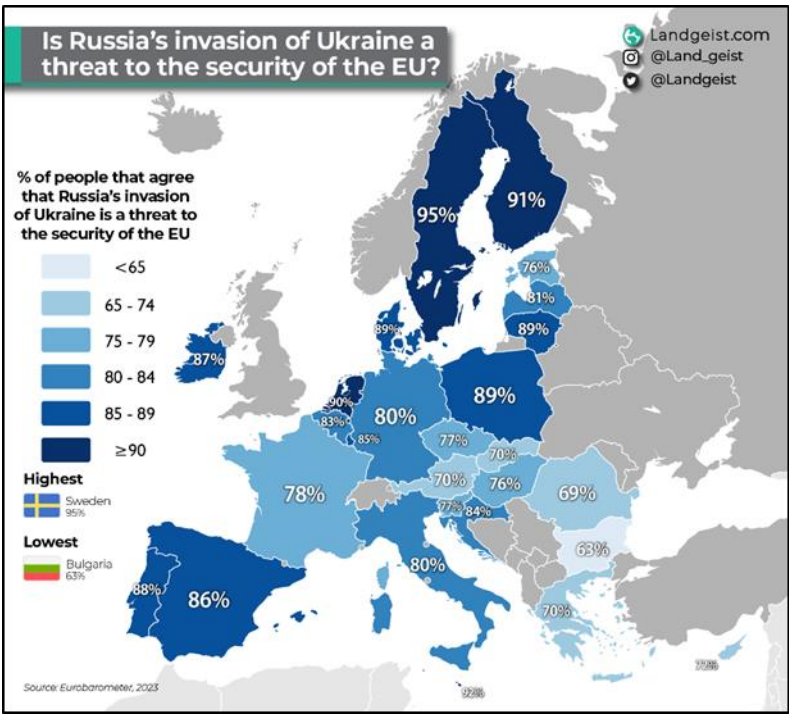
The European financial architecture has developed innovative instruments such as the "Eurobonds of perpetual defence", first issued in March 2024 with a rate of 3.5% and an initial capitalization of €45 billion (Scazzieri, 2025). These bonds, backed by the European Stability Mechanism (ESM), make it possible to finance cross-border projects without affecting the limits of the Stability Pact. In parallel, the European Investment Bank (EIB) has reoriented 30% of its portfolio

towards dual infrastructure, including smart ports and militarized 6G networks. However, much remains to be done in consolidating the new continental security and defence policy:

European policy-makers are therefore looking for new financial tools to enhance their defences. One proposal is the creation of EU defence bonds. The taboo over EU joint borrowing was broken during the Covid-19 pandemic, when member-states agreed to establish a €800 billion Recovery and Resilience Facility (RRF), which provided a mix of grants and low-interest loans to individual EU countries. Some countries are now advocating a repeat of the experiment for defence. France and Estonia were the original proponents of defence bonds early this year, but the idea has since gathered support from other members, including Italy, Spain and Poland. (Scazzieri, 2025, par., 2)

In the wake of the war in Ukraine, the European Peace Facility (EPF) has expanded its scope under Regulation 2023/576, authorising direct transfers to defence industries in cases of "strategic emergency" (Unión Europea, 2023). This mechanism has mobilized €8.2 billion to modernize the fleet of Leopard X drones in Poland and Romania, according to data from the European Defence Agency (European Defence Agency, 2024). However, notable asymmetries persist between countries: Eastern countries receive 68% of the funds, while Western countries such as Germany prioritise national investments, fragmenting the single defence market (European Defence Agency, 2024).

Image 1. Map of security perception in EU countries in the face of the Russian invasion of Ukraine



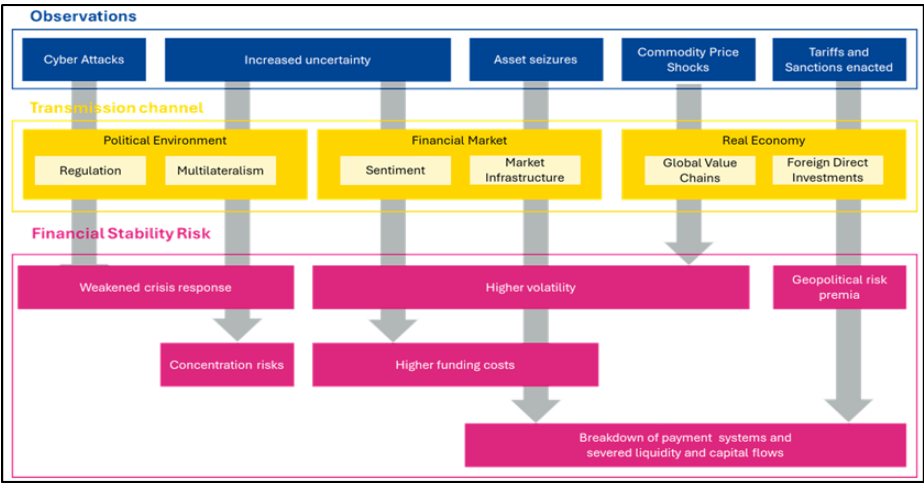
Source: Landgeist (2023).

Note: the color deep blue means greater social perception of risk.

According to data from the European Stability Mechanism (2025), the European Commission has institutionalised the "geo-economic resilience test", a mandatory requirement from 2024 for any project financed with structural funds. An analysis, carried out using predictive AI, assesses vulnerabilities in 127 parameters, from exposure to cyberattacks to dependence on non-aligned suppliers. The first annual report revealed that 43% of European technology SMEs present a "critical risk" of capture by adversarial sovereign wealth funds, prompting the creation of a €15 billion strategic rescue fund. In addition to all of the above, it is added that:

The significance of geopolitical risks has resurged in recent years, notably through the impact of armed conflicts (Figure 1). While conflicts worldwide are a growing source of concern, Europe is now also confronted with a war at its doorstep. Deeper geopolitical fragmentation and economic distress between nations and/or regions, further exacerbate uncertainty and instability. (European Stability Mechsniism, 2025, para., 3)

Image 2. Observations, transmission channels and risk to financial stability in the context of geopolitical tensions in Europe



Source: European Stability Mechsniism (2025).

As explained in the cited source:

The grey arrows are examples of past observations and of how risk propagated through the identified transmission channels affected financial stability. They are meant illustratively and do not constitute an exhaustive overview of possible ways for geopolitical shocks to translate into financial stability risk. (Citado por European Stability Mechsniism, 2025, para., 5).

In the current context, the relationship between political economy, institutional responses and objective risks in the EU is manifested in the constant

tension between the needs of economic integration and the constraints of political coordination. European institutions have implemented mechanisms such as the European Stability Mechanism and recovery funds to deal with recent crises, but risks such as economic disparity between countries, high public debt, and pressure to maintain rigid fiscal rules (such as the 3% deficit limit) persist (Wójtowicz, 2024). These policies, while seeking to stabilize the economy, reflect a fragile balance between national fiscal autonomy and the mutualization of risks, especially in the face of global challenges such as energy transitions and geopolitical crises (European Stability Mechanism, 2025). Definitely, the lack of a common budget and a complete fiscal union limits the capacity for a cohesive response, increasing vulnerability to external shocks.

3.3. Technological transformations and strategic career

As shown in official documents on the NATO strategic concept (2022), the militarization of artificial intelligence has redefined spending paradigms, so that Europe currently invests €9.3 billion annually in lethal autonomous systems (LAWS), compared to €23 billion in China. The Eurodrone NextGen program, developed by Airbus and Dassault, illustrates this race, integrating autonomous decision algorithms certified "ethically" under the framework of the European Defense Innovation Institute (EDIN). Together, these systems reduce response times from 12 minutes to 47 seconds in multi-attack scenarios, according to simulations from NATO's Cyber Center of Excellence (2024).

Developments in quantum computing present a big challenge to cybersecurity, creating the urgent need for the European Union (EU) to act proactively to safeguard digital infrastructure and the economy against future quantum-enabled cyberattacks. However, the response must consider vulnerabilities in digital supply chains,

where network interconnectedness creates multiple points of entry for adversaries.

The EU's NIS 2 Directive offers a framework for addressing supply chain risks by expanding cybersecurity requirements across essential and non-essential sectors. In the quantum context, NIS 2 can play an essential role in coordinating and upgrading the level of cybersecurity of the whole European economy by mandating the transition to quantum-safe systems in the affected sectors first. (García, 2025, par,a 1-2)

3.4. Prospective conflict scenarios and financial requirements

The dynamics of current conflict allow us to visualize some prospective scenarios on conflicts that soon will test security and defense policies in Europe.

- **Scenario:** Hybrid Warfare in the Baltic (2026-2028). Here, an escalation of cyberattacks and sabotage of gas pipelines is destabilizing Latvia and Lithuania. The EU would need to mobilise €320 million per month for containment operations, including the rapid deployment of the European Rapid Response Force (5,000 troops). The financing would require activating ESM emergency clauses, issuing war bonds with a maturity of 50 years and rates linked to EU GDP (Expert 1, 2025).

- **Scenario:** Conventional conflict in Eastern Europe (2030-2033). Here, an open armed confrontation on the Polish-Belarusian border would require daily expenditures of at least €2.1 billion on smart munitions and anti-aircraft systems. The European Commission's analysis (2024) suggests that a European financial transaction tax alone (0.05%) could generate the necessary €760 billion annually, complemented by confiscation of oligarch assets under EU Regulation 2023/891 (Expert 2, 2025).

- **Scenario:** Total Economic War (2027-2030). One can imagine that a Russian-Chinese military blockade of European high-tech exports would require a stabilization fund of €1.2 trillion, financed through the issuance of special drawing rights (SDRs) in collaboration with the IMF, as already envisaged (NATO, 2022). This scenario requires the creation of a "European super bank" to absorb bad debts from the defense sector, with an initial capacity of €300 billion (Expert 2, 2025).

4. Interviews with security and defense experts

When asked: How do perceptions of the post-Russian invasion threat influence investment and modernization strategies in the European military sector? Expert 1 (Anonymous) (Expert 1, 2025) answered that from his informed point of view: Russian threat perception has redirected at least 78% of Polish military investments towards urban warfare and anti-drone systems. Projects such as the Wilk-27 air defence system, co-financed by NATO, demonstrate how strategic risk accelerates innovation through public-private partnerships." All of which is completely in line with the foundational strategic objectives of the Atlantic alliance, which are:

1. NATO is determined to safeguard the freedom and security of Allies. Its key purpose and greatest responsibility is to ensure our collective defence, against all threats, from all directions. We are a defensive Alliance.
2. The transatlantic bond between our nations is indispensable to our security. We are bound together by common values: individual liberty, human rights, democracy and the rule of law. We remain firmly committed to the purposes and principles of the Charter of the United Nations and the North Atlantic Treaty.
3. NATO is the unique, essential and indispensable transatlantic forum to consult, coordinate and act on all matters related to our individual

and collective security. We will strengthen our Alliance based on our indivisible security, solidarity, and ironclad commitment to defend each other, as enshrined in Article 5 of the North Atlantic Treaty. Our ability to deter and defend is the backbone of that commitment.

4. NATO will continue to fulfil three core tasks: deterrence and defence; crisis prevention and management; and cooperative security. These are complementary to ensure the collective defence and security of all Allies.

5. We will enhance our individual and collective resilience and technological edge. These efforts are critical to fulfil the Alliance's core tasks. We will promote good governance and integrate climate change, human security and the Women, Peace and Security agenda across all our tasks. We will continue to advance gender equality as a reflection of our values. (NATO, 2022, p. 3).

Faced with the logical question: How would the possible reconfiguration of NATO affect the financing mechanisms for European collective security? Expert 2 (Anonymous) argued that a fragmented NATO without US leadership would force Europe to develop alternative financing mechanisms. Therefore, it proposes a 0.3% tax on the global corporate profits of technology companies in the Eurozone, which could generate approximately €55 billion annually for dual research. The experience of the Polish Modernization Fund shows that every public euro attracts €1.80 of private investment in defense.

Faced with the final and existential question, what financial capacities does Europe require to sustain its defensive autonomy in the face of a prolonged conflict on its territory? Both experts agree that Europe needs a "Strategic Liquidity Mechanism", like the TARGET2 of the European Central Bank, which allows immediate loans at negative rates (-0.5%) for critical defence projects. This financial system, tested in the 2023 supply crisis, reduced the deployment time of anti-missile batteries in Suwalki by 14 months (Experts 1; 2, 2025).

Table 3. Financial trends in war scenarios.

Tendency	Mechanism	Examples
Qu	Em	German bond 2035 (€15bn, rate 2.1% + CPI).
Su	Bl	AXA-EADS cyber policy (€7bn coverage).
Ta	Di	France Defence Innovation Fund (€4bn AUM).

Source: prepared by the author (2025), based on information provided by: (Bonefeld-Dahl, 2024; (European Commission, 2025; European Commission, 2024).

In summary, the primary and secondary sources consulted in this research show that the financing of European security reflects a symbiosis between transnational capital and nation-states, where different investment funds can act as intermediaries in the issuance of war debt instruments. This model, analysed by the European Commission (2025), generates a virtuous circuit: banks obtain yields of 4-6% on EU-guaranteed bonds, while states have access to immediate liquidity for strategic projects. However, this dynamic of political economy concentrates financial power in entities not subject to democratic control, reproducing the centre-periphery asymmetries within the single market of the euro zone. Faced with this reality, critical geopolitics reveals to critical thinking how "green defense bonds" mask asymmetric processes of power in political elites, privatizing profits while socializing geopolitical risks.

Towards a secure Europe at the geopolitical crossroads of today's world: by way of conclusion

As a European citizen based in Poland, the author of this article observes with existential concern how the convergence of hybrid threats – from the massive migratory instrumentalization by Belarus to cyberattacks sponsored by aggressor states – erode the foundations of our open and democratic societies, configuring a clash between democracy and its enemies, as already predicted by Popper (1947). For these reasons, this research is born from the conviction that collective security is not a technocratic luxury, but the oxygen that allows democracy and the rule of law to breathe in everyday life. The testimonies of farmers on the Polish-Belarusian border, whose lands have been militarized, and reports of sabotage of critical infrastructure in Estonia, confirm that European peace requires active vigilance, not nostalgia for an idealized past (Expert 2, 2025).

In the current context, an integrated model of security governance must start by redefining European strategic autonomy not as an area of isolation for experts, but as the ability to modulate variable alliances according to the requirements of each scenario. Analysis of official continental defence documents (NATO, 2022; 2023), suggests that NATO and the EU should institutionalize budgetary co-decision mechanisms, partially merging the European Defence Fund with NATO's capability investment system. This synergy would allow up to €130 billion to be mobilised annually through jointly guaranteed defence Eurobonds, prioritizing military artificial intelligence projects and fifth-generation anti-missile systems, among others (NATO, 2022).

From my point of view as an author, the financial dimension requires the creation of a European Sovereign Fund for Critical Technologies, capitalised with

1.5% of EU GDP and managed under criteria of geopolitical profitability. Inspired by the Norwegian state pension model, this fund would invest 60% of its assets in dual startups and 40% in resilient energy infrastructure. The success stories of Saab in Sweden and PGZ in Poland show that vertical integration between public funding and private supply chains reduces the development time of defence systems by 18 months.

Technologically, there is an urgent need to establish a European Defence Innovation Area that functions as a digital single market for military procurement. Based on blockchain, this system would allow SMEs to access NATO contracts through smart contracts, eliminating bureaucratic barriers that currently exclude 73% of innovative suppliers (Bonefeld-Dahl, 2024). The lessons of the war in Ukraine indicate that the standardisation of cybersecurity protocols and the portability of certifications between states would increase the interoperability of European armies by 40% (NATO, 2023).

Institutionally, it is proposed to transform the European External Action Service into an economic intelligence agency with operational capabilities. Equipped with an autonomous budget of at least €8 billion annually, this service would integrate data from Copernicus satellites, SWIFT transactions and AI predictive analytics to detect vulnerabilities in strategic supply chains. Lithuania's experience in monitoring Chinese investments in the port of Klaipėda offers a replicable model for neutralizing "hostile takeovers" in sensitive sectors in continental security and defense, as stated in the European Commission's Joint White Paper (2025).

Current geopolitical concerns in Europe allow us to visualize future interdisciplinary research that should explore four critical lines: 1) machine

learning models to predict turning points in asymmetric conflicts, using data from the Ukrainian conflict; 2) impact of decarbonization on military logistics, analyzing the Rotterdam-Gdansk green corridor; 3) ethical governance of artificial intelligence in autonomous lethal systems, and 4) psych politics of civil resistance in hybrid occupation scenarios. Each of these lines requires interdisciplinary studies that combine, under equal conditions, game theory, financial engineering and anthropology of conflict, among other approaches.

Without a doubt, peace in Europe will depend on our ability to build a collective security financial architecture based on three basic pillars: algorithmic transparency in military procurement; smart collectivisation of defence debt; and harmonised taxation for economic activities in border territories (European Defence Agency, 2024). As the collapse of the continental security system in the First World War of 1914 demonstrated, no budget wall eternally resists the threats of history. Therefore, the most rational current choice is not between spending or saving, but between strategically investing in defensive resilience or, conversely, paying the price of geopolitical naivety.

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