

Ukrainian
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Forum

Position Paper

ARSENALS AND ALLIANCES:

Unprecedented Focus on CEE in
the Face of Adversity

Sergiy Gerasymchuk
Viktoriiia Kravchyk



The geopolitical landscape of Central and Eastern Europe (CEE) has always been a tapestry of complex and dynamic interactions, influenced by its historical legacies, diverse cultures, and strategic geographical position. However, recent years have witnessed a profound shift in this landscape, marked by escalating tensions and transformative events that have not only reshaped regional alliances but also redefined global power structures. At the heart of these changes lies the Russian invasion of Ukraine in 2022, an event that has not only brought about a humanitarian crisis but also set in motion a reevaluation of security strategies, economic dependencies, and diplomatic alignments across the CEE region and beyond.



Paradoxically, the Russian war against Ukraine alongside the emerging threat has also opened a window of opportunity for the region of Central and Eastern Europe. Never since the end of the Cold War, had the region been so much in the focus of global attention.

Defence and Security Dimensions

The events of the past few years, particularly the escalated tensions and the Russian war against Ukraine have not only redefined security priorities but also reshaped military strategies and alliances within the CEE region.

Since February 2022, NATO allies have strengthened NATO's forward presence by creating multinational battlegroups in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and Slovakia. They have additionally deployed ships, aircraft, and personnel to NATO's eastern flank, spanning from the Baltic Sea in the north to the Black Sea in the south. Following Russia's full-scale invasion of Ukraine in February 2022, Allies reinforced¹ the existing battlegroups and agreed to establish four more multinational battlegroups in Bulgaria, Hungary, Romania and Slovakia.

As of December 2023, the eight battlegroups are composed of the following Allies:

Host Nation	Framework Nation	Contributing Nations
 Bulgaria	Italy	Albania, Greece, Montenegro, North Macedonia, Türkiye, and the United States
 Estonia	United Kingdom	France and Iceland

¹ https://www.nato.int/cps/en/natohq/topics_136388.htm

 Hungary	Hungary	Croatia, Italy, Türkiye, and the United States
 Latvia	Canada	Albania, Czechia, Iceland, Italy, Montenegro, North Macedonia, Poland, Slovakia, Slovenia, and Spain
 Lithuania	Germany	Belgium, Czechia, Luxembourg, the Netherlands, Norway, and the United States
 Poland	United States	Croatia, Romania, and the United Kingdom
 Romania	France	Belgium, Luxembourg, North Macedonia, Poland, Portugal, and the United States
 Slovakia	Czechia	Germany and Slovenia

Some of the states of the region already invest in regional and national capacities. One of the examples is Poland which invests a lot in the security domain. It was already spending 2.4% of GDP on defence by 2022, ranking third in NATO after the United States and Greece. Poland plans² to double its land forces to 300,000. Huge purchases from abroad include 366 Abrams tanks and 96 Apache helicopters from the United States; 980 K2 tanks and 648 self-propelled howitzers from South Korea; hundreds of US HIMARS rocket launchers; many more Patriot air defence systems; 22 UK-made air defence batteries and three UK-designed frigates; as well as 48 South Korean FA-50 combat aircraft from and 32 US F-35 aircraft, complementing its existing fleet of 48 F-16s. From 2021 to 2035, the state budget is expected³ to include \$154 billion on defence, with additional off-budget expenditures expected to reach up to \$75 billion between 2021 and 2027.

The role of Germany in the region's security has also become more prominent than ever. Russia's invasion of Ukraine also is prompting Germany to station a new armoured tank brigade in a Lithuanian area, which strategists see as being at risk of a

² <https://cepa.org/article/poland-becomes-a-defense-colossus/>

³ <https://sldinfo.com/2023/10/poland-after-the-elections-what-happens-next/>

Russian attack⁴. The German military-industrial complex, represented by companies like Rheinmetall, demonstrates significant influence in CEE. Rheinmetall's inauguration⁵ of its unit in Zalaegerszeg, Hungary in 2023, underscores this dominance. This facility, often named Europe's most advanced, symbolizes Germany's pivotal role in supplying military hardware to the region. With the production of the Lynx, an infantry fighting vehicle, Rheinmetall further solidifies its position as one of the key players shaping CEE's defense landscape. Moreover, in a bid to strengthen European defence collaboration, German Minister of Defense Pistorius advocates⁶ for adding a military component to the Weimar Triangle, an informal forum comprising Germany, France, and Poland. Such evolution will enhance Poland's role on both European and regional levels since Poland is also among the driving forces of regional alliances including the Bucharest Nine, the Three Seas Initiative and the Lublin Triangle.

The current and, more importantly, future broader role of the European Union in the region's security landscape is also necessary to consider. European anxiety regarding the Transatlantic ties may eventually prioritise European production of weapons and ammunition for rearming European armies and ensure European resilience in the case of further international turbulence. As the US shifts its focus towards the Indo-Pacific region, and Russia's escalation of arms production (in 2024, military expenditures should increase by 68% to roughly \$110 billion (6% of Russian GDP).) Europe may eventually conclude to enhance its security and defence capabilities independently. The proposal to introduce a commissioner on defense within the European Commission suggests a growing recognition of the need for enhanced defense cooperation within the EU. Ursula von der Leyen's endorsement⁷ of this idea at the Munich Security Conference indicates a shifting paradigm towards a more integrated defense strategy. This move aligns with von der Leyen's potential bid for a second term, signalling her commitment to strengthening the EU's defense capabilities if re-elected. That may eventually draw attention to the Central European producers and increase the chances for further investments into the respective domain. One of the examples of the success stories in this regard is Bulgarian weapons exports which have experienced a staggering surge of 200% in 2022⁸, coinciding with Russia's

⁴ <https://www.politico.eu/article/germany-strikes-deal-with-lithuania-on-its-first-permanent-foreign-troop-deployment/>

⁵ <https://defence-industry.eu/rheinmetall-opens-europes-most-advanced-plant-for-armoured-vehicles/>

⁶ <https://www.politico.eu/article/germany-strikes-deal-with-lithuania-on-its-first-permanent-foreign-troop-deployment/>

⁷ <https://www.euractiv.com/section/defence-and-security/news/eu-defence-commissioner-proposal-gains-traction/>

invasion of Ukraine. The value of Bulgaria's specialized weapons production reached €1.7 billion, equivalent to 2% of the nation's gross domestic product.

The military cooperation between CEE states and Ukraine is gaining momentum as well. The tech enterprise Rheinmetall and Ukraine's state-owned Ukrainian Defense Industry JSC (UDI, the former Ukroboronprom) have set up a joint venture company pioneering in this regard. Rheinmetall Ukrainian Defense Industry LLC has already been operating⁹ since 18 October 2023. It is jointly owned by Rheinmetall Landsysteme GmbH, with a 51% stake, and UDI, which holds the remaining 49%. The success of the established cooperation can pave the way to new partnerships among the Western producers and CEE states including Ukraine. It also creates fruitful ground for setting up local partnerships and weapons and launching new weapons and ammunition supply chains.

In conclusion, it does not matter whether Russia remains militarily aggressive or its war on Ukraine ends in an unstable territorial compromise. The need for rearming in the region may remain stable and the market demand will last for decades in terms of re-arming and strengthening the military capacities of the Eastern flank and partner countries. Moreover, having a stronger say on security issues may have a spill-over effect and ensure a stricter say of the CEE countries in broader European affairs. The era of farmers may come to its end opening the gate to the era of warriors and arms providers able to defend the stability of the region.

Strengthening Bonds: Mitigating Polarization and Populism in CEE Democracies

Proceeding with the joint security initiatives and launching weapons and ammunition production hubs can be a challenge due to the regional instability. In 2023, several countries in the region held crucial elections; in 2024, more are approaching them.

The parliamentary elections in **Poland** demonstrated further polarization of Polish society. In 2024 both local elections and European elections may fuel ultra-nationalist parties to have a stronger say in European and local affairs and to exploit polarized views of the society for seeding the pro-Russian narratives. The success of the respective parties may eventually weaken the coalition government and pave the way for the revanche of the Confederation political party allegedly aligned with the PiS. Another factor of instability is the growing tension between the newly appointed Prime Minister Donald Tusk and the President of Poland Andrzej Duda.

⁸ <https://bnnbreaking.com/breaking-news/bulgarias-arms-exports-skyrocket-by-200-amid-ukraine-conflict/>

⁹ <https://www.rheinmetall.com/en/media/news-watch/news/2023/10/2023-10-24-rheinmetall-ag-and-ukrainian-defense-industry-jsc-establish-joint-venture-in-kyiv>

However, Tusk's approval as Prime Minister by the Polish parliament increases the chances¹⁰ of fixing the relations with the European Union, unlocking nearly \$60 billion in funding frozen under Mr Morawiecki's government and creating a counterweight to countries pushing to limit assistance to Ukraine.

In **Romania**, the nationalistic right-wing Alliance for the Union of Romanians, AUR, has started a campaign to attract smaller nationalist parties, some with far-right leanings, ahead of the 2024 European, local and Parliamentary elections. AUR has already voiced¹¹ its set of slogans aimed at triumphing in the elections, promoting a nationalist, Euro-critical, and anti-NATO agenda, aligning with Moscow's corresponding narratives.

The mainstream ruling block PSD-PNL-UDMR allegedly remains able to counteract the growing power of the populists providing Romania with the chance to remain among the Transatlantic focal states in the Black Sea. According to recent opinion polls¹² and calculations the two ruling parties PSD and PNL could attain an outright majority following vote redistribution, which is done under Romanian legislation following parliamentary ballots. However, possible high results of AUR may cause the temptation of unexpected alliances and may result in further polarization of Romanian society.

Another factor that may propel political turmoil is the upcoming Presidential election in Romania in 2024. Fortunately, recent polls¹³ prove that NATO Deputy Secretary General Mircea Geoana is favoured to win next year's presidential election in Romania if he runs as an independent. In a recent poll¹⁴, Geoană, leads the race with 25.3%, followed by Prime Minister and social-democratic party Marcel Ciolacu with 19.5%, and George Simion (AUR), the Romanian far-right leader, with 18.7%. Other candidates' standings are as follows: Nicolae Ciucă (PNL) at 11.2%, Diana Șoșoacă (SOS Romania) at 10.1%, Cătălin Drulă (USR, PMP, FD) at 5.6%, Dacian Cioloș (REPER) at 4.1%, and Kelemen Hunor (UDMR) at 2.7%. 2.8% of voters have expressed support for another candidate.

¹⁰ <https://www.nytimes.com/2023/12/13/world/europe/donald-tusk-poland-eu.html>

¹¹ <https://balkaninsight.com/2023/11/15/romania-nationalists-euro-skeptics-to-unite-ahead-of-elections/>

¹² <https://www.reuters.com/world/europe/romanian-ruling-social-democrats-lead-surveys-ahead-election-year-2023-11-06/>

¹³ <https://www.bloomberg.com/news/articles/2023-10-02/nato-s-geoana-leads-race-for-romanian-presidency-poll-shows>

¹⁴ <https://www.euractiv.com/section/politics/news/nato-deputy-secretary-leads-romanian-election-race/>

If a pro-European and pro-Transatlantic candidate wins the election, he most likely would be able to balance the Romanian political system and prevent the state from leaning toward the Eurosceptic and pro-Russian camps.

Meanwhile, **Hungary** risks remaining in the position of a “spoiler”, bearing in mind the Eurosceptic positions of its leader Prime Minister Victor Orban and the lack of political opponents to his course. So far, his political party is an unquestioned frontrunner in the national polls¹⁵ (44 % of the support). However, even if such a scenario unfolds, it does not necessarily preclude Rheinmetall facilities in Hungary from contributing to the region's defense capabilities, potentially facilitating assistance to Ukraine from other countries.

Slovakia under the new Prime Minister Robert Fico tends to follow the Hungarian approach. Fico has said¹⁶ that he is not going to support “any sanctions” against Russia in the EU without assessing the effect of these sanctions on member states. Besides opposing EU sanctions against Russia Fico also opposes¹⁷ military aid donations to Ukraine and wants to block Ukraine from joining NATO. Moreover, Fico has propagated¹⁸ false Russian narratives, endorsing assertions that the conflict emerged in 2014 when Ukrainian “Nazis and fascists” threatened Russian inhabitants in Donbas and Luhansk. He has expressed his conviction that Russia will persist in retaining authority over Crimea and the presently occupied territories, notwithstanding numerous verified territorial advancements by Ukraine.

Contrary to the Hungarian case in Slovakia opposition remains strong. The recent protests in Slovakia against the fast-track criminal law changes that include scrapping a special prosecutor's office focused on corruption prove the ability of the opposition factions, including Progressive Slovakia, the Christian Democrats, and Freedom and Solidarity to perform as the watchdogs of democracy in the country.

So far, the President of Slovakia Zuzana Čaputová has made efforts to limit the power of the Prime Minister. In her opinion, the respective criminal law changes go against the rule of law. She noted¹⁹ that the European Commission also has expressed concerns that the measure is being rushed through. Indeed, the European

¹⁵ <https://www.politico.eu/europe-poll-of-polls/hungary/>

¹⁶ <https://www.pravda.com.ua/eng/news/2023/10/26/7425789/>

¹⁷ <https://apnews.com/article/czech-slovakia-ukraine-arms-aid-fico-c2d250479fdec3a38178dd5fbf331ada>

¹⁸ <https://english.nv.ua/nation/slovak-pm-fico-s-controversial-stance-on-ukraine-and-russia-sparks-debate-50363500.html>

¹⁹ <https://www.euronews.com/2023/12/13/thousands-rally-in-slovakia-to-condemn-the-government-plan-to-close-top-prosecutors-office>

Commission, which has clashed with EU members Poland and Hungary in the past over rule-of-law issues, has urged²⁰ Slovakia not to make hasty changes, a call joined by the United States.

Importantly, the upcoming 2024 elections in Slovakia are poised to play a crucial role in rebalancing the political landscape and potentially challenging the power dynamics led by Robert Fico. While Zuzana Čaputová won't bid for the next term, Peter Pellegrini (currently a Speaker of the Parliament of Slovakia and holder of the decisive vote in the coalition with Rober Fico) is currently the one²¹ to beat with 19% and 40% support in the first and second round respectively. Another promising candidate is Ivan Korčok, an experienced diplomat and former foreign minister. As in the case of Romania, a President may prevent the state from leaning to the Eurosceptic and pro-Russian camps.

Regardless of the outcome of the EU elections and elections in the CEE states, the emphasis on bolstering the security dimension remains paramount. This strategic focus not only promises stability but also presents opportunities for democracies with harmonious relations with Brussels. Crucially, access to European funds and the integration of defense initiatives into budgetary processes for the upcoming period could exert a significant influence on domestic policies. Even in politically unstable countries, the prospect of job creation and the expansion of the military-industrial sector, facilitated by such initiatives, may resonate strongly with the electorate. This confluence of economic incentives and security imperatives could foster greater cooperation and alignment with EU objectives, reinforcing the notion of a common European defense agenda with Ukraine being its integral part.

Joint Positions in the International Diplomatic Arena?

The foreign policies of CEE countries have mostly been characterised by diversity rather than uniformity. While there are instances of shared perspectives and collaborative actions, the individual national interests, historical contexts, and strategic priorities of each country play a significant role in shaping their respective foreign policy stances.

As of 2023, however, the trend towards aligning foreign policy lines among CEE countries appears to be emerging. The geopolitical landscape is reshaping the global economy, impacting CEE countries significantly. Rising geopolitical tensions and weakening global trade are two major shifts with profound implications for the region. Russian war in Ukraine, in particular, has triggered a massive shock to the

²⁰ <https://www.reuters.com/world/europe/slovaks-protest-against-governments-prosecution-reforms-2023-12-12/>

²¹ <https://www.chathamhouse.org/publications/the-world-today/2023-12/slovakias-presidential-vote-can-curb-fico-or-embolden-him>

global economy, affecting energy and food markets. CEE countries, due to their geographic proximity to the conflict, have been especially exposed. This situation has brought to light the need for these countries to strengthen resilience by deepening their ties within the European Union and the surrounding region. However, the extent to which these countries are moving towards more aligned foreign policy lines is varied and complex.

The complexity of moving towards closer aligned foreign policies can be demonstrated in the example of CEE-China relations. The collectiveness of Central and Eastern European countries' approaches towards China in 2023 is hard to evaluate, given the varying interests and geopolitical alignments within the region. However, several key trends and developments in regional governments' approaches to dealing with China can still be identified:

- **Geopolitical Tensions:** The main contributing factor to the worsening of relations with China is strongly linked with concerns over China's foreign policy actions, especially in light of the COVID-19 pandemic and China's stance on Russia's aggression in Ukraine. Russian war in Ukraine has heightened concerns over security and sovereignty among CEE countries. China's perceived support for Russia and its lack of a clear stance against Russian aggression has led to increased scepticism and caution in the CEE region regarding China's commitment to respecting territorial integrity and sovereignty.
- **Reassessment of the Economic Benefits of China-CEE Relationship:** The economic relationship under the 16+1 initiative initially promised increased Chinese investment and economic cooperation. However, over time, there has been growing disillusionment²² in the CEE region due to the perceived under-delivery of economic benefits from this initiative, resulting in various countries, including the Baltics, leaving the initiative. Additionally, concerns about China's economic practices, such as the tactics used against Lithuania following its engagement with Taiwan, have contributed to a cooling-off of relations.
- **Alignment with EU Policies:** The broader EU policy towards China, which increasingly sees²³ China as a "systemic rival" and "economic competitor," also impacts the CEE countries' approach(es). The main concern in the EU is the effects that strong economic ties have on economic security. Dependency on China is not completely foreign for CEE either: up to now, the scale of two-way

²² <https://www.9dashline.com/article/2023-the-future-of-cee-china-relations>

²³ <https://www.aljazeera.com/features/2023/6/28/china-in-focus-as-eu-leaders-prepare-for-key-summit>

investment between China and Central and Eastern European Countries has reached about \$20 billion²⁴.

While there is a general trend of re-evaluation within the CEE region regarding relations with China, individual countries exhibit differing stances. Despite the overall sentiment for caution, there is a considerable number of “engagers” in CEE governments. The Hungarian prime minister, for example, is committed²⁵ to even deepening ties with Beijing despite domestic concerns and warnings from other EU and NATO countries against Chinese presence in strategic sectors. This divergence underscores that while there is a collective shift, national interests significantly influence each country’s approach to China.

The **potential benefits** of a joint position among Central and Eastern European countries on the international stage are multifaceted and significant. In the context of current geopolitical events, particularly the Russian war in Ukraine, they include:

- **United Response to Security Threats:** The war in Ukraine has underscored the importance of regional security. As we argued above, a joint CEE stance could lead to a coordinated response to external threats, enhancing collective defense capabilities and sharing intelligence. This is especially relevant in the face of Russian aggression, where a unified position could demonstrate regional solidarity and deter further destabilization.
- **Strengthened Position in EU and NATO:** A cohesive CEE approach can strengthen the region’s influence within the EU and NATO, particularly in shaping policies related to the Eastern European security landscape. This could lead to more focused attention on the security needs and strategic interests of the CEE region.
- **Increased Clout in International Diplomacy:** By presenting a united front, CEE countries could wield more influence in international diplomatic efforts to help bring peace and justice to Ukraine and address broader regional security challenges. This could include mediating negotiations, strengthening a pro-Ukrainian voice in the Global South, and participating in international forums to advocate for regional interests.
- **Collaborative Approach to Post-War Reconstruction:** Looking towards the future, a joint CEE strategy could be vital in the post-war reconstruction of Ukraine. By pooling resources and expertise, CEE countries could play a

²⁴ http://www.china-ceec.org/eng/jmhz/202305/t20230512_11076446.htm#:~:text=So%20far%2C%20two-way%20investment%20between%20China%20and%20Central,in%20the%20first%20quarter%20of%202023%2C%20Li%20said.

²⁵ <https://chinaobservers.eu/orban-doubles-down-on-turning-hungary-into-a-regional-hub-of-chinese-influence/>

significant role in rebuilding efforts, contributing to regional stability and economic recovery.

Conclusions

The Central and Eastern European region remains a focal point for the global community due to its proximity to the war zone. NATO's bolstering of its capacities in the area, along with the region's articulation of common security priorities through mechanisms like the Bucharest 9, underscore its strategic importance.

The forthcoming prioritization of security issues by the EU, potentially including the establishment of a dedicated commissioner, signals new opportunities for the region.

Already, businesses like Rheinmetall are investing in the area, with further prospects expected if the EU supports military-industrial projects financially.

Addressing electoral upheavals in the region hinges on recognizing the benefits of fostering good relations with Brussels and supporting Ukraine, which could translate into defense projects, investments, and employment opportunities for CEE citizens.

Enhanced solidarity within the region and with the EU, alongside cooperation in regional formats like the Bucharest 9, the Three Seas Initiative, and the Weimar Triangle, can amplify the region's voice on the global stage, benefiting both the region and Ukraine.

However, Ukraine's survival and integration into CEE and the EU are crucial preconditions. Failure to achieve these goals, coupled with Russian aggression against Ukraine, may relegate the region to the periphery of EU, NATO, and global dynamics. Lack of solidarity could exacerbate regional instability, while CEE fragmentation could lead to stagnation. Hence, fostering unity and cooperation is imperative for the region's prosperity and relevance in international affairs.

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