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Position Paper

THE STRUGGLE FOR AGENCY:

Central Europe's Strategic Dilemmas and Opportunities

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UKRAINIAN PRISM: TEN YEARS OF EXPERTISE
INTERNATIONAL RENAISSANCE FOUNDATION
MOVING FORWARD TOGETHER

The Struggle for Agency: Central Europe's Strategic Dilemmas and Opportunities

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This publication was produced with the support of the European Union and the International Renaissance Foundation within the framework of the EU4USociety project. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the European Union and the International Renaissance Foundation.

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Introduction

The turbulence of the international system, the re-emergence of great power politics, and the geopolitical competition for Central and Eastern Europe present both challenges and opportunities for the region. The opportunities stem from national and regional advantages, as well as the ability to convert them into sources of influence. The challenges arise from disunity and a lack of regional solidarity, instability within national political systems, and societal polarization, which, combined with external pressure, may negatively impact the region's agency. Understanding the region’s strengths, assessing its potential in the current geopolitical landscape, and outlining a path toward greater agency, actorness, and solidarity may be of added value for the regional actors and serve as food for thought for the further discussion and elaboration of the plan for concrete steps in this regard.

The eight countries examined in this paper – Bulgaria, Romania, Moldova, the Czech Republic, Poland, Slovakia, Hungary, and Lithuania – each leverage distinct economic, military, and geopolitical strengths. Analyzing them across key domains may provide valuable insights into the region, its needs, and potential pathways for regional decision-makers.

Bulgaria

Although Bulgaria may not be geographically considered a Central European country, we include it in this study due to its role in shaping regional politics, key political developments that align with broader Central European trends, and its potential influence on European and Black Sea regional security.

Bulgaria has a **manufacturing-driven economy**, with industry (machinery, electronics, automotive parts, textiles) contributing about a quarter of GDP. Competitive labor costs and proximity to EU markets have attracted investments – for example, an EV battery gigafactory was recently announced in Stara Zagora. The **IT sector** is a rising star, accounting for over 3% of GDP and supported by a skilled workforce and vibrant start-up scene. Traditional sectors like agriculture (grains, vegetables, wine) and tourism (Black Sea resorts, ski areas) remain significant. Despite political instability and demographic decline, Bulgaria's strategic location as a crossroads between Europe and Asia is an asset for trade and logistics.

Besides, Bulgaria maintains a legacy **defense industry** specializing in Soviet-caliber arms and munitions. The war in Ukraine spurred a boom – arms exports in 2022 reached roughly €1.6–1.7 billion, a 200% increase from the prior year. This made Bulgaria one of the largest indirect suppliers of ammunition and equipment compatible with Ukraine's Soviet-era systems. Moreover, Bulgaria is a **leading producer of copper, gold, and lignite coal in Europe**, which bolsters its energy security and export revenues. In 2022, mineral output rose 8% to 126.6 million tonnes, worth €2.2 billion. Lignite coal fuels domestic power plants, and Bulgaria operates the Kozloduy nuclear power station, which along with renewables supplies ~37% of its electricity (the rest is fossil fuels).

Historically reliant on Russian gas, Bulgaria has diversified via a new Greece-Bulgaria pipeline and LNG imports, improving energy resilience.

A **growing tech and innovation ecosystem** underpins Bulgaria's future growth. The country ranks in the top 10 of Emerging Europe's IT competitiveness index, leveraging strong engineering talent. Sofia's tech scene has produced successful startups in fintech, AI, and gaming, supported by EU funds and incubators. Government efforts to digitize services and reduce red tape aim to further promote entrepreneurship.

The burgeoning automotive components sector (e.g. wiring harnesses, car batteries) is "living proof" of Bulgaria's ability to quickly develop competitive industries for European markets whereas its Black Sea ports and Danube River links make it a transit hub for trade between Europe, Turkey, and Asia. Plans to upgrade transport and digital infrastructure with EU support aim to capitalize on this transit potential.

Bulgaria participates in regional initiatives like the Three Seas Initiative to improve North–South infrastructure.

Romania

Romania possesses one of the largest and fastest-growing economies in the region. It benefits from a **large domestic market (~19 million people) and major agricultural output** (a top EU producer of wheat, corn, sunflower oil).

Industrially, it is highly diversified – from auto manufacturing to IT services – and enjoys **limited energy import dependence** thanks to local oil, gas, coal and even some uranium resources. These strengths, alongside cheap labor costs, make Romania well-integrated into European supply chains.

Notably, Romania's automotive sector hit record highs – in 2023 its Dacia and Ford plants produced over **513,000 vehicles** for export.

Strong exports and robust domestic consumption have driven steady GDP growth (~3% forecast in 2025), although high fiscal deficits pose a challenge.

In terms of **security** Romania is modernizing its military through major acquisitions (Patriot missiles, HIMARS, F-16s).

Historically a top 10 arms exporter during the Cold War, Romania's arms industry declined in the 1990s, but today local firms still produce infantry weapons, ammunition, and armored vehicle parts. The government's **"Army 2040"** program emphasizes local production – for example, assembling Piranha V armored carriers and planned joint ventures for air defense systems. Romania also hosts a U.S. **Aegis Ashore missile defense system**, underscoring its strategic role in NATO's Black Sea defense architecture.

New offshore gas projects are underway to further cut reliance on imports. The country also operates the **Cernavodă nuclear plant** (covering ~20% of electricity) and extensive hydroelectric dams, contributing to large-scale **renewable electricity generation**. This diverse energy mix cushioned Romania during Europe's gas crisis. Additionally, vast forests and mineral deposits (salt, copper, gold) provide raw material exports. Romania's resource wealth and refinery capacity make it an energy hub for Southeastern Europe, exporting petroleum products and electricity to neighbors.

Crucially, Bucharest produced **UiPath – a pioneer in robotic process automation – which became Romania's first tech "unicorn" and went public at a ~$20 billion valuation**. Romania now rivals Poland and Czechia as a CEE tech hub, with other success stories like

Bitdefender (global antivirus company) and **Elrond** (blockchain). To support innovation, the government offers R&D tax incentives and EU-funded incubators, though bureaucratic hurdles still occasionally slow entrepreneurs.

The country's geographic size and growing transport infrastructure (Constanța port on the Black Sea, Danube river shipping, new highways) position it as a logistics hub between Western Europe and the Black Sea/Caucasus region.

Romania maintains strong bilateral ties with Moldova (emphasizing shared culture and energy assistance) and has positioned itself as a Black Sea security advocate within NATO. In the EU, Romania's voice is significant on energy policy.

Republic of Moldova

Moldova is the smallest economy of this group, but it has niche strengths. It remains a predominantly **agricultural economy**, renowned for its wine, fruit, and sunflower production.

Low labor costs and special IT tax regimes have attracted outsourcing companies and startups to Chișinău, creating a small but vibrant innovation ecosystem. Furthermore, since 2014 Moldova has deepened trade integration with the EU through an Association Agreement and free trade deal, which, coupled with new free trade with EFTA (since 2023), gives Moldovan businesses preferential access to large markets.

A **new pipeline interconnector to Romania** now allows import of EU gas, reducing reliance on Gazprom. Likewise, grid links with Romania are being expanded to source electricity.

Several Moldovan startups in fintech, AI, and agritech have gained regional recognition, and the capital hosts accelerators and an annual startup week. While no Moldovan startup has reached unicorn status, the **talent pool** (often educated in Romania or EU) is a strength. The diaspora also plays a role – many Moldovan tech professionals abroad contribute back via mentorship or establishing local branches of foreign startups.

Moldova is a member of the EU's Eastern Partnership and has **deep relations with Romania**, which champions its EU integration and provides energy, economic, and cultural support.

Czech Republic (Czechia)

The Czech Republic boasts a **highly developed, export-oriented economy** and one of the highest GDP per capita in Central Europe. It is a manufacturing powerhouse – in 2023 Czechia produced nearly **1.4 million passenger vehicles**, returning to pre-crisis record levels. Major global automakers (Škoda/Volkswagen, Hyundai, Toyota) have plants there, making Czechia the **7th largest car producer in the EU** and the world's leader in per-capita car output.

Beyond automotive, its economy is diversified across machinery, electronics, chemicals, and brewing. A tradition of engineering excellence (dating back to the First Republic) underpins its industrial base. Competitive advantages include a skilled workforce, central location, and deep integration with Germany – **over 30% of Czech exports go to Germany**, tying it closely to Europe's largest economy.

Also, Czechia has a **strong defense industry** relative to its size, with a legacy of arms manufacturing from the Czechoslovak era. In recent years, defense exports have surged – **arms exports reached $2.6 billion in 2023, double the 2022 figure** – fueled by high demand for ammunition, howitzers, and armored vehicles (much of it to European partners and Ukraine). Key companies include **Czechoslovak Group (CSG)**, which has become one of Europe's major arms suppliers (its sales jumped 100%+, supplying Ukraine and others), and **Colt CZ Group**, a global small arms manufacturer (owner of Colt and CZ firearms, with 40% of sales in the US). The Czech defense sector produces everything from small arms (pistols, rifles) and ammunition to trucks (Tatra heavy trucks) and aircraft. As the **first country to send tanks and heavy weapons to Ukraine in 2022**, Czechia gained geopolitical clout and concurrently bolstered its defense firms through government-supported contracts.

The country also has modest uranium deposits and was once a uranium mining leader. Today, Czechia's energy strengths lie in its **nuclear power** (the Temelín and Dukovany nuclear plants produce about one-third of electricity) and its central position in Europe's gas network. Czechia has invested in pipeline interconnections with Germany and LNG routes via Poland to ensure supply diversity. Electricity interconnection with neighbors is strong, and the nation often exports surplus power.

Besides, Czechia is home to a **thriving innovation ecosystem**, particularly in Prague and Brno. It has a high concentration of STEM graduates and R&D centers (including top technical universities). The country gave rise to globally known tech firms such as **Avast and**

AVG (cybersecurity), which later merged into a multi-billion dollar company. It also has a robust video game development scene (e.g., Bohemia Interactive). According to Reuters, by 2022 **Czechia (and Poland) had established themselves as regional hubs for tech entrepreneurs**, outpacing some peers. Dozens of incubators and an active venture capital community support startups in AI, biotech, and fintech. Government support (innovation subsidies, CzechInvest programs) and EU research funds further bolster R&D. However, one constraint is that many Czech startups aim for acquisition rather than scaling into "unicorns." Even so, Czechia's consistent patent output and high **Economic Complexity Index ranking (21st globally)** reflect its strong innovative capacity.

Supply chain resilience initiatives (like shifting some production from Asia to Europe) have seen Czechia benefit from "nearshoring" due to its reliability and skilled labor. One example is the high-value **automotive design and testing** work done in-country for global carmakers, not just assembly.

Poland

Poland is the **largest economy in Central & Eastern Europe**, and the **6th largest in the EU**, accounting for about 4.4% of the EU's total GDP. It has enjoyed over 25 years of steady growth, even **avoiding the 2008–2010 recession entirely**, thanks to strong fundamentals. Poland's economy is powered by **robust domestic consumption and exports**. Key industries include automotive and machinery manufacturing, chemicals, shipbuilding, food processing, and an increasingly large services sector (finance and business services in Warsaw, IT outsourcing in hubs like Kraków and Wrocław). With ~38 million people, Poland's large internal market attracts investors, while its relatively low labor costs (and skilled workforce) make it a favored location for factories. For example, Poland has become a **major automotive producer and parts supplier** – over 600,000 vehicles are made annually by companies like Fiat/Stellantis, Volkswagen, and Toyota, and Polish factories produce engines, buses, and heavy trucks for export. It is also one of Europe's largest **coal and copper producers** (KGHM Polska Miedź is one of the world's top copper and silver miners). Poland's **economic resilience and size give it significant clout** in EU decision-making on budgets and trade. As of 2024, after a brief slowdown, Poland's GDP growth is projected to rebound to ~3% in 2025 on the back of rising private consumption and EU-funded investments.

Poland has rapidly become a **defense leader in Europe**, driven by security concerns. It now spends a higher proportion of GDP on defense than any NATO country – **4.1% of GDP in 2023, rising to 4.7% in 2024**. This is financing an unprecedented military modernization: Poland is purchasing state-of-the-art tanks (Abrams from the US, K2 from South Korea), fighter jets (F-35s), attack helicopters, air defenses (Patriot batteries), and more, while expanding the army to **300,000 troops**.

Alongside imports, Poland is investing in its **domestic defense industry**. The state-owned PGZ group and private firms produce equipment like the **KRAB self-propelled howitzer** (combat-proven in Ukraine), **Rosomak armored vehicles**, **Piorun MANPADS** (man-portable air defense) and **Grot rifles**, and they are partnering with foreign firms to manufacture **K2PL tanks and K9 howitzers** locally in coming years. Polish companies are also innovators in drones and electronics.

Poland is also rich in minerals like **copper and silver** – the mining company KGHM is a global top-10 copper producer and the **world's second-largest silver producer** by volume.

In oil and gas, Poland's own reserves are modest, but it has aggressively pursued energy security: it built the **Świnoujście LNG terminal** (operational since 2016, recently expanded) to import liquefied gas, and in late 2022 opened the **Baltic Pipe** linking to Norway's gas fields, ending decades of reliance on Russian gas.

The country also has a large refining sector (Orlen's refineries) and imports oil from diverse sources via the Gdańsk port. Looking ahead, Poland is investing in **nuclear energy** (plans for 6-9 GW by 2035 with US and Korean help) and renewables (offshore wind in the Baltic Sea, solar farms) to transition away from coal and meet EU climate goals.

Besides, Poland features one of Central Europe's most dynamic startup and tech ecosystems. It is home to **multiple "unicorns" (startups valued over $1 billion)** – in fact, Poland has *the highest number of unicorns in the region*, including e-commerce platform **Allegro**, parcel locker firm **InPost**, game developer **CD Projekt**, HR tech **Pracuj**, gaming studio **Techland**, and most recently the AI voice startup **ElevenLabs**.

Its strategic location bridging Western Europe, the Baltics, and Ukraine is exploited by a modern logistics industry (Poland's freight companies are among Europe's largest). Over 75% of Polish exports go to the EU, with **Germany alone accounting for 27%** of exports and 22% of imports.

Supply chain resilience initiatives post-pandemic have further benefited Poland, as firms look to "nearshore" production from Asia to the EU – for instance, Poland has attracted large **electric vehicle battery factories** (LG Chem opened Europe's largest EV battery plant in Poland, and more are planned), making it a crucial link in Europe's EV supply chain. Additionally, Poland's own multinationals (like clothing retailer LPP or bus-maker Solaris) contribute to global value chains.

Poland spearheaded regional defense cooperation (forming the **Bucharest Nine** with other Eastern allies) and consistently urges stronger NATO postures; it hosts significant NATO assets and a U.S. Army brigade, and is establishing a permanent NATO supply hub for Ukraine. Regionally, Poland leads the **Three Seas Initiative** to boost north-south infrastructure among 12 Central European states, reflecting its ambitions as a regional integrator.

Notably, Poland has been **one of Ukraine's foremost supporters**, supplying tanks, advocating for EU candidacy, and forming a coalition to send fighter jets – actions that have boosted Poland's diplomatic standing and moral authority in Eastern Europe. Poland also maintains active diplomacy with the UK (a post-Brexit security ally) and seeks stronger ties in Asia (it hosts robust relations with South Korea, Japan, and recently increased engagement with Taiwan, positioning itself as an Indo-Pacific stakeholder).

Slovakia

Slovakia, though smaller, has a highly industrialized economy anchored by an outsized automotive sector. Four major car plants (Volkswagen, PSA/Stellantis, Kia, and Jaguar Land Rover) drive exports and jobs, making automotive about 12% of GDP and over a quarter of exports. This integration into the global car supply chain is Slovakia's chief economic strength. Beyond cars, Slovakia has a diversified industrial base including electronics (Samsung and Foxconn have operations).

Slovakia's defense industry is **small but historically significant** as part of former Czechoslovakia's arms production. It still manufactures certain arms and equipment in niche areas – for example, Slovak firms produce ammunition, demining equipment, and have capabilities in vehicle modernization.

Slovakia's true strength in energy is **nuclear power** – Slovakia derives over 50% of its electricity from nuclear plants at Bohunice and Mochovce. In 2022–23, Slovakia completed a new reactor (Mochovce 3) which boosts domestic power output and is set to make Slovakia a net **electricity exporter**. It also has significant hydroelectric generation on the Danube (the Gabčíkovo dam) and Váh rivers. However, Slovakia relies heavily on imported oil and natural gas.

The country's most famous tech company is **ESET**, a global cybersecurity firm based in Bratislava. In recent years, Slovakia has made strides in **automotive innovation** (e.g. developing expertise in EV battery research through the InoBat project, which aims to build a battery gigafactory in Slovakia). The country is also carving a niche in **aerospace tech** and AI, supported by EU funds. Though it does not yet have a unicorn startup, Slovakia's high internet penetration and digital skills (it ranks well in EU digital economy indices) provide a strong foundation for future innovation-driven growth.

Hungary

Hungary has a **medium-sized, open economy** known for its diversity and high foreign investment. The economy is well-integrated into European supply chains – notably in **automotive (Audi, Mercedes-Benz, Suzuki have major plants), electronics (large Samsung and Bosch facilities), pharmaceuticals (Egís, Richter), and ICT services**.

This integration, along with low corporate taxes (9%, Europe's lowest) and competitive wages, has attracted significant FDI.

Hungary has embarked on a notable defense modernization, albeit from a low base. Its defense industry is being **rebuilt through joint ventures**. A flagship project is the **Rheinmetall Hungary factory** in Zalaegerszeg, which in 2023 began producing modern Lynx KF41 infantry fighting vehicles locally for the Hungarian Army. This plant delivered its first Hungarian-made Lynx by end of 2023, signaling a new era of domestic armored vehicle manufacturing. Additionally, Rheinmetall opened a new ammunition factory in Várpalota, Hungary in 2023, to supply both local forces and export markets. Hungary is also producing Czech-designed **CZ Bren 2 rifles** under license to equip its military. Still, its defense industry output is much smaller than Poland's or Czechia's, and Hungary has not been a major arms exporter. Politically, Hungary's unique stance – it has **blocked or delayed some EU arms aid and sanctions related to the Ukraine war** – has isolated it somewhat within NATO/EU discussions, but Hungary maintains that its priority is building its own military capabilities.

In terms of raw materials, Hungary has become a critical player in **EV battery production** – not due to raw minerals, but because it has attracted massive foreign battery factories (from Samsung SDI, SK Innovation, and CATL) that by 2025 make it one of Europe's largest battery producers. This effectively turns imported lithium and chemicals into a high-tech "resource" for Hungary.

Despite recent nationalist economic rhetoric, Hungary's prosperity is clearly tied to global supply chains and foreign investment – something its government recognizes even as it pursues an "Eastern Opening" policy.

Strategically, Hungary has joined the **Three Seas Initiative** but is less enthusiastic than others, preferring bilateral deals.

Lithuania

Lithuania is a **Baltic economic success story**, having grown its GDP fivefold since 1990. It is a small but **high-income, highly open economy** driven by services, manufacturing, and trade. A notable strength is its **technology and services sector**: Lithuania has transformed into a **fintech and IT hub**, especially after Brexit – Vilnius now hosts over 230 fintech companies and is a European leader in e-payment licenses. The country boasts a diverse and skilled talent pool; in fact, Lithuania ranks **1st globally for the availability of digital skills**. This talent underpins a vibrant startup scene that produced **unicorns like Vinted (online marketplace)** and **Nord Security (cybersecurity)**. Industrially, Lithuania specializes in high-value niches such as **laser technology** – Lithuanian laser manufacturers supply 50% of the world's scientific lasers, a remarkable statistic often cited by its leaders.

Lithuania's defense posture is defined by its frontline position next to Russian territory (Kaliningrad) and Belarus. It has a **small but growing defense industry**, mostly focused on niche tech rather than heavy weaponry. Local companies have developed products like **advanced optical sights**, **lasers**, **and UAVs** (drones) for military use, building on Lithuania's optics and electronics expertise.

The country does not manufacture big-ticket arms, but it has provided innovative support to Ukraine (organizing crowdfunded purchases of Bayraktar drones, etc., rallying public diplomacy).

Also, despite its small size (population ~2.8 million), Lithuania has an outsized reputation as a **startup hub** in the Baltics. The government's forward-thinking approach – e.g., e-residency programs, sandbox regulations for fintech – has cultivated a fertile innovation environment. Success stories include **Vinted**, Europe's largest online used-clothing marketplace (valued ~$4.5 billion), and **Nord Security**, known for NordVPN (valued $1.6 billion).

Comparative Overview

While these eight countries share a post-Communist transition experience and EU integration (except Moldova), each has carved out particular strengths:

Poland clearly leads in economic size and diversity, serving as the region's engine with its large market and heavy industry, followed by the **Czech Republic** and **Romania** (both with strong manufacturing bases and solid growth).

Hungary and **Slovakia** are smaller but boast high exports per capita (especially Slovakia in autos).

Lithuania punches above its weight in innovation and services, though its economy is smallest of the EU members.

Bulgaria and **Moldova** lag in GDP per capita, but Bulgaria's low costs and EU access attract manufacturing, and Moldova's agriculture and IT outsourcing give it niche roles. Notably, all except Moldova are EU members accessing its single market, which underpins their integration and growth.

In terms of military spending and capability, **Poland** and the **Baltic states (especially Lithuania)** have surged ahead due to the Russia threat – Poland is on track to have NATO's largest land forces in Europe, and Lithuania is setting new benchmarks for defense investment.

Czechia and **Poland** possess the most developed defense industries. **Bulgaria** and **Romania** have important arms industries mainly for Soviet-caliber munitions – Bulgaria saw a wartime boom in ammunition exports, and Romania is upgrading its factories via NATO partnerships. **Hungary** is rapidly modernizing its forces but is still dependent on foreign suppliers, albeit with new joint-production ventures. **Slovakia** is the least militarily resourced EU member here, though it made notable contributions to Ukraine.

Romania has the most substantial natural resources (oil, gas, coal, uranium) and relative energy self-sufficiency, which is a strategic strength. **Poland**'s coal and minerals (copper, etc.) also give it weight, although it's working to reduce coal use. **Bulgaria** has valuable mineral output (copper, gold) and some energy independence via coal and nuclear.

In renewable and green transitions, Lithuania and Czechia have been proactive (Lithuania with grid links and planned offshore wind, Czechia with nuclear and solar expansions), whereas Poland and Bulgaria are catching up from a coal-heavy legacy.

Poland and **Lithuania** stand out for vibrant startup ecosystems – Poland for its sheer number of unicorns and VC investments (leading CEE in venture volume) and Lithuania for its fintech prominence and digital talent (ranking #1 in some digital skills measures). The **Czech Republic** also excels in innovation capacity (strong engineering, global tech firms like Avast). **Hungary** has produced notable tech firms (Prezi, etc.). **Romania**'s tech scene is rapidly emerging thanks to UiPath's influence and a large IT workforce. **Slovakia** lags slightly in startups, save for flagship firms like ESET.

CONCLUSIONS

Despite the aforementioned potential and achievements, **Central and Eastern Europe remains vulnerable** to risks stemming from Russia's war against Ukraine. The region's ability to act independently is shaped by economic stability, political cohesion, military preparedness, and diplomatic leverage – all of which are influenced by the war's outcome.

1. A Prolonged Stalemate: Economic and Political Instability

- A long, frozen conflict would **prolong economic uncertainty**, discouraging investment, disrupting trade, and increasing financial burdens on governments.
- War-related inflation and the ongoing refugee crisis would put additional **pressure on public services and national budgets** across the region.
- **Internal divisions** would hinder regional unity, as **nationalism and populism** gain traction, fueled by economic hardship and migration concerns.
- **Political polarization** could intensify, with populist forces blaming the West for "abandoning" Ukraine or advocating accommodation with Moscow to prevent further conflict.
- **The region's agency would remain constrained**, focused on managing the crisis rather than pursuing broader strategic goals.

2. A Russian Victory: A Fragmented and Weakened Region

- A Russian victory would **severely destabilize** Central and Eastern Europe, splitting the region between appeasers and resisters.
- Economic **blackmail through energy and trade leverage** could return, forcing some countries into difficult concessions.
- Politically, **pro-Russian factions and extremist movements** would gain momentum, weakening Western alignment.
- **Security dependence on NATO may increase**, but regional militaries would lack independent deterrence capabilities.
- **The region's influence in European policy-making would diminish**, as fear of Russian retaliation limits diplomatic assertiveness.

3. A Ukrainian Victory: Strengthened Regional Agency and Stability

- A Ukrainian victory would **bolster pro-Western forces** in the region, strengthening regional cohesion and political stability.
- Governments that stood firmly with Ukraine would be **vindicated**, while Kremlin-friendly actors would lose credibility.
- With the immediate threat removed, **CEE leaders could focus on governance, reforms, and economic development** rather than crisis management.
- Freed from the day-to-day strain of war, **CEE countries could invest in long-term security projects**, such as domestic arms production, regional defense pacts, and military modernization.
- The region's **diplomatic leverage in the EU and NATO would grow**, allowing it to shape European policy with greater confidence.

4. The Future of Central and Eastern Europe: A Critical Crossroads

- The **war's outcome will determine** whether Central and Eastern Europe can emerge as a more **independent and influential** regional player converting its potential into measurable gains or remain in a state of uncertainty and external dependency.
- In **all scenarios, CEE remains vital to Europe's stability**, but its degree of unity and strategic freedom will be shaped by developments on the battlefield in Ukraine.
- **A stronger, more cohesive CEE is possible** – but only if the region including Ukraine can overcome internal divisions, economic vulnerabilities, and military constraints while staying firmly integrated into the Western security and economic framework.

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