From Soft Power to Smart Power? :
European Defence Readiness 2030 and NATO

PhD candidate: Miltiadis Lapatsanis

Affiliation: University of Macedonia

Table of Contents

1.Introduction

Much has been written about the EU's soft power approach and normative influence. The conclusion is always more or less the same. There is indeed a normative influence stemming from the EU's soft power (Bakalov, 2020), but it is not obsolete (Boulos, Abad-Quintanal, Mayo-Cubero, & De-Sousa-Ferreira, 2023; Savorskaya, 2015). It has contingencies and incontinences depending on the policy area (Badell, 2024). But what always comes up as a criticism is the lack of hard power of the EU (Ajao, 2024; Hyde-Price, 2006). Now this might have changed, after the publication of the Joint White Paper for European Defence Readiness 2030 (agenda 2030 or white paper) (European Commission, 2025), which came in the face of Russian aggression in Ukraine and the potential withdrawal of Trump's administration from the Ukraine front. It seems that the EU can no longer be just a consumer of security, but it has to develop its own hard power capabilities. What does this mean for the future of the EU's state power, and what adjectives more clearly characterise that?

The long-lasting peace project that the EU identifies itself with seems to be constituted only based on ideas and values that everyone converges on. In order for these values to materialise, there has to be a safeguarding power that serves real-world needs (Birchfield, Krige, & Young, 2017). The aforementioned changing international order forces the EU to take action and fight for its peace. With years of underfunded military expenses, the EU cannot be placed in any category of hard power. At this point and in the future years, the EU can be developed into a smart power given the fact that it already possesses institutionalised soft power (Cross, 2011). Does the white paper set sufficient strategic goals for an adequate smart power EU? And more importantly, does it set the basis for the EU to develop a smart power?

In this policy brief, I assess and categorise the alignment of the EU's developed power within the smart states' theory, which prioritises the strategic integration of soft and hard power to address complex geopolitical challenges. Moreover, I examine how the white paper reflects key criteria of the theory, including strategic integration, technological innovation, multilateral cooperation, resilience, and economic strength. Finally, special focus is placed on how the agenda 2030 intersects with the NATO, particularly in light of the 2025 NATO Summit which reaffirms the commitment of NATO for burden sharing and deterrence.

2. Smart Power: from Classical realism to a rebranding or a pragmatic adaptation?

The conceptual roots of smart state theory are within the theory of classical realism (Jansson, 2018, p. 343). It emerged as a response to the failures of idealist approaches to international relations. Morgenthau stated that international politics is governed by an immutable human lust for power (Morgenthau, 1949, 36, 170). The national interests dictate if and how states are driven to leverage their position and maximise their power (Pallaver, 2011, pp. 26–30). Furthermore, classical realists introduced the notion of the balance of power, where states are forced to enter alliances in order to create an international equilibrium through countervailing military buildups (Morgenthau, 1949, 125). In any case, the realist approaches

perceived international relations as a zero-sum game where states are dominant against their rivals. The security dilemma, which forced states to strive for domination, creates evolving dynamics in international relations through an arms race and consequent tensions (Jansson, 2018, p. 342).

The term smart power got popularised by Joseph Nye (Nye, 1992; Nye, 2009; Nye, 2011; Nye, 2023), and Suzanne Nossel (Nossel, 2004), it was a notion that emerged in the post-Cold War era. It promotes the ability for states to rely on both coercive and diplomatic means to exercise their power in the international arena. The way they rely on and the sagacious political decision which utilises them accordingly to the problem in question is what renders a state smart or not. The hard or soft means have to be there always and simultaneously be used in the right way, when needed (Gallarotti, 2013, p. 45). Classical realists thought of smart power as a rhetorical rebranding because states inevitably promote hard power in times of crisis. Neorealists also sought that the systemic competition forces the states to arm all regardless of the period of time. Others, like Pallaver, conceptualised smart power as something different and distinctive from hard and soft power, which requires strategic coordination (Pallaver, 2011, p. 136).

Smart states theory is a very recently developed theory by Spyridon Litsas in 2023 (Litsas, 2023). He argues that small states can become smart and delve into international relations. The theory is a combination of theories and a strong fondness for realism (structure and leadership) and institutionalism. Despite the qualitative criteria for which state is smart, they are not numbered, what leads to a conclusion is that they have to acquire strategic adaptability, innovative governance, soft power leverage, technological advancement, specialised diplomacy, economic diversification, global networking, human capital development and leadership vision. The states leveraging the above tools to establish their international position combine agile foreign policy, leadership vision and societal inclusion and therefore are rendered smart states. In that regard, small states can play a role in power competition and become noticeable in international relations as long as they keep evolving their polity and foreign policy (Litsas, 2023, pp. 21-47, 48–49).

3. The power of the EU

The EU is not a state, is not a federal state and lacks what is more important for sovereignty beyond the territory and the people, which is hard power (Ajao, 2024, p. 252). Additionally, there is not a comprehensive unified foreign policy, despite all the efforts since its institutionalization. The soft approach to external threats is the primary tool that the EU possesses. The effort of the Higher Representative is a step forward but lacks any validity when the person in lead faces the 27 different political views of its members (Buhler, 2023, pp. 63–64). The lack of consensus allows little manoeuvre to critical issues and what usually is the common practice is for member states to take their own sovereign actions based on their own interests (Ajao, 2024, p. 254; Brack, Coman, & Crespy, 2019, p. 826; Hofelich, 2022, pp. 1114–1115).

Today it is witnessed that the EU is in charge of many previously member state-owned competencies. As cooperation evolved the 'higher authority' of EU bears more and more competencies that states are willing to transfer (Newman & Posner, 2011, p. 599). It is characterized by the literature as a quasi-sovereign and interdependent entity with competencies that are usually found within sovereign states. Therefore, despite not being a state in the traditional definition the EU is a de facto state due to resemblance of its characteristics. (Papagiannis, 2016, pp. 47-52, 672–673).

The literature acknowledges to the EU that indeed it is a soft power through its CSDP missions, internal market, international aid and diplomatic efforts (Cantero Gamito, 2018; Casarini, 2022; Manners, 2002). Its effectiveness is contested. Third states may find attractive the normative capital of the EU and adopt it so they can have access to the internal market (Goldthau & Sitter, 2015, pp. 948–959). Therefore, this brief acknowledges the strong foundations of soft power in the EU foreign policy to a certain extent and in principle. The main purpose is to identify the new challenges that the agenda 2030 frames and whether it sets the basis to develop hard power capabilities and in combination with its soft approach constitutes a quasi-smart state. Meaning that the EU has developed capabilities that resemble smart state theory without necessarily being a state.

4. European Defence Readiness 2030 Analysis

The EU seems to be moving towards a new paradigm with its approach to external threats. The generic sentiment that the white paper creates is a turn that the EU is not used to. Of course, the white paper is not binding to member states and when a member state has objections it can easily withdraw its consent. The white paper sets a general directive that sometimes might be specified or later be defined. Therefore, unwilling member states might as well oppose a newly formed policy. The analysis will focus on the white paper's intentions. The true identification is based upon the actual implementation of the plan that the EU is developing hard power capabilities. So far, with the elements it is only possible to judge upon the written intentions. The purpose of the white paper is stated clearly and the specific passage should guide any other research regarding the topic:

"This White Paper provides a framework for the ReArm Europe plan, laying out the case for a once-in-a-generation surge in European defence investment. It sets out the necessary steps to rebuild European defence, to support Ukraine, address critical capability shortfalls and establish a strong and competitive defence industrial base" (European Commission, 2025, p. 2).

At this starting point, the EU has the clear intention along with its soft power capabilities to focus on "the critical capability shortfalls". Are those intentions addressed more specifically? How do the clearly defined intentions fit the smart state theory criteria? The analysis is following the theoretical categorization of smart states theory characteristics.

Strategic Integration

The generic sentiment of the paper itself moves the EU towards strategic integration across all possible levels of cooperation for its military development (European Commission, 2025, p. 3). Once again -despite not explicitly worded- the EU proposes a holistic approach towards one specific issue area. It directly links Europe's security and prosperity to its ability to act as a group of states, through solidarity, strategic planning and integrated action to deter threats and potentially influence the emerging international order. There is a recognition of the current situation of fragmented national efforts towards a common defence and security project and prioritisation of an EU-wide strategy that focuses on the collective goals (European Commission, 2025, p. 11). The prerequisite for such a strategy to be implemented is for states to act under aggregated demand and collaborative procurement (European Commission, 2025, p. 8). This way the EU aims to build economies of scale, reduce costs and strengthen the defence industry competitiveness. It is recognizes that simplification of regulations renders the EU defence more agile and responsive to emerging threats (European Commission, 2025, pp. 6–7). NATO, for example, can be a beneficial factor for EU member states that are not participating in the alliance but partain a role in the wider network of the willing states between the EU and the rest of NATO members. Such a case could be intelligence sharing or central coordination.

Technological Innovation

The counterweight to the years of "military underinvestment" comes with investment in technological military and civilian means. The EU's defence readiness is strengthened through a coordinated investment of all member states in the technology and industrial capacity of each individual state and the EU as a whole. The EU under these planned actions can keep pace with international adversaries who are mobilizing resources and deploying new technologies more effectively due to previous historical momentum. The critical technologies are prioritised as key elements for the development of technological capacity with AI and quantum computing being eminent (European Commission, 2025, pp. 7, 16-17). This focus on disruptive technologies aligns with the smart state theory that points out the need for states to pursue qualitative advantages through innovation to expand their traditional means of power. Furthermore, the agenda 2030 outlines certain steps of technological integration into the EU's defence ecosystem. It calls for the development of a resilient defence industrial base and an ecosystem of technological innovation capable of supporting rapid procurement and deployment of those developed capabilities. It proposes pooling resources among member states to address critical capability gaps and creating an EU-wide market for defence equipment (European Commission, 2025, p. 11).

Multilateral cooperation

As already mentioned, a strong emphasis is given to multilateralism and interoperability between member states and other international organisations or like-minded third states. The white paper acknowledges that the historic lack of such coordination led the European military landscape into fragmentation. Therefore, the agenda 2030 promotes joint procurement, harmonized standards, and collaborative development of key capabilities. Pooled demand and encouragement of states to purchase military equipment together are the EU's

aims to ensure that national forces are equipped with EU-wide compatible equipment at all levels of defence (European Commission, 2025, pp. 7–8). Complementing these industrial efforts, the white paper underscores the vital role of dual-use infrastructure and shared space-based assets in providing a resilient and interoperable operational backbone. By investing in these collective capabilities and ensuring equitable access for all member states, the EU strengthens its capacity for joint action and strategic autonomy. These initiatives are tightly coordinated with NATO standards to maintain full interoperability with allied forces, enabling seamless integration into broader collective security architectures (European Commission, 2025, pp. 8–9). This integrated approach reflects a broader ambition: to enhance the EU's strategic readiness and ability to respond decisively to a spectrum of emerging threats.

Resilience

Resilience in international relations and in context with the international scope of the agenda 2030 refers to the capacity of a nation or an entity, in general, to withstand, absorb, adapt, and recover from disruption to its vital functions (Moise-Zanellato, 2020, p. 2025). That may be economic, political or societal functions and in this case the common good of security and defence. Resilience is not only about prevention but rather preparation and management of the eminent and inevitable sometimes crises. Therefore, building up capabilities towards that direction shows a wider understanding -by definition- in the case of the EU that the international environment is perceived as hostile. While the EU seems to be historically adequately prepared for encompassing the social, economic and technological resilient protection of its functions it is clear from the white paper that it is time to focus more on the military aspect. Multilateralism is perceived as interlinked to resilience due to its collective and coordinated response to commonly acknowledged threats. Cooperation leads to effective mitigation. Building up collective resilience constitutes a powerful bloc of like-minded entities that by their nature can deter potential adversaries (European Commission, 2025, p. 19).

Financial Support

Additionally, there has to be a wider economic strengthening by the states in order to be able to maintain the system which supports the operationalization of hard power. Central to this effort is the activation of the National Escape Clause under the EU's Stability and Growth Pact, enabling Member States to exceed normal budget deficit limits in line with new defence expenditures. This mechanism supports the ambitious ReArm Europe Plan, which aims to mobilize up to €800 billion in additional defence spending between 2025 and 2028. This substantial increase, representing roughly 1.5% of GDP above 2021 levels for participating states, targets critical capability gaps such as ammunition stockpiles, air defence modernization, and overall military readiness, thereby directly strengthening Europe's deterrence and response capabilities (European Commission, 2025, p. 17). Complementing this spending surge, the white paper introduces the Security Action for Europe (SAFE) instrument, designed to raise €150 billion through EU-backed loans for joint procurement of European-made defence equipment. Together, these economic measures build a robust, technologically advanced, and self-reliant defence industrial base that directly translates into enhanced hard

power, enabling the EU to reduce external dependencies, close critical capability gaps, and assert itself as a credible military actor on the global stage (European Commission, 2025, p. 9).

5. The Re-aligned EU–NATO Relationship

The landmark decisions in June 2025 NATO Summit in the Hague and the agenda 2030 have together reshaped the foundations of transatlantic security cooperation. In Hague, allies agreed to increase defence spending to 5% of GDP by 2035 (NATO, 2025), a transformative decision which institutionalises a political consensus after the realization of further potential Russian aggression. The EU member states must now meet two expectations: first, the one of financing the Union's collective goals, and simultaneously honouring the Alliance's aggregate targets. This dynamic positions NATO as the primary measure of credibility for the EU's capabilities. It also positions NATO as a strategic leader and supporter of the EU's strategic autonomy.

At an operational level, NATO remains the security provider of first resort responsible for collective defence, command structures, and deterrence posture, while the EU is emerging as the principal organiser of the industrial, regulatory, and technological dimensions of the Union's security. NATO furnishes the military hardware and planning culture of the transatlantic alliance, whereas the EU provides the economic and normative infrastructure that underpins it (SIPRI, 2025). The White Paper's repeated insistence on "interoperability by design" illustrates this logic. European capabilities are to be developed under EU instruments but according to NATO standards and with full compatibility with Alliance assets (European Commission, 2025, pp. 19–20). In this sense, NATO remains the strategic integrator of European hard power, while the EU emerges as its institutional and industrial amplifier. This creates a relationship which defines the EU's evolution from soft power to smart power within the transatlantic framework.

6. Conclusions & Recommendations

The white paper is setting a change of paradigm for the EU. There has never been at a strategic level such a coherent, holistic, and comprehensive approach to the development of the European hard power. What seems to stem away the EU from fully becoming a smart state is the fragmented nature of the EU as a polity. The fact that it is recognised as a de facto state does not render the EU a state with organisational capacity. The fragmented nature of foreign policy and the lack of one voice in foreign policy are the main disadvantages that the smart state theory identifies for the EU. Strategic communications among the member states might be the first step towards something that will stabilize as integration develops. Only then can the EU as a de facto state acquire contextual intelligence -an elemental prerequisite for a smart state- and act as one in the international arena.

Nevertheless, the white paper is not binding to any member state. It is the Commission pointing at the road of virtue to its member states. National interests still prevail within the 27.

Often, the common good is blurred, due to different perspectives. This has always been the case with the EU and that is why still remains a dynamic process that no one knows which point will it reach. It is a step-by-step process that is getting integrated. Back and forths are necessary in such a unique peace project that the EU is. In 1950 the European army failed. Now there is a different approach around that through the maintenance of national armies but under one coordinating mechanism. Will this be enough for the EU to become finally a smart power with its own hard power capabilities? That is yet to be seen and is dependent on the political will of the leaders to converge and transfer sovereign power to the vision of the European peace project.

In practical terms, policy coherence must now replace rhetorical convergence. The EU should lock its capability development planning. A permanent joint forum on defence innovation and industrial coordination would institutionalize this cooperation, aligning the EU's industrial investments with NATO's operational requirements. Equally, the transatlantic partners must invest in the political dimension of strategic culture. Sustained communication between Brussels and national capitals is essential to prevent divergence in threat perception and to maintain public support for high defense spending. By 2030, success will be measured not only by the size of European defense budgets but by the degree to which the EU and NATO operate as two dimensions of the same strategic entity, one military, the other political-economic, both indispensable to maintaining a rules-based order in an era of renewed power competition. Only then, The EU will have completed its evolution from soft power to smart power.

Reference List

Ajao, T. O. (2024). The European Union's Dilemma: Balancing Normative Power with Hard Power. *International Journal of Social Science Research and Review, 7*(6), 248–259.

Badell, D. (2024). Norm Contestation in EU Foreign Policy: The Case of Sexual and Reproductive Health and Rights. *JCMS: Journal of Common Market Studies,* from https://consensus.app/papers/details/1efd7e7514b45f9687b7155762fb127c/.

Bakalov, I. (2020). Setting soft power in motion: towards a dynamic conceptual framework. *European Journal of International Relations, 26*(2), 495–517.

Birchfield, V. L., Krige, J., & Young, A. R. (2017). European integration as a peace project. *The British Journal of Politics and International Relations, 19*(1), 3–12.

Boulos, S., Abad-Quintanal, G., Mayo-Cubero, M., & De-Sousa-Ferreira, S. (2023). Construction of "Normative power Europe": A critical analysis of the human rights narratives in Spanish media discourses on the European Union. *El Profesional de la información,* from https://consensus.app/papers/details/5ac23b13f81c501381fb2f0adc0b1132/.

Brack, N., Coman, R., & Crespy, A. (2019). Unpacking old and new conflicts of sovereignty in the European polity. *Journal of European Integration, 41*(7), 817–832.

Buhler, P. (2023). About European Sovereignty. *Survival, 65*(2), 55–74.

Cantero Gamito, M. (2018). Europeanization through Standardization: ICT and Telecommunications. *Yearbook of European Law, 37*, 395–423.

Casarini, N. (2022). A European strategic "third way?" The European Union between the traditional transatlantic alliance and the pull of the Chinese market. *China International Strategy Review, 4*(1), 91–107.

Cross, M. K. D. (2011). Europe, a smart power? *International Politics, 48*(6), 691–706.

European Commission (2025). *Joint White Paper: for European Defence Readinsess 2030.* Brussels. Retrieved May 12, 2025.

Gallarotti, G. (Ed.). 2013. *Smart Power:: what it is, why it's important, and the conditions for its effective use.* Singapore: SAFTI Military Institute.

Goldthau, A., & Sitter, N. (2015). Soft power with a hard edge: EU policy tools and energy security. *Review of International Political Economy, 22*(5), 941–965.

Hofelich, T. C. (2022). De facto differentiation in the EU's economic and monetary union - A rationalist explanation. *Journal of European Integration, 44*(8), 1113–1129.

Hyde-Price, A. (2006). 'Normative' power Europe: a realist critique. *Journal of European Public Policy, 13*(2), 217–234.

Jansson, P. (2018). Smartness as prudence: smart power and classical realism. *Journal of Political Power, 11*(3), 341–358.

Litsas, S. N. (2023). *Smart Instead of Small in International Relations Theory.* Cham: Springer Nature Switzerland.

Manners, I. (2002). Normative Power Europe: A Contradiction in Terms? *JCMS: Journal of Common Market Studies, 40*(2), 235–258.

Moise-Zanellato, O. (2020). A critical review of resilience in international relations. *Perspective Politice, 13(1-2)*, 22–33.

Morgenthau, H. (1949). *Politics among Nations: The struggle for power and peace.* New York: Alfred A. Knopf.

NATO (2025). *The Hague Summit Declaration.* The Hague. Retrieved November 04, 2025, from NATO: https://www.nato.int/cps/en/natohq/official_texts_236705.htm.

Newman, A. L., & Posner, E. (2011). International interdependence and regulatory power: Authority, mobility, and markets. *European Journal of International Relations, 17*(4), 589–610.

Nossel, S. (2004). Smart Power. *Foreign Affairs, 83*(2), 131.

Nye, J. (02/2011). Wielding 'Smart Power' in World Affairs: Wielding 'Smart Power' in World Affairs, from http://www.boston.com/ae/books/articles/2011/02/06/wielding_smart_power_in_world_affairs/.

Nye, J. S. (1992). What New World Order? *Foreign Affairs, 71*(2), 83.

Nye, J. S. (2009). Get Smart: Combining Hard and Soft Power. *Foreign Affairs, 88*(4), 160–163, from http://www.jstor.org/stable/20699631.

Nye, J. S. (2023). State Smart Power Strategies. In J. S. Nye (Ed.), *Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power Between the United States and China* (pp. 21–28). Singapore: Springer Nature Singapore.

Pallaver, M. (2011). Power and its forms: hard, soft, smart.

Papagiannis, D. I. (2016). *Introduction to European Law* (5th). Athens: Sakkoulas.

Savorskaya, E. (2015). The concept of the European Union's normative power. *Baltic Region, 7*(4), 66–76.

SIPRI (2025). *Unprecedented rise in global military expenditure as European and Middle East spending surges.* Solna. Retrieved November 04, 2025, from SIPRI: https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges.