

Armaments Autarky in the 2020s.

Procurement Nationalism, Alliance Interdependence, and the New Politics of “Buying Domestic”

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Abstract

This paper examines the re-emergence of “armaments autarky” as an organising principle of defence procurement in the contemporary Euro-Atlantic security environment. It argues that today’s autonomy agendas are best understood not as a return to full self-sufficiency, but as a set of policy technologies—domestic preference clauses, eligibility and control requirements, and supply-chain security regimes—through which states seek to manage dependency under uncertainty. Using Andrew Moravcsik’s scholarship on “arms and autarky” and “armaments among allies” as a theoretical framework, the paper analyses four parallel procurement strategies: the EU’s evolving “Buy European” orientation and joint procurement instruments, Germany’s “European sovereignty” constraints in accelerated procurement law, the United States’ “America First” arms transfer strategy, and Canada’s “Build–Partner–Buy” framework. It concludes that these initiatives, while individually rational as hedges against strategic vulnerability, risk producing fragmentation and dispersion across the EU and NATO—undermining interoperability, scale efficiencies, and collective surge capacity—unless they are embedded in a cooperative governance architecture centred on joint procurement, open standards, and mutually recognised certification across the Alliance.

1. Introduction: Why autarky is back—again

The return of high-intensity war in Europe, the exposure of ammunition and industrial bottlenecks, and the growing politicisation of technology supply chains have shifted defence procurement from a technocratic exercise into a central arena of grand strategy. Defence industrial policy is no longer a

background condition; it has become a core variable in deterrence, resilience, and alliance cohesion. Within NATO, this shift has been reinforced by the formalisation of a steep spending trajectory. The Hague Summit Declaration commits Allies to reach 5% of GDP by 2035, with at least 3.5% devoted to core defence requirements and NATO capability targets, alongside a planning mechanism requiring annual national trajectories.

At the same time, European security debates are increasingly shaped by uncertainty about long-term US political commitment and the reliability—economic, political, and legal—of access to US-origin capabilities. That uncertainty is not only about whether the United States would “stay” militarily in Europe, but about whether access to platforms, upgrades, software, munitions replenishment, and export permissions might become more conditional or transactional. In procurement terms, even a modest increase in political conditionality can transform interdependence from a cost-saving advantage into a strategic exposure.

The policy response across the Euro-Atlantic region has been characterized by a notable resurgence of what may be termed armaments autarky: not necessarily the maximalist goal of complete self-sufficiency, but rather a range of measures aimed at prioritizing domestic or “in-group” production, tightening oversight of industrial assets and intellectual property, and minimizing vulnerability to external restrictions. In the European Union, this manifests through “Buy European” initiatives within emerging industrial programmes and financing mechanisms, complemented by a renewed focus on joint procurement. In Germany, it is evident in accelerated procurement processes coupled with explicit measures to ensure that third-country acquisitions do not undermine “European technological sovereignty” or EU/German manufacturing capacity. In the United States, it reflects an explicit shift towards utilizing arms transfers not merely as tools of foreign policy but as mechanisms to bolster domestic production capacity—an “America First” approach that encourages allies to perceive dependence as a strategic bargaining disadvantage. In Canada, this trend is structured through

a hierarchy—Build—Partner—Buy—that prioritizes domestic manufacturing, followed by allied co-production, and finally off-the-shelf procurement, with sovereign control conditions maintained throughout.

This paper’s central claim is that these strategies are not anomalies; they are parallel adaptations to the same structural pressures. Yet their simultaneous proliferation creates a collective action problem: if every ally seeks autonomy by narrowing procurement to its own industrial base, the alliance risks replacing interdependence with fragmentation—eroding interoperability, raising costs, slowing the diffusion of innovation, and weakening surge capacity. The question, therefore, is not whether autonomy is “good” or “bad,” but how autonomy strategies can be governed so that they reinforce, rather than corrode, collective defence.

2. Theory: Moravcsik on “arms and autarky” and “armaments among allies”

Moravcsik’s work offers an unusually useful lens for understanding why procurement nationalism resurfaces in periods of geopolitical stress. Three propositions from his scholarship are particularly relevant.

First, autarky in armaments is seldom justified solely by security imperatives. It generally results from the interplay of external threats with domestic political economy factors, including industrial coalitions, employment considerations, regional development priorities, and the institutional interests of armed services and procurement bureaucracies. The assertion of autonomy—“we must build at home”—is often politically persuasive because it combines strategic discourse with distributive politics.

Secondly, within alliances, the policy regarding armaments transforms into a sphere of bargaining and strategic influence. Even in cases where economic interdependence might be advantageous, allied nations may opt for partial autarky to mitigate susceptibility to restrictions, enhance bargaining leverage within alliance frameworks, or safeguard national champions. In essence, autarky may serve as a strategic stance directed both at allies and at adversaries.

Thirdly, Moravcsik accentuates the structural costs linked to fragmentation, including limited production scales, duplication of research and development efforts, and impediments to consolidation. Within his “crossroads” framework, the armaments industries face recurring decision points between pursuing greater integration—involving specialization, cooperation, and shared production—and advancing national consolidation through protected markets and regulations on local content. Strategic exigencies often necessitate these decisions; however, they do not eradicate them.

These propositions elucidates the paradox evident within contemporary procurement policy. The acknowledged necessity for scale—particularly in the fields of munitions, air defence, and digital capabilities—advocates for enhanced integration and joint procurement initiatives. Conversely, the imperative to maintain sovereign control encourages a preference for domestic production and the implementation of stricter national or regional regulatory frameworks. Consequently, this results not in a straightforward inclination towards either comprehensive integration or complete autarky, but rather by a contested terrain wherein nation-states seek autonomy through controlled integration, or alternatively, pursue integration while enacting constraints on their autonomy.

3. The contemporary security landscape: spending escalation and dependency anxiety

The NATO 5% pledge matters not only for its size, but for how it changes the political economy of procurement. Commitments on this scale create (i) stable long-term demand, (ii) intensified competition over where that demand is spent, and (iii) stronger incentives for governments to attach industrial conditions to expenditures. In other words, high spending makes “buy domestic” politics easier: large budgets allow governments to justify industrial preference as both security policy and economic policy.

At the same time, European debates about strategic autonomy have been catalysed by anxiety about the reliability of external suppliers. This is not new; what is new is the coupling between weapon systems and digital

ecosystems—software updates, data rights, secure cloud environments, AI-enabled targeting support, and vendor-controlled logistics. Dependence is no longer only dependence on hardware; it is dependence on the continuous provision of digital services. This enhances the strategic salience of industrial control, intellectual property, and “freedom to operate.”

The result is a re-politicisation of procurement across the alliance. Procurement now serves three overlapping objectives: (1) capability delivery; (2) industrial resilience; and (3) alliance signalling. Moravcsik’s insight that armaments policy often doubles as alliance politics becomes newly salient: procurement choices communicate strategic alignment, industrial allegiance, and willingness to hedge.

4. The European Union: “Buy European” as rearmament governance

4.1 From a defence market problem to a readiness problem

EU policy discourse increasingly frames fragmentation and underinvestment as threats not merely to competitiveness but to readiness. The European Parliament has repeatedly emphasised the role of joint purchases as a means to refill stocks, improve interoperability, and strengthen the European defence industrial base. This framing is important: it treats procurement coordination not only as an efficiency tool, but as a mechanism of strategic preparedness. A key move in EU rearmament governance is therefore the attempt to convert national spending into coordinated demand. This is visible in the policy push toward joint procurement financing and instruments (including proposals for large-scale lending for joint procurement), and in the effort to attach “European preference” conditions to funding.

4.2 “Buy European” as a policy technology (eligibility, control, location, restrictions)

The most analytically concrete description of “Buy European” is not rhetorical but regulatory: it is expressed through eligibility conditions, ownership/control constraints, and requirements about where infrastructure and resources must be located. The CELIS Institute’s critical perspective on

EDIS/EDIP provides a useful legal-structural map. It describes how proposed EDIP-type measures may require that beneficiaries and contractors be established within the EU/associated countries/Ukraine, may not be directly or indirectly controlled by “non-associated third countries” unless specific screening or guarantees apply, and may require that the infrastructure and assets used be located within eligible territories. The same analysis highlights a further dimension that is especially important in wartime: defence products should not be subject to third-country control or restrictions on use (a point with direct relevance to end-use limitations).

These features are classical instruments of partial autarky. They do not ban foreign procurement, but they aim to ensure that EU-funded or EU-coordinated procurement reinforces EU-controlled industrial capacity, reduces vulnerability to external restrictions, and internalises the economic benefits of defence spending.

4.3 The internal contradiction: “European preference” and the boundaries of Europe

The “Buy European” turn also reveals an important legal and geopolitical boundary problem: who counts as “European” for procurement purposes? The EEA EFTA States have argued that any “European preference” inserted into procurement legislation should explicitly encompass all 30 EEA states to avoid distortions within the internal market and legal uncertainty for contracting authorities. Their comment points to the Internal Market Emergency and Resilience Act (IMERA) as an example in which participation in joint procurement is explicitly open to EFTA states, which are treated as participating members under the relevant articles when they join the procedure.

This is more than a technical legal issue. It illustrates the wider political economy of EU autonomy: preference policies need market scale to be economically sustainable, yet narrower preference definitions shrink the market and risk reinforcing fragmentation. Moravcsik’s “crossroads” logic appears here in legal form: autonomy is feasible only if Europe is large enough

to sustain competitive production and innovation, but political pressures may push “Europe” toward narrower boundaries.

That boundary problem becomes even sharper when the relevant industrial actors are the UK and Turkey—both militarily significant, both integrated into parts of European supply chains, but neither automatically included. Carnegie’s debate about whether “Buy European” should include the UK and Turkey frames the central dilemma: excluding capable partners may increase EU industrial sovereignty on paper, but at the cost of scale, production capacity, and potentially alliance cohesion, especially given uncertainty about US guarantees.

4.4 Joint procurement and the “orchestration” imperative

The political economy of “Buy European” is inseparable from procurement governance capacity. In the “Buy European” transcript, Giancarlo Spagnolo articulates a key institutional point: “Buy European” has two sides—funds must reach European innovators, and procurement must be organized at the European level. He argues that change cannot be delivered by national procurement alone, and that centrally run procurement agencies are necessary to realise the benefits of an integrated market. This speaks directly to Moravcsik’s theme: autarky pressures arise from fragmentation, but preference policies without integration capacity risk becoming expensive symbolism or nationalized rent-seeking.

In short, the EU’s approach can be conceptualised as autarky-through-orchestration: it seeks autonomy not by creating 27 protected national markets, but by shaping a larger European market with eligibility constraints designed to keep demand and capability inside the EDTIB. Whether this succeeds depends on whether joint procurement governance can overcome the classic EU problem of dispersed defence sovereignty.

5. Germany: accelerated procurement plus “European sovereignty” conditions

A notable example of the transformation within the European Union can be observed in Germany's rearmament initiative, which has integrated the acceleration of procurement processes with a sovereignty-focused assessment for acquisitions from third countries. An illustrative instance is evident in the draft legislation on expedited planning and procurement for the Bundeswehr, which specifies that when acquiring armaments from third nations, the contracting authority must ensure that "European technological sovereignty or production capacities in Germany or the EU are not compromised" (referred to as Section 11(6) within the pertinent legislative framework).

This is an important institutional hybrid. On the one hand, Germany seeks speed—faster procedures, simplified acquisition, and tools such as pre-commercial competitions. On the other hand, it adds an explicit sovereignty screen that can operate as a *de facto* preference constraint. In Moravcsikian terms, this is a classic reconciliation of two political imperatives: (i) urgent capability acquisition under crisis conditions, and (ii) domestic legitimacy and bargaining posture, achieved by ensuring that rearmament spending does not hollow out European/German production capacity.

Defence News' reporting on German reforms indicates that new legislation can allow tender restrictions to EU/EEA bidders and mandate European sourcing—an explicit legal framework for preferential procurement under emergency-like conditions. The German case thus exemplifies a broader trend: the legal normalisation of preference mechanisms inside accelerated acquisition frameworks.

From an alliance perspective, the key question is whether such sovereignty screens are designed to complement EU-level orchestration (strengthening the EDTIB through coordination) or to serve as instruments of national industrial capture (re-nationalising spending while using "Europe" primarily as a justificatory label). Moravcsik's scholarship warns that among allies, industrial policy can become a competitive arena as much as a cooperative one. Germany's role—given its market size—will shape whether "Buy European" becomes genuinely European or a patchwork of national preferences.

6. The United States: “America First” arms transfers and the political economy of dependence

Following up on the other side of the Atlantic, in February 2026, the United States issued a presidential action establishing an “America First Arms Transfer Strategy.” The document portrays arms transfers not merely as instruments of foreign policy but explicitly as means to augment domestic production capacity, emphasizing the utilization of foreign purchases and capital to develop American production and capacity. The version published in the Federal Register similarly introduces the strategy as “the first of its kind” in prioritizing American interests through arms sales and leveraging foreign demand to bolster domestic industrial capacity.

For the purposes of this paper, the precise content of the US strategy matters less than its signalling effect. It communicates that access to US capabilities may be governed by a more explicitly national-industrial logic and potentially linked to burden-sharing or political alignment. This amplifies a structural dynamic Moravcsik identified: allies do not merely cooperate; they bargain, and dependence creates leverage.

The implications for European procurement are therefore predictable. If US arms policy is perceived as more conditional, European governments will seek hedges: domestic production of certain classes of munitions, European alternatives to key platforms, and stronger legal constraints to prevent third-country restrictions from undermining readiness. This does not entail inevitable transatlantic decoupling. It does, however, increase the political attractiveness of “Buy European” conditions and of EU-level financing that reduces the immediate cost of shifting procurement toward European suppliers.

In Moravcsikian terms, the United States may inadvertently be strengthening the European political coalition for partial autonomy by reframing what was once “allied supply” as a vehicle for explicitly domestic industrial strategy.

7. Canada: “Build–Partner–Buy” as managed autonomy

Canada’s Defence Industrial Strategy provides a useful comparator because it explicitly formalises a hierarchy of procurement preference while foregrounding alliance cooperation. Canada states that it “needs a strong defence industrial base,” supports the establishment of a new Defence Investment Agency, and applies a Build–Partner–Buy framework: build in Canada where feasible, partner with allies where necessary, and buy off-the-shelf under conditions that reinforce domestic industry and ensure Canadian sovereign control.

The associated strategy document reinforces that Canada’s goals cannot be achieved in isolation; it explicitly ties supply-chain resilience to allied coordination, including NATO stockpiling efforts, while still prioritising domestic industrial development. It also links the spending trajectory to the NATO pledge and frames defence industrial strategy as a tool for sovereignty and economic growth.

In Moravcsikian terms, Canada exemplifies “selective autarky”: it is not pursuing full self-sufficiency but rather identifying key sovereign capabilities and attempting to secure them domestically while retaining alliance integration as the default. The Build–Partner–Buy framework is analytically helpful because it makes explicit what is often implicit elsewhere: autonomy is a gradient, not a binary.

8. Synthesis: procurement nationalism as a shared structural response

Across the EU, Germany, the US, and Canada, we observe a common shift toward procurement preference mechanisms and industrial control measures. This convergence is driven by three shared pressures.

First, wartime readiness pressures: ammunition shortages and supply bottlenecks generate incentives to secure domestic production lines and reduce dependence on uncertain global supply.

Second, political uncertainty among allies: perceptions of conditional security guarantees and transactional export policy raise the strategic cost of reliance, increasing the payoff of domestic control.

Third, technological coupling: modern capabilities—especially in AI, C2, and networked systems—depend on software and data ecosystems. This heightens concerns about vendor lock-in, interoperability, and control over upgrades. Competition and procurement policy discussions increasingly focus on vendor lock-in and interoperability as strategic issues rather than solely market issues.

Moravcsik’s theoretical contribution is to clarify that these drivers do not simply “force” autarky. They create political opportunities for coalitions that benefit from autarky—industrial champions, regional employment coalitions, and procurement bureaucracies—while still allowing rhetoric to be framed in strategic terms. Autarky, therefore, is likely to persist even if the underlying threat environment changes, because it becomes embedded in institutional arrangements and domestic distributional politics.

9. Risks: fragmentation and dispersion for the EU and NATO

9.1 The EU risk: “European preference” without European scale

The EU’s rearmament strategy depends on the ability to convert preference into scale. Yet preference policies can inadvertently deepen fragmentation if implemented inconsistently across Member States or if they incentivise national capture. The CELIS analysis emphasises that fragmentation is itself diagnosed as a core problem of the EDTIB, driven by national preferences and lack of common procurement. This makes the governance dilemma acute: preference can either correct fragmentation (if anchored in joint procurement) or reproduce it (if nationalized).

A further EU risk is legal and market uncertainty around third-country participation and equal treatment. Legal developments and commentary on procurement law increasingly stress restrictions for non-associated third-country operators, affecting market access and potentially reconfiguring supply chains. This may support autonomy goals but can also reduce competitive pressure and raise costs if not paired with market enlargement through associated participation (EEA) and cooperative frameworks.

Finally, the definitional politics of “European” can impose self-harm. Excluding the UK and Turkey from certain spending schemes may reduce industrial leakage but risks reducing capacity and interoperability, especially where supply chains are already integrated.

9.2 The NATO risk: two procurement blocs and interoperability erosion

The NATO risk is not simply duplication, but structural divergence: if European procurement becomes increasingly fenced by “Buy European” conditions while US export policy becomes more “America First,” alliance industrial interdependence can evolve into two semi-autonomous procurement blocs. The risk is compounded by the fact that NATO capability planning assumes interoperability, common standards, and predictable sustainment.

Interoperability is not only about hardware compatibility; it is about sustainment chains, munitions interchangeability, software update cycles, and data architecture. Fragmented procurement risks producing incompatible systems, redundant production lines, and dispersed logistics. In wartime, such dispersion can reduce the alliance’s ability to surge and sustain forces.

Moravcsik’s concept of “armaments among allies” is directly relevant here: allied armaments policy can drift toward competitive industrial nationalism even when strategic interests align. The alliance may remain politically intact while becoming industrially and technologically fragmented—a subtle but consequential form of weakening.

10. Toward a governance solution: autonomy without disintegration

If autarky pressures are structurally driven and politically reinforced, the key policy question is how to discipline them through governance rather than wish them away. This paper suggests four principles.

First, preference should be conditional on joint procurement. Preference clauses (“Buy European,” “Buy German/European sovereignty”) should be linked to participation in joint lots and collaborative acquisition, not applied

as standalone national measures. This aligns with the procurement-governance logic articulated in the “Buy European” debate: preference without European-level procurement capacity will not produce systemic change.

Second, preference should be embedded in open standards and modularity. Autonomy should be pursued through control of architectures and interfaces rather than through closed national champions. Modular procurement can allow European content to grow while preserving competition at the subsystem level, preventing rent-seeking and reducing costs.

Third, allied interoperability should be treated as a legal and financial constraint. If NATO’s spending and capability targets drive rearmament, then NATO interoperability should be operationalised in EU instruments: procurement eligibility and funding conditions should require interoperability-by-design and mutually recognised testing/certification with allied standards. This reduces the risk that EU autonomy becomes NATO divergence.

Fourth, associated participation should be structured rather than improvised. The EEA EFTA comment illustrates that preference policies need clear boundary rules to avoid legal uncertainty and market distortions. Similar clarity is needed for the UK and Turkey: either they are systematically included under defined defence agreements and conditions, or they are excluded with clear acknowledgement of scale and capability trade-offs. Ambiguity maximises political conflict while undermining procurement planning.

11. Conclusion: Moravcsik’s lesson for today—autarky is political; fragmentation is optional

Armaments autarky has returned because the strategic environment has changed, but also because the domestic political economy of defence has become newly salient under large spending trajectories. NATO’s 5% pledge creates stable demand and intensifies the politics of where that demand is spent. The United States’ “America First” arms transfer strategy and Canada’s

Build–Partner–Buy framework make explicit what has often been implicit: arms procurement is increasingly treated as industrial strategy. In Europe, the EU’s “Buy European” agenda and Germany’s sovereignty screens show how autonomy is being encoded into procurement and financing rules.

Moravcsik’s scholarship suggests that none of this is surprising: autarky and armaments policy are shaped by threat, bargaining, and domestic coalitions; the costs of duplication are tolerated when autonomy or leverage is politically valued. The challenge for the EU and NATO is therefore not to abolish autarky impulses, but to govern them so that they do not dissolve the very scale and interoperability that modern deterrence requires. Fragmentation and dispersion are not inevitable consequences of autonomy; they are outcomes of poorly coordinated autonomy strategies. The task now is to build procurement governance—joint lots, common standards, modular competition, and clear boundary rules—so that autonomy strengthens resilience within the alliance rather than producing autarky against allies.

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