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FORTIFYING FREEDOM

Policy Brief No. 161, November 2025

Our democratic freedoms are under threat from multiple fronts. The EU, the US, and their transatlantic allies face a new and challenging geopolitical reality.

While NATO's entire eastern flank commands attention, the Black Sea region presents a critical and complex vulnerability. As Russia mobilizes for a prolonged war, this theatre is marked by **asymmetries in threat perception and regional cooperation**. Although Romania and Bulgaria are committed NATO allies, their populations remain susceptible to pro-Russian propaganda, forcing their governments to navigate a difficult political landscape. Meanwhile, Türkiye continues to hedge its bets, balancing its NATO commitments with deepening economic and diplomatic ties with Moscow. **These frontline states must reinforce their democratic resilience** to secure NATO's strategic position in the Black Sea.

However, Euro-Atlantic security cannot be myopically focused on its immediate neighbourhood. **The Moscow-Beijing axis is contesting Western influence globally**, wherever it can gain a foothold. Latin America has become a prime target for the Kremlin's playbook. Mirroring its tactics in Eastern Europe, the Kremlin offers state-backed projects to nations with governance weaknesses, creating dependencies that enable further economic coercion, state capture, and information warfare. As this authoritarian influence grows, countries like Venezuela, Nicaragua, and Bolivia have become heavily reliant on Russian arms and military equipment.

Freedom and democracy are under siege, not just from tanks and missiles, but from the silent infiltration of institutions, minds, and markets. Autocracies are exploiting the openness of democratic systems, weaponizing corruption, criminal networks, and digital manipulation to erode trust and dismantle

KEY POINTS

➤ **AI is redefining global power balance**, much like nuclear technology in the 20th century. As the U.S. and China race for AI dominance, Europe is seeking to accelerate its own path to tech sovereignty.

➤ The **Black Sea region** is a **critical and complex vulnerability** for NATO. As Russia mobilizes for a prolonged war, this theatre is marked by asymmetries in threat perception and regional cooperation.

➤ The EU needs a fully integrated, well-funded **mechanism to coordinate cybersecurity and counter-FIMI** efforts across all its institutions, closing critical gaps in its digital defenses.

➤ Deepening strategic cooperation in **green and AI-driven technologies** is essential to building a resilient, democratic energy order and decisively diminishing the global leverage of actors like China and Russia.

➤ To secure its future, **Europe must adopt a new strategic ontology** where defending democracy is synonymous with defence policy.

accountability. Europe must treat **democratic integrity as a frontline issue:** shoring up independent institutions, protecting civic space, and dismantling malign influence operations with the same strategic urgency as any military threat. To fortify freedom in an age of systemic disruption, from hybrid warfare to AI-powered coercion, Europe must act across **three strategic fronts**:

- defend its institutions,
- secure its technological and economic base, and
- lead globally through values-based cooperation.

Five Policy Imperatives for Europe

- **Consolidate the European Democracy Shield (EDS)**: Transform EDS into a unified, well-funded institutional framework that integrates counter-FIMI capabilities, civil society protection, and electoral integrity across EU bodies.

- **Build Europe's Silicon Shield**: Invest in AI infrastructure, secure access to critical raw materials, and reduce strategic dependencies by scaling friend-shoring partnerships and sovereign digital capabilities.

- **Dismantle State Capture Networks**: Institutionalize counter-corruption strategies and deploy the Kremlin Playbook methodology to detect and neutralize foreign-influenced elite capture.

- **Protect Independent Media and Civic Space**: Create national and EU-level safety nets for investigative journalism, strengthen media pluralism, and expand civic resilience funding.

- **Prepare for Strategic Autonomy in Security and Technology**: Develop contingency strategies for geopolitical fragmentation, including space and energy infrastructure resilience, transatlantic risk hedging, and AI governance leadership.

Defend

A revisionist alliance of Russia, China, North Korea, and Iran is openly challenging Western hegemony. Europe is unprepared for this reality. Years of under-investment in defence have left it vulnerable, and with its allies distracted, the continent must now face the primary responsibility for its own defence. Europe needs to better prepare to **defend its institutions from hybrid and kinetic threats through transatlantic deterrence**, the European Democracy Shield and civil resilience.

Russia has been waging a large-scale conflict on the European continent for almost four years. By launching its full-scale invasion of Ukraine, the Kremlin has torn up the peace settlement that had kept tensions *cold* for 80 years. Yet **Russia's ambitions do not stop at the Ukrainian border**.[1] It has violated the airspace of NATO member states it borders, conducted campaigns of sabotage throughout both Europe and the United States, weaponized its energy leverage,[2] severed power cables and gas pipelines and conducted cyber-attacks

on critical infrastructure,[3] amongst others. Geopolitical competition has returned, and the **Western alliance is now in Russia and China's crosshairs** across the globe.[4,5]

Yet, **Europe may be preparing for an understanding of conflict that no longer applies**. The battlefields of Ukraine have demonstrated not only the continued relevance of traditional conventional armaments, but more importantly, how the impact of such armaments may be greatly reduced by cheap, emerging technologies. The modern battlefield has shown that **low-cost ingenuity can defeat high-cost hardware**. Consider the use of $2,000 drones to damage strategic bombers hundreds of kilometres away, or two anti-ship missiles sinking a flagship like the *Moskva*. These cases highlight a new reality: **tactical innovation is eroding the traditional cost asymmetry of warfare,** proving that even the most sophisticated systems are vulnerable.

[1] European Commission, Joint Communication to the European Parliament, the European Council and the Council: Preserving Peace – Defence Readiness Roadmap 2030, Brussels, JOIN(2025) 27 final, 16 October 2025.

[2] Shentov, O., Stefanov, R. & Vladimirov, M. (eds.), *The Kremlin Playbook in Europe*, Sofia: Center for the Study of Democracy, 2020.

[3] McLaren, R., Clemente Fito, E., and Rusev, A., *Shadow Fusions: The Convergence of Criminal Networks and the Russian State*, Sofia: Center for the Study of Democracy, 2025.

[4] Vladimirov, M., and Osipova, D., *Global Reach: The Kremlin Playbook in Latin America*, Sofia: Center for the Study of Democracy, 2024.

[5] Vladimirov, M. et al., *The Kremlin Playbook in Türkiye: Geoeconomics Unfolded*, Sofia: Center for the Study of Democracy, 2025.

Figure 1. The Kremlin's Shadow War on Europe
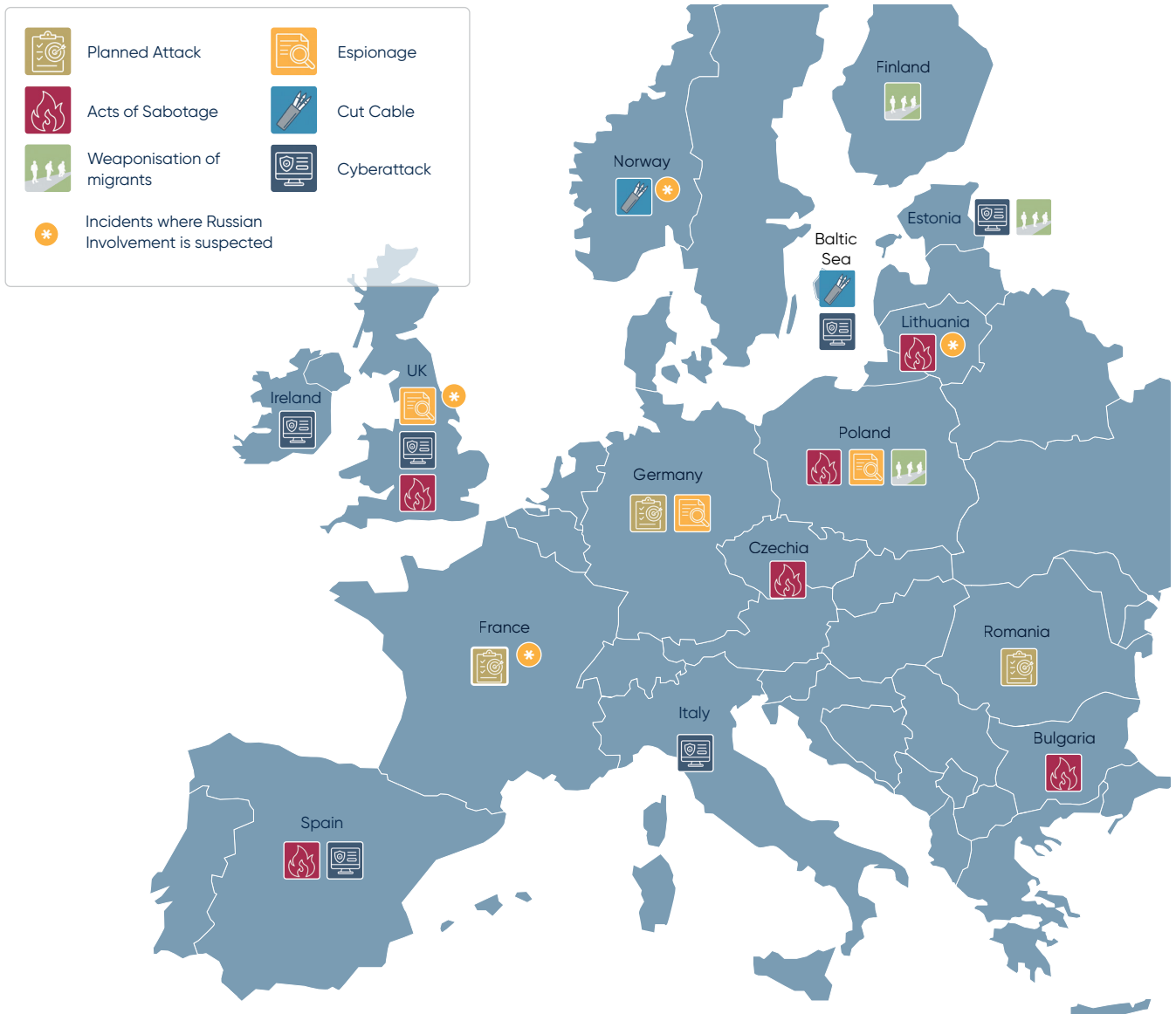
Source: CSD.

Dismantling Strategic Corruption

Across the globe, the Kremlin has found entry points in the public governance of democratic states to challenge fundamental rights and freedoms and spread its autocratic and corrupt political regime. By investing in large-scale energy projects and in strategic industries of target countries, allying with local enablers and oligarchs, the flooding of domestic cyber and media spaces with pro-Russia propaganda, along with other tactics, **Russia undermines transatlantic unity and corrodes democracy from within** institutionally fragile and/or challenged states. The Kremlin has spread this state capture model globally, leveraging China's support and economic muscle.

The Center for the Study of Democracy (CSD) has developed a **comprehensive framework for monitoring and countering state capture** to expose Russia's malign influence across the globe. CSD's *Kremlin Playbook* methodology has, for over a decade, examined how the Kremlin exploits energy dependencies, illicit financial flows, institutional gaps and captured elites to erode states from within.[6] This often involves sowing deep internal divisions within these states to achieve paralysis and undermine foreign and defence priori-

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[6] Shentov, O., Stefanov, R., and Vladimirov, M. (eds.), *The Kremlin Playbook in Europe*, CSD, 2020.

ties. The "unvirtuous circle" of state capture requires a bridgehead from which to launch. Russia and China both utilise their strategic investments to reinforce their state capture power, yet both also take advantage of their natural resources for economic leverage. China exploits its chokehold of the world's rare-earth export market, whilst the Kremlin has long weaponized energy dependence in its political warfare.

Countering Next Generation Threats

Artificial intelligence is now a powerful accelerant. Adversaries are rapidly advancing their FIMI capabilities, deploying AI-generated deepfakes and coordinated bot networks to flood social media and erode public trust. Whilst the Euro-Atlantic community has begun to respond, its efforts remain fragmented. A more robust defense requires an EU-level coordination mechanism, complete with **centralized digital forensics for real-time threat detection** and a dedicated rapid-response unit to neutralize malicious campaigns. Integrating these capabilities under the European Democracy Shield (EDS) would create a unified and decisive command structure.[7]

Figure 2. The Disparity in Total Deal Volume for Defense Technological Start-Ups, US and Europe
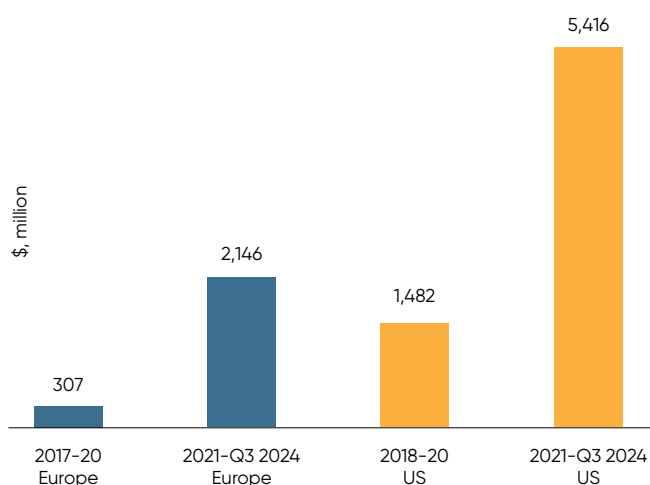
Source: CSD; based on data from McKinsey; Pitchbook, Inc.

Yet, a comprehensive strategy must look beyond defense. Europe's reliance on foreign technology constitutes a critical strategic vulnerability. To address this, the EU is pursuing strategic investments in AI factories, sovereign cloud infrastructure, and secure supply chains. The regulatory "Simplification Agenda" is a crucial step to cut bureaucratic red tape and stimulate the private investment needed for this technological leap. Ultimately, achieving genuine **technological sovereignty** is as vital to Europe's security as defending against disinformation.

Secure

Europe's security cannot rest on values alone. It must be underpinned by the material capacity to act. The war in Ukraine has exposed the dangers of economic dependence. Strategic autonomy now hinges on securing critical infrastructure, rewiring energy systems, and developing sovereign capabilities in AI and advanced technologies. Fortifying freedom means securing supply chains, digital stacks, and the energy backbone of the future.

The AI Arms Race

Artificial intelligence has emerged as **the most geopolitically significant technology in the conflict.** Its applications are already notable, from aiding reconnaissance and co-piloting drones to de-mining operations. Yet the AI arms race extends far beyond these battlefield uses, with implications that will reshape global power dynamics and challenging the foundations of freedom and democracy.

AI has the potential to utterly transform the global order as we currently understand it, on par with the nuclear arms race initiated eighty years ago. It is expected to drive comprehensive altercations to geopolitical alliances, international trade and supply chains, the role of governments and, as alluded to, the nature of warfare. The signs of the geopolitical urgency are already present, as evidenced by, for example, increased attention to infrastructure planning, energy supply, supply chain war-gaming, and state investment and incentives.[8]

The US, the global leader in AI, remains **firmly committed to preserving its competitive advantage** against a contending and confident China. Washington views this competition in near-existential terms, understanding that whoever wins this race will ultimately define

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[7] Center for the Study of Democracy, *Forging the European Democracy Shield*, Policy Brief No. 159, May 2025.

[8] Executive Office of the President of the United States, *Winning the Race: America's AI Action Plan*, The White House, July, 2025.

the rules of this new era of technological capability.[9] This has come against Europe's normative lead, seeking to safeguard fundamental rights against state and private – led AI intrusion and control.
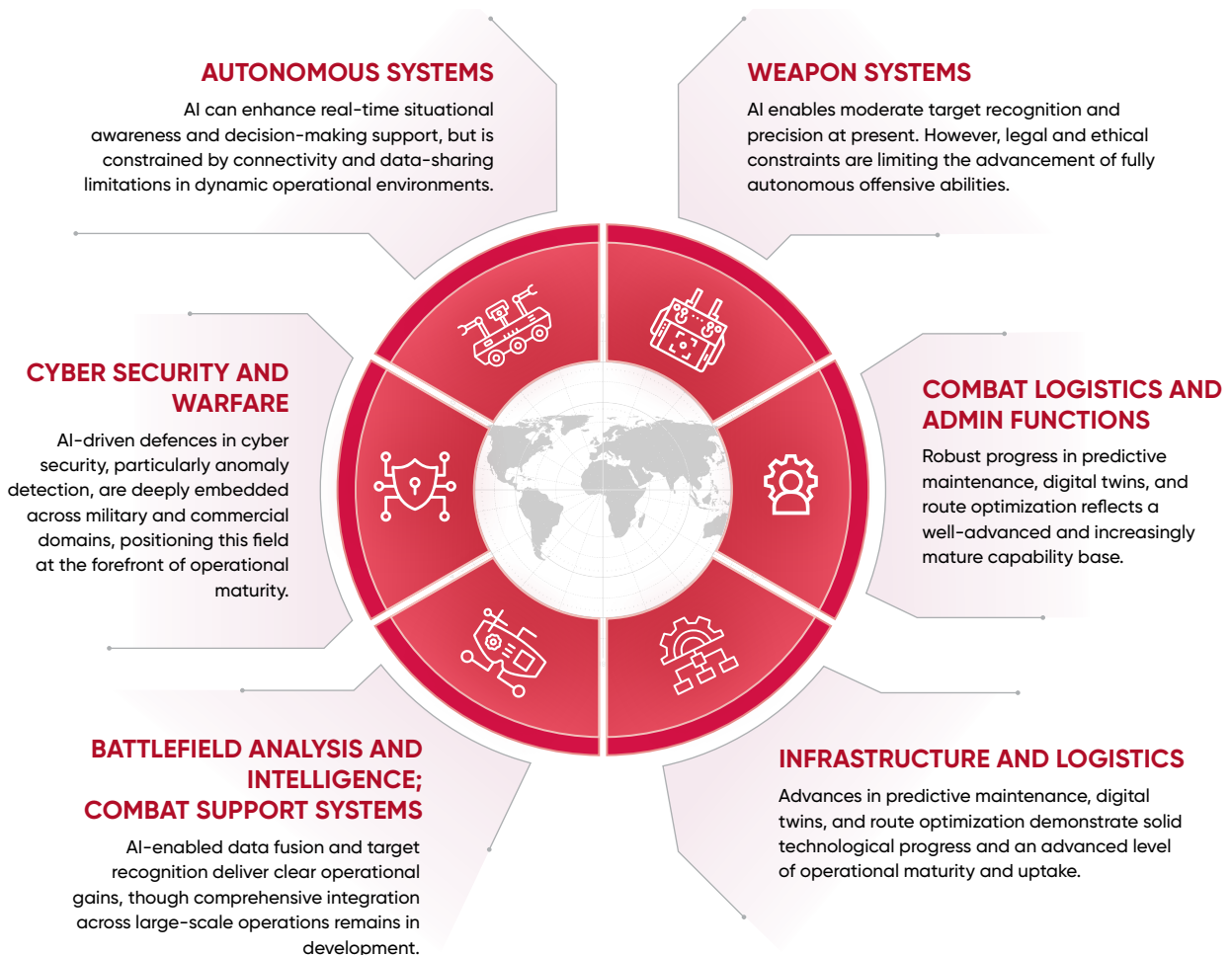
To maintain AI supremacy and counter China's rise, the US has radically reshaped its domestic and international policies. Domestically, it has emerged as a major investor in private-sector AI, pledged to slash red tape, and taken a direct role in the export deals of key AI companies. Internationally, the US is working with private tech giants to diffuse American AI, assisting allies in building sovereign AI systems. This AI Marshall Plan aims to ensure that allied nations integrate with US technology, pre-empting reliance on China. **Software architecture is now understood as alliance architecture**, and the transatlantic software stack is treated just as NATO is: shared defence infrastructure.

China is racing against the United States to write the code, and thus the rules, of the future. Through a new whole-of-nation strategy for AI self-reliance, Beijing is making massive investments in advanced research, supercomputing, and data centers. It is directing financial institutions and local governments to fund AI projects and actively promoting its own tech champions on the global stage.

Silicon Shield Strategy

The Silicon Shield strategy is critical to achieving the EU's ambition of AI sovereignty. This goal depends on securing the critical minerals that power AI systems, a competition already intensifying globally. South America, with its vast reserves, is a key battleground. Russia, for instance, has secured access

Figure 3. The potential military applications of AI systems

AUTONOMOUS SYSTEMS
AI can enhance real-time situational awareness and decision-making support, but is constrained by connectivity and data-sharing limitations in dynamic operational environments.

WEAPON SYSTEMS
AI enables moderate target recognition and precision at present. However, legal and ethical constraints are limiting the advancement of fully autonomous offensive abilities.

CYBER SECURITY AND WARFARE
AI-driven defences in cyber security, particularly anomaly detection, are deeply embedded across military and commercial domains, positioning this field at the forefront of operational maturity.

COMBAT LOGISTICS AND ADMIN FUNCTIONS
Robust progress in predictive maintenance, digital twins, and route optimization reflects a well-advanced and increasingly mature capability base.

BATTLEFIELD ANALYSIS AND INTELLIGENCE; COMBAT SUPPORT SYSTEMS
AI-enabled data fusion and target recognition deliver clear operational gains, though comprehensive integration across large-scale operations remains in development.

INFRASTRUCTURE AND LOGISTICS
Advances in predictive maintenance, digital twins, and route optimization demonstrate solid technological progress and an advanced level of operational maturity and uptake.

Source: CSD; based on PWC's Strategy Unit & Munich Security Conference.

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[9] Executive Office of the President of the United States, *Winning the Race: America's AI Action Plan*, The White House, July, 2025.

to Bolivia's lithium through Rosatom. Similarly, Chile and Argentina hold major lithium deposits, and Brazil is rich in cobalt – all essential for batteries and semiconductors. The continent also possesses immense quantities of silicon, copper, nickel, and other vital materials.[10]

To counter this, the US, EU and their allies must actively forge strategic partnerships with like-minded nations across Latin America, Africa and Asia. The objective is to develop **resilient supply chains and build strategic stocks** of these critical raw minerals.

This friend-shoring will deliver manifold benefits. By establishing secure supply chains with global partners, the EU can simultaneously strengthen its Silicon Shield, fuel the green transition, and enhance collective economic security.[11] Such an economic security alliance would directly diminish China's chokehold on global supply chains and curtail Russia's ability to advance its state capture agenda.

Energy

The ability of adversaries to weaponize energy and mineral resources is profoundly complicated by the rise of AI. The current leaders in the AI race view **a failure to govern one's own "AI stack" as an act of geopolitical surrender.** The technology's massive electricity demands, to power and cool thousands of servers, have fundamentally altered the digital economy's model. Tech firms are now billed less for the physical space they occupy and more for the immense power their machines consume.

This new dependency only heightens **vulnerability to energy warfare**. Given that Europe is particularly exposed to this threat, it must implement robust safeguards and strengthen its economic security in close cooperation with its allies.

Critical Rare Earths

China's demonstrated willingness to restrict global access to critical raw materials, most notably the rare earth elements essential for semiconductors, EVs,

and defense systems, has triggered a Western-wide reckoning on supply chain security. **This use of resource dominance as a geopolitical tool has exposed a critical vulnerability.**

For Europe, this dependency is particularly acute. In response, the European Union has launched the Critical Raw Materials Act, a strategy to diversify its supply by building strategic partnerships with resource-rich nations, boosting domestic recycling capabilities, and streamlining permitting for mining projects within its own borders. The goal is to break China's strategic leverage and ensure the continent's industrial survival.

Lead

Russia and China have challenged whether democracies can survive and lead the eternal quest for freedom and human rights. Europe must move beyond defense and build a new architecture for global engagement: one that promotes democratic transitions, protects civic actors, and reshapes global norms on AI, accountability, and transparency. **Leadership in this era means strategic partnerships**, with civil society, with like-minded nations, and with the next generation of democratic reformers and freedom fighters. By fortifying freedom at home and abroad, Europe can once again define the rules of the future.

Europe's Democratic Resilience

Amid intensifying geopolitical and technological competition, the EU must bolster its democratic resilience, economic security, and rule of law to counter hybrid threats. The European Internal Security Strategy, ProtectEU, provides a crucial framework for this effort. It focuses on strengthening cybersecurity and safeguarding critical cloud and telecommunications infrastructure from FIMI. This strategy reflects the EU's broader 360° geopolitical shift, acknowledging that **digital resilience is now as vital to European security as conventional military readiness**. By hardening these digital foundations, ProtectEU also prepares the Union's statecraft for the strategic demands of the AI age.

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[10] Vladimirov, and Osipova, *Global Reach: The Kremlin Playbook in Latin America*, CSD, 2024.

[11] Markov, D., and McLaren, R., *Forging the Shield: National Economic Security Policies in an Era of Global Uncertainty*, Sofia: Center for the Study of Democracy, 2024.

The European Democracy Shield (EDS) is central to the EU's efforts to bolster democratic resilience. Designed to protect civil society and democratic institutions, its mandate includes countering FIMI, supporting civil society, protecting journalists, and safeguarding electoral integrity.

However, to be truly effective, the EDS must evolve into the EU's flagship, unifying instrument for defending democracy. This requires it to transcend its current role by allocating substantial additional funding and ensuring a unified institutional response. By strategically coordinating existing bodies like the EEAS' East StratCom Task Force and leveraging legal instruments such as the Digital Services Act Package, the EDS can synchronize the EU's internal democratic safeguards with its external geopolitical strategy. This integration is essential to effectively counter foreign threats and fully realize the goal of European tech sovereignty.

Safeguarding Independent Media

These efforts are crucial for defending information security in an age of geopolitical turmoil. Driven by the rise of the commercial internet and social media, "**news deserts**" are spreading widely. Allowing the further decline of this industry denies citizens access to reliable journalism and leaves them vulnerable to coordinated foreign disinformation and manipulation.

There are myriad actions that can be taken to prevent this decline. Ultimately, an effective response will require a concerted effort from both the European Commission and the national governments of member states, who are essential in implementing supportive policies and funding at the local level.[12]

Protecting Fundamental Rights

Europe's civil society is under direct assault. The **next-generation threats** of Kremlin influence campaigns, elite capture, and hybrid warfare are taking a severe toll. By fuelling hostility through sympathetic far-right parties, authoritarian actors are actively stoking division to paralyze European democracy from within.

Simultaneously, a new domestic challenge is emerging from **technological disruption**. While enhancing AI competitiveness is crucial, the rapid automation it brings risks displacing hundreds of thousands of workers. This threatens to exacerbate pre-existing economic disparities, fuelling the very social tensions and populist grievances that our adversaries exploit.

In this era of compounded threats, **a robust civil society is not a luxury—it is a vital line of defense.** These organizations protect societies from those who seek to tear them apart and serve as essential intermediaries between citizens, governments, and industry. They can shape the public debate on AI's socio-economic impact and advocate for a just transition for displaced workers.

Empowering civil society with greater institutional backing, legal protections, and sustained resources is fundamental to safeguarding our democratic future.

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Why We Fight

To safeguard its democratic resilience, strategic autonomy, and technological sovereignty in the age of AI-driven geopolitics, Europe must act decisively. The first imperative is to **consolidate its defenses**. Initiatives like the European Democracy Shield should be unified into a single framework to counter hybrid warfare, foreign information manipulation, and next-generation threats. Dismantling state capture networks would significantly harden Europe's governance and economic security.

The second, more pressing task is to **secure its foundations**. This requires deepening transatlantic cooperation on clean and AI-linked energy technologies. The goal is to break not only Europe's own dependence on adversarial states, but also that of other like-minded democracies. By investing simultaneously in its democratic values, exemplified by a vibrant civil society, bold civic champions, and in resilient AI supply chains, Europe and its allies can build a future where their freedoms are not just protected but fully fortified.

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[12] Center for the Study of Democracy, *Supporting Media Freedom in Europe*, Policy Brief No. 150, November 2024.