

What is sovereign capability?

A strategic guide for defence leaders and procurement teams



No longer just a policy concept, sovereign capability has become a central issue in defence strategy and procurement. In practice, sovereignty is shaped by supply chains, alliances, and regulatory control; and, for defence leaders, it must be actively managed, not assumed.

Key insights

- Sovereign capability is increasingly shaped by supply chains, alliances, and export controls
- Defence procurement decisions determine long-term control (not just cost)
- “Full” sovereignty is rarely achievable. Most capability is conditional
- Governance, compliance, and visibility are central to maintaining operational control?

Sovereign capability has become one of the defining themes in modern defence.

It sits at the intersection of geopolitics, procurement, and industrial strategy, and is increasingly shaping how nations design, build, and deploy military capability.

Yet, despite its prominence, the concept is evolving. For defence leaders, the challenge is not simply to define “sovereign capability” in traditional terms, but to understand *what it actually requires in practice*, and where its limits sit in a deeply interconnected global system.

Why this matters

For defence organisations, sovereign capability directly affects operational and commercial outcomes:

- Programme delivery timelines can be shaped by external approvals and licensing
- Supply chain dependencies can introduce hidden strategic risk
- Regulatory frameworks can constrain how systems are deployed or exported
- Procurement decisions increasingly determine long-term control, not just cost

Understanding sovereign capability is therefore essential to protecting both operational readiness and strategic autonomy.

What is sovereign capability in defence?

At its simplest, **sovereign capability is a nation's ability to design, produce, maintain, and deploy defence capabilities** independently. This includes traditional and digital weapons of war, military strength, firepower, and related complex goods, software, or hardware.

However, the concept extends further. It includes *not just physical ownership* of platforms, but **control over the systems, technologies, and decisions that govern their use**. This encompasses industrial capacity, supply chain visibility, and the ability to act without external constraint.

That distinction is important. As with Australia's acquisition of SSN-AUKUS submarines under AUKUS, a nation may possess advanced defence assets, but still rely on foreign technology, components, or regulatory approval – in this example, via ITAR – to operate them. In this sense, sovereignty is not absolute. It exists on a spectrum.

In other words, capability does not always equal autonomy, and ownership does not always equal control.

Why sovereign capability matters in modern defence strategy

The growing focus on sovereign capability reflects a shift in the global defence environment. Geopolitical fragmentation, export controls, and supply chain disruption have all made reliance on external actors more complex and, in some cases, more risky.

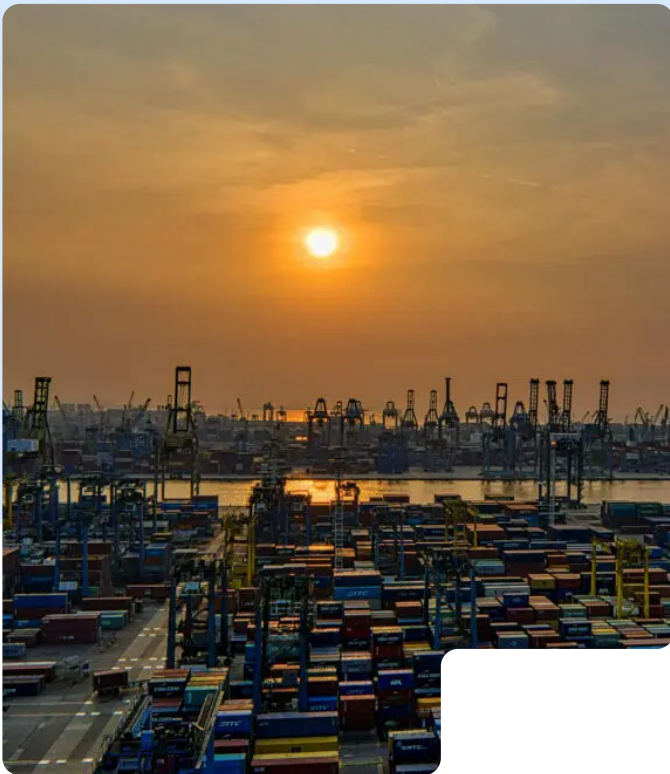
As a result, governments are reassessing where control must sit, and how much dependency is acceptable. Sovereign capability has, therefore, become a question of national resilience.

It influences whether a nation can act independently, how quickly it can respond to emerging threats, and how exposed it is to external political or regulatory pressure. For defence leaders, this translates into tangible concerns around delivery, readiness, and long-term strategic positioning.

Sovereign capability and defence procurement

For most defence organisations, sovereign capability is ultimately realised (or constrained) through procurement.

Procurement decisions determine not only what is acquired, but where capability resides, and who controls it over time. Increasingly, this requires a shift in thinking. Where procurement was once driven primarily by cost and performance, it now must account for resilience, control, and regulatory exposure.



Procurement trade-offs in the defence industry

As such, modern defence procurement involves navigating a set of competing priorities:

Priority	Strategic benefit	Associated risk
Global sourcing	Access to advanced technology and scale	Increased dependency and regulatory exposure
Domestic production	Greater control and national resilience	Higher cost and longer delivery timelines
Rapid procurement	Accelerated capability deployment	Reduced scrutiny and potential compliance gaps
Collaborative programmes	Shared cost and innovation	Constraints on sovereignty and operational freedom

These trade-offs are not easily resolved. They must be actively managed, at boardroom level, as part of a wider defence strategy.

The role of the UK defence industry in sovereign capability

As the world's second-largest defence exporter, the UK plays a not-insignificant role in the industry globally, with an established pedigree and leadership in disciplines such as advanced manufacturing, systems integration, and defence services.

These capabilities position the UK as both a potential contributor to allied programmes and a developer of strategic capabilities in its own right. However, at the same time, the UK operates within a highly interconnected, complicated, and often tense international ecosystem.

Supply chains are global, technologies are shared, and regulatory frameworks – particularly end-use agreements and export controls – shape how capability can actually be developed and deployed.

This creates a dual reality: the UK does hold clear industrial leadership in some domains, but it also faces structural dependencies that influence how sovereign its capabilities can be in practice.

Sovereignty vs collaboration: can defence alliances deliver both?

With few exceptions internationally, modern defence capability is not built in splendid isolation. The world of defence is more connected than that. Alliances such as NATO and AUKUS determine how nations access technology, share costs, and accelerate innovation.

However, collaboration introduces its own constraints. Shared systems and technologies may be subject to external controls, including export licensing and usage restrictions. This can limit how capability is deployed or transferred, even when it is nominally “owned” by a national government. As a result, sovereignty and collaboration must be balanced carefully.

Sovereignty, in this context, is less about independence and more about **management of interdependence** – understanding where control is retained, where it is shared, and how those boundaries are governed.

The operational reality: what sovereign capability requires in practice

Delivery of sovereign capability depends on the underlying systems and processes that enable organisations to operate effectively, within a constrained and sensitive environment.

Two areas are particularly critical:

Governance, compliance, and control

Export controls, [licensing](#) regimes, and national security regulations all play a central role in shaping how defence capability can be used. To manage this, organisations must develop robust governance frameworks that ensure:

- Accurate classification of components and systems
- Clear visibility of regulatory obligations
- The ability to demonstrate compliance under audit

Without this [governance](#) infrastructure, sovereignty becomes difficult to exercise in practice, regardless of strategic intent.

Supply chain visibility and industrial resilience

Modern defence systems rely on complex networks of suppliers, often spanning multiple jurisdictions. Understanding these dependencies – and their associated risks – is essential.

A single component can introduce regulatory constraints, or a single supplier can create costly strategic vulnerability: as we saw in the [AOG *Technics*](#) fraud case. For defence organisations, sovereignty increasingly depends on how well these risks are identified, monitored, and managed.

The cost of sovereign capability

Conventionally, sovereign capability is usually framed as a strategic imperative, but it does come with measurable costs.

There is financial investment, yes, but organisations must also consider increased complexity, longer procurement timelines, and higher governance overheads. In some cases, pursuing a traditional idea of “*unconditional sovereignty*” may require duplication of capability that would otherwise be shared across alliances.

For nations, this raises an important question: ***what level of sovereignty is necessary?***

For many, the answer lies not in absolute independence, but in identifying critical capabilities where control must be retained, and accepting some level of dependency elsewhere.

Is sovereign capability realistic in 2026 and beyond?

As defence systems become more complex and interconnected, the idea of a complete and unerring national autonomy is becoming harder to sustain.

Supply chains are global, technologies are shared, and regulatory frameworks are increasingly influential. In this environment, sovereign capability is evolving. Rather than being absolute, it is becoming more:

- Selective, focused on key strategic capabilities
- Conditional, shaped by alliances and regulation
- Actively managed, through governance and procurement decisions

This perspective changes how the notion of sovereign capability should be approached.

Sovereign capability as a strategic discipline

Sovereign capability remains central to defence strategy, but it is not a simple concept to define.

Rather, in the modern era, it is more of a movable feast. It is constantly reshaped by procurement choices, constrained by regulation, and [pressure-tested through operations](#). It requires organisations to balance independence with collaboration, and control with efficiency.

For defence leaders, the challenge is not simply to “*achieve*” sovereignty, but to understand [where it matters](#), how it is constrained, and how it can be maintained over time.

Because – in modern defence – sovereignty is not assumed, and nor is it perennial. It is something that must be intentionally designed, built, and continuously managed, as the sands of international geopolitics continue to shift.