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The EU, NATO and European security in a time of war

By Ian Bond and Luigi Scazzieri



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- ★ Vladimir Putin's invasion of Ukraine in February was a watershed moment for European security, confirming beyond doubt that Putin's Russia has expansionist ambitions that stretch across much of eastern Europe. Russia will continue to be a threat to European security so long as it is ruled by Putin, or by someone else with the same aggressive, imperialist mindset. The conflict in Ukraine will also exacerbate existing problems amongst Europe's southern neighbours. Other threats to Euro-Atlantic security have not disappeared and China poses increasing problems for the EU and NATO.
- ★ Both NATO and the EU have updated their key guiding documents on security and defence policy this year. NATO's new Strategic Concept sets out the purpose of the alliance and its core tasks. The war in Ukraine has revived NATO and refocused the alliance on deterring Russia. The allies agreed to strengthen troop deployments along their eastern flank, to deter Moscow better. At the same time, the war in Ukraine has highlighted the EU's central role in European security. The EU's Strategic Compass sets out a series of objectives to strengthen the EU's security and defence policy by 2030. The Compass makes clear that the EU's efforts will focus on economic and hybrid threats, fostering co-operation in developing military capabilities, and encouraging member-states' military forces to work together better – priorities that have been validated by the war in Ukraine. To the degree that the EU has a military role, this will mainly involve strengthening partners and carrying out small-scale military operations.
- ★ The key challenge in European security over the coming years will be strengthening deterrence against Russia while retaining the ability to tackle other threats. NATO and the EU should both play a role in this. NATO remains the unquestioned framework through which to organise deterrence and defence, and the EU recognises NATO's primacy. The EU and NATO can both contribute when it comes to strengthening partners, stabilising neighbouring countries and developing military capabilities.
- ★ The EU and NATO must draw the right lessons from the war in Ukraine. For many years, Western governments have procured ever smaller numbers of ever more sophisticated weapons, with minimal stocks of munitions for them. Defence planners may need to revisit their assumptions about the stocks required to fight a war against a peer competitor like Russia. The conflict has also shown that the West does not have the capacity to increase production of military equipment quickly. Governments should consider how to increase peacetime stocks, and work with defence companies to reduce the time needed to increase production.
- ★ While many European countries have announced increases in defence spending, a lot of them will find it politically challenging to spend more on defence when faced with an economic downturn. But Europeans must live up to their pledges and take on more responsibility for their own security – they cannot rely on the US to continue to underwrite it in perpetuity. Allies will need to invest significant sums to increase their military deployments and pre-positioned stocks on NATO's eastern flank, and to

improve the readiness of their forces and their ability to operate together. The war marks the beginning of a dangerous new era and spending 2 per cent of GDP on defence needs to become a reality.

- ★ The EU should be more ambitious: it should co-ordinate increased defence spending; support efforts to strengthen European military capabilities; and push countries to co-operate more in developing and procuring military capabilities as well as joint maintenance and logistics. This would help to realise efficiency gains and support the scientific, technical and industrial capabilities that Europe needs for its security. The Commission's recent proposals, particularly the idea of a VAT exemption for some co-operative defence projects, could be significant, but progress towards EU defence co-operation requires a stronger steer from leaders.
- ★ EU states and other NATO members should ensure that their defence markets (and in the EU's case its defence initiatives) are as open to each other as possible, to ensure efficiencies of scale. The EU and NATO will also need to avoid spreading resources and efforts too thinly between NATO tools like the Innovation Fund and EU tools like the European Defence Fund. The US should continue to signal strong support for a greater EU role in defence, particularly in terms of capability development. In so doing, Washington can help to ensure the success of EU initiatives and influence their development in ways that avoid unnecessary duplication and genuinely strengthen European security.
- ★ Finally, the war in Ukraine highlights how lack of standardised equipment could be a problem for Western forces in a conflict. NATO should reinvigorate its efforts to standardise equipment, and the EU should leverage its funding to encourage member-states to integrate standardisation and interoperability into project design. The inability of different allies and partners to work together seamlessly is a force-multiplier for potential adversaries.

Both the EU and NATO have recently completed strategic reflection processes: the EU released its Strategic Compass in March and NATO published its latest Strategic Concept at the June Madrid Summit. When the two documents were first conceived, they were intended to set out medium- to long-term goals for Europe's defence and security in an era characterised by China's rise, Russia's renewed assertiveness and the increasing instability in Europe's neighbourhood. But both documents have had to be hastily adapted to Vladimir Putin's latest invasion of Ukraine in February this year. Putin's war of aggression, inflicting mass casualties, laying waste to cities and driving millions of civilians from their homes, has fundamentally altered the European security environment. Europeans are shedding most of the illusions that they harboured about Putin's foreign policy.

No matter how the conflict in Ukraine evolves, Russia will continue to pose a long-term threat to European security. At the same time, security challenges in Europe's southern flank will be intensified by the economic spill-over of the conflict in Ukraine – particularly the shortfall in food exports from Ukraine caused by Russian military and naval action. And China is not going away – it will loom progressively larger in US strategic thinking, even if the Biden administration has for now been forced to focus on the Russian threat to Europe.

The challenge facing Europeans is to reinforce deterrence against Russia by credibly signalling that they are willing to defend all allied territory, while also improving their ability to deal with other challenges. NATO and the EU will both have roles to play. The conflict has reinvigorated NATO and emphasised Europe's reliance on the US as a

security supplier. At the same time, Putin's war has also underscored the EU's crucial political and economic role in responding to Russia's aggression.

This policy brief explores the implications of Russia's invasion of Ukraine for European security and for the West's ability to respond to developments elsewhere. First, it sets out the consequences of the conflict and the challenges that Europe faces. Then, it analyses the respective roles of the EU and NATO in ensuring European security, and what the practical effects of the Strategic Compass and Strategic Concept will be. And it considers whether the EU and NATO will be able to find co-ordinated responses to the threats that face them or whether, as so often in the past, institutional rivalry between the two and hostility between some of their members will damage Western cohesion.

Europe's new security landscape

The conflict in Ukraine is a watershed moment in European security, confirming beyond doubt that Putin's Russia has expansionist ambitions that stretch across much of eastern Europe. Putin has likened himself to Peter the Great, recovering what he regards as historically Russian lands – though most of the current inhabitants would not agree.¹ The conflict is unlikely to end quickly, although there may be pauses in the fighting. Given the high costs that Russia has already incurred, in the coming months Putin is likely to try to continue to push for territorial gains in the south and east of Ukraine in the hope of wearing down Ukraine's army and forcing Kyiv to make concessions. Putin will also be hoping that conflict fatigue and economic difficulties will undermine Western support for Kyiv over time, so that even if he cannot conquer the whole country in one go, he can push on again later, when Western interest in defending Ukraine may have waned. He pointedly referred to the fact that Peter the Great's war against Sweden lasted 21 years.

“Europeans and the US will have to continue to be wary about Moscow's actions in Europe's southern neighbourhood.”

At the same time, after its successes in halting Russia's initial offensive on Kyiv and after seeing the atrocities Russian forces have committed, Ukraine has little appetite for striking an agreement with Russia that would involve any major concessions on its part – not least as there is no guarantee that such concessions would prevent further Russian aggression later. Despite recent territorial losses in the Donbas region of eastern Ukraine, the increasing flow of Western military equipment to Ukraine means that Kyiv hopes that it might ultimately be able to eject Russia from most if not all of the Ukrainian territory still under its control.

But, even if the two sides fight themselves to a standstill, and a long-term ceasefire or a peace agreement follows, the challenge of deterring Putin would be no less important for Europeans. Putin's ambition to reconquer significant parts of the Russian empire means that Russia will continue to pose a threat to European security so long as it is ruled by him, or by someone else with the same aggressive imperialist mindset.

The consequences of the conflict in Ukraine are not limited to Europe's eastern flank. The economic impacts will exacerbate existing problems amongst Europe's southern neighbours. The fighting, including Russia's seizure of several important Ukrainian ports and its

blockade of the Black Sea coast, has seriously disrupted agriculture and food exports from Ukraine, while exports from Russia have also been affected by the rapidly-evolving sanctions regimes and by the pre-emptive withdrawal from Russia of Western firms that fear future sanctions or reputational damage.² If the UN and Turkish-mediated agreement on Ukrainian grain exports holds, the damage may not be catastrophic. But the agreement may not endure, with severe consequences for many countries in Europe's southern neighbourhood, which rely on Russian and Ukrainian food exports – for example Egypt, Lebanon, Libya and Turkey import around three quarters of their wheat from the two countries.³ Higher food prices, combined with the rise in energy prices, are likely to generate significant discontent in large parts of the Middle East and North Africa this autumn and winter. There may be large scale unrest – as happened in 2011, when high food prices sparked the Arab Spring. Unrest could further undermine fragile states like Lebanon or Libya, encourage more people to seek better lives in Europe and strengthen extremist groups that threaten Europe. And as Europe tries to reduce its reliance on Russian energy, its dependence on suppliers like Algeria, Azerbaijan and Qatar will only grow. This will increase Europeans' exposure to the risks of instability and conflict in the Middle East and North Africa, and force Europe to take a greater interest in the region.

At the same time, other threats to European security have not disappeared. Europeans and the US will have to continue to be wary about Moscow's actions in Europe's southern neighbourhood. Russia has withdrawn some of its military forces and proxies from the Middle East and North Africa region, but it is unlikely to completely lose influence in Libya, Syria and the Sahel. And Moscow continues to foster instability in the Balkans, particularly in Bosnia where it has tried to encourage the Bosnian Serbs to secede from Bosnia-Herzegovina. Security challenges in the Middle East will also continue to be relevant for Europe, and Russia will seek to inflame them where it can, as a means of distracting Western attention from Ukraine. Negotiations to revive the nuclear deal with Iran have stalled, and it seems that Russia is seeking to exploit Tehran's hostility to the West by beefing up bilateral co-operation: Putin visited Tehran in mid-July, and the US has claimed that Iran is going to supply Russia with armed drones for use in Ukraine. Even if the nuclear deal is salvaged, Tehran's foreign policy and its support for proxies across much of the Middle East will continue to destabilise the region and to create challenges for Euro-Atlantic security. And in the Sahel, the proliferation of extremist groups will continue to worry many southern European countries – again, Russia is playing a role

1: Vladimir Putin, 'Meeting with young entrepreneurs, engineers and scientists', kremlin.ru, June 9th 2022.

2: Reuters, 'As sanctions bite Russia, fertilizer shortage imperils world food supply', March 23rd 2022.

3: Kali Robinson, 'How Russia's war in Ukraine could amplify food insecurity in the mideast', Council on Foreign Relations, April 21st 2022.

in fomenting instability through the private military company 'Wagner', which is controlled by Yevgeniy Prigozhin, a close associate of Putin who has been sanctioned by the EU, US and UK.

Meanwhile, in the background looms China, which poses increasing problems for both the EU and NATO. In 2019, the EU's strategic outlook for relations with China distinguished between areas of co-operation, competition and 'systemic rivalry'.⁴ In the years since, the balance has tilted away from co-operation and towards systemic rivalry. Though China does not (yet)

pose a direct military threat to Europe, it is increasing its military footprint in parts of Africa and the Middle East, supporting non-democratic regimes and strengthening its global influence. It has not given direct defence or defence-industrial assistance to Russia so far, but in its rhetoric it has placed the blame for the war on NATO and the West, rather than Moscow. Europe's greatest security concern about the rise of China, however, is that it will drag American resources and political attention away from the Euro-Atlantic area and the continuing problem of Russian aggression, and that Europe on its own will lack the capacity to deal with the security challenges it faces.

NATO's revival

The most immediate consequence of Russia's invasion for European security is that NATO, which French President Emmanuel Macron branded 'braindead' in late 2019, has been re-invigorated in its core mission of deterring Russian aggression and defending allies' territory if deterrence fails. Since the end of the Cold War, NATO has relied on deterring Russia through small deployments of forces in frontline states – the so-called 'tripwire' model. But this is no longer sufficient in the new security environment created by Russia's invasion: first, the likelihood of Russia risking an attack on NATO territory seems less remote than before, and the need for a force capable of defending against an assault rather than simply deterring one is therefore correspondingly greater; and second, having seen what Russia did in the parts of northern Ukraine it has been driven out of, no frontline NATO country is willing to countenance even a short period of Russian occupation of any of its territory.

“NATO has been re-invigorated in its core mission of deterring Russia from aggression and defending allies' territory.”

In the aftermath of Russia's invasion, NATO allies agreed on steps to reinforce deterrence, deploying four new multinational battlegroups to Hungary, Romania, Bulgaria and Slovakia.⁵ With the Strategic Concept, allies affirmed their commitment to “defend every inch of Allied territory” and agreed to strengthen NATO's “deterrence and defence posture to deny any potential adversary any possible opportunities for aggression.” Allies also agreed to “deter and defend forward with robust in-place, multi-domain, combat-ready forces” and to increase the operational readiness of their forces, including by pre-positioning ammunition and equipment.⁶ New defence plans are set to expand the number of troops in NATO's rapid response force from 40,000 to 300,000.⁷ This

enlarged force is also supposed to have a higher level of readiness than the current response force. The details of this reinforced posture still need to be fully worked out, but some allies have already agreed to commit more troops – the US will set up a permanent army corps headquarters in Poland and send more troops to Romania and the Baltic states, while Canada, the UK and Germany have committed to strengthening their existing deployments in the Baltic states.

Russia's invasion has also prompted Finland and Sweden to apply for NATO membership. Neither country had favoured joining the alliance prior to the conflict. But Russia's unprovoked aggression fundamentally altered their threat perceptions and massively increased public support for NATO membership in both countries. As long as Turkey does not raise further objections to the two countries joining NATO (more on this below), accession should be smooth. The two countries are already close partners of the alliance, and their forces are used to operating with those of other alliance members. Finland and Sweden will bring highly capable armed forces into the alliance, along with a defence doctrine that emphasises a 'whole of society' effort in case of conflict. NATO's Strategic Concept stresses that “national and collective resilience is critical to all our core tasks and underpins our efforts to safeguard our nations, societies and shared values”. Few if any of NATO's current members have paid as much attention as Finland and Sweden to preparing society to cope with disruption, whether caused by natural disasters, 'grey zone' action such as cyberattacks on critical infrastructure or armed attacks on their territory. Having Finland and Sweden in NATO will also make it easier to defend the Baltic states, as it will be logistically easier to assist them. However, Finland and Sweden joining NATO will require the alliance to update its defence plans to account for the need to defend their territory, which is particularly relevant in the case of Finland's 1,300 kilometre-long land border with Russia.

4: 'European Commission and HR/VP contribution to the European Council: EU-China – A strategic outlook', March 12th 2019.

5: NATO, 'NATO's military presence in the east of the Alliance', July 8th 2022.

6: NATO, 'Strategic Concept 2022', June 29th 2022.

7: Henry Foy, 'Nato to increase forces on high alert to 300,000', *Financial Times*, June 27th 2022.

The renewed threat from Russia poses questions for the future of NATO's broader role that the Strategic Concept does not fully resolve. NATO's tasks are defined as i) "deterrence and defence"; ii) "crisis prevention and management"; and iii) "co-operative security". The renewed importance placed on NATO's mission of being ready to defend allied territory and the emphasis devoted to deterrence in the Concept leaves little doubt that this is NATO's core mission. The degree to which NATO's new focus on deterring Russia will leave the alliance able to tackle threats from elsewhere is not fully clear, however.

The southern flank was never as much of a priority for the alliance as the eastern flank, although allies like Italy, Spain and Turkey mainly look to the south. Russia's invasion of Ukraine risks making the southern flank even less of a priority for NATO, even though events in the region will continue to threaten the security of many NATO members. The rhetorical shift from "crisis management" in the 2010 Strategic Concept to "crisis prevention and management" in the 2022 Concept suggests that NATO has taken stock of the intervention fatigue across the alliance after the failed interventions in Libya and Afghanistan. But the degree to which the alliance can engage in crisis prevention is unclear, as the challenges facing its neighbours are primarily rooted in social and economic factors that NATO does not have the tools to successfully address.

“The Strategic Concept marks a convergence in how allies see China, and labels Beijing as a strategic challenger.”

Then there is the China question. The Strategic Concept marks a convergence in how allies see China, and clearly labels Beijing as a strategic challenger, saying that its “stated ambitions and coercive policies challenge our interests, security and values.” But behind the agreed language in the Concept, the degree to which allies agree on how to deal with China in practice remains unclear. Despite acknowledging China as a systemic rival, European allies do not see Beijing as a threat to the same degree that the US does, and lack the appetite for a more confrontational stance towards Beijing, including in the military sphere. This might change if China becomes more actively involved in supporting Russia's attack on Ukraine, for example by supplying components for weapons, thus helping Moscow to avoid Western sanctions. But resource constraints mean that NATO's role in countering Chinese actions in Asia will remain limited. It is also possible that a consensus between allies over how to approach China will remain elusive, with Europe having more limited

appetite to put economic ties with China at risk at a time when the cost of living is a major concern for voters.

Finally, while Russia's invasion of Ukraine has re-invigorated NATO in the short term, the alliance's longer-term political cohesion remains a concern. In the immediate aftermath of Russia's invasion it seemed as if NATO's political unity would be strengthened, despite the continued flirtation of Hungary's Viktor Orbán with Putin. Russia's invasion defused some of the tensions between the US, UK and France stemming from the AUKUS submarine deal.⁸

The invasion also looked likely to reinforce the *détente* that had emerged between Turkey and its Western allies after the high tensions in the Aegean and eastern Mediterranean in 2020. Ankara condemned Russia's invasion, provided valuable military support to Ukraine in the form of Bayraktar TB2 drones, closed its straits to Russian military ships and barred from its airspace Russian planes resupplying military forces in Syria. French President Emmanuel Macron's proposal to organise a humanitarian corridor from Mariupol together with Greece and Turkey was a sign that the three countries were open to working together, although it did not ultimately prove feasible.

Then came Turkey's objections to Swedish and Finnish NATO membership, on the basis that the two countries were not doing enough to crack down on the activities of sympathisers of the Kurdistan Workers' Party (PKK), a group that has waged an armed insurgency against the Turkish state since the mid-1980s, and which the EU and US classify as a terrorist organisation. The three countries struck an agreement before the Madrid Summit that allowed the process of Finnish and Swedish accession to NATO to proceed. But accession will ultimately depend on Turkey being satisfied that Helsinki and Stockholm are living up to their promises.

More broadly, relations between Turkey and other allies will continue to remain fractious for the foreseeable future. Existing issues, like the state of democratic freedoms in Turkey and US support for the Kurdish entity in northern Syria will continue to cause friction. At the same time, polling indicates that the government's popularity has suffered due to the condition of Turkey's economy, and President Recep Tayyip Erdoğan will turn to nationalism to win the next election, scheduled to be held next year. Ankara could for example intensify its military flights over Greek islands and resume hydrocarbon exploration near Greece and Cyprus – moves that would increase tensions with many members of the alliance. Finally, while Western allies appreciate Turkey's ability to mediate between Russia and Ukraine, many may also

8: AUKUS is an agreement between the US, UK and Australia, struck in September 2021, to launch a strategic partnership, implicitly intended to counter China. As part of the agreement, Australia agreed to procure nuclear submarines from the US and the UK, tearing up a previous deal to buy French submarines.

come to see Turkey's balancing act between the West and Russia as problematic, which could cause further tensions: the fact that Erdoğan met Putin and the Iranian president,

Ebrahim Raisi, in Tehran in July is unlikely to improve Washington's relations with Ankara, for example.

The EU's geopolitical awakening?

If the war in Ukraine and the military threat from Russia have reinvigorated NATO, they have also underlined that European security does not rely on NATO alone. The EU has played a critical role in the Western response to Russia's invasion of Ukraine. Acting through the EU, member-states sanctioned hundreds of individuals as well as Russia's central bank and its aviation, finance, energy, transport and technology sectors.⁹ The EU also banned imports of Russian coal, will phase out Russian oil by the end of the year, and wants to do the same with gas by 2027. In an unprecedented step, the EU also gave Kyiv substantial military support, providing €2.5 billion (so far) to help finance the transfer of weapons from member-states to Ukraine. Finally, the EU opened its doors to Ukrainians fleeing the war, granting them a status akin to refugees for at least one year.

“Rhetorically at least, the EU's Strategic Compass sets out high levels of ambition for the Union in defence.”

The EU's role in helping member-states manage the impact of the conflict is likely to grow further as the fighting continues. It will be up to the EU to help member-states manage the economic and humanitarian consequences. Not all member-states have the same capacity to absorb the economic shock of higher energy prices at the same time as broader inflationary pressures on citizens' living standards. The EU has already redirected some of its funds to helping member-states support refugees, but more may be necessary if the conflict is protracted, as seems likely. If EU countries are unable to agree on a substantial collective response to help European citizens and businesses in dealing with the economic consequences of the conflict in Ukraine, the EU's sanctions regime could come under strain.

At the same time, member-states do not all have the same political willingness or fiscal leeway to increase

9: Ian Bond, Zach Meyers, 'The West needs a sanctions strategy', CER policy brief, March 10th 2022.

their defence spending to deter Russia. The EU's policy choices will be crucial in determining whether member-states can reach and sustain the higher levels of defence spending that virtually all of them have committed to either as NATO members or as participants in the EU's Permanent Structured Co-operation (PESCO) co-operation framework. If the EU pushes for fiscal consolidation in the coming years, this will reduce many member-states' ability to spend on defence. Conversely, the EU could develop mechanisms that incentivise and facilitate higher defence spending, for example exempting defence spending from budget deficit ceilings and boosting its own funds for defence, like the European Defence Fund (EDF). The EU can also do more to encourage member-states to spend more co-operatively, so that the impact of larger defence budgets is not diluted across all member-states' militaries.

Rhetorically at least, the EU's Strategic Compass sets out a high level of ambition for the Union in defence. But it also reflects the reality of current and future European dependence on NATO and specifically on US defence capabilities: "NATO ... remains the foundation of collective defence for its members. The transatlantic relationship and EU-NATO co-operation are key to our overall security". The Union will not take on a major role in the conventional or nuclear defence of European territory – at least not in the short term.

The EU has a mutual solidarity clause within its treaties, Article 42.7, that could in theory be relied upon by member-states for collective defence.¹⁰ Member-states held discussions about how the article might be used as part of the consultations leading to the Strategic Compass process, but discussions did not extend to territorial defence. The very fact that Sweden and Finland want to be NATO members despite being part of the EU shows that they have little faith in the value of Article 42.7, at least as far as deterrence against Russia is concerned.

The emphasis of the Strategic Compass is on the EU's role in fostering capability development through tools like the

10: The article reads: "If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States". The language in the first sentence was taken over from the treaty establishing the Western European Union (the members of which were Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain and the UK). On paper it creates a more binding obligation to defend the victim of an attack than does NATO's Article 5, which only requires an ally to "assist the Party or Parties so attacked by taking forthwith ... such action as it deems necessary".

EDF and PESCO. Since the publication of the Compass, the Commission has also put forward proposals for a VAT waiver when member-states jointly procure military equipment – a step in the right direction, provided that the Commission's draft regulation does not get bogged down in arguments over the fiscal impact.¹¹ Another area of focus for the Compass is helping member-states defend themselves against non-military threats like cyber threats and disinformation. The EU plans to boost its own intelligence capabilities and will develop a 'hybrid toolbox' to help tackle threats like disinformation, for example by creating 'hybrid rapid response teams'. The EU also wants to strengthen cyber defence by carrying out regular exercises and the Commission is working on a 'cyber resilience act' to design standards that would assist in countering cyber attacks from foreign powers, including election interference.

“The Compass sets out plans for the EU to improve its ability to carry out military operations.”

The Compass makes clear that, to the degree that the EU has a military role, this will be limited to assisting partners and potentially carrying out medium-sized military operations. With the European Peace Facility (EPF) set up in 2021, the EU can now finance the provision of lethal assistance to partners, as it has done with Ukraine. The Strategic Compass sets out ways in which the EU can increase co-ordination between EU operations and ad-hoc coalitions operating in the same area, and how the EU can financially support coalitions of willing member-states.

The Compass also sets out plans for the EU to improve its ability to carry out medium-sized military operations, by building a flexible force of 5,000 that could be deployed in a range of circumstances – the 'Rapid Deployment Capacity' (RDC). The components of the RDC will regularly train together to increase their readiness and ability to operate together. In 1999, the EU said it should be able to deploy 60,000 troops at short notice, so the RDC is a step down from that goal. But the EU never came close to achieving its 1999 ambition and the RDC would be a significant upgrade on the EU's two battlegroups, each only 1,500 strong, which have never been used. Even so, being able to deploy a force of 5,000 will take years, because member-states will need to acquire the military

capabilities for which they currently depend on the US, including a full-scale command structure, intelligence and reconnaissance, air-to-air refuelling and strategic airlift. Some member-states may be unwilling to assign troops to the RDC, or the HQ needed to command it, given competing demands from NATO structures. Even if the RDC became fully operational, all member-states – and especially those providing it with essential assets – would have to agree before it could actually be deployed. Member-states that want to use military force may have to do so through NATO, if there is consensus in the alliance, or in ad-hoc coalitions.¹²

Finally, one of the core ideas behind the Strategic Compass was to contribute to a common European outlook on foreign policy challenges. The Compass duly lists the main threats and challenges facing the EU. However, the classified threat analysis on which the Strategic Compass was based, prepared in 2020, is already out of date. The Russian military threat is now more direct than it was then; and the West's relationship with China is more troubled. The Compass recognises the problem, and calls for an updated threat analysis by the end of 2022, with subsequent revisions “at least every three years or sooner if the changing strategic and security context calls for it”.

After an initial phase of unity in countering Russia's invasion of Ukraine, member-states are now becoming more divided over what strategy to follow. The EU's unity will be tested further as the conflict continues: many eastern member-states will push for even more military support for Ukraine and tougher sanctions on Russia, while many Western European countries will remain less willing to strengthen sanctions, more guarded about arms deliveries to Ukraine, more worried about escalation between NATO and Russia – and less willing to bear the economic pain of reduced access to Russian energy supplies. The EU's future relationship with Russia is also likely to become a point of contention between member-states. For many eastern members, there is no point in even talking to Putin, as he cannot be trusted to uphold any agreement. While the fears of Eastern Europeans that their western partners are willing to pressure Ukraine to compromise with Putin may be misplaced, most Western European leaders are likely to think that the EU needs to look beyond deterrence and sanctions, and think about how to manage relations with Russia once fighting in Ukraine ends.

11: European Commission and High Representative of the Union for Foreign Affairs and Security Policy, 'Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the defence investment gaps analysis and way forward', May 18th 2022.

12: Luigi Scazzieri, 'Does the Strategic Compass herald a stronger EU in security and defence?', CER insight, March 25th 2022.

The challenge of adapting to a more threatening strategic environment

The key challenge in European security in coming years will be strengthening deterrence against Russia, while also being able to tackle other threats. For many years, the transatlantic burden-sharing debate has been abstract: why should the US bear a disproportionate share of the cost of defending a prosperous and complacent Europe? Why should a country like Germany, facing no immediate military threat, be obliged to spend 2 per cent of its GDP on defence to meet an arbitrary NATO target? Now the debate needs to be more concrete: what weapons, munitions and other capabilities does Europe need to tackle the threats from Russia and others; what should the role of individual states, the EU and NATO be in acquiring and using these capabilities; and how should this be financed?

“Europeans will have little choice but to take on more of the burden of their own defence.”

On some issues (energy security; protection of critical infrastructure; civilian cyber security) the EU will be better placed than NATO to lead European efforts. But without the US, European states would be unable to deter Russia effectively, not only because Moscow may well see some states' commitment to deterrence as weak and be tempted to test it, but also because European forces have limited stocks and are lacking in important capabilities, like air and missile defence, modern tanks and artillery and intelligence. The number of US troops in Europe has increased by around 20,000 since Russia's invasion to over 100,000 and is set to grow further. However, Europeans cannot expect Washington to continue to shoulder the lion's share of their defence willingly. Even before Donald Trump's presidency, US complaints about unfair burden-sharing were growing more frequent. Washington's increased focus on the Asia-Pacific region does not mean that it will stop underwriting deterrence against Russia, but resource constraints mean the US contribution to Europe's conventional defence is likely to be smaller. The US is also likely to be less willing to address security issues in Europe's southern neighbourhood. Finally, Europeans cannot rule out that Trump or someone in a similar isolationist mould will become president in 2025, and try to walk away from America's NATO commitments.

Europeans will have little choice but to take on a larger share of the burden of their own defence. Since Russia's invasion in February, EU countries have announced an extra €200 billion in defence spending. Most notably, German Chancellor Olaf Scholz pledged that Germany

would finally meet its NATO commitment to spend 2 per cent of GDP on defence, and he established a €100 billion ad-hoc fund to help reach that target. However, spending announcements on their own will not be enough to fill existing gaps in military capabilities or to deter Russia.

First, the EU has been under-investing in defence compared with its peers: according to the European Commission, EU states spent 20 per cent more in 2021 than in 1999, whereas Russian spending had increased by almost 300 per cent (in constant 2020 US dollars) over the same period.¹³ Defence cuts after the 2008 financial crisis have left member-states with a current under-investment gap of around €160 billion.¹⁴ Second, the current economic climate will make it challenging to fulfil promises of new spending. Rising inflation and a looming recession will raise borrowing costs and increase the political pressure to cut defence in favour of social spending. Some countries could delay or reduce their planned defence spending increases, especially those that do not feel directly threatened by Russia and are already facing tight spending constraints.

Even if European countries fulfilled all their spending promises, it would take years to procure the equipment needed. The value of new spending will be eroded in real terms by inflation, especially if it persists at its current high rate. Much of the new spending is likely to go towards refilling stocks of weapons that have been sent to Ukraine, and to ensuring that European armies are ready to be deployed at short notice, rather than providing wholly new capabilities. This is particularly true in Germany, where successive governments have underfunded the military for many years.

The additional funds will have less impact if they are dispersed among different national armies and different kinds of military equipment, and if there is no overall plan for determining the weapons systems, logistics and munitions stocks needed. The war in Ukraine has shown the importance of standardisation: the Ukrainians have to ensure that they have enough personnel trained to operate each new system, while managing multiple supply chains for many different types of equipment provided by different countries.

Europeans must try to spend in a more co-ordinated and co-operative way. According to the European Defence Agency, joint research and development (R&D) is currently only 6 per cent of total EU defence R&D; joint procurement, 11 per cent of total procurement.¹⁵

13: European Commission, 'EU steps up action to strengthen EU defence capabilities, industrial and technological base', May 18th 2022.

14: European Commission, 'Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the defence investment gaps analysis and the way forward', May 18th 2022.

15: European Defence Agency, 'Defence data report 2019-2020', December 6th 2021.

Duplication is also a problem: Europeans are still working on developing two different next-generation fighter aircraft programs, the Franco-German-Spanish Future Combat Air System (FCAS) and the British-Italian-Swedish Tempest. While there are political and technical obstacles to merging the two, doing so would allow greater economies of scale. The European defence industry remains fragmented along national lines, except for the aviation and missile sectors, as

each country prefers to buy from its own firms. More military integration between European military forces would also lead to greater efficiencies. For example, the Belgian and Dutch navies have integrated training, logistic and maintenance arrangements, allowing them to make substantial savings and at the same time to keep military capabilities that they could not afford to maintain individually.

The EU, NATO and European security

Europe's security landscape is complex. NATO and the EU have overlapping memberships. Once Finland and Sweden become NATO members, 23 countries will be members of both organisations. And there are a range of 'minilateral' formats through which European countries co-operate. For example, most joint military procurement projects happen in small groups of like-minded countries. Other small groups are aimed at fostering interoperability between military forces, like the British-French Combined Joint Expeditionary Force, the British-led Joint Expeditionary Force (involving Nordic and Baltic countries plus the Netherlands), or the French-led European Intervention Initiative (which includes 11 EU member-states, plus Norway and the UK). All these frameworks can play a role in strengthening European security. The question is what the role of each structure should be.

“Ideally, Russia's invasion would lead to deeper EU-NATO co-operation and put an end to divisive debates.”

While small groups have been relatively uncontroversial, there have been divisions in the EU and between NATO allies on the division of labour between the EU and NATO and especially over the notion of 'European strategic autonomy' in the context of security and defence. There is no common understanding of what strategic autonomy means. Proponents of the idea stressed that Europe should be able to act on its own when the US was unwilling or unable to help. Some opponents of strategic autonomy thought that it aimed at politically detaching the EU from the US; while others argued strategic autonomy would weaken NATO politically and through duplication. Ideally, Russia's invasion would lead to even deeper EU-NATO co-operation and put an end to divisive debates about European strategic autonomy, with its advocates and detractors both focusing on how Europeans can take on more responsibility for their security. But relations have often been dogged by inter-institutional suspicion and poor relations between individual member-states in the two organisations; and the war in Ukraine has not eliminated these problems.

When it comes to deterrence and defence against Russia, NATO is clearly the indispensable organisation. It is through NATO's military structures that most European states organise their collective defence and it is through NATO that allies' armed forces get used to operating together effectively. At the same time, small groups of states like the Combined Joint Expeditionary Force or the Joint Expeditionary Force make an important contribution to deterrence and defence, particularly because the joint training and exercises that they conduct contribute to fostering greater interoperability.

The EU's Strategic Compass recognises that NATO is the pre-eminent organisation when it comes to collective defence, and explains how a stronger EU is complementary to NATO. Central Europeans and others were unhappy with the initial draft of the Strategic Compass, which barely mentioned the alliance. The final document is much more NATO-friendly, but some EU member-states feel that they should not have had to work so hard to get it into that state.

The EU can also make a meaningful contribution to deterrence and defence. Some PESCO projects, like that on military mobility, help military forces prepare better for conflict, by making it easier for them to move around in a crisis. This would for example allow faster reinforcement of the Baltic States, which are currently poorly connected to other allies by land. At the same time, part of the rationale for setting up the EU's 5,000-strong RDC is to improve interoperability between member-states' military forces, by ensuring that they get used to working together more closely – contributing to the overall ability of European armed forces to deter and defend against threats.

Both the EU and NATO can play a significant role in strengthening partners, promoting stability and, if necessary, intervening in conflicts. NATO's training is highly valued by partners and helps build networks between NATO officers and those of partner countries. The EU (unlike NATO) can provide partners with extensive financial and military assistance, especially after the setting up of the EPF. The EPF is being used in Ukraine, Georgia, Moldova and in the EU's southern

neighbourhood.¹⁶ EU training missions can also be valuable for partners, as the EU may be able to operate in countries (for example in sub-Saharan Africa) where NATO finds it difficult, whether because of partners' political preferences, or because of a lack of consensus amongst NATO allies. The EU's biggest comparative advantage, however, is that it can draw on a variety of non-military tools that can be useful in stabilising partners, from humanitarian aid and development assistance to loans, grants, trade concessions and technical support in fostering economic reforms.

“The Strategic Compass has not ended the debate on whether the EU should be a stronger military actor.”

When it comes to developing European military capabilities, both the EU and NATO can play a role. NATO has recently launched two initiatives to foster defence investment and innovation: the NATO Innovation Fund (worth €1 billion) to invest in start-ups and technology, and the Defence Innovation Accelerator for the North Atlantic (DIANA), which is designed to harness emerging and disruptive technology by bringing together the civilian sector and defence experts.¹⁷ Meanwhile, the EU's €8 billion EDF has a slightly different emphasis as it finances both defence research (including on disruptive technology) and the development of new capabilities. More broadly, the EU has a crucial role to play in enabling defence investment and encouraging member-states to co-operate more in defence research, development and procurement. The EU's fiscal rules can encourage or discourage member-states from investing more in defence, and the Union can devise incentives in the EDF and in PESCO that promote joint procurement and deeper co-operation between military forces.

Finally, the EU is especially well-placed to deal with those elements of security that do not have a conventional military element – for instance relating to the economic and regulatory fields, or to economic sanctions. The EU can more naturally take the lead on security challenges such as disinformation or election interference, given that it is through the Union that member-states regulate the tech platforms through which misinformation spreads. Similarly, countering malign economic influence and economic coercion falls more within the EU's remit than NATO's, because it is the Union that can sanction unfair trading practices. The EU also has a role to play in helping strengthen member-states against cyber threats, for example by setting standards for the protection of critical infrastructure.

Can there be closer EU-NATO co-operation beyond a mere informal division of labour? The EU-NATO partnership goes back to 2002 and was buttressed by the 2003 Berlin Plus arrangements which allow the EU to run operations through NATO facilities – as has been the case with EU operation Althea in Bosnia-Herzegovina. Two joint declarations in 2016 and 2018 set the agenda for co-operation and expanded it to fields such as cyber and hybrid threats, defence capabilities, countering terrorism and military mobility. Co-operation has intensified since 2016: the EU and NATO have set up the European Centre of Excellence for Countering Hybrid Threats in Helsinki; held common exercises on responding to cyber threats; worked together in fighting disinformation; and intensified dialogue and contacts between officials and leaders. Additionally, each organisation's leaders have attended the other's ministerial level meetings.¹⁸ The EU and NATO have also attempted to co-ordinate their efforts when both have been conducting operations in the same country or region – for example in Afghanistan, in Iraq or countering piracy off the Horn of Africa.

But co-operation has now stalled and is largely limited to staff-to-staff level contacts.¹⁹ There is not even a secure communication system to allow the two organisations to share classified information. This is a symptom of broader underlying political tensions. A noteworthy issue is the lack of trust between Turkey and several other allies, and, separately, the fact that Turkey and Cyprus continue to oppose closer co-operation from within NATO and the EU respectively.

Even though both the Strategic Concept and the Strategic Compass talk about strengthening the EU-NATO partnership, some tensions are likely to continue. Transatlantic and intra-European differences on the EU's role in European security will persist. For some countries, the crisis in Ukraine shows the need to strengthen the EU as a defence actor and ensure that European countries can produce the military capabilities that they need without depending on the US. But for other countries, particularly eastern member-states, the priority remains keeping the US engaged in European security, not least because they see France and Germany as too soft on Russia. At the same time, the Strategic Compass has not put an end to the debate on whether the EU should be a stronger military actor. This could cause tensions between EU member-states and within NATO if there is a competition for scarce resources.

Ultimately, much depends on how the US decides to position itself in relation to the division of labour between the EU and NATO. So far, the Biden administration has shown support for European

16: European External Action Service, 'The European Peace Facility factsheet', April 2022.

17: NATO, 'NATO sharpens technological edge with innovation initiatives', April 7th 2022.

18: Tania Lațici, 'Understanding EU-NATO co-operation: Theory and practice', European Parliament research service, October 2020.

19: 'NATO 2030 united for a new era: Analysis and recommendations of the reflection group appointed by the NATO secretary general', November 25th 2020; European Parliament, 'Resolution of 7 July 2021 on EU-NATO co-operation in the context of transatlantic relations', July 7th 2021.

defence initiatives: it has joined the PESCO project on military mobility and it is negotiating a co-operation agreement with the European Defence Agency. However, growing EU involvement in defence, and attempts to push member-states to develop and acquire military kit through intra-EU collaboration rather than buying from the US, could lead to disagreements with the US and other non-EU NATO allies over the conditions that non-EU countries and firms must fulfil to participate in projects that receive EU funds. Non-EU allies will push for their own firms to have as much access as possible, while

some EU states are likely to want to curtail access, as happened with the EDF, which imposes strict conditions on non-EU entities. The UK, which has a sizeable defence industrial sector and has frequently been a partner in multinational European equipment programmes, would have much to lose from arrangements that favoured intra-EU consortiums. Any EU-US tensions would also increase if Trump, or a Trump-like president were elected in 2024, because he would react badly to protectionism in the European defence market.

Recommendations

Since the end of the Cold War, Europe has had the luxury of not having to take its own defence very seriously and has relied on the US to deter any major threat. Russia's all-out attack on Ukraine on February 24th was a rude shock to many governments, and Europe's initial reaction was to view it as an epochal event (a *Zeitenwende* or historic turning point, as Scholz put it), deserving a commensurate response. Since Russian forces have been pushed back from Kyiv, however, European governments have been showing signs of complacency. That is a mistake. The EU and NATO, separately and together, still have a lot to do to ensure European security.

★ Learning the right lessons

The war in Ukraine is providing much information about the effectiveness of equipment, tactics and strategy. The West must draw the right conclusions. It must not underestimate Russia's armed forces because of their initial failures. Moscow has certainly learned lessons from these; its tactics in the Donbas, though brutal, have allowed it to take a significant amount of territory and inflict heavy casualties.

“Europe has had the luxury of not having to take its own defence very seriously.”

One important question for NATO and the EU is the balance between the quality and the quantity of military equipment. For many years, Western governments have procured ever smaller numbers of increasingly sophisticated weapons, with minimal stocks of munitions. Russia's grinding advance through the Donbas suggests that Clausewitz is still right in observing that: “Superiority in numbers... is to be regarded as the fundamental idea, always to be aimed at before all and as far as possible”.²⁰ While Ukraine is making good use of the small numbers

of Western-supplied modern artillery and missile systems it has obtained, Kyiv only has enough ammunition to engage a limited number of targets. NATO and EU defence planners may need to revisit their assumptions about the stocks required to fight a war against a peer competitor. The European Commission's analysis of the gaps in Europe's defence industry rightly identifies replenishing stockpiles as a priority. If budgets are limited, it may be best to procure larger numbers of slightly less advanced weapons, and the munitions to enable them to sustain a prolonged conflict.

Another question relates to defence production. The conflict has shown that the West does not have the capacity to increase production of military equipment quickly. For decades, governments have prioritised lean production lines with little spare capacity, and have held relatively limited stocks of defence supplies. European air forces ran out of precision-guided munitions in the first few weeks of the 2011 Libya war, but a decade later stockpiles remain small and production slow. Fewer than 2000 UK-Swedish NLAW anti-tank missiles per year have been produced since their introduction in 2008; the UK has sent more than a quarter of its own stock, around two years' production, to Ukraine this year.²¹ Lockheed Martin has admitted it could take up to two years to double production of 'Javelin' anti-tank missiles from the current 2,100 per year to 4,000.²² NATO and the EU need to re-examine assumptions about the rate at which weapons, ammunition and other equipment might be consumed in a peer-to-peer conflict. They should consider how to increase peacetime stocks of key equipment, and they should work with defence companies to consider how to reduce the time needed to increase production. This may involve paying for 'mothballed' production facilities or 'on-call' workers, but that would be better than running out of crucial equipment in a conflict.

20: Carl von Clausewitz, 'On War', Book III, Chapter VIII.
21: Authors' calculations.

22: Joe Gould, 'Lockheed, aiming to double Javelin production, seeks supply chain 'crank up'', *Defense News*, May 9th 2022.

★ Providing sufficient resources

In an ideal world, Western forces would have enough money to procure the equipment they need to ensure either deterrence or victory. There are two aspects to proper resourcing of defence: setting ambitious targets and ensuring that spending remains consistent with them over time; and maximising the efficiency with which defence budgets are spent.

While many European countries have announced extra defence spending, many will find it politically challenging to spend more on defence when faced with an economic downturn and competing priorities. But Europeans must live up to their pledges and take on more responsibility for their own security, unless they want to live with a permanently higher level of risk. They cannot rely on the US to continue to underwrite their security.

“European countries lack a co-operative mindset when it comes to developing, acquiring and operating defence capabilities together.”

NATO remains the unquestioned framework for organising deterrence and defence for most European states, including Finland and Sweden when they become members. Allies will need to invest significant sums in increasing their pre-positioned stocks and military deployments on NATO's eastern flank, as well as the readiness of their armed forces and their ability to operate together. The planned shift from deterrence based on small forward-deployed forces to considerably larger deployments will require extensive solidarity and adaptation amongst European armed forces, many of which have focused on fighting lightly armed adversaries in expeditionary warfare for the past three decades. But the increase in forces 'on the front line' will not remove the need for quick reinforcement and the infrastructure to support it: Europeans should accelerate the implementation of existing military mobility projects and spend more money on them.

In the NATO summit declaration accompanying the Strategic Concept allied leaders reaffirmed their commitment to spending 2 per cent of GDP on defence and 20 per cent of defence budgets on major new equipment by 2024. Speaking before the Madrid summit, NATO Secretary General Jens Stoltenberg said that 19 of NATO's 30 members were committed to meeting the 2 per cent target by 2024 (while five more had plans to do so later) and that it was “increasingly considered a floor, not a ceiling”. That is an over-optimistic view, but it needs to become a reality. At their 2023 Vilnius summit

23: European Commission, 'Proposal for a regulation of the European Parliament and of the Council on establishing the European defence industry reinforcement through common procurement act', July 19th 2022.

NATO leaders should not just roll over the existing 2 per cent/20 per cent figures, given the dramatic change in the European security environment.

The question is whether finance ministries agree. EU policy-makers should be wary about a premature fiscal consolidation that could nip the current rise in defence spending in the bud. The Commission's fiscal policy guidance for 2023, issued a week after Russia's invasion, recognised the likely impact of the war in Ukraine on the European economy. But it still stressed the need to start reducing EU member-states' debt burdens again after the COVID pandemic, and while it encouraged investment in the green and digital transitions, it made no mention of defence. The Commission should update its guidance, avoiding premature fiscal consolidation and giving member-states more flexibility to spend on defence without tax rises or cuts in other public expenditure.

The EU should help member-states co-ordinate their spending better, to maximise the efficiency of larger defence budgets. The Commission has said it will set up a 'defence joint procurement task force' to help member-states co-ordinate their procurement efforts, particularly in terms of refilling depleted stocks. But the basic issue remains that European countries still lack a truly co-operative mindset when it comes to developing, acquiring and operating defence capabilities together. This has remained a problem despite the proliferation of EU defence planning initiatives, as they are not taken very seriously by military planners. A stronger political steer from leaders is needed for EU defence co-operation efforts to progress further.

★ Strengthening Europe's defence industry

It is up to national governments to meet their commitments to raise defence spending. But where and how the money is spent also matters. While remaining as open as possible to co-operation with non-EU allies, the EU should be more ambitious in supporting efforts to strengthen European military capabilities. It should push member-states to co-operate more in developing and procuring military capabilities as well as joint maintenance and logistics, realising efficiency gains and supporting the scientific, technical and industrial capabilities that Europe needs.

In mid-May the Commission put forward proposals to improve military capabilities and better co-ordinate defence spending. The Commission wants to launch a new fund to “reinforce defence industrial capabilities through joint procurement”, worth €500 million over two years.²³ The Commission also wants to set up a mechanism to allow member-states to form consortia through which they could jointly acquire defence

capabilities that they collaboratively develop, benefitting from a VAT exemption and potential EU funding. These proposals, particularly the idea of a VAT exemption, could be significant, but the amount of funding on offer is currently small. Additional funding for the EDF (which cannot be used to finance the acquisition of military equipment) depends on the mid-term review of the EU budget in 2024.

“The inability of allies and partners to work together seamlessly is a force-multiplier for potential adversaries.”

EU states and other members of NATO should ensure that their defence markets (and in the EU's case its defence initiatives like the EDF and PESCO) are as open to each other as possible, to ensure efficiencies of scale. Even so, as Europeans carry more of the burden of their own security, it is likely that many will end up buying less US military equipment. The Commission's proposals on fostering joint procurement envisage strict conditions for the participation of non-EU or non-EU controlled entities. This will favour European defence firms and displease those of non-EU NATO allies. But Washington may see this as a price worth paying to secure a stronger Europe that allows America to devote more attention and resources to security issues elsewhere. The EU's efforts to improve capabilities should be guided by the principle of maximising effectiveness, not protectionism. The EU should ensure that its proposals do not do unnecessary damage to the longstanding co-operative relationships between EU defence firms and their non-EU partners. In many cases non-EU partners are vital contributors to European defence projects (such as the 'Tempest' fighter programme, involving the UK, Italy

and Sweden; or MBDA, the European missile company, which has a UK division), and damaging pre-existing relationships would risk undermining the Commission's drive to improve military capabilities. For its part, the US should continue to signal strong support for a greater EU role in security and defence, particularly in terms of capability development. In so doing, Washington can help ensure the success of EU initiatives and influence their development in ways that avoid any duplication and strengthen European security.

★ Increasing interoperability and standardisation

Though NATO has an elaborate system for promoting common standards – “operational, procedural, material and administrative”, according to the NATO website – and almost 1,200 standardisation agreements, European countries still operate too many partly or totally incompatible equipment types. The war in Ukraine is highlighting the problems: as different countries have supplied Ukrainian forces with different items, supply chains have become increasingly complex. In a conflict with Russia, multinational Western forces would be at a disadvantage if every military had to maintain its own separate logistic arrangements.

Since 2016, the EU and NATO have been working to enhance interoperability, including increasing co-operation on standardisation. These efforts to work together should be redoubled. NATO should reinvigorate its efforts to standardise equipment, and the EU should leverage its funding to encourage member-states to integrate standardisation and interoperability into project design. The inability of different allies and partners to work together seamlessly is a force-multiplier for potential adversaries.

Conclusion

Vladimir Putin's invasion of Ukraine in February has established a new political and military reality in Europe. The threat of repeated Russian military action is now more severe, and the EU and NATO will have to reorient themselves towards deterring further aggression, while overcoming old rivalries and mutual suspicions. The Russian military has been weakened by the conflict in Ukraine, but is learning from its mistakes, and Russia will continue to pose a long-term threat so long as it is ruled by Putin or another figure in the same revisionist and imperialist mould.

At the same time, other threats to European security persist, and the economic impact of the war in Ukraine will exacerbate instability among Europe's southern neighbours. While NATO will be focused on the eastern flank and particularly on strengthening deterrence towards Russia, it should not lose sight of other threats.

Many allies are rightly sceptical of involvement in drawn-out stabilisation operations after the failures in Afghanistan and Libya, but conflicts, terrorism and instability to the south of the alliance will continue to threaten many NATO allies. NATO and the EU should not abandon their efforts to promote stability in the region, and should try to work more closely together in doing so.

Though the EU is rightly stepping up its involvement and its investment in security and defence, its major contribution to European security will be economic. The EU should help its member-states and citizens to deal with the multiple crises hitting them. The more co-ordinated the EU response to Russia's invasion of Ukraine, the more solid the sanctions regime against Russia will be. The EU can also play an important role in helping partners to its east and south in dealing with external threats and internal challenges. The Union can provide significant

military support and draw on its extensive trade, development and financial assistance measures, helping partners become more resilient. And as the challenge from China increases, many of the policy tools to deal with Beijing belong to the EU: it is through the Union that member-states can deal with Chinese economic coercion or unfair trading practices.

Dealing with this more threatening strategic environment will require more resources and more investment. It would be a mistake for Europeans to think that America will willingly continue to bear the largest share of the burden. They will have to do more, acting nationally, in small groups and through the EU and NATO. Europe

can no longer afford to treat its own security as a matter of little consequence: Putin's war of aggression against Ukraine has shown that defending European values and interests is a matter of life and death.

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