# Western Military Capability in Northern Europe 2024

## Part II: The Evolving European Security Landscape - Political Tensions and Strategic Challenges toward 2030

Björn Ottosson, Alina Engström, Emma Sjökvist, Emelie Thorburn

# Western Military Capability in Northern Europe 2024

Part II: The Evolving European Security Landscape - Political Tensions and Strategic Challenges toward 2030

Björn Ottosson, Alina Engström, Emma Sjökvist, Emelie Thorburn

| | |
|---|---|
| Title | Western Military Capability in Northern Europe 2024 |
| | Part II: The Evolving European Security Landscape - Political Tensions and Strategic Challenges toward 2030 |
| Titel | Västlig militär förmåga i norra Europa 2024 |
| | Del II: Det Europeiska säkerhetslandskapet i förändring - Politiska spänningar och strategiska utmaningar mot 2030 |
| Report No. | FOI-R--5623--SE |
| Month | July |
| Year | 2024 |
| Pages | 59 |
| ISSN | 1650-1942 |
| Customer | Ministry of Defence |
| Research Area | 8. Security Policy |
| Project No. | A12402 |
| Approved by | Malek Finn Khan |
| Division | Defence Analysis |

Cover: World leaders convene in Brussels at the NATO headquarters for the 2021 summit. A NATO flag hangs from the Triumphal arch at Parc du Cinquantenaire on June 14, 2021 in Brussels, Belgium. (Photo by Jean-Christophe Guillaume/ Getty Images)

# Abstract

This report examines the main political tensions impacting NATO's unity, cohesion, and integration of military resources, crucial for effective deterrence and defence. It highlights the critical role of US leadership in sustaining NATO's unity and military capability, emphasising the impacts of tensions in the transatlantic relationship. It moreover highlights extra- and intra-European tensions that may influence NATO's unity and cohesion in the years to come.

It begins by providing a structural perspective, exploring the escalation of global tensions and shifting power dynamics, revealing a security landscape marked by heightened strategic competition and increased uncertainty. The core research question addresses political tensions that may affect NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030.

The study identifies three main sources of political tensions. First, differing threat perceptions, priorities, and policy preferences among NATO members significantly impact their security strategies, resource allocation, and cooperation. Second, political tensions arise from how European states and the EU manage their external relations. Third, intra-European relations contribute to tensions, including disagreements among major European powers, domestic challenges to unity, and differing views on cooperation, particularly regarding the European defence industry.

This report is part of the broader study, *Western Military Capability in Northern Europe 2023–2024*, contributing to a comprehensive analysis of the military strategic situation in Northern Europe.

**Keywords**: Europe, United States, NATO, European Union (EU), European integration, enlargement, transatlantic relations, European foreign policy, European security and defence policy.

# Sammanfattning

I denna rapport undersöks de huvudsakliga politiska spänningar som påverkar Natos enighet, sammanhållning och integration av militära resurser, vilka är avgörande för effektiv avskräckning och försvar. Rapporten understryker vikten av USA:s ledarskap för att upprätthålla Natos enighet och militära förmåga, och betonar effekter av spänningar i den transatlantiska relationen. Rapporten belyser därtill utom- och inomeuropeiska spänningar som kan påverka Natos enighet och sammanhållning under de kommande åren.

Rapporten inleds med att utforska de ökande globala spänningarna och den förändrade maktdynamiken ur ett strukturellt perspektiv, vilket visar på ett säkerhetslandskap präglat av ökad strategisk konkurrens och osäkerhet. Den centrala forskningsfrågan berör politiska spänningar som kan påverka Natos förmåga att utföra sin uppgift gällande avskräckning och försvar i norra Europa fram till 2030.

Studien identifierar tre primära källor till politiska spänningar. För det första identifieras att skillnader i hotuppfattningar, prioriteringar och politiska preferenser bland Natomedlemmarna påverkar deras säkerhetsstrategier, resursallokering och samarbete avsevärt. För det andra uppstår politiska spänningar kring hur europeiska stater och EU hanterar sina externa relationer. För det tredje kan inomeuropeiska relationer bidra till spänningar, inklusive oenigheter mellan Europas stormakter, inhemska utmaningar för politisk enighet samt olika synsätt på samarbete, särskilt beträffande den europeiska försvarsindustrin.

Rapporten är del av den större serien av studier *Western Military Capability in Northern Europe 2023–2024* vars övergripande målsättning är att göra en samlad analys av den militärstrategiska situationen i Nordeuropa.

**Nyckelord:** Europa, USA, Nato, Europeiska Unionen (EU), Europeisk integration, utvidgning, transatlantiska relationer, europeisk utrikespolitik, europeisk säkerhets- och försvarspolitik.

# Preface

The Northern European and Transatlantic Security Programme (NOTS) at the Swedish Defence Research Agency (FOI) follows security and defence policy developments in Western countries and organisations that influence Swedish security, as part of its assignment from the Swedish Ministry of Defence (MoD). Every three years since 2017, the programme has conducted a comprehensive analysis of the military strategic situation in Northern Europe. Building on the experience from previous efforts, this third iteration represents our most ambitious undertaking yet.

This multi-part study progresses through two distinct phases. The initial phase establishes an empirical and analytical foundation through three separate reports. In the second phase, the results and insights will be amalgamated and utilised for net assessment purposes. Part two of Western Military Capability in Northern Europe 2024 is dedicated to examining the evolving global security landscape focusing on identifying political tensions that could impact NATO's ability to achieve its task of deterrence and defence in Northern Europe in a 5 to 10-year perspective.

We are deeply grateful to the many individuals who have generously contributed their knowledge and expertise to the fulfilment of the study. We wish to extend our special thanks to Barbara Kunz, who reviewed an earlier draft of the report.

The study relies considerably on FOI expertise, both within and outside of the NOTS programme. Our distinct gratitude is extended to Albin Aronsson, Krister Pallin, Jakob Gustafsson, Robert Dalsjö, Ian Anthony, Jonas Kjellén, Oscar Almén, Christopher Weidacher Hsiung, Kristina Melin, Calle Håkansson, Carina Gunnarson, Anna Ida Rock, Elin Jakobsson and, lastly, Ann Lundberg and Maria Ädel, for sharing their invaluable expertise in selected parts of our study.

Richard Langlais reviewed and edited the language of all texts with outstanding diligence and attitude. Karin Blext provided tenacious and infallible proficiency for the layout of the report.

Our heartfelt gratitude extends to each one of you. Without your invaluable support, the successful completion of this study would not have been possible. Needless to say, the responsibility for any remaining mistakes is entirely ours.

Stockholm, July 2024
Eva Hagström Frisell
Deputy Research Director & Programme Manager
Northern European and Transatlantic Security Programme

# Table of Contents

## List of Figures

# Abbreviations

| | |
|---|---|
| AU | African Union |
| AUKUS | Australia, the United Kingdom, and the United States |
| BRICS | Brazil, Russia, India, China, and South Africa |
| CEE | Central Eastern Europe |
| CSDP | Common Security and Defence Policy |
| DCA | Defence Cooperation Agreement |
| EDA | European Defence Agency |
| EDF | European Defence Fund |
| EDIRPA | European Defence Industry Reinforcement through Common Procurement Act |
| EI2 | European Intervention Initiative |
| EPF | European Peace Facility |
| EU | European Union |
| EUMAM | European Union Military Assistance Mission |
| EUNAVFOR | European Union's Naval Force |
| FNC | Framework Nations Concept |
| JEF | Joint Expeditionary Force |
| NATO | North Atlantic Treaty Organization |
| NRF | NATO Response Force |
| NSD-S | NATO Strategic Direction South |
| PESCO | Permanent Structured Cooperation |
| Quad | Quadrilateral Security Dialogue |
| RDC | Rapid Deployment Capacity |
| SLOC | Sea Lines of Communication |
| TPP | Trans-Pacific Partnership |
| UN | United Nations |

# 1. Introduction

As THE 2020s BEGAN, Europe found itself at a crossroads. In preceding years, the continent had grappled with a myriad of problems, including a debt crisis stemming from the Great Recession of 2008, economic stagnation, terrorist attacks, uncontrolled migration, and Brexit— the United Kingdom's tumultuous departure from the European Union. These multifaceted challenges, compounded by the COVID-19 pandemic, destabilised liberal democracies across Europe, placing pressure on individual states and the European Union as a whole.

Alongside these internal struggles, Europe had to navigate significant geopolitical shifts, including an increasingly aggressive Russia; a politically polarised and domestically focused United States, which cast doubts about the cohesion of the transatlantic relationship; and the ascendance of China as a formidable economic, political, and military power. These developments presented new challenges for the continent.

After Russia's illegal annexation of Crimea in 2014, the prospect of future armed conflict with Russia was once again acknowledged. European countries and multilateral organisations, particularly NATO and the EU, gradually initiated a political and military transformation to adapt to the new security environment. This adaptation did not deter Russia from attacking Ukraine, and its full-scale invasion on February 24, 2022, shook the foundations of the European security order. The outbreak of war compelled several countries and organisations to reassess longstanding assumptions and policies. Notably, Finland and Sweden pursued NATO membership, while Germany recognised the Russian attack as a historic turning point and initiated significant changes in its defence policy.

The war galvanised widespread support for Ukraine among European states, solidifying opposition to Russia and catalysing significant political and military transformations that accelerated the pace of change across the continent. With a newfound sense of purpose, NATO became more cohesive and entrenched at the heart of European security, while the EU assumed a clearer and more proactive role, closely coordinating with the Alliance. As the war persists, it has highlighted and rejuvenated critical insights into the requirements of protracted, high-intensity conflicts, revealing many gaps and weaknesses in Western military capabilities.

Despite the Alliance's stated intentions, uncertainties persist. The ultimate outcome of the war remains uncertain, and the crucial unity among NATO members regarding the war and the Alliance's defence faces many challenges. Moreover, the implementation of planned reforms to strengthen Europe's collective defence will take years to materialise and depends significantly on stable, long-term political support. Numerous challenges must be overcome to establish effective deterrence and defence against Russia. Given the multilateral nature of NATO and its dual role as both a political and military alliance, the resolution of political tensions will ultimately determine its success in overcoming these challenges. This study aims to identify political tensions that may affect NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030. Careful assessment and study of these are crucial steps in resolving uncertainties.

Despite the complexities of swiftly unfolding events, this study grounds its analysis in the security and military landscape of 2024. This approach is based on the necessity of establishing a robust foundational understanding and baseline to inform discussions about future developments. It also recognises the salient consideration that the possibility of conflicts emerging in the immediate future remains, with war serving as the ultimate catalyst.

## 1.1  Study design

This report is a part of the comprehensive analysis of the military strategic situation in Northern Europe regularly conducted by the Northern European and Transatlantic Security (NOTS) programme at the Swedish Defence Research Agency (FOI). The principal objective of the present comprehensive analysis, conducted in 2023 and 2024, is to deliver a net assessment of Western military capability in Northern Europe.

The comprehensive analysis unfolds in two phases. The first phase establishes the empirical and analytical foundation essential for the side of the net

assessment dealing with the Western nations. It comprises three separate parts:

- Part I examines the national capabilities of twelve key Western countries with respect to security and defence policy, military expenditures, armed forces, current operational military capability, and expected developments up to 2030.

- Part II, the current volume, examines the evolving European security landscape, focusing on identifying political tensions that could impact NATO's ability to achieve its task of deterrence and defence in Northern Europe in a 5 to 10-year perspective.

- Part III examines how NATO's collective efforts, its strategy and plans, operational activities, and force development support deterrence and defence in Northern Europe in a 5 to 10-year perspective.

During the second phase, the results and insights from the first phase will be amalgamated and leveraged for assessment purposes, adding, for example, situational aspects of military confrontation. This phase will culminate in a net assessment of Western military capability in Northern Europe, encapsulating the conclusions of the entire study. Critically, the second phase of the effort has the privilege of relying on FOI's Russia Programme.[1]

## 1.2   Part II – Aim, research question, and methodology

A comprehensive assessment of Western military capability in Northern Europe must encapsulate a number of factors. Part I covered the capabilities of the relevant Western nations, including security and defence policy, military expenditures, armed forces, and current and future operational military capability. Part II builds upon Part I and is devoted to exploring the political landscape concerning the future of European security. It broadens the perspective by considering the overall balance of power in the international system, the increasing strategic competition, and providing context for the current efforts of Western states, individually and collectively, to strengthen their defence.

The perspective may be broad, but the starting point and research aim are narrowly delineated. Firmly grounded in the strategic situation as of 2024 and recognising NATO as a trust-based organisation whose political and military strength relies on political unity and the integration of its members' military resources,

this forward-looking exploratory study aims to identify and analyse political tensions that could impact the fulfilment of NATO's first core task of deterrence and defence.

Given the importance of unity, cohesion, and the integration of military resources for NATO's mission fulfilment, this analysis is pivotal for assessing the strengths and weaknesses of Western military capabilities in Northern Europe, both in the short and long terms. Additionally, it offers important insights for scenario development and discussions about future developments, thereby contributing to the subsequent net assessment effort.

The study is guided by the following research question:

- What are the main political tensions that may affect NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030?

Political tensions are central to this study. Therefore, before breaking down this research question into its contingent parts, it is necessary to define the concept. In this study, political tensions refer to strains, disagreements, frictions, disputes, and conflicts that exist between entities, such as states, institutions, political parties, or groups within a society, that have different interests, priorities, perspectives, policy preferences and perceptions. Political tensions may result from, and can be fuelled by, various factors, including ideological differences, security concerns, territorial disputes, economic competition, historical grievances, resource competition, and issues of international law and human rights.

Political tensions manifest in various ways depending on the entities involved, their relationships, and the intensity of the tension. International tensions between rival states and those between friends and allies do not manifest in the same manner. The former are naturally more intense and explicit; they may include condemnation, friction, disputes, diplomatic standoffs, and even conflict. The latter are less intense and more subtle, often manifesting in drift and disagreements that hinder cooperation and the successful implementation of agreed-upon policies.

Domestic tensions include political polarisation, where deep divisions between different political parties, interest groups, or ideologies often result in policy gridlock or drift. More intense domestic tensions may manifest as civil unrest and protests that can lead to violent clashes. Intense strife between different ethnic or religious groups within a state may escalate into prolonged violence and instability, exacerbating existing

social divisions and challenging the governance structures of the state. Domestic tensions can also weaken a state's ability to respond effectively to external threats and challenges, potentially undermining its security.

Interorganisational tensions encompass institutional disagreements between various organisations or branches of government over policy, jurisdiction, responsibility, and resource allocation. Intraorganisational tensions refer to conflicts or disagreements that occur within a single organisation. In multilateral organisations, tensions often arise from conflicting interests, goals, or priorities among the constituent states. Tensions may also arise due to, for instance, leadership conflicts, poor communication, resource scarcity, cultural differences, role ambiguity, resistance to change, stress, and various bureaucratic rivalries among different departments or agencies within an organisation. These tensions can impede effective governance or hinder the implementation of processes and policies.

The research question limits the scope of the study in several ways. Firstly, the study aims to identify and analyse the main political tensions without aspiring to be exhaustive or analyse every issue in detail.

Secondly, the study focuses solely on one of NATO's three core tasks—deterrence and defence—excluding crisis prevention and management, and cooperative security, which fall outside its scope. However, certain aspects of these tasks may be mentioned in the study, as they inevitably influence each other. NATO's task of deterrence and defence has historically referred to deterring and defending against a large scale attack from a peer-adversary in the Euro-Atlantic area. At present, this refers to deterring and defending against the two threats identified as most urgent to NATO—Russia and terrorism. In this report, we focus on the task of deterrence and defence against potential Russian military aggression in Northern Europe up to 2030.

Thirdly, there are numerous issues that pertain to NATO's ability to achieve deterrence and defence. Deterrence necessitates a comprehensive approach involving credible military capabilities, strategic depth, effective and consistent messaging, flexibility and adaptability, intelligence and surveillance, public support and legitimacy, and resilience.[2] Similarly, defence requires a comprehensive approach encompassing several critical elements: military capability, strategic depth, strategic planning, cooperation and interoperability with allies, flexibility and adaptability, intelligence and surveillance, resilience, public support, and many other factors.

Considering that NATO's political and military strength and credibility—foundational prerequisites for effective deterrence and defence—depend on political unity, cohesion, and the integration of military resources, this study primarily addresses the main political tensions impacting the Alliance's political unity, cohesion, and integration of military resources. This encompasses NATO's relations with the EU and other multilateral organisations, as well as the buildup of military resources and interoperability.

The study further acknowledges the pivotal role of US leadership, engagement, and military capacity in ensuring NATO's unity, cohesion, integrated military capabilities, and deterrence and defence capabilities. These factors are foundational prerequisites for NATO to effectively pursue deterrence and defence goals both in the present and beyond 2030. Thus, we place special emphasis on addressing tensions within the transatlantic relationship and the underlying dynamics that could impact it.

Fourthly, the study is regionally focused, primarily interested in identifying tensions affecting deterrence and defence in Northern Europe. However, these tensions may arise from diverse sources, including within individual countries, such as the United States becoming more domestically focused, or external developments, such as a contingency in the Indo-Pacific region or Europe's encountering a new migrant crisis.

Fifth, the study focuses on developments up to 2030 and does not encompass potential developments beyond this timeframe, although it may briefly mention such possibilities. Lastly, this volume is part of a multipart comprehensive study, with other parts that also offer more detailed information and analysis on various topics.

In light of the research question and the limited scope, the study's primary focus lies on identifying tensions that have the potential to:

- impact Western unity and cohesion, including the transatlantic relationship;

- hinder cooperation between Europe and the United States, as well as among European states, particularly Europe's larger powers;

- impede cooperation within the EU, NATO, and other multilateral organisations;

- directly or indirectly draw attention and resources away from Northern Europe;

- obstruct the implementation of various reforms intended to strengthen Europe's collective defence, including initiatives to bolster the defence industrial base.

Given this list, it is clear that this study primarily focuses on the negative aspects of political tensions. However, we also recognise that political tensions can be positive and productive under certain circumstances. Political tensions can function as a catalyst for change by highlighting issues that require attention, action, and resources. They can also drive innovation as stakeholders seek creative solutions to contentious issues. Properly managed tensions can strengthen institutions; for example, robust debate and dissent can result in greater transparency, accountability, and legitimacy. The list above can thus be inverted to highlight these positive aspects. Notwithstanding that, the negative aspects remain in the foreground of the study.

## Methodology

Having established what we aim to identify and analyse, the question of how to do so remains. Considering that this study is primarily exploratory in nature, we have opted for an inductive approach complemented by qualitative text analysis. Utilising qualitative text analysis allows us to delve deeply into the content, context, and nuances of the material, identifying patterns, themes, and relationships that might not be immediately apparent through, for instance, quantitative methods. This combination of inductive reasoning and qualitative analysis provides the flexibility and depth needed to thoroughly explore and understand the complexities of the research topic.

We have surveyed a substantial amount of literature, including official documents, statistics, and communications from states and multilateral organisations, as well as sources from academic institutions, think tanks, and media outlets. Additionally, we have consulted opinion polls when relevant. The NOTS programme at FOI has for many years been continuously monitoring security and defence policy developments in Western countries and organisations that impact the security of Northern Europe. NOTS, along with FOI more broadly, has published extensively on these issues. In this effort, we also partly rely on our previous reports, including the findings from *Western Military Capability in Northern Europe 2023–2024: Parts I and III.*

Through this survey, we have identified numerous tensions arising from a variety of causes. The identification of these tensions had a central role in designing the methodology applied here. Given the study's framework, we chose to cluster these tensions in three broad themes. Firstly, we found tensions stemming from how to address threats that arise due to differing threat perceptions, priorities, and policy preferences among

NATO members. These differences significantly influence the countries' security strategies, priorities, resource allocation, policy decisions, and cooperation preferences. Any ensuing tensions have the potential to undermine NATO's unity and cohesion, impede cooperation and the integration of military resources, divert attention and resources away from Northern Europe, and weaken Western deterrence signals.

Secondly, we identified that numerous political tensions arise from how European states and the EU manage their external relations. These tensions have the potential to adversely affect relationships and cooperation among Western states, including the transatlantic relationship. These tensions also have the potential to embroil European states in disputes and conflicts with external powers, thereby directly or indirectly diverting attention and resources away from Northern Europe.

Thirdly, we observed that several tensions arise from intra-European relations, including disagreements between Europe's major powers, domestic challenges to European unity, and differing cooperation preferences, such as diverging views on the European defence industry. These tensions may impact NATO's unity and cohesion, hinder cooperation, and obstruct various reforms intended to strengthen Europe's collective defence, for example initiatives to bolster the defence industrial base.

This clustering is not perfectly clear-cut, as political tensions often stem from complex issues that involve various linkages. Certain tensions have thus been difficult to categorise, reflecting the challenges policymakers face in addressing them. Another challenge has been distinguishing between what in the context of this study is considered external and internal. For example, the United States plays a pivotal role as the leader in Western security, providing military capabilities, strategic guidance, and political leadership that underpin the security frameworks and defence strategies of NATO and other Western alliances. However, the United States is not part of the EU nor is it a European state. Therefore, we have chosen to regard Europe's relationship with the United States as external in most contexts. The United Kingdom, on the other hand, is both a part of Europe and NATO.

## 1.3 Sources

Similarly to previous comprehensive analyses conducted in the NOTS programme, this work draws upon publicly available sources. It is grounded in our study of official documents and communications from the multilateral organisations and states under scrutiny. This primary data is further enriched by comprehensive secondary

literature sourced from academic institutions, think tanks, and reputable news outlets. Given that defence planning and the readiness and capability of national armed forces are predominantly shielded from the public eye, our assessment of Western military capability ultimately stems from our interpretation of accessible sources. The data collection for Part II was concluded on April 30, 2024; hence, any subsequent information has only been selectively integrated into the report. Both internal and external experts have reviewed the report through a series of evaluations.

## 1.4    Structure of the report

This study is organised into four thematic chapters, followed by a final chapter that discusses conclusions.

Chapter 2 aims to outline the contours of the emerging security landscape that Western states will face in the coming 5 to 10 years. It begins by providing a structural perspective, delving into the escalation of global tensions and shifting power dynamics, revealing a security landscape characterised by heightened strategic competition across various domains and increased uncertainty. The chapter also examines how other dynamics, such as rapid technological advancement and climate change, further contribute to the complexity of the security landscape and potentially exacerbate the security competition. Furthermore, it offers an introductory discussion on the implications of the war in Europe. By providing a comprehensive overview, this chapter lays the groundwork for the subsequent chapters.

Chapter 3 is structured around the tensions stemming from different threat perceptions and priorities among Western states. The chapter analyses how threats are characterised, their perceived level of intensity, and the strategies states employ to mitigate or counter them. It examines three areas where Western states diverge in addressing threats: the urgent threat from Russia, the complex and dispersed threats stemming from Europe's southern neighbourhood, and the systemic challenges posed by China.

Chapter 4 is based on the recognition that states are navigating extra-European relations in diverse ways, potentially leading to international tensions between allies and partners. European states harbour varied interests and strategic outlooks, generating numerous tensions that may impact relations and ultimately cohesion. The chapter examines three main areas where states navigate extra-European relations: the United States, China, and Europe's eastern and southern neighbourhoods.

Chapter 5 focuses on the management of intra-European relations, which are and will be a critical component for both intra-European and transatlantic cooperation and coordination. It examines three key themes of relevance for the management of intra-European relations: the new institutional landscape in Europe, characterised by increasing overlap; the interstate and domestic political challenges to European unity; and the divergent views that cloud the European defence industry.

Chapter 6 provides an outlook on potential implications that may follow from the political tensions identified in the study, while also highlighting trends that may influence future developments. By exploring the insights viewed through this lens, the chapter seeks to outline the future contours of the European security landscape.

## Endnotes

1 See, e.g., Fredrik Westerlund and Susanne Oxenstierna, eds., *Russian Military Capability in a Ten-Year Perspective: 2019*, FOI Reports FOI-R--4758--SE (Stockholm: Swedish Defence Research Agency – FOI, December 2019). The Russia Programme at FOI has diligently researched and published insights, including a triennial comprehensive assessment, on Russia's post-Cold War military capability, since the late 1990s.

2 There are different strategies for deterrence. For example, deterrence by punishment—ensuring adversaries understand they will face severe retaliation if they attack—has different requirements than deterrence by denial, which focuses on dissuading potential adversaries from aggression by raising costs and risks and convincing them that military means cannot achieve their objectives.

# 2. A changing security landscape

The security situation in Northern Europe has deteriorated significantly. There is an ongoing conventional large-scale war on European soil, something that was considered unthinkable just a few years ago. Russia's full-scale invasion of Ukraine, along with its nuclear signalling and coercion, has profoundly changed the European security order and has led to fundamental reassessments of security and defence policies in several European states. Russia's actions represent a significant rupture in the fabric of the international rules-based order and highlight the danger of assuming that an adversary adheres to the laws of war and international humanitarian law. In the short term, the war brings significant uncertainty, and the outcome will have a profound impact on the European security landscape. Long-lasting and deep-seated tensions between the West and Russia are likely to persist, with significant consequences for security in Northern Europe well beyond 2030.

However, the challenges facing Northern Europe in the coming five to ten years extend beyond Russia and the war in Ukraine as the world enters an era of strategic competition. Tensions in Asia are on the rise, with the region's significance for the global economy and security steadily increasing. China's military buildup and efforts to enhance its political influence, both regionally and globally, have significant security implications for Europe, particularly amidst the escalating rivalry between the United States and China. EU's southern neighbourhood, including North Africa and the Middle East, continue to be unstable, impacting Europe's politics and cohesion. Additionally, the ramifications of ongoing conflicts, such as the war in Gaza and the escalating tensions between Israel and Iran, remain uncertain. This heightened competition and the surge in tensions and conflicts outside of Europe have reverberations in Northern Europe and impact multilateral organisations such as the EU, NATO, and the UN.

Several other trends across multiple areas indicate increased instability, uncertainty, and unpredictability, both globally and in Northern Europe's vicinity. Many of these trends are intricately interconnected and appear set to accelerate in the coming years, highlighting that the rapid pace of change is a significant development in its own right. The deteriorating security environment is placing greater demands on the total defence of European states and emphasising the increasing importance of military and civilian-defence capabilities. In the next 5 to 10 years, Western nations will encounter numerous strategic decisions with profound implications for NATO's ability to achieve deterrence and defence in Northern Europe.

The next section provides an account of the increasing strategic competition and its implications. The subsequent section delves into the convergence of strategic competition and other trends. This chapter concludes with a brief overview of the implications of the war in Europe.

## 2.1 The emergence of strategic competition

The world has undergone dramatic changes in recent years, and it is increasingly evident that strategic competition is emerging as the defining characteristic of international politics, overshadowing cooperation. There is no universally accepted definition of the term "strategic competition," often used interchangeably with "great power competition." However, it typically refers
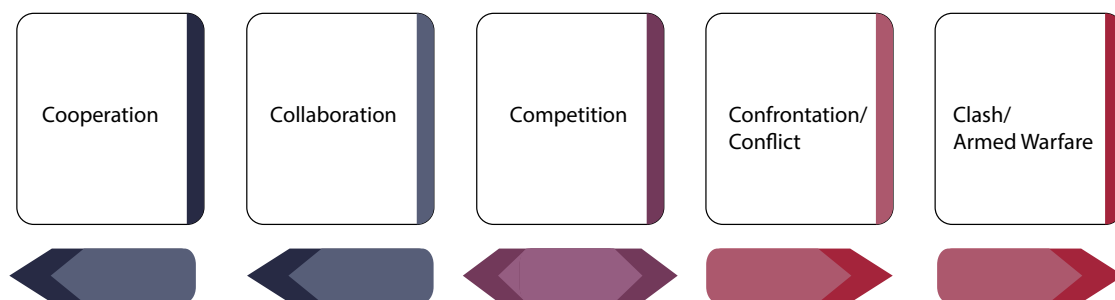


**Figure 2.1** Continuum of state interaction postures

Cooperation | Collaboration | Competition | Confrontation/Conflict | Clash/Armed Warfare

to states' efforts to outcompete their rivals, implying a pursuit of advantages beyond merely balancing power.[1]

Competition is not synonymous with conflict, but rather exists on a continuum of interstate interactions. On one end of the spectrum lies cooperation, while direct armed conflict occupies the other end. Between these extremes, states engage in varying degrees of collaboration and confrontation. They lean towards cooperation and collaboration when their geopolitical goals align, but veer towards confrontation and armed conflict when their primary objectives diverge and clash (see figure 1).

In recent years, the gradual shift from cooperation and collaboration to competition among great powers aligns with significant changes in the global distribution of power, reshaping how states secure their interests by incentivising certain behaviours. The resurgence of strategic competition largely stems from the waning of unipolarity and the dispersion of power across the international system.[2]

Following the Cold War, the United States emerged as the sole superpower, resulting in a unipolar system where it sought to maintain stability by discouraging regional power competition. However, in recent decades, the relative power of the United States has declined, and this trend is expected to persist in the coming years. The question of whether we will transition to a multipolar or bipolar world, involving the United States and China, remains uncertain. Nevertheless, it is clear that the dispersion of power is reshaping the dynamics of the international system, with profound implications for European security. European nations face numerous strategic decisions in the decade to come.

In a unipolar system, a single dominant state holds the predominant power. The unipole establishes a degree of hierarchy among states by imposing and enforcing rules, thereby making it less anarchical.[3] Consequently, this mitigates the effects of anarchy, moderates the security dilemma, and diminishes the intensity of security competition.[4] As a result, states are incentivised to engage in greater cooperation.

Unipolarity also serves to discourage power competition by deterring and disincentivising revisionist attempts to alter the power balance. The significant power gap between the unipole and other states renders any direct challenge impractical, thus minimising rivalry for hegemony.[5] Additionally, unipolarity curtails competition for status and prestige, as other states recognise that the unipole might perceive their efforts to elevate their status as a challenge.[6] Furthermore, the unipole moderates power competition by providing global public goods, such as freedom of the seas and financial stability.[7] However, if the unipolar power selfishly pursues its interests without providing global public goods or respecting the fundamental principles of international relations, such as disregarding the sovereignty principle, it may provoke counterbalancing efforts.[8] Furthermore, the unipolar power may overextend itself by involving itself in too many commitments and conflicts, leading to exhaustion of resources and eventual decline.

Throughout the post-Cold War era, both European states and China have demonstrated deference to US leadership. China adhered to its strategy of "hide your strength, bide your time," prioritising economic development over military expansion, and actively integrating into the global system while refraining from revisionism or overt status-seeking. The overarching goal of this strategy was to minimise strategic competition and tensions and preempt any potential US counterbalancing efforts. This dynamic led to a surge in international cooperation, fostering concepts of global governance that were opposed to the idea of strategic competition.

## End of unipolarity and increased competition

The relative decline of the United States, coupled with the rise of China and the dispersion of power, signals the end of unipolarity, thus heightening insecurity and exacerbating the security dilemma. This power transition has intensified security competition and tensions among almost all major powers, especially evident in US-China relations, and the self-help measures they are adopting, both internally and through alliances, are further amplifying mutual perceptions of insecurity. Hence, there are numerous indicators suggesting that we are entering a multipolar phase.

China is rapidly expanding its military capability, which includes enhancing its nuclear arsenal and delivery systems as well as its ability to project power beyond its mainland.[9] In response to China's growing power, Japan is adjusting its long-standing post-World War II posture by pursuing both internal and external balancing strategies. This involves a significant military build-up and concerted efforts to strengthen security ties with its allies and partners.[10] Meanwhile, India's historical tradition of non-alignment is evolving as it emerges as the world's largest arms importer.[11] Additionally, the BRICS group as a whole is becoming increasingly vocal in its advocacy for revising the international architecture. Recognising the power shifts and deteriorating security environment, the United States is revamping its entire nuclear arsenal, incorporating new warheads and delivery systems, and enhancing security cooperation with its allies and partners. Initiatives such as

the Quadrilateral Security Dialogue (the Quad) among Australia, India, Japan, and the United States, as well as the trilateral security partnership between Australia, the United Kingdom, and the United States (AUKUS), underscore these endeavours.

The ongoing global nuclear arms race, particularly with the resurgence of sub-strategic nuclear weapons intended for use below the strategic level, adds complexity to the evolving security landscape. Several treaties and confidence-building measures have been abandoned, and the New START arms-control agreement between the United States and Russia, which is due to expire in 2026, covers only a fraction of the weapon systems that affect the strategic balance.[12] Meanwhile, Asian states are expanding their nuclear arsenals, with indications that China's nuclear buildup will coincide with a shift in its perspective on nuclear deterrence and the role of nuclear weapons in regional and global conflicts.[13] Serious concerns persist regarding Iran's nuclear technology program and North Korea's nuclear program, both of which remain unresolved. The proliferation of nuclear technology and other forms of weapons of mass destruction to additional states and potentially non-state actors continues to pose a significant risk.

The dispersion of power is eroding constraints on assertive pursuits of power, influence, and status. States are increasingly less disposed to deferring to a United States in decline, opting for more aggressive pursuits. Altering the current power balance seems increasingly attainable and feasible, with the potential benefits outweighing the costs imposed by the unipole.

Under Xi's leadership, China has abandoned its strategy of hiding and has become more assertive in seeking power, influence, and status. Japan is also striving for a greater role in global affairs, as evidenced by its defence buildup and leadership in reviving the Trans-Pacific Partnership (TPP) after the US withdrawal.[14] Similarly, India is asserting itself more prominently on the world stage, positioning itself as a voice for the Global South in direct competition with China.[15] Russia has grown increasingly aggressive in its pursuit of power and influence, as demonstrated by its military buildup, illegal annexation of Crimea, intervention in the Syrian civil war, and its full-scale invasion of Ukraine in 2022. The United States has acknowledged the onset of a new era of strategic competition, with strategic guidance now prioritising security over the economy and increasing state control across various domains, signalling the end of the era of globalisation.[16]

Both China and the United States are actively seeking to reduce their mutual interdependence. Strategic competition undermines global stability, economic growth, and governance by diminishing cooperation and highlighting relative gains. The trade war and the emerging economic decoupling and derisking between the United States and China have far-reaching global repercussions, potentially leading to divisions between the United States and the EU. How the EU and other European states will manage the escalating tensions between the United States and China will have profound global ramifications; see sections 3.3 and 4.2.

The US process to reduce dependencies is also driven by growing economic nationalism; the perception that other nations are reluctant to share the burdens of maintaining global order is fuelling growing frustration. Europe and China, in particular, are increasingly seen as benefiting from the US-led international order without contributing their fair share. As US power declines relatively, uncertainty looms over the extent to which other nations, including China, will contribute to global public goods. However, it is clear that a substantial withdrawal of US international engagement could potentially lead to significant global instability. How NATO, the EU and European states will manage a potentially reduced US engagement in Europe carries profound consequences; see section 4.1.

## A world on edge: Escalating uncertainties and insecurity

We are entering an era that may be more perilous than many perceive, as multipolarity intensifies strategic competition due to its tendency to foster underbalancing, i.e., when states fail to recognise threats, choose not to react to them, or respond insufficiently.[17] In contrast to a unipolar or bipolar system, responsibilities and security perimeters are less clearly defined in a multipolar system. This not only creates greater opportunities for power expansion, as revisionist states anticipate underbalancing and adjust their cost-benefit calculations accordingly, but also increases the likelihood of misperceptions, miscalculations, risky decisions, and, ultimately, wars.[18] It also complicates deterrence efforts.

For instance, President Vladimir Putin's decision to attempt a full-scale invasion of Ukraine might, to some extent, have been based on a miscalculation, underestimating the likelihood that the United States and major European states would unite behind Ukraine. Furthermore, multipolarity heightens the potential for offensive alliances to target status-quo states, thereby exacerbating strategic competition. Although a full-fledged alliance between Russia and China appears improbable due to mutual distrust and differing interests, it is likely that a strengthened tactical partnership

will emerge between them in the next 5 to 10 years, potentially undermining Western interests across various domains. We have already witnessed the emergence of several tactical partnerships between authoritarian regimes since Russia's full-scale invasion of Ukraine. Iran is assisting Russia in building a drone stockpile, while North Korea has sent millions of munitions to Russia.[19]

## 2.2 The convergence of strategic competition and other trends

The re-emerging era of strategic competition for security, power, and comparative advantages extends across almost all aspects and occurs in every domain, ranging from technology and market shares to international rules and norms, even extending into sports.[20] This profoundly consequential dynamic aligns with a period of significant technological transformation, characterised by the onset of the fourth industrial revolution. The convergence of cutting-edge technologies, such as artificial intelligence, autonomous vehicles, biotechnology, energy storage, nanotechnology, quantum computing, robotics, and 3D printing, among others, heightens the likelihood of strategic surprises and significant operational obsolescence across various systems. States face the challenge of accurately gauging the potential of new innovations, whether technological or conceptual, which may lead to both over- and underestimation of their impact. However, it is clear that the United States, China, and many others are convinced that technology will have significant implications for the future balance of power, making it the front line in the United States-China rivalry.

The rapid pace of development across various technological domains, such as, artificial intelligence, information technology, robotics, and sensors, can lead to significant changes with profound economic and military consequences. Competitiveness in emerging technologies is thus becoming ever more critical for both economic prosperity and future defence capabilities. Many of these key technologies have dual-use attributes, allowing them to be applied in both civilian and military contexts. They also enhance states' abilities to operate in the grey zone between war and peace without crossing the threshold for armed attack. As technology is considered the frontline in the competition between the United States and China, Europe faces intense pressure in navigating these issues, as evidenced by the highly contested nature of nearly every aspect related to 5G. The decisions made by European states and the EU during this bifurcation process will be consequential.

### Technological advancement and the evolving character of conflict

Technological advancements also have a profound impact on the character of conflict. There are various directions in the development of weapons and protective equipment, some of which are conflicting or divergent. One trend involves the development of weapons with exceptional performance tailored for combat against advanced adversaries, emphasising attributes such as high speed, extended range, and precision. Another trajectory involves automation, interoperability, and a high level of system integration, essentially creating systems composed of interconnected subsystems. Precision weapons were once synonymous with relatively large and expensive armaments designed for qualified targets. However, advancements in technology, facilitating both miniaturisation and cost reduction, have enabled the incorporation of precision capabilities into smaller and comparatively more affordable systems. Such developments may offset the advantage of Western militaries.

The character of conflict is also evolving as states increasingly employ whole-of-government approaches and operations that fall below the threshold of armed conflict to advance their interests. These operations typically exploit asymmetries and involve states utilising tactics such as influence operations, information warfare, cyberattacks, manipulation of legal systems, and geo-economic instruments, including energy, to shape the politics and societies of other states.

Assaults aimed at civil infrastructure, decision-making functions, and social cohesion are increasingly augmenting open military conflicts. The cyber domain is emerging as increasingly important for conflicts. Simultaneously, attribution is becoming more challenging, complicating deterrence and countermeasures. Additionally, a growing number of states now recognize outer space as an operational domain. This ongoing trend, which is expected to accelerate due to the increasing competition, enables warfare to be conducted over ever greater geographical distances. However, these interconnected and relatively unregulated domains also offer an opportunity for major powers to engage in dialogue and establish norms and rules that reduce the risks arising from unrestricted competition.

Technological development and digitalisation offer numerous benefits, but they also introduce new vulnerabilities. In addition, they have equipped both state and non-state actors with novel tools and opportunities to influence politics and society without relying on traditional power methods. Preparedness among all authorities and a strengthened total defence thus become increasingly important. This raises the cost of

defending a nation. It also necessitates greater cooperation and coordination among nations and organisations such as the EU and NATO.

Access to, knowledge of, and the ability to mitigate threats posed by emerging technologies are seen as pivotal concerns for the future. The United States, NATO, and the EU are allocating significant resources to ensure access to and safeguard against emerging technologies, including stable access to various rare metals necessary for their development and production. They also consider it crucial to prevent the proliferation of technology among competitors and adversaries, such as China and Russia. Meanwhile, China is investing substantially in technological advancement and has formulated long-term strategies to establish itself as a global leader across multiple fields.

In light of this, it is essential for Europe to closely monitor technological developments and ensure that its research and development remain at the forefront. Given the escalating strategic competition and the efforts of the United States to achieve greater independence and control over production processes and supply chains, future defence collaborations will increasingly depend on the perception of the European states as competent, security-conscious, credible, and responsible high-tech actors.

## Climate change and its geopolitical implications

Another dynamic that will exert a growing impact on the future global security landscape is climate change. The direct consequences of climate change and rising global temperatures encompass rising sea levels, extreme-weather events, agricultural disruptions, wildfires, water scarcity, and flooding. The intersection of climate change with insufficient state capacity poses risks of instability and heightened conflict over vital resources, including increased migration flows. The security implications of climate change will be significant, particularly in regions such as the Middle East, Africa, and South Asia.[21] However, migration poses a serious challenge to Europe and European unity.

Recent large migration flows have converged with existing centrifugal forces driven by macroeconomic and resource imbalances across Europe, creating social, political, and economic pressures on many European countries and the EU as a whole.[22] These pressures challenge European cohesion and integration by fostering discord and weakening solidarity. Several EU members have recently pursued policies to reassert control over border management and other sovereignty-related measures, which have sometimes clashed with EU law.

Another migration crisis would undoubtedly impact the cohesion of several individual states and strain the EU, diverting resources and attention from other pressing issues, including deterrence and defence in Northern Europe. Moreover, an internally divided Europe grappling with migration challenges would risk diminishing its influence on the global stage, thereby creating more space for other actors.

The Arctic is also being significantly affected by climate change, a trend that will inevitably have security implications for Northern Europe and beyond.[23] Historically, the Arctic has been characterised by cooperation and minimal security tensions. The melting of sea ice is creating new transoceanic shipping routes, as well as facilitating energy and mineral extraction. However, this transformation is not immune to the growing competition among major powers; rather, it risks exacerbating it. Conflicts of interest and increased competition among actors both within and outside the Arctic region are expected in the coming years. There is a clear risk that the Arctic will become another arena for strategic competition, with China, Russia, and the United States emerging as key players.

However, unlike China, Russia's core economic, security, and ideological interests are directly linked to the Arctic. A significant portion of Russia's gross domestic product is derived from natural resources in the Arctic region. Russia's longstanding Arctic policy is aimed at developing the region into one of its primary strategic resource bases. Additionally, Russia maintains a solid military presence in the western part of the Russian Arctic, where the Northern Fleet operates a significant number of Russia's ballistic missile submarines. In recent years, Russia has also expanded its military footprint into the central Arctic, primarily to consolidate its interests in the region, such as controlling the Northern Sea Route. Furthermore, Russia's aspirations to be a "great power" and its national identity as an Arctic nation are closely tied to its actions and policies in the region.[24]

Strategic competition and technology converge with climate change in the effort to combat it and its impacts. The EU and many European states, as well as the United States, have identified climate change as a security threat and are making significant investments in the green transition. The demand for green technology — the application of science and technology to develop ecofriendly products and services that protect the environment — including renewable energy, sustainable transportation, waste management and recycling, and energy efficiency solutions, is substantial. For many states, being at the forefront of this competitive sector and embracing the green transition is perceived

as crucial for future economic prosperity and as a source of legitimacy and soft power.

Despite being the world's largest greenhouse gas emitter, China occupies a significant space in this sector, dominating both the global solar-panel market, including its supply chains, and the lithium-ion battery market. Additionally, it has a stronghold on the supply and consumption of many rare metals, crucial for numerous emerging technologies, including green tech, thereby making the United States and the EU heavily dependent.[25] This dependency has the potential to escalate tensions amid the growing US-China rivalry, with the United States striving to reduce its reliance on China.

The way Europe navigates its relationship with the United States while remaining committed to the green transition carries global ramifications. US priorities and domestic politics have the potential to significantly strain the transatlantic relationship regarding this matter. The Democratic Party prioritises climate change significantly higher than the Republican Party. It is conceivable that a future Republican president would deprioritise the green transition, shifting focus towards the production of fossil fuels and nuclear power. The United States could apply significant pressure on Europe to reduce its imports of Chinese solar panels, batteries, wind turbines, and other products by designating them as security risks and linking them to US trade policies and potentially even security commitments. This development would present a substantial test for the transatlantic relationship, with potential implications for Northern European security.

## 2.3   Russia and its war against Ukraine

Russia's aggressive pursuit of power, status, and influence extends beyond mere competition, reshaping the global security landscape and bearing profound implications for Europe. Russia's full-scale invasion of Ukraine has fundamentally altered the European security order. A conventional war now rages on the continent, with the warring parties seemingly entrenched in a potentially protracted stalemate. War serves as the ultimate catalyst, seeming to compress time and accelerating various trends while ushering in profound changes across all levels, from the structure of the international system and global supply chains to culture, art, and everything in between. The war is shifting the ground beneath our feet and introducing numerous uncertainties, affecting not only the immediate parties involved but also Europe

and the broader world. At the heart of these uncertainties lies the ultimate outcome of the conflict.

Russia's strategic posture is characterised by a confrontation with the West, a conflict that is expected to persist beyond 2030, irrespective of the course of the ongoing war.[26] The invasion of Ukraine in 2022 marked a definitive turning point, prompting most NATO allies to suspend cooperation with Russia across various domains, including tourism, trade, energy, and cultural, technological, and scientific exchanges. Russia's full-scale invasion underscores the current regime's readiness to resort to large-scale conventional warfare and nuclear coercion to achieve its political objectives, signalling a concerted effort to reshape the longstanding European security order through force.

Russia's confrontation with the West prompts questions regarding the reconstitution of the Russian military. Even though a significant portion of the Russian armed forces is currently engaged in the war in Ukraine, officials from several NATO states suggest that Russia may attempt to challenge NATO unity by military means within the next decade. There is currently intense debate regarding the reconstitution of the Russian armed forces, including suggestions that Russia could accomplish this within a span of two to eight years.[27] This relatively short timeframe poses a dilemma for European states: whether to allocate resources to significantly bolster Ukraine's defence, thereby keeping Russian military capabilities occupied in a prolonged conflict, or to prioritise enhancing their own defence capabilities.

Simultaneously, the West has initiated processes to integrate Ukraine into its institutional frameworks, primarily NATO and the EU. However, progress in these endeavours remains highly uncertain. While negotiations with Ukraine for EU membership have commenced, a significant number of member states advocate for EU reform preceding actual accession. In the case of NATO, the outlook is even more uncertain. Despite anticipation leading up to the Vilnius Summit, in 2023, NATO did not extend membership negotiations or provide a roadmap for Ukraine's accession. Some allies perceive this hesitancy to embrace Ukraine as a member is effectively granting Russia veto power over the Alliance's open-door policy. Needless to say, negotiating the way forward regarding these issues will be fraught with tension. The same applies to the forthcoming debate about the reconstruction of Ukraine. The tensions surrounding these issues are explored in section 4.3.

A significant uncertainty concerning Russia over the next decade is its stability and the eventual succession of power in Moscow, particularly the issue of President

Putin's departure. Currently, the system appears rigid and entrenched, with key ministers and officials retaining their positions for extended periods. How Moscow navigates a generational turnover without destabilising the system will be crucial for Russian security and stability.[28] Its destabilisation would potentially unleash a host of challenges and uncertainties. Another uncertainty with a potentially profound impact on the European security landscape concerns the developments in Russia's neighbouring states, particularly Belarus.

While the contours of a new security landscape, characterised by heightened strategic competition and increased risks of conflict, are emerging, it is essential to remember that we are still in the midst of a dynamic process filled with uncertainties.

## 2.4 Conclusions

The security situation in Northern Europe has significantly deteriorated due to Russia's invasion of Ukraine, prompting a reassessment of security and defence policies in all European states. This war has introduced considerable uncertainty, and Russia's actions have highlighted the risks associated with assuming adherence to international laws, underscoring the importance of military capability, deterrence and defence. Tensions between the West and Russia are expected to persist, with lasting implications for security in Northern Europe, beyond 2030. Beyond the immediate conflict, escalating tensions in Asia, particularly China's rise and military build-up, pose additional challenges. Instability persists in the EU's southern neighbourhood, further contributing to uncertainty.

The convergence of strategic competition, power dispersion, and rapid technological advancements complicates the character of conflicts, with emerging technologies offering both opportunities and vulnerabilities. Climate change exacerbates global insecurity, particularly in regions like the Arctic, where environmental shifts have geopolitical implications. Amidst these challenges, uncertainties surrounding the reconstitution of Russia's armed forces and the stability of its government, including the succession of power in Moscow, add to the complexities of the European security landscape.

As strategic competition intensifies and conflicts evolve, Europe faces critical decisions that will shape NATO's ability to deter and defend against threats in Northern Europe in the next decade.

## Endnotes

1 Michael J. Mazar et al., *Understanding the Emerging Era of International Competition: Theoretical and Historical Perspectives* (Washington: Rand Corporation, 2018); Thomas F. Lynch III, ed., *Strategic Assessment 2020: Into a New Era of Great Power Competition* (Washington: NDU Press, 2020); Michael J. Mazar et al., *Understanding a New Era of Strategic Competition* (Washington: Rand Corporation, 2022).

2 For an introductory discussion of polarity, see John G. Ikenberry, Michael Mastanduno, and William C. Wohlforth, "Introduction: Unipolarity, State Behavior, and Systemic Consequences," *World Politics* 61, no. 1 (2009): 5.

3 Robert Jervis, "Unipolarity: A Structural Perspective," *World Politics* 61, no. 1 (2009).

4 For a discussion of the security dilemma, see, for instance, Robert Jervis, "Cooperation under the Security Dilemma," *World Politics* 30, no. 2 (1978); Charles L. Glaser, "The Security Dilemma Revisited," *World Politics* 50, no. 1 (1997).

5 Rather than directly confronting the unipole, states may seek to counteract the hegemon's unilateral actions by non-military methods, employing a strategy known as soft balancing.

6 William C. Wohlforth, "Unipolarity, Status Competition, and Great Power War," *World Politics* 61, no. 1 (2009).

7 Robert O. Keohane, *Theory of Hegemonic Stability and Changes in International Economic Regimes: 1967–1977* (Berkeley: Center for International and Strategic Affairs, University of California, 1980). This facet of unipolarity stimulated the conceptualisation of benign hegemony.

8 Stephen M. Walt, *Taming American Power: The Global Response to U.S. Primacy* (W.W. Norton Co., 2006).

9 Per Olsson, *Defence Economic Outlook*, FOI Reports FOI-R--5433--SE (Stockholm: Swedish Defence Research Agency — FOI, June 2023); Christopher Weidacher Hsiung, *Kinas kärnvapenstrategi och förmågor: En introduction*, FOI Memo 8422 (Stockholm: Swedish Defence Research Agency — FOI, January 2024); Hans M. Kristensen, Matt Korda, and Eliana Reynolds, "Chinese Nuclear Weapons: 2023," *Bulletin of the Atomic Scientists* 79, no. 2 (2023): 108–133

10 Oscar Almén and Christopher Weidacher Hsiung, *Japans nya säkerhetspolitiska hållning*, FOI Memo 8177 (Stockholm: Swedish Defence Research Agency — FOI, May 2023).

11 Samuel Neuman Bergenwall, *Indien som säkerhetspolitisk aktör*, FOI Reports FOI-R--5588--SE (Stockholm: Swedish Defence Research Agency — FOI, April 2024).

12 U.S. Department of State, "Russian Noncompliance with and Invalid Suspension of the New START Treaty," Fact Sheet, June 1, 2023. The United States also claims Russia is in noncompliance with the New START Treaty; Anthony H. Cordesman, The Global Nuclear Balance: Nuclear Forces and Key Trends in Nuclear Modernization, CSIS, May 15, 2023, *https://www.csis.org/analysis/global-nuclear-balance-nuclear-forces-and-key-trends-nuclear-modernization.*

13 See, for instance, U.S. Department of Defense, *Military and Security Developments Involving the People´s Republic of China*, Annual Report to Congress (Washington, D.C.: U.S. Department of Defense, 2023); Study Group at the Center for Global Security Research at Lawrence Livermore National Laboratory, *China's Emergence as a Second Nuclear Peer: Implications for U.S. Nuclear Deterrence Strategy* (N.p: Center for Global Security Research at Lawrence Livermore National Laboratory — LLNL, Spring 2023); Kristensen, Korda, and Reynolds, "Chinese nuclear weapons: 2023"; Henrik Stålhane Hiim, M. Taylor Fravel, and Magnus Langset Trøan, "The Dynamics of an Entangled Security Dilemma: China's Changing Nuclear Posture," *International Security* 47, no. 4 (2023): 147–187; Weidacher Hsiung, *Kinas kärnvapenstrategi och förmågor.*

14 Mike Green, *Line of Advantage: Japan's Grand Strategy in the Era of Abe Shinzo* (New York: Columbia University Press, 2022).

15 Neuman Bergenwall, *Indien som säkerhetspolitisk aktör.*

16 White House, *National Security Strategy* (Washington, D.C.: U.S. Government Publishing Office, October 2022); U.S. Department of Defense, *2022 National Defense Strategy of the United States of America: Including the 2022 Nuclear Posture Review and the 2022 Missile Defense Review* (Washington: D.C.: Pentagon, 2022); Chairman of the Joint Chiefs of Staff, National Military Strategy: 2022 — Strategic Discipline (N.p.: Joint Chiefs of Staff, 2022).

17 Randall L. Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton, N.J.: Princeton University Press, 2008).

18 Kenneth N. Waltz, *Theory of International Politics* (Long Grove, Ill.: Waveland Press, 1979).

19 Erika Holmquist and Ismael Khan, *Isolated Together: Russian-Iranian Military Cooperation*, FOI Memo 8528 (Stockholm: Swedish Defence Research Agency — FOI, 2024); Aaron Arnold, "How Russia Is Burning down the Sanctions House – And What to Do about It," *RUSI*, February 6, 2024, *https://www.rusi.org/explore-our-research/publications/commentary/how-russia-burning-down-sanctions-house-and-what-do-about-it.*

20 Mazar et al., *Understanding the Emerging Era*; Lynch III, *Strategic Assessment 2020*; Mazar et al., *Understanding a New Era.*

21 White House, *Report on the Impact of Climate Change on Migration* (Washington, D.C.: U.S. Government Publishing Office, October 2021), 7-10, 14f, accessed June 19, 2024, *https://www.whitehouse.gov/wp-content/uploads/2021/10/report-on-the-impact-of-climate-change-on-migration.pdf*

22 Lynch III, ed., Strategic Assessment 2020, chap. 12.

23 The definition of the Arctic varies. The most common is that the Arctic is north of the Arctic Circle at 66.33 degrees north latitude. Other definitions are based on climate, energy resources, or population. Here, a geographical definition of the Arctic that extends down to 60 degrees north latitude is used. The advantage of this geographically simpler and broader definition is that it clarifies the analysis of defence and security policy conditions.

24 See, for example, Jonas Kjellén, "The Russian Northern Fleet and the (Re)militarisation of the Arctic," *Arctic Review on Law and Politics* 13 (2022): 34–52.

25  Guillaume Pitron, *The Rare Metals War – The Dark Side of Clean Energy and Digital Technologies* (Melbourne: Scribe, 2020); Sophia Kalantzakos, *China and the Geopolitics of Rare Earths* (Oxford: Oxford University Press, 2018).

26  Maria Engqvist and Emil Wannheden, eds., *Russia's War against Ukraine and the West: The First Year*, FOI Reports FOI-R--5479--SE (Stockholm: Swedish Defence Research Agency — FOI, 2023).

27  Richard Milne and Ben Hall, "The Baltic Balancing Act over the Threat from Russia," *Financial Times*, April 18, 2024; Katherine Kjellström Elgin, *More of the Same?: The Future of the Russian Military and Its Ability to Change*, Center for Strategic and Budgetary Assessments — CSBA (Washington, D.C.: CSBA, 2024).

28  Maria Engqvist, ed., *Russian Military Capabilities at War: Reflections on Methodology and Sources Post-2022*, FOI Reports FOI-R--5502--SE (Stockholm: Swedish Defence Research Agency — FOI, 2024).

# 3. Tensions in addressing threats

How states perceive and prioritise threats has significant implications for their approach to allied deterrence and defence, as reflected in political commitments, strategic considerations, and the methods and resources employed. States' perceptions of threats are primarily influenced by factors such as the overall power of threatening actors, including their size, population, economy, and military capability, as well as geographic proximity and intentions. However, it is crucial to note that these perceptions are not static but evolve over time due to both internal and external dynamics.[1]

In this section, threats are discussed from multiple angles, including the way they are characterised, their perceived level of intensity, and the ways states mitigate or counter them. Though these aspects of threats are evidently interlinked, the relation is not one-to-one but rather complex. In some cases, there is a discrepancy between the level of intensity prescribed to a threat and the resources put in place to address it.

This section analyses three highly prioritised yet contested threats identified by European states: the urgent or existential threat from Russia, the complex array of threats in and from Europe's southern neighbourhood, and China as a growing threat in the context of increased strategic competition. Divergent views on the character, urgency, and allocation of resources for countering these threats may lead to disunity, disagreement, and tensions, thereby impacting NATO's ability to achieve deterrence and defence in Northern Europe towards 2030.

## 3.1 Diverging views on the threat from Russia

Between 2014 and 2022, amidst Russia's illegal annexation of Crimea and before its full-scale invasion of Ukraine, European states struggled to forge a unified Russia policy due to fundamental disagreements on how to characterise the threat from Russia. Following these diverging views, some countries, such as Poland and the Baltic states, advocated for minimal interaction with Russia, while others, including France and Germany, pursued a dual approach of deterrence and dialogue, maintaining extensive trade and energy relations.[2] The shift in perceptions after February 2022 was remarkable; European states became more unified in their outlook

than they had been in decades. Members of both the EU and NATO rallied around the concept that Russia's security objectives, combined with its willingness to pursue them through military means, posed a profound threat to Europe. The prevailing notion was that security cannot be built with Russia, but should be built against Russia.

Two years later, Western European states still perceive Russia as a serious threat, but the ways to characterise this threat are more varied now than they were in the initial months following the invasion. It has become evident that the situation is more nuanced than a simple East-West divide. The key question concerns Russia's intentions and cost-risk calculations for both conventional and nuclear capabilities, which will influence decisions on the courses of action for European states in their interactions with Russia, especially once the conflict concludes.

### Russia – An existential threat

European states can be broadly categorised by their predominant ways of characterising the threat from Russia. On one end of the spectrum are states that share borders with Russia and have historical experiences of Russian aggression and occupation, such as Poland, the Baltic states and Finland, which has led them to interpret Russia's actions since 2014 as indicative of imperial ambitions.[3] This group contends that Russia's full-scale war against Ukraine provides particular insights into Russia's behaviour as an aggressive actor. The systematic war crimes in occupied territory and the deliberate targeting of civilian infrastructure reveal a level of Russian aggression that surpasses previous expectations.[4] Given their proximity to Russian territory or its ally, Belarus, these states feel particularly vulnerable to aggression, fearing that conflict could erupt swiftly with minimal warning, leaving little time to await allied reinforcements.[5]

This characterisation of Russia is shared by states like Norway, also bordering Russia, as well as Sweden, Denmark, and the United Kingdom, which, although they do not share a border with Russia, perceive the threat from Russia in similar terms and align with the concerns of bordering states. Consequently, it seems unthinkable to many NATO members that the Alliance could reach a point of cooperation or coordination with

Russia in the near future, even with the intention to prevent future conflict.

## Shifting perceptions on the threat from Russia

Another category of states perceives Russia as an urgent threat to Europe, especially after the full-scale invasion in 2022, yet they vary in the extent to which they see this threat as existential and how it might evolve over time. These states differ from those described above both by the way they characterise the threat from Russia and the level of intensity they prescribe to it.

In this group, the ways to characterise the threat from Russia have changed more significantly with the full-scale invasion in 2022. Prior to the war, states like France, Germany, Spain, and Italy advocated a multitrack approach towards Russia, emphasising trade, dialogue, and deterrence. That approach indicated a rational reading of Russia's leadership, namely that trade and dialogue could influence their intentions and cost-risk calculations, in turn moderating the threat that the country posed to Europe.[6] After the full-scale invasion, all states in this second group have abandoned their multitrack approach, indicating a shift in their previous reading of the threat from Russia.

European opinion polls further point to a notable difference between the populations in this second group of states and the first, even after 2022. For example, respondents in France and Germany perceived that a direct military confrontation between Russia and the West was less likely compared to those in Poland and Latvia.[7] This discrepancy reflects a fundamental aspect of how Europeans perceive the threat from Russia, regardless of whether Russia intends to engage in conflict with NATO members or not. Geographical proximity certainly plays a role in shaping these perceptions.

So what, then, in the eyes of this category of states, characterises the threat from Russia? In some of the states, particularly Germany, debates on the threat from Russia have focused on the risk of escalation, especially regarding the use of nuclear weapons. Since Russia's full-scale invasion in 2022, the German leadership, especially Chancellor Olaf Scholz, has strived to balance a tough stance on Russia — involving the termination of energy and trade relations and substantially supporting Ukraine financially and militarily — with the risk of provoking Russia and thereby escalating the threat it poses to Europe. The degree to which the German leadership considers that the threat is existential appears to be explicitly tied to Russia's cost-risk calculations. This indicates that the risk of pressuring Russia is a larger factor in shaping Germany's threat perception.

In France, the calculus appears to be slightly different. In recent months, President Macron has made statements suggesting that Europe should engage more actively in the war in Ukraine, not excluding the possibility to send training and support personnel to Ukraine.[8] This is quite a turnaround from the early months of the war, when Macron persisted in a dialogue approach towards Russia, and later stressed that potential peace negotiations must include security guarantees for Russia.[9] In 2024, the French view is in fact more in line with that of the United Kingdom and the Nordic states, exemplifying, especially, that threat perceptions can be subject to change in response to both internal and external dynamics.

## Conflict and cooperation – Russia as a threat and a partner

A third category of states expresses aspirations for cooperation with Russia, notwithstanding its continued aggression against Ukraine. Their characterisation of the threat from Russia can be summarised as a dual perception of Russia, as both a threat and a potential partner. Generally, the intensity they ascribe to the threat from Russia is less than that of other European states. The rationale behind this perspective varies among states, yet several governments or political fractions are increasingly vocalising their support for enhanced cooperation with Russia, regardless of its ongoing war in Ukraine. States that have expressed these views include Hungary, Bulgaria, Slovakia, and Austria. Leaders in these states argue that Russia, being a European state and an inevitable counterpart in many aspects, should be incorporated into a European security framework, rather than being excluded from it. Additionally, political movements in Germany, the Netherlands, Italy, and Greece have echoed similar sentiments, suggesting that the current policy of non-engagement with Russia in these states may face challenges in the coming years.

In the commonly cited dichotomy of Western and Central Eastern Europe (CEE), Hungary, Slovakia, and Bulgaria are categorised as part of the latter. Unlike other states in this region, however, they do not share a border with Russia. Once again, the difference in the degree of geographic proximity may provide insight into why their assessment of Russia differs from that of Poland and the Baltic states.[10] For these states, economic dependencies on Russia serve as an additional factor, further highlighting the complex interplay between threat perceptions and other interests and strategic outlooks, as discussed further in chapter 4.

**Diverging perceptions of Russia shape NATO's strategy**

The different perceptions of the threat posed by Russia are already reflected in the varying preferences of European states towards the development of NATOs deterrence and defence strategy. Looking ahead, these differences may impede reforms intended to strengthen collective defence. Given their assessment that Russia possesses both the intent and capability for swift and brutal aggression against their territories, most states in the first group advocate for deterrence by denial. This entails establishing a credible NATO capability to repel all Russian aggression without relying on time-consuming reinforcements. In practice, this strategy requires a credible, heavy, standing defence along the Russian border. Preferably, the scale of this defence is sufficient to deter Russian aggression altogether.

While other European states concur that deterrence through denial should guide NATO planning, they perceive challenges in implementing this approach in practice. These challenges include both the resources required to establish credible forward defences along the entire eastern flank and military considerations about the feasibility of permanently deploying large formations. Additionally, halting Russian aggression at the border could entail NATO conducting pre-emptive strikes deep inside Russian territory, a prospect viewed as a non-starter by some states due to the risk of escalation. For many years, NATO's strategy leaned towards a trip-wire defence and deterrence by punishment, relying on reinforcements and other types of retaliation. In practice, this meant that large NATO allies maintained a small presence in front states, which would be reinforced if necessary. Although NATO has formally transitioned to favouring larger forward deployments, the current formations on the eastern flank do not fully meet the criteria for credible deterrence through denial.[11] For some states, a NATO enlargement eastward may serve as an alternative strategy to mitigate the threat from Russia. NATO enlargement is discussed further in section 4.3.

**Dissonance in characterising the threat from Russia**

In the long term, the divergent perceptions of the threat from Russia could have significant implications for Europe's future relations with Russia, potentially reviving tensions that may hinder cooperation on deterrence and defence. For instance, while the NATO-Russia Founding Act of 1997 has not been entirely discarded, it faces substantial contention.[12] The presence of more permanent forces stationed on the eastern flank, including Germany's permanent brigade-size presence in Lithuania from 2027, at least suggests that allies' constraints on NATO's force posture have been overridden. Looking further ahead, several European states are likely to remain reluctant to include Russia in European cooperation, whether in security or other domains. Meanwhile, others see no alternative to Russia's involvement in shaping the future of Europe. If the war in Ukraine remains at a stalemate, more states may lean towards the latter alternative, viewing the war as "just another 'not-quite-frozen' conflict in Eastern Europe," replacing the prevailing sense of urgency with a sense of normalcy.[13]

Different perceptions of the threat from Russia divided European states before the full-scale invasion. Though principally in alignment in perceiving Russia as a threat, it appears that different characterisations of this threat will persist as a source of tension in the years to come. This discrepancy has direct consequences for the strategies NATO allies advocate for the eastern flank. In the future, differences in views on the threat from Russia may impede European states from uniting behind cohesive measures aimed at bolstering deterrence and defence in Northern Europe. This includes decisions on which defence strategies to pursue and how to allocate resources to them. This could significantly impact NATO's ability to achieve deterrence and defence in Northern Europe towards 2030.

## 3.2 Overlooking threats on the southern flank?

A significant tension between NATO member states lies in the prioritisation of the threat from Russia over other pressing issues. This divergence is not new, but has rather shaped NATO strategy since the Alliance was created.[14] Many European states, particularly those on NATO's southern flank, contend that the security challenges stemming from conflicts and instability in Africa and the Middle East are equally, if not more urgent than the threat from Russia. Again, the intensity ascribed to these threats largely reflects the degree of geographic proximity.

This viewpoint was articulated in September 2023 by the Spanish foreign minister, Margarita Robles, who urged EU members to maintain a comprehensive, 360-degree approach to threat assessment, rather than solely fixating on Russia's war in Ukraine.[15] This sentiment was echoed by the Italian prime minister, Giorgia Meloni, who emphasised an increasing call across Europe to address a broader spectrum of threats beyond Russia, especially those emanating from Europe's southern neighbourhood.[16] Given the alarming

security developments in the Middle East and the Sahel region, which pose a significant risk of further escalation, as evidenced by the war in Gaza, the longstanding divide among European states over prioritised threats may deepen. This could potentially divert attention and resources away from efforts aimed at strengthening deterrence and defence in Northern Europe. However, at the same time, threats are becoming more intertwined due to the increasing strategic competition.

### Institutional reconciliation and NATO's 360-degree approach

NATO's 360-degree approach to security reflects its effort to reconcile diverse threat perceptions within the Alliance. Accordingly, the Alliance has pledged to maintain its focus not only on deterring and defending against Russia but also on fulfilling its other core tasks of crisis prevention and management and cooperative security, including countering terrorism and violent extremism, as well as addressing various hybrid threats. This comprehensive approach has served as a compromise for member states concerned that NATO is overlooking its southern flank.[17] However, the southern flank has been a subordinate area in NATO strategy.[18] For example, the joint command for NATO Strategic Direction South (NSD-S), in Naples, tasked with addressing challenges to Europe's south, has faced criticism for being underfunded and inadequately staffed.[19]

In 2023, the NATO Secretary General appointed an expert group tasked with reviewing the Alliance's approach to its southern neighbourhood, indicating that NATO has not yet sufficiently addressed the concerns of its southern allies.[20] In its report, published in May 2024, the expert group makes a number of recommendations primarily guided towards partnerships, including reinforcing relationships with NATO's southern neighbours, and strengthening dialogue through strategic meetings, a special envoy, and representation to the African Union (AU).[21]

In the arena of crisis management operations, however, the primary organisation for European states has been the EU, through its Common Security and Defence Policy (CSDP) missions and operations, rather than NATO. Throughout the 2010s, the EU has sought to promote stability and gain influence in neighbouring regions, particularly in Africa.[22] As the EU has access to a varied toolbox of judicial, economic, and civilian instruments, the union has a complementary role in relation to NATO in the area of crisis prevention and management.[23] This relationship is recognised by NATO's expert group on the southern neighbourhood, and referenced

in its recommendations. The group explicitly calls for enhanced NATO and EU coordination and cooperation in this area.[24] The division of labour between the two institutions is discussed further in section 5.1.

### Threats in Europe's southern neighbourhood

For some European states, particularly those with former colonial ties, conflict and political instability in Europe's southern neighbourhood constitutes a significant and potentially potent concern. Many of these states maintain close cultural, political, and trade relations with countries in Africa and the Middle East. Instability and conflict resulting from domestic and regional dynamics pose threats to their presence and interests in the region. This includes the vulnerability of open sea lines of communication, which have been threatened by spillover effects from regional instability. Several large European states maintain a military presence in the Mediterranean and the Red Sea, for example by contributing to the European Union's Naval Force (EUNAVFOR) Operation Atalanta and Aspides.

In a time of growing strategic competition, some observers have highlighted that the eastern and southern flanks are not opposite, but rather increasingly intertwined, as Europe's southern neighbourhood is also an arena where European states encounter Russia and China.[25] With regard to Russia, European states have already confronted Russian influence in other theatres, including the Black Sea, Western Balkans, Syria, Libya, and the Sahel. Through this lens, countering Russian influence in other regions contributes to the overall goal of limiting its global power, at once inhibiting the threat it poses to Europe's eastern flank. Strengthening NATO on its southern flank may, therefore, complement the efforts aimed at bolstering the eastern flank.

### Threats extending to the European continent

To some states, the southern neighbourhood rather poses a secondary threat to Europe, encompassing a myriad of issues and challenges that European states perceive as risks to their internal stability and order. These risks include terrorism and violent extremism, as well as irregular and instrumentalised migration.

The threat of violent extremism and terrorism could regain prominence if Europe experiences a new wave of large-scale terrorist attacks, potentially diverting resources from efforts to strengthen deterrence and defence against nation-states. In the early and mid-2000s, several European states regarded violent extremism and terrorism as their primary security concerns.

The significant increase in violent terrorist attacks across Europe during the latter half of the 2010s prompted substantial investments in national counterterrorism measures. NATO members also called for the Alliance to develop capabilities to counter terrorism. In this regard, Türkiye has been a driving force. While the perceived urgency of the terrorism threat has somewhat diminished as the frequency of attacks has declined, and a full-scale war rages on the European continent, several factors indicate that it will remain a pertinent issue for European security in the years ahead. This could potentially create divisions within Europe about which threat should be prioritized.[26]

Second to terrorism, migration has emerged as a significant challenge for many European states. Both irregular migration, and large-scale migration resulting from instability and conflict, are perceived as urgent threats. However, the issue of migration as a threat is multifaceted. For some states, large-scale migration contributes to destabilised borders and internal disorder. Hungary's 2020 security strategy, for example, identifies migration as its primary threat.[27] As climate change accelerates, the frequency of regional migration, as well as that from the Global South to the North, is likely to rise. Other states are more concerned about the potential long-term consequences of decades of migration to Europe, such as segregation and the erosion of social cohesion. This concern has been particularly emphasised by a growing right-wing populist movement that has become entrenched in the European political landscape, as discussed further in section 5.5.

Added to this complexity is the increased use by authoritarian states, such as Russia and Belarus, of instrumentalised migration to destabilise and exert pressure on neighbouring and other European states. In this context, migration streams are viewed as tools wielded by other states, rather than threats in themselves.[28] Irregular and large-scale migration are interpreted as threats through various lenses, yet they remain a primary concern for many European states. This divergence in characterising the threat posed by migration, and the extent to which it constitutes a more general threat may sow disunity in key multilateral organisations, particularly the EU and NATO, potentially impeding cooperation.

**Fostering unity in a complex threat environment**

As challenges and threats stemming from instability in Europe's southern neighbourhood are multifaceted, different views on their nature and urgency have the potential to impede unity among European states. As demonstrated in the political process preceding NATO's NSD-S, southern member states have expressed concerns that NATO's focus on Russia, with its war of aggression in Ukraine, may result in a partial oversight of an increasingly complex threat environment. Looking ahead, large NATO states are likely to maintain their military presence in the Mediterranean and Red Seas, as well as their engagement with strategic partners in Africa and the Middle East.

The 2023 appointment by NATO's Secretary General of a dedicated expert group on the issue indicates the pressure on the Alliance to adopt a comprehensive approach in this region. If the security situation deteriorates significantly, such as in the Red Sea, all allies can expect pressure to demonstrate solidarity, which may also entail calls for capability contributions. Such a scenario could both expose deep-seated tensions between member states, potentially challenging political unity, and obstruct the implementation efforts aimed at strengthening deterrence and defence on NATO's eastern and northern flanks.

In sum, European states differ in their perceptions of the threats emanating from Europe's southern neighbourhood, including their nature, urgency, and the role NATO should play in addressing them. The Alliance as a whole, as well as individual member states, must strike a balance between the responsibilities of deterrence and defence and fulfilling other core tasks such as crisis prevention and management and cooperative security. Consequently, the varying threat perceptions within the Alliance concerning Europe's southern neighbourhood could impact both unity and cohesion in determining which of NATO's tasks to prioritise over the next 5 to 10 years.

## 3.3 Differing views on the threat from China

The threat from China is emerging as a new, key tension between NATO allies. Already, an increasing number of states are emphasising the challenge posed by China's expanding economic and military influence. It is anticipated that the growing rivalry between the United States and China will dominate the coming decade.[29] In addition, European states are concerned with China's activities in the Global South, particularly its investments in infrastructure and mines on the African continent. In this new strategic environment, European states will face difficult trade-offs, both regarding their own policy

towards China, and to what degree they should align with US policy.

In US strategic guidance, China is identified as the sole competitor with the intent and the economic, diplomatic, military, and technological power to reshape the international order and is considered the pacing threat. Conversely, Russia is portrayed as an acute, near-term threat.[30] Amid growing competition with China, the United States has initiated a rebalance towards the Indo-Pacific-region, increasingly deploying military resources to this theatre. In contrast, the perception among European states of China posing a threat is less definitive and subject to frequent debate. Whereas some European states perceptions' are generally shaped by US concerns, and their responses are signs of transatlantic solidarity, others increasingly view China's assertive behaviour as a direct challenge to their core national interests and respond accordingly.

These varying perspectives on the level of threat posed by China may lead to divisions among European states, influencing how they prioritise their attention and allocate resources. Moreover, a growing disparity between European states and the United States regarding China could strain the transatlantic relationship.

### Diverse European perspectives on China

European states are increasingly facing Chinese interference domestically, operating below the threshold of open conflict. This interference includes economic coercion through sanctions, industrial espionage, technology theft, and the exploitation of the Chinese diaspora for influence.[31] As a result, many European states now view China as a security concern rather than a trade and cooperation partner.

Nonetheless, it is particularly complex to capture the threat from China. In EU terminology, China is described, variously, as a partner for cooperation, an economic competitor, and a systemic rival.[32] The third term captures the perceived long-term threat that China poses to Europe, the United States, and their global partners. As a systemic threat, China's ambitions extend beyond mere competition in trade and technology; they aim to fundamentally reshape the prevailing international order, which is founded on principles of free and fair trade, human rights, and international cooperation. In essence, China seeks to overhaul the US-led liberal world order.

European states hold diverse perspectives on China, ranging from viewing it primarily as a security threat to viewing it as a partner, with varying positions in between. In some states, such as Sweden, the Netherlands, Denmark, and Finland, both the public

and state policies reflect a prevailing hesitancy or negative sentiment towards China in.[33] Conversely, politicians and the general public in Hungary, Portugal, and Bulgaria primarily tend to perceive China as a partner, embracing stronger trade and investment ties between their nations.[34] A third group of countries holds a nuanced view of China, seeing it both as a partner and a concern, with differences in opinion often observed between the general population and political leadership.

Public opinion polls reveal that the public in France and Germany predominantly views China as a rival or even an adversary.[35] However, the language in their official policy towards China tends to be more cautious. In Latvia, Estonia, and Lithuania on the other hand, opinion polls show that the population generally hold positive views of China.[36] Interestingly, their respective governments have opted to withdraw from China's cooperation format with CEE states, known as "14+1," for short. In the Baltic States and Eastern Europe in particular, China's "no limits" relationship with Russia, especially in light of the ongoing conflict in Ukraine, has significantly influenced perceptions of China.[37]

### Europe under pressure to align with US perceptions

In recent years, European states have increasingly aligned with the United States' threat perception, recognising China's rising power as a significant concern. This is particularly visible in the Indo-Pacific region, where China's assertive behaviour directly challenges the core national interests of some European states. Whereas some states send military deployments to the region as a sign of transatlantic solidarity, other states do so because of their self-perception as a player in the region. France, for example, considers itself an Indo-Pacific power due to its territories in the region and has proactively bolstered its presence, including through military deployments, to safeguard its geostrategic interests.[38]

For other European states, the decision to establish a military presence in the Indo-Pacific region is primarily driven by concerns about threats to trade and sea lines of communication (SLOC) resulting from heightened tensions. The Indo-Pacific region is critical to Europe for trade and SLOCs, which could face significant disruption in the event of elevated tensions or conflict there. Deploying military resources is also one way European states can demonstrate commitment to their relationship with the United States amidst its shifting defence priorities.

Major European powers (including the EU as a whole) are intensifying their focus on the Indo-Pacific

region, considering it a potential theatre for military deployments.[39] The EU also has growing maritime ambitions in the region, which may lead to calls on European states to contribute with capabilities, especially naval assets.[40] Currently, however, Europe's military presence in the Indo-Pacific is largely symbolic, consisting of defence diplomacy and security cooperation activities.[41]

However, if tensions escalate in the region, for example with a Taiwan contingency, European states may come under pressure to allocate additional military resources, driven both by national interests and US expectations about their partnership commitments. European states cannot act as equals to the United States in terms of hard power, however. It is instead likely that in such a scenario they would need to leverage existing resources and instruments, for instance, in the economic sphere. Such a response could stem either from internal pressure arising from national interests or external pressure from the United States.

**The challenge of threats emanating from two theatres**

Perceptions of China as a threat vary significantly, both internally among European states and in relation to the United States. As described above, a number of European states already deploy military capabilities in the Indo-Pacific region, dividing their resources between two distinct theatres of operation.

As Chinese interference on the European continent persists or even intensifies, pressure is likely to mount on states to reassess their cooperation with China and contribute to resilience measures aimed at countering malign Chinese activities. Although NATO has expressed a desire to counter China's influence, it has not yet allocated specific military capabilities to achieving this goal, first and foremost because member states disagree regarding whether NATO should.[42] The extent to which states are willing to do so will not only directly depend on their perception of, and priority in handling, the threat posed by China, but also on the degree of US pressure and their willingness to yield to such pressure.

At the same time, there are competing demands for European military resources in the next 5 to 10 years. European NATO members are expected to provide the majority of troops for NATO's new Force Model for the collective defence of Europe. Given the limited nature of its defence resources, Europe lacks the capacity to sustain an expanded military presence in both

Europe and the Indo-Pacific region over time. In the short term, allocating resources, especially naval assets, to the Indo-Pacific could potentially reduce the availability of resources in Europe and its vicinity.

In sum, these differing perspectives may expose tensions within the Western security framework, particularly regarding efforts to counter Chinese global influence and the allocation of resources for this purpose at the expense of deterrence and defence against Russia. Consequently, variations in views on China could impact NATO's ability to achieve deterrence and defence in Northern Europe towards 2030.

## 3.4 Conclusions

The exceptional unity after Russia's invasion of Ukraine in 2022 stands out against the backdrop of longstanding tensions among European states regarding the continent's most pressing threats and the necessary responses. The existence of divergent perceptions of the threat from Russia holds particular significance for NATO's ability to achieve deterrence and defence. Western states' views on Russia and its future in Europe can determine their willingness to unite behind cohesive measures aimed at bolstering deterrence and defence, including the adoption of strategies and resource allocation.

Moreover, underlying tensions regarding the prioritisation of the threat from Russia over concerns in Europe's southern neighbourhood continue to divide southern and northern allies. As NATO addresses its southern flank, efforts to maintain political unity and allocate resources to fulfil core tasks such as crisis prevention, management, and cooperative security inevitably divert attention and resources away from strengthening deterrence and defence on the northern flank. Furthermore, states' perception of the threat posed by China will influence their willingness and commitment to counter its influence, both in the Indo-Pacific region and in Europe. Disagreements on China may strain unity and cohesion between European states and the United States and prompt allies to develop capabilities for theatres beyond Northern Europe.

In summary, diverging threat perceptions among European states have the potential to undermine Western unity and cohesion, impede cooperation, and divert attention and resources from NATO's objective of achieving deterrence and defence in Northern Europe towards 2030.

## Endnotes

1 Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y., and London: Cornell University Press, 1987); Buzan, Wæver, and de Wilde, *Security: A New Framework.*

2 Johan Engvall and Eva Hagström Frisell, "The Changing Security Landscape and Northern Europe," chapter in *Western Military Capability in Northern Europe 2020: Part I — Collective Defence*, ed. Eva Hagström Frisell and Krister Pallin, FOI Reports FOI-R--5012--SE (Stockholm: Swedish Defence Research Agency — FOI, 2021).

3 Emelie Thorburn, "Poland," chapter in *Western Military Capability 2023: Part I — National Capabilities,* ed. Björn Ottosson and Krister Pallin, FOI Reports FOI-R--5527--SE (Stockholm, Swedish Defence Research Agency — FOI, 202); Emelie Thorburn, "Lithuania," chapter in Ottosson and Pallin, *Western Military Capability 2023*; Michael Jonsson, "Latvia," chapter in Ottosson and Pallin, *Western Military Capability 2023*.

4 Alexander Lanoszka, Jacqueline Sirotová, and Marcin Zaborowski, *Will the Eastern Flank be Battle Ready? Deterrence by 2030: GLOBSEC Future Security and Defence Council Final Report* (Bratislava: GLOBSEC, 2023).

5 Thorburn, "Poland."

6 Emma Sjökvist, *French Security Policy and the War in Ukraine*, FOI Memo 7948 (Stockholm: Swedish Defence Research Agency — FOI, 2022); Alina Engström, *Tyskland och Zeitenwende: Mellan nya idéer och gamla reflexer*, FOI Memo 7983 (Stockholm: Swedish Defence Research Agency — FOI, 2022).

7 Christos Katsioulis, Alexandra Dienes, and Simon Weiss, *Security Radar 2022: Zeitenwende for Europe — Public Perceptions before and after Russia's invasion of Ukraine* (Vienna: Friedrich Ebert Stiftung, 2023), 11.

8 Economist, "How Russia Targeted France and Radicalised Emmanuel Macron," *Economist,* April 18, 2024, https://www.economist.com/europe/2024/04/18/how-russia-targeted-france-and-radicalised-emmanuel-macron.

9 Roger Cohen, "Security Guarantees for Russia Are an 'Essential' Part of Any Peace Talks, Macron Says," *New York Times,* December 4, 2022. France's president, Emmanuel Macron, said in December 2022 that potential peace negotiations must include security guarantees for Russia.

10 Lanoszka, Sirotová, and Zaborowski, *Will the Eastern Flank.* Historical experiences may also be of importance.

11 Sara Bjerg Moller, "NATO at 75: The Perils of Empty Promises," *Survival* 65, no. 6 (2023–2024): 91–118.

12 A. Wess Mitchell, "Western Europe Is Still Falling Short in NATO's East: Deterring Russia Requires More than Just Promises," *Foreign Affairs*, July 5, 2023; Daniel Fried, Steven Pifer, and Alexander Vershbow, "NATO-Russia: It's Time to Suspend the Founding Act," *The Hill,* July 6, 2022.

13 Liana Fix, "The End of Civilian Power: Russia's War Is Changing German Policy," in *Germany and Nuclear Weapons in the 21st Century: Atomic Zeitenwende?*, ed. Ulrich Kühn (London and New York: Routledge, 2024).

14 Ian Lesser, *NATO Looks South: Elements of a Strategy* (Brussels: German Marshall Fund — GMF, May 2024).

15 Aurélie Pugnet, "Enough 'Ukraine only': Spain Wants More Focus on Africa, Asia," *Euractiv*, September 19, 2023.

16 Andrea Rizzi and María R. Sahuquillo, "With NATO Focused on Ukraine War, Threats from the South Take a Back Seat," *El País,* July 13, 2023.

17 Christelle Calmels, "NATO's 360-Degree Approach to Security: Alliance Cohesion after the Crimean Crisis," *European Security* 29, no. 4 (2020): 416–435.

18 Lesser, *NATO Looks South*.

19 Calmels, "NATO's 360-degree approach."

20 NATO, "Secretary General Appoints Independent Group as Part of NATO Reflection on Southern Neighbourhood," News, October 6, 2023, accessed April 19, 2024, https://www.nato.int/cps/en/natohq/news_219076.htm.

21 NATO, *Independent Expert Group Supporting NATO's Comprehensive and Deep Reflection Process on the Southern Neighbourhood: Final Report*, May 2024.

22 Eva Hagström Frisell and Emma Sjökvist, *To Train and Equip Partner Nations – Implications of the European Peace Facility*, FOI Memo 7468 (Stockholm: Swedish Defense Research Agency — FOI, 2021).

23 Alina Engström and Emelie Thorburn, *Kompassen, kriget och konsekvenserna för EU som säkerhetspolitisk aktör*, FOI Memo 7909 (Stockholm: Swedish Defense Research Agency — FOI, 2022).

24 NATO, *Independent expert group.*

25 Lesser, *NATO Looks South*.

26 Florence Gaub, *Global Trends to 2023: Challenges and Choices for Europe,* European Strategy and Policy Analysis System (ESPAS), April 2019.

27 Tamas Csiki Varga, *Hungary's New National Security Strategy – A Critical Analysis* (Budapest: Institute for Strategic and Defence Studies — ISDS, 2021).

28 See, for example, Kelly M. Greenhill, *Weapons of Mass Migration: Forced Displacement, Coercion, and Foreign Policy,* (Ithaca, N.Y., and London: Cornell University Press, 2010).

29 Lotje Boswinkel and Tim Sweijs, *Wars to Come, Europeans to Act: A Multimethod Foresight Study into Europe's Military Future* (The Hague: Hague Centre for Strategic Studies, 2022).

30 White House, National Security Strategy; U.S. Department of Defense, *2022 National Defense Strategy*.

31 Oscar Almén, *The Chinese Communist Party and the Diaspora*, FOI Reports FOI-R--4933--SE (Stockholm: Swedish Defence Research Agency — FOI, March 2020).

32 Diplomatic Service of the European Union, *EU-China Relations Factsheet*, European Union External Action — EEAS, December 7, 2023, https://www.eeas.europa.eu/eeas/eu-china-relations-factsheet_en.

33 Bernhard Bartsch and Claudia Wessling, eds., *From a China Strategy to No Strategy at All – Exploring the Diversity of European Approaches*, European Think-tank Network on China — ETNC, July 2023, 12–13.

34 Bartsch and Wessling, *From a China Strategy,* 12–13.

35  Jana Puglierin and Pawel Zerka, *Keeping America Close,
    Russia Down, and China Far Away: How Europeans
    Navigate a Competitive World*, European Council on Foreign
    Relations, Policy Brief, June 2023, 4.

36  Puglierin and Zerka, *Keeping America Close*.

37  Bartsch and Wessling, *From a China Strategy*. China has sup-
    ported Russia diplomatically, financially, and militarily in
    its war in Ukraine.

38  Carina Gunnarsson, *Frankrikes Indopacifiska strategi*, FOI
    Memo 7811 (Stockholm: Swedish Defence Research Agency
    — FOI, 2022).

39  Emma Sjökvist and Eva Hagström Frisell, *Rethinking
    European Military Engagements Abroad — The Strategic
    Trajectories of the United Kingdom, France and Germany*,
    FOI Reports FOI-R--5464--SE (Stockholm: Swedish Defence
    Research Agency — FOI, 2023).

40  Gorana Grgić, "Ambition, Meet Reality: The European
    Union's Actorness in the Indo-Pacific," *International Political
    Science Review*, (2023): 2, 4, https://journals.sagepub.com/
    doi/10.1177/01925121231191275.

41  Sjökvist and Hagström Frisell, *Rethinking European Military*.

42  Boswinkel and Sweijs, *Wars to come*, 57.

# 4. Tensions in navigating extra-European relations

APART FROM THE TENSIONS that arise when addressing threats, numerous other tensions may also arise as European states navigate extra-European relations. International tensions, in particular between allies and partners, may surface as a result of how states navigate these relations. One such tension pertains to economic competition, e.g., trade disputes or protectionism. These tensions can manifest in policy drift or disagreements that hinder cooperation and the successful implementation of agreed-upon policies.

States' interests and strategic outlooks are critical elements shaping their policy choices with respect to ensuring security and prosperity in their relations with other states. Within NATO, diverging interests and strategic outlooks persist on a range of issues related to European security and defence. As a result, states navigate extra-European relations in various manners, potentially challenging political unity and exacerbating existing divisions among partners and allies.

The next section examines three key areas where international tensions may emerge: the question of how states perceive and relate to the role of the United States in Europe's security and defence, divergent strategic and economic perspectives on China, and dissimilar approaches to Europe's eastern and southern neighbourhoods. Differences within these areas have the potential to impact unity and cohesion among allies and partners and may give rise to fragmentation in choosing how to respond to external challenges and what to prioritise for European security and defence in the next 5 to 10 years. Ultimately, these tensions can impede cooperation and draw attention and resources away from NATO's deterrence and defence posture in Northern Europe.

## 4.1 Strengthening the transatlantic relationship

An increasingly strident debate in the United States on the evolving nature of US strategic interests is stirring significant concern among European states, affecting Western and transatlantic unity on security and defence issues. As the United States gradually rebalances its defence posture towards the Indo-Pacific region to address strategic competition with China, certain US policymakers and scholars are questioning the United States' extensive defence commitments to Europe, which have been the backbone of NATO and the continent's defence since the end of the Cold War.

The debate over the United States' role in the world encompasses several positions. One school contends that European states possess sufficient collective capacity to establish a credible deterrent against Russian aggression independently of the United States.[1] Proponents of this view argue that a US disengagement from Europe would free up resources, allowing the United States to prioritise other strategic interests, particularly in the Indo-Pacific region. This perspective suggests that Europe should take greater responsibility for its own defence, thereby reducing dependence on US military support.

Conversely, "Atlanticists" and "internationalists" strongly advocate maintaining robust US defence commitments in Europe and globally. They highlight significant defence capability shortfalls among European states, which, in their view, undermine the ability to independently deter or respond to threats from Russia and other adversaries. These proponents argue that sustaining US commitments is essential for ensuring stability and security in Europe, reinforcing transatlantic partnerships, and addressing evolving security challenges. They emphasise that a strong US presence in Europe serves not only European interests but also broader US strategic objectives by maintaining a united front against common threats and preserving the international order.[2]

However, beyond the scholarly debate, there is a vast and growing constituency, predominantly on the right but also on the left, that questions international engagement and calls for a focus on US domestic issues. From a European perspective, this nationalist sentiment, with a clear preference for unilateralism, is the most serious concern.

### Bilateral or multilateral approaches to the United States

Responses among European states to the United States' strategic debate principally revolve around two themes: the likelihood of US disengagement; and, if likely, what European states should do about it. Based on these themes, European states can be broadly categorised into two groups. The first actively seeks to bolster the United States' role in Europe's defence while

simultaneously engaging in a form of "hedging" by pursuing stronger bilateral ties with the United States, for instance by acquiring US military materiel. Several states in this group, including the Baltic states, Poland, and the United Kingdom, consider NATO and the United States as having existential importance for their security. The cultivation of bilateral ties may, however, take place at the expense of multilateralism, as discussed further in section 5.1.

A second group has argued that Europe should develop independent military capabilities, an option often referred to in the EU as "strategic autonomy," to ensure its own security. For this group as well, traditionally led by France, NATO remains the primary European defence format, and US security guarantees for Europe are fundamental.[3] However, the pursuit of strategic autonomy can be interpreted as a form of hedging to ensure the adequacy of European defence structures in the event of a US disengagement from the continent's defence.[4] For France in particular, strategic autonomy entails the ability to make independent decisions and act in its own interest.[5]

After Russia's full-scale invasion of Ukraine, several states, including France and Germany, have aimed to bolster European capabilities while also enhancing ties with the US, seeking to reinforce the European pillar of NATO. Apart from cultivating independence, this group emphasises burden-sharing between Europe and the United States. They argue that strengthening European defence capabilities signals the accountability of European states for their own security. To states in the first group, however, moving forward with European strategic autonomy is seen not as a way to mitigate a potential US disengagement, but rather as promoting it. Should the responses of European states to US rebalancing continue to diverge, it may lead to fractures that ultimately affect the cohesion needed to maintain the transatlantic ties that are integral to European security and defence.

## Economic tensions and the transatlantic defence relationship

In the coming years, the transatlantic defence relationship may moreover be strained by economic tensions between Europe and the United States, primarily caused by competing national interests. European states not only need to adjust to a shifting US defence strategy, but they also need to contend with the growing nationalist and protectionist tendencies within US domestic politics. European leaders have criticised economic subsidies and protectionist measures implemented by the Trump and Biden administrations, such as the Inflation Reduction Act, which they perceive as threatening the competitiveness of Europe's industries. The resulting tension has prompted observers to warn of a potential trade war between the two parties.[6]

The EU has developed several geo-economic tools to counteract the growing protectionist tendencies in the United States and China. These measures include enhancing foreign-investment screening and coordinating export controls.[7] However, due to the differing interests and opinions of member states, it remains uncertain whether the EU can formulate a unified response to counter these challenges.

Economic tensions between the United States and Europe do not only concern trade, but also European defence-industry investments. Decades of cuts to national defence in Europe have negatively impacted both national capabilities and the continent's overall defence industrial capacity. Limited stockpiles and slow production capacities have left European states struggling to respond to Ukraine's needs, with the United States primarily providing material assistance. The EU is attempting to remedy some of the continent's industrial deficits and has identified several investment gaps that must be filled to improve Europe's military capabilities in the short, medium, and long terms.[8] Concurrently, member states have initiated bilateral and minilateral industry partnerships to develop new capabilities. However, following Russia's full-scale invasion of Ukraine, many states have nonetheless opted for external "off-the-shelf" procurement from non-EU countries, such as the United States and South Korea, rather than investing in Europe's defence production. This practice highlights ongoing challenges within its defence industry, as discussed further in section 5.3.

Europe's fragmented approach illuminates long-standing tensions surrounding the significant role of the United States in European defence. While the United States has voiced frustration over Europe's military shortcomings, it has often opposed the EU's efforts to bolster the continent's defence industrial capacity. This opposition stems from concerns for American industry and a desire to maintain American primacy in European military affairs.

Despite these tensions, there have been positive signs of increased cooperation between the two parties on defence industrial policy in recent years.[9] Even so, capacity issues within Europe mean that short-term procurements of US materiel remain an attractive option. Such purchases reflect the need to replenish existing stocks, particularly ammunition, as member states prioritise immediate needs over long-term investments

initiated in Brussels.[10] The way European states balance short-term needs and long-term investments is thus closely intertwined with the role the United States has in the continent's defence. This delicate balancing act will influence the extent to which Europe can develop independent capabilities, as discussed further in section 5.3, on European defence industry.

### Different views on transatlantic relations

In sum, different assessments by European states regarding a potential US withdrawal and strategies to shore up US engagement may lead to diverse responses to the evolving US defence posture. While some states seek closer bilateral ties with the United States, others prefer a dual track of developing independent European capabilities and strengthening the transatlantic link. The latter approach is more guided towards multilateral engagement. This diversity creates tensions exacerbated by trade and defence investments, which may pull European capability development in competing directions and potentially impede cooperation on measures to strengthen Europe's defence industrial base. Additionally, differing perceptions among NATO members regarding the US role in European defence could impact NATO's primacy as the main framework for organising defence capabilities.

## 4.2 Shifting economic ties with China

For decades, China has been a prominent trade partner for both the United States and European states, driven partly by a liberal peace paradigm that emphasised trade as a force for integration. Guided by the paradigm of globalisation and deepening economic integration, cooperation and competition intensified from the 1990s and onwards, as states sought to enhance trade and manufacturing ties with China. Initially, some perceived this economic integration as a means to fostering democratic progress in China, a goal that has largely been abandoned.

In both the United States and Europe, however, there is increasingly a perception of China as challenging Western strategic interests. Particularly in the US, there is now a widespread belief that the economic ties with China, forged through globalisation, pose a national security risk. As a result, there are efforts to "de-couple" from China economically and restrict Chinese access to certain advanced technologies, which has led to a strained relationship between the two powers. Concerns are growing that an arms race between the United States and China is an inevitable part of the escalating rivalry.

That rivalry, coupled with a disparity in the perceptions that European states have of China as a threat (see more on this in chapter 3.3), has led to varying European approaches towards China. Despite the shift and the overall abandonment of the idea of economic integration as a means to foster democratic progress in China, many European states continue to engage in cooperation with China and maintain deep integration in manufacturing, production, and trade. In the future, European states must not only reconcile a myriad of national interests in their approaches to China, but also strike a delicate balance between pursuing their own interests and maintaining transatlantic solidarity.[11]

### China as an economic competitor and challenge to economic security

Domestically, many European governments and EU institutions increasingly recognise the challenge posed by China in terms of trade and economic security. China's market and trade practices are increasingly considered as unfair and undermining competition. For instance, in 2024, the EU launched investigations of companies that were suspected of engaging in unfair competition. Also in 2024, the European Commission suggested imposing tariffs on imports where so-called dumping is confirmed.[12] Overall, European governments and EU institutions increasingly recognise that China is challenging both the internal market and Europe's competitiveness on the global stage, a vital interest for Europe.

In addition, there has been a change in perception among European governments and EU institutions alike with regards to economic security, especially after Russia's full-scale invasion of Ukraine and the subsequent weaponizing of energy. As a consequence, economic dependencies in security-sensitive sectors are increasingly perceived as risks in several European states. Meanwhile, there is a growing recognition that full de-coupling is neither feasible nor desirable due to its potentially severe economic repercussions in Europe. Instead, the EU is pursuing a strategy of 'de-risking' to reduce its reliance in certain sectors, such as critical raw materials, while maintaining cooperation and trade where mutual benefits exist. Unlike the approach of de-coupling, de-risking aims to minimize dependencies in security-sensitive sectors and minimize vulnerabilities, but otherwise allow trade and investment to continue. Officially, measures related to de-risking are country agnostic and universally applied, rather than exclusively to China.[13]

**Persistent variation in perceptions of China**

As elaborated in section 3.3, European states exhibit diverse perspectives on China, ranging from primarily considering it a security threat to viewing it as a partner, with varying positions in between. These perceptions, in turn, lead to variation in how China is perceived in the economic sphere. Whereas several European states express significant apprehension about their dependencies on China, others show little concern or engage in minimal debate. For example, in the Netherlands, technological considerations and worries about Dutch tech firms have contributed to a negative perception of China as a security threat.[14] In 2023, the Netherlands enforced export restrictions on advanced microchip machines destined for China, mirroring the approach taken by the United States to regulate critical technology.[15] Conversely, Portugal has retained amicable relations with China, prioritising business and investment interests.[16] In 2023, China remained as Germany's most important trade partner; its total foreign direct investments in China rose to a record level.[17] If tensions between the United States and China escalate further, European states may face pressure to align more closely with American policies.

In sum, how European states allocate their political and financial resources to address China may affect transatlantic relations and NATO cohesion. While the United States aims to contain China's rise, European states have generally adopted a more nuanced approach, maintaining economic ties and cooperation where feasible. However, European governments and EU institutions alike increasingly recognise China as a challenger to their economic interests and security. Nevertheless, mounting US pressure to reduce dependency on China and align with its positions, politically, financially, and potentially militarily, could lead to difficult strategic decisions and eventually expose divisions among European states.

## 4.3 Approaches to Europe's eastern and southern neighbourhoods

There is mounting recognition among European states that it is in Europe's geopolitical interest to engage more actively in its eastern and southern neighbourhoods, lest a vacuum is created, allowing other actors to wield greater influence. This shift is driven by the realisation in European capitals that, as the United States gradually shifts its focus towards Asia, Europe may need to assume greater responsibility not only for its own defence but also for security in regions beyond the territorial scope

of the EU and NATO.[18] The conflict in Ukraine, along with recent instability in the Sahel, Western Balkans, and Nagorno-Karabakh, underscores the necessity for coordinated approaches to address challenges in Europe's peripheries.

**Eastward institutional enlargement**

Geopolitical motivations are prompting reassessments of longstanding enlargement debates within both NATO and the EU, with current discussions increasingly considering potential expansions to the east. Within the EU, member states have demonstrated notable unity in response to the conflict in Ukraine, manifested through the imposition of sanctions and the provision of military support. This unity is driven by a recognition that Ukraine's security is intertwined with broader European security interests. Yet, fractures are emerging among EU member states concerning the ongoing support for Ukraine, exemplified by the disagreements over the use of instruments such as the European Peace Facility (EPF).

Further challenges to unity are anticipated, especially in discussions on the integration of Ukraine and other partner states into the EU, a debate entwined with broader discussions on EU institutional reform. Even if enlargement is on the agenda, the prolonged debate over the integration of Western Balkan countries highlights the challenges posed by differing views among member states, leading to considerable uncertainty regarding the timeline for any potential expansion. Due to years of democratic backsliding and policy disruption by certain EU members, for example Hungary, several members have stressed the importance of new member states meeting strict criteria, including democratic, judicial, and financial standards, by a wide margin before joining the union. The escalating disagreements among EU member states concerning strategies for engaging Europe's eastern neighbourhood may underscore the diverse array of strategic interests represented within the union, complicating efforts to articulate common European strategic objectives.

Similarly, the interests of member states heavily influence the prospect of future NATO expansion. While several allies, particularly in Central Eastern Europe, advocate for Ukraine's potential membership as a crucial stabilising factor for the region, others exhibit reluctance to even broach discussions on membership, citing concerns about extending Article 5 guarantees to a country at war.[19] The accession of Eastern European states to NATO would undoubtedly reshape resource allocation and defence planning within the Alliance,

fundamentally altering the organisational landscape of European security. Above all, the hesitancy among some allies in granting NATO membership to Ukraine reflects the potentially escalatory implications of such a move.

### Engaging southward

As European states reassess their strategies towards the east, they are simultaneously re-evaluating policies concerning Europe's southern neighbourhood. After years of prioritising crisis management and multilateral military engagements in Africa, European states are shifting towards smaller-scale bilateral engagements. Efforts to promote stability now primarily focus on enhancing the military capacity of partner states through training and donations of military equipment.[20] This transition from large-scale deployments reflects, in part, new challenges in cooperation between European states and their partners. It is also a consequence of constraints posed by limited personnel and capabilities, especially at a time when European military resources are increasingly directed towards territorial defence.[21]

Nonetheless, several NATO members, particularly those on the southern flank, have significant concerns regarding Africa and the Middle East that require representation within the Alliance.[22] As reflected in NATO's three core tasks, the Alliance emphasises that crisis management and cooperative security efforts contribute to collective defence objectives.[23] Adopting a comprehensive 360-degree approach to security, NATO aims to reconcile the diverse threat perceptions and strategic interests of its members. For further details on NATO's 360-degree approach, see chapter 3.

The resurgence of European policy discussions marks a departure from the previous normative and value-based approach to partner states, potentially impacting Europe's broader role in fostering peace and stability. Notably, the significant support provided to Ukraine through the EPF, originally designed to offer material assistance via the EU's training missions (primarily in Africa), has coincided with a reduction in the support provided to African partners.[24] In parallel, several African states have taken measures to minimise the European presence on the continent, as seen with the French withdrawal in the Sahel region.[25] Moreover, Europe has been accused of double standards on human rights because of its united condemnation of violations in Ukraine, on the one hand, but its fragmented response to civilian harm elsewhere, for instance during the war in Gaza, on the other. These examples highlight the challenges of achieving a unified European response to issues where states' interests diverge.[26]

Furthermore, Europe's approach to these issues significantly influences its credibility as a partner in neighbouring regions. Whereas segments of the European policy community welcome a shift to an interest-based foreign policy, recent polling research suggests that popular support among the European public for a value-based foreign policy remains strong. Notably, the EU's integration of values into assistance and crisis management operations has long received criticism from African partners. This underscores the need for European states to effectively balance both internal and external expectations in pursuit of an interest-based foreign policy.[27] A shifting policy stance that lacks broad public support risks undermining unity and cohesion within Europe and may, by extension, exacerbate cooperation challenges within the major institutions. For further insight into intra-European political challenges, see section 5.3 below.

### Balancing partnerships in the eastern and southern neighbourhoods

Ultimately, Europe's approach to the partner states in its eastern and southern neighbourhoods will impact resource allocation, defence commitments, and the willingness and capacity to contribute to NATO's deterrence and defence posture in Europe. In the midst of growing instability, European states face the imperative to assume responsibility for crisis management and security cooperation in neighbouring regions to the East and South. Strategic interests increasingly drive discussions among European states regarding how to support partner countries and prevent instability along Europe's borders. The departure from a values-based foreign policy will have implications for Europe's broader role in promoting peace and stability.

## 4.4 Conclusions

The liberal international order and the promotion of liberal values have long benefited Europe. However, in the face of increasing challenges amid strategic competition, both domestically and internationally, perceived national interests are gaining prominence in shaping European states' approaches to key security and defence issues. The role of the United States in European defence is becoming a focal point of discussion on both sides of the Atlantic, with tensions among NATO members potentially affecting cohesion regarding NATO's central role in organising defence capabilities. The different approaches of European states and the United States

regarding China risk exacerbating transatlantic tensions. Europe's stance towards its eastern and southern neighbourhoods, as well as the Indo-Pacific region, may influence its willingness and ability to contribute to NATO's deterrence and defence posture in Northern Europe.

Ultimately, in the next 5 to 10 years, variations in how European allies navigate extra-European relations may impede political unity and lead to fragmentation regarding the organisation of European security and defence.

## Endnotes

1 See, for example, Barry R. Posen, "Europe Can Defend Itself," *Survival* 62, no. 6 (2020): 7–34.

2 See, for example, Hugo Meijer and Stephen G. Brooks, "Illusions of Autonomy — Why Europe Cannot Provide for its Security If the United States Pulls Back," *International Security* 45, no. 4 (2021): 7–43.

3 Although France has had a complex relationship to NATO over the past decades, its latest *National Security Review* (2022) reaffirms NATO's role as the foundation for European security.

4 Daniel Fiott, *Strategic Autonomy: Towards "European sovereignty" in Defence?*, European Union Institute for Security Studies — EUISS, Issue Brief 12, November 2018.

5 Carina Gunnarson, "France," chapter in *Western Military Capability,* ed. Ottosson and Pallin.

6 Nicholas Crawford, "The Energy Transition, Protectionism and Transatlantic Relations," *Survival* 65, no. 2 (2023): 75–102.

7 Matthias Matthijs and Sophie Meunier, "Europe's Geoeconomic Revolution – How the EU Learned to Wield Its Real Power," *Foreign Affairs* 102, no. 5 (2023): 168–179.

8 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,* JOIN(2022) 24 final, European Commission (Brussels: European Commission, May 18, 2022): 6-8.

9 See, for example, European Defence Agency and Department of Defense of the United States of America, *Administrative Agreement between the European Defence Agency and the Department of Defence of the USA*, signed in Brussels, April 26, 2023; Calle Håkansson, *From Market Integration to Security Integration: Taking the Next Steps for European Defence-industrial Cooperation*, UI Brief No. 5 (Stockholm: Swedish Institute of International Affairs — UI, 2023).

10 Jean-Pierre Maulny, *The Impact of the War in Ukraine on the European Defence Market*, Policy Paper, French Institute for International and Strategic Affairs — IRIS, September 2023; Michiel Foulon and Jack Thompson, eds., *The Future of European Strategy in a Changing Geopolitical Environment* (The Hague: Hague Centre for Strategic Studies, August 1, 2021).

11 John Seaman et al., eds., *Dependence in Europe's Relations with China: Weighing Perceptions and Reality*, Annual Report, European Think-Tank Network on China — ETNC (N.p.: French Institute of International Relations — IFRI, April 2022).

12 Anna Cooban, "EU Says Subsidies May Be Letting Chinese Firms Compete Unfairly for Solar Panel Contract," *CNN*, April 3, 2024, accessed May 23, 2024, *https://edition.cnn. com/2024/04/03/business/europe-china-solar-panel-subsidies-probes/index.html*.

13 Zhou Jiayi, Su Fei and Jingdong Yuan, *De-risking: The EU's and Japan's Approaches to Managing Economic Relations with China*, SIPRI Policy Research Paper (Stockholm: Stockholm International Peace Research Institute — SIPRI, February 2024), 3.

14 Bartsch and Wessling, *From a China strategy*.

15 Pieter Haeck and Barbara Moens, "Dutch Cozy Up to US with Controls on Exporting Microchip Kit to China," *Politico*, September 1, 2023, accessed May 24, 2024, *https://www. politico.eu/article/the-netherlands-limits-chinese-access-to-chips-tools-asml/*.

16 Bartsch and Wessling, *From a China strategy*.

17 *Statistisches Bundesamt*, "Die Volksrepublik China ist erneut Deutschlands wichtigster Handelspartner," May 24, 2024, accessed May 24, 2024, *https://www.destatis.de/ DE/Themen/Wirtschaft/Aussenhandel/handelspartner-jahr. html#:~:text=Nach%20Deutschland%20importiert%20 wurden%20die,94%2C6%20Milliarden%20Euro*; Sarah Mash, "Exclusive: German Investment in China Rises to Record High," *Reuters*, February 14, 2024, accessed May 24, 2024, *https://www.reuters.com/markets/german-investment-china-rises-new-record-high-2024-02-14/#:~:text=BERLIN%2C%20Feb%20 14%20(Reuters),by%20the%20IW%20institute%20showed*.

18 Sjökvist and Hagström Frisell, *Rethinking European Military*.

19 Steven Erlanger et al. "NATO Says It Will Invite Ukraine Some Day, Resisting Calls to Act Soon," *New York Times*, July 11, 2023.

20 Hagström Frisell and Sjökvist, *To Train and Equip*.

21 Sjökvist and Hagström Frisell, *Rethinking European Military*.

22 NATO, "Secretary General Appoints Independent Group as Part of NATO Reflection on Southern Neighbourhood," News, October 6, 2023. Conclusions from NATO's review of the approach to its southern neighbourhood are to be released in 2024.

23 NATO, *Strategic Concept: Adopted by Heads of State and Government at the NATO Summit in Madrid, 29 June 2022*.

24 Volker Hauck, *The European Peace Facility and Ukraine: Implications for Africa-Europe Relations*, Commentary, European Centre for Development Policy Management — ECDPM, March 14, 2022.

25 Carina Gunnarson, *Frankrike vid ny skiljeväg i Afrika*, FOI Memo 8304 (Stockholm: Swedish Defence Research Agency — FOI, 2023).

26 Mared Gwyn Jones, "'Double Standards' Undermine EU Legitimacy in Global South: Human Rights Watch Chief," *Euronews*, October 26, 2023.

27 Puglierin and Zerka, *Keeping America Close*.

# 5. Tensions in managing intra-European relations

Intra-European and transatlantic cooperation and coordination will be pivotal for NATO's ability to achieve deterrence and defence in Northern Europe up to 2030, as it fosters unity and cohesion around shared, defined goals. Western states will need to adjust their approaches to implement the jointly defined reforms intended to strengthen NATO's collective defence of Europe. A critical component for this implementation is the management of intra-European relations and cooperation among European allies, which involves the process of policy coordination through which states align their actions with jointly defined objectives.

Several international institutions, notably the EU and NATO, play a crucial role in facilitating and managing intra-European cooperation. Importantly, European states have differing views on the existing institutions and formats, and whether and how cooperation should be deepened.

This section examines three key dimensions of intra-European relations: the new institutional landscape in Europe, characterised by increasing overlap; the interstate and domestic political challenges to European unity; and the divergent views that cloud the European defence industry. Each dimension presents both opportunities and challenges for intra-European cooperation, which will significantly affect NATO's ability to achieve deterrence and defence in Northern Europe in the 5 to 10 years ahead.

## 5.1 Europe's evolving institutional landscape

Russia's full-scale invasion of Ukraine had the immediate effect of consolidating the two major institutional formats for European defence and security cooperation, namely NATO and the EU. The former immediately activated defence plans and deployed thousands of troops to reinforce the eastern flank.[1] The Alliance has gained more support due to a significant shift in public attitudes within member states regarding the threat from Russia and the importance of NATO.[2] Simultaneously, the war has bolstered the EU's influence in the realms of security and defence. Leveraging its economic and legal capacity, the EU has spearheaded security cooperation across various domains, including defence industrial coordination, training missions (for instance, the EU Military Assistance Mission in support of Ukraine, EUMAM), and economic sanctions on Russia, as well as the coordination and financing of military support to Ukraine. The accession of Sweden and Finland to NATO, coupled with Denmark's joining the EU's CSDP, increases the overlap of membership between the two institutions.

### Growing institutional overlap

The growing institutional overlap between the EU and NATO presents both opportunities and risks. On the one hand, it could pave the way for greater cohesion and a clearer division of labour between the two institutions. This overlap could facilitate connections between key states and across institutions, fostering convergence and interoperability among states.[3] Moreover, overlap in larger formats can serve as a means to unify both the EU and NATO's members and non-members, bridging institutional divides.[4] Irrespective of the increasing institutional overlap emerging since 2022, the tensions between Turkey and Cyprus will most likely remain unresolved, limiting the prospects for a perfect institutional division of labour between the EU and NATO.

Institutional overlap involves not only membership but also potentially extends to mandates and resources. The states that belong to both institutions are subject to similar commitments and are expected to allocate resources to each institution accordingly. For instance, the new NATO Force Model will require European allies to provide the majority of their forces at high readiness, coinciding with EU members' obligation to assign forces at high readiness to the EU's newly launched Rapid Deployment Capacity (RDC).[5] Under the "single set of forces" principle, it is likely that forces will be double-hatted, with certain resources ending up serving both institutions, risking overstretch at a time when resources for defence remain limited. It is also possible that the RDC will remain a paper tiger, since member states of both institutions would probably choose to engage troops in NATO when selecting between the two. Competing demands for European military resources further intensify the longstanding debate surrounding the potential duplication between NATO and the EU.

## Cooperation outside or at the margins of formal institutions

The European security landscape also includes numerous defence cooperation forums that have emerged outside, or at the margins of, the EU and NATO. These take the form of regional and mini- and bilateral defence partnerships varying in both size and objectives. Depending on objectives, cooperation within these forums may enhance capability development or the establishment of multinational force structures that contribute to fulfilling NATO's capability goals and reinforce its pool of follow-on forces. The proliferation of smaller cooperation formats is both a consequence of national motivations and a symptom of problems with collective action within the major institutions. For European states, smaller formats serve as a response to needs at the national level: maintaining capabilities amid shrinking defence budgets, meeting capability and force requirements within NATO and the EU, addressing prioritised threats with like-minded states, and enabling quicker and more flexible action. They also serve as a reaction to uncertainties concerning the future commitment of the United States to European security.[6]

Certain cooperation formats are comprised of a few countries that are geographically proximate, sharing history and similar defence priorities. One example is the Joint Expeditionary Force (JEF), a multinational rapid-response force of up to 10,000 troops, led by the United Kingdom, with additional participation from the five Nordic countries, the three Baltic states, and the Netherlands. While the geographical focus is primarily on the High North, the North Atlantic, and the Baltic Sea region, engagement in other regions is not excluded.[7]

Other groupings are larger and more diverse, based on shared interests. Their objectives range from capability development, procurement, and equipment maintenance to the establishment of multinational force structures and the use of force in international operations.[8] For instance, the German-led Framework Nations Concept (FNC) has a two-fold ambition: to provide a structured framework for joint capability development and to create a force pool of larger formations, primarily to reinforce NATO's force pool of follow-on forces.[9] The activities within various capability clusters focus on developing doctrines, generating force components for the NATO Response Force (NRF), or planning and execution of training and exercises.[10]

There are also Italian and French cooperation formats — the Italian-led FNC group and the French-led European Intervention Initiative (EI2), which have focuses that are of more relevance for fulfilling tasks that contribute to NATO's "360-degree" approach. Although all these cooperation formats differ in terms of purpose and structure, they have in common that they all enable closer defence relations between smaller countries and a major European power.

It has long been recognised that both the EU and NATO face the risk of paralysis in crucial decision-making processes, as individual member states may obstruct progress in contexts that also require unanimity. The alternative cooperation formats offer a way to bypass such delays. However, the trends of regionalisation and specialisation, where an increasing number of countries seek operational readiness and capability development through regional, mini- or bilateral defence cooperation formats, risks amplifying existing tensions

| NATO | EU | |
|---|---|---|
| USA | France | Luxemberg |
| Canada | Germany | Estonia |
| United Kingdom | Poland | Latvia |
| Turkey | Denmark | Lithuania |
| Norway | Finland | Czech Republic |
| Iceland | Sweden | Slovakia |
| Albania | Italy | Romania |
| Montenegro | Spain | Slovenia |
| | Portugal | Bulgaria |
| | Netherlands | Croatia |
| | Belgium | |

EU only: Ireland*, Austria*, Malta*, Cyprus

*Partnership for Peace member states

**Figure 5.1** Overlapping memberships in NATO and the EU in 2024.

and divisions within NATO, thereby posing further challenges to achieving political cohesion.[11] A potential future scenario involves a rise in "coalitions of the willing" or "multispeed cooperation" within NATO.[12] This could potentially lead to NATO's falling short of collective defence.

Motivated by a range of concerns, many states have increasingly turned towards cultivating bilateral relations, especially with the United States.[13] The uncertainties surrounding future US commitment to European security, prompted by US preoccupation with domestic issues, its rebalancing toward the Indo-Pacific region, and former President Trump's clear preference for bilateralism, have led several European states, including those in Northern and Central Europe, to prioritise the maintenance and strengthening of bilateral military ties with the United States.

In recent years, several states, including the Baltics, Poland, Romania, Bulgaria, and Hungary have entered into defence cooperation agreements (DCAs) with the United States.[14] Similarly, the Nordic nations are all either in the process of or have recently adopted new bilateral DCAs with the United States. For instance, the Swedish parliament approved a DCA with the United States in June 2024. ratified These agreements aim at facilitating the desired US presence on their territories and ensuring more efficient support in times of crisis or war.[15] If a future US administration favours bilateralism, Europe is likely to adjust accordingly. European states could increasingly favour nurturing transatlantic relations rather than cultivating cohesion and common action within multilateral institutions, which in turn may impede cooperation within NATO.

**Opportunities and challenges with an overlapping institutional landscape**

In sum, the growing institutional overlap, combined with the proliferation of mini- and bilateral cooperation formats, may indeed hold the potential to pave the way for greater cooperation and cohesion and a clearer division of labour between the EU and NATO, as well as a way to bridge institutional divides. Mini- and bilateral cooperation formats may also serve as enablers for states to maintain capabilities and address prioritised threats with like-minded partners while enabling faster and more flexible action. At the same time, the growing involvement of states in overlapping institutions and formats implies that member states will remain, or become increasingly double-hatted under the "single set of forces" principle. This, in turn, risks leading

to resource overstretch at a time when resources for defence are still limited.

## 5.2 Interstate and domestic political challenges to European unity

The debate surrounding the potential disengagement of the United States from Europe has brought to light a critical issue in European defence: the absence of strong European leadership. For a discussion on US disengagement from Europe, see section 4.1. Among Europe's major military powers – Germany, France, the United Kingdom, Poland, and Italy – none are considered capable or fit to fully replace the United States should it significantly reduce its engagement in Europe. Nevertheless, European states may find themselves compelled to shoulder the responsibility.

Germany, with its robust economic strength and military potential, is actively reforming and expanding its armed forces with the aim of developing the strongest land forces in Europe. Similarly, Poland is undertaking reforms and expanding its armed forces with the same goal, albeit from a stronger starting point, militarily, but a weaker economic position. The United Kingdom has demonstrated leadership in its and Europe's response to Russia's war against Ukraine, actively engaging in various politico-military actions, both bilaterally and within NATO and other mini-lateral frameworks. France, a major military power, has shifted its perspective on both Eastern Europe and NATO's deterrence and defence strategies. It now reinforces countries on NATO's southeastern flank and officially supports future NATO membership for Ukraine, a departure from its previous stance. Italy, as the third-largest EU member state by both military expenditure and population, also holds significant potential to take on greater responsibility for European security.

Nevertheless, the question of whether a European state could take on leadership for European security remains unclear. Many view US leadership as a prerequisite for European cooperation.[16] Identifying which state should be the leader of Europe's security and defence may indeed prove challenging, at least in the short-term. The possibility of French leadership faces scepticism among European allies. Germany intends to assume more leadership, but its progress is slow, requiring a rebuilding of trust with Central Europe and the Baltics. The United Kingdom, no longer a member of the EU, may face difficulties leading members in both institutions and in serving as a bridge to the United

States. Poland, previously viewed as an obstructionist in European politics, lacks economic prowess compared to other major players. Moreover, along with several other states in Europe, it prefers to maintain the primacy of US engagement in European security, as they see no credible single alternative to US leadership. In recent years, Poland has urged other European states to retain US engagement by bolstering their defence commitments.

Apart from the above-mentioned challenges of determining which European state could shoulder more leadership for European security, it must be added that major European states do not share a common vision on the future of Europe. Although some states have vocalised their ideas or visions, such as France's idea of a Europe with "concentric circles," other European states have so far disagreed with these concepts. This lack of a common vision may make it more difficult for Europe to take on more leadership by 2030.

## Trust and interstate cooperation

Another aspect of intra-European political cooperation lies in the relationships between states or groups of states outside of formalised institutional cooperation. Improved relations between the United Kingdom and the EU have facilitated crucial cooperation in security and defence. Having been a contentious issue since Brexit, a new outlook for United Kingdom-EU security cooperation appears to have emerged since Russia's invasion of Ukraine in 2022. The United Kingdom has collaborated with the EU on imposing sanctions on Russia, and, alongside the United States, Canada, and Norway, has been granted accession to the project to improve military mobility as a component of the EU's Permanent Structured Cooperation (PESCO). Additionally, there is a British presence within the EU's military "clearing-house cell," which coordinates the military support provided to Ukraine.[17] Effective cooperation on security and defence between the United Kingdom and the EU offers clear advantages for the defence of Northern Europe.

The relationship between major Western European states and Central Eastern European states, particularly Poland, plays a significant role in shaping the future trajectory of deterrence and defence on the continent. Following Russia's full-scale invasion in 2022, the capacity of France and Germany to effectively address the current security challenges has been questioned. The Central Eastern European states have all viewed France and Germany's previous efforts to maintain a dialogue with Russia, coupled with Germany's extensive dependency on Russian energy, and the controversial Minsk agreements, as failed policies, exacerbating existing tensions, straining relationships, and eroding trust.

However, throughout Russia's war in Ukraine, France and Germany adapted their general Russia policy and outlook on Eastern Europe. Both countries have embraced the idea of EU enlargement to Ukraine and Moldova, albeit with the reservation that meeting the EU's requirements for reform precedes membership. Germany has initiated steps to reduce its reliance on Russian energy and is establishing a permanent presence on NATO's eastern flank, in Lithuania. Meanwhile, France has abandoned its dialogue track with Russia and now welcomes Ukraine's prospective NATO membership, although the latter position differs from Germany's stance on the idea.[18]

The level of trust between Western and Central Eastern Europe will directly impact Europe's unanimity, which is a crucial factor for NATO's ability to maintain deterrence and defence in Northern Europe. The prospects for building trust between Central Eastern and Western Europe might improve through formats outside of formal institutions. For example, the Weimar Triangle, a format including Poland, France, and Germany, is one such outlet that has re-emerged in recent years, and appears to be prioritised by the parties.

## The challenge of political polarisation

In addition to interstate political challenges, many European states grapple with domestic tensions due to deep divisions between political parties and societal groups. The rise of populist and nationalist parties within countries is one manifestation of such tensions, resulting in increasing political instability. Populism has emerged as a prominent feature of European politics in recent years and is expected to persist in the foreseeable future. Populist parties have become entrenched in the political landscape of key EU member states, including Germany, France, Poland, and Italy. In several European states, far-right parties are either in charge of governments or act as junior members of ruling coalitions, where they can apply pressure on more mainstream parties.

However, it is important to note that the European populist parties exhibit diverse and often conflicting positions rather than presenting a unified ideology.[19] This divergence is evident in their attitudes towards Russia, with some right-wing populist parties leaning more towards more pro-Russian attitudes, while others adopt a critical stance.[20] Nevertheless, a common theme among most populist parties is their focus on increasing national defence spending and bolstering national capabilities.[21]

Another factor that often unifies populist parties is their criticism of supranationalism and multilateralism. In recent years, both left-wing and right-wing parties, in Europe and the United States alike, have voiced scepticism about multilateral institutions such as NATO and the EU. These parties' growing influence may undermine these institutions from within, both by obstructing consensus decision-making and by reducing funding. A more nationalist European political scene may also affect the future of European cooperation. Collectively, these sceptical stances towards cooperation within multilateral institutions could pose challenges not only for future support to Ukraine and NATO's current Russia policy, but also for NATO's cohesion as a whole, with consequences for its ability to achieve deterrence and defence in Northern Europe.

### Intra-European relations amid interstate and domestic political challenges

Overall, selecting a lead state on questions of security and defence in Europe may prove daunting, if not altogether impossible, at least in the short term. If the United States were to substantially withdraw from Europe and European major powers failed to shoulder the necessary leadership, the challenges stemming from diverging threat perceptions and national interests may intensify, presumably hampering NATO's ability to achieve deterrence and defence in Northern Europe in the approaching 5 to 10 years. Conversely, US disengagement could also work as a catalyst to galvanize European countries to collaborate more on security matters.

Another domestic political dynamic that may further impede NATO's ability for cohesive deterrence and defence against Russia is the rise of populist and nationalist parties in key European states. The decision-making in countries with coalition governments, including or supported by populist parties, could become paralysed. The parties' scepticism towards multilateral cooperation within institutions like NATO and the EU could spill over into problems of collective action therein. In addition, member states' stance on Russia may lead to a shift within institutions towards a preference for revising the existing policies toward Russia.

## 5.3   Different priorities cloud the European defence industry

To increase its contributions to NATO's deterrence and defence, Europe must prioritise ramping up production and defence industrial capacity. Donations to Ukraine have strained already limited stockpiles, which are difficult to replenish given the current pace of production. Despite the fact that production levels have been rising since Russia's invasion of Ukraine, they still lag behind demand.[22] Europe's defence industry is further challenged by supply-chain disruptions and an over-reliance on imports of the critical raw materials and components necessary for advanced weapons-systems development.[23] At present, sustaining support for Ukraine is not primarily hindered by a lack of political will, but rather by broader challenges related to the European defence industrial landscape. While European states collectively allocate significant budgets to defence, both defence analysts and EU institutions highlight the point that the European defence industrial landscape is characterised by overlapping capabilities and limited cooperation, while remaining fragmented.[24] Nevertheless, other analysts point to the encouraging fact that the European defence industry is not as fragmented as is often assumed.[25]

### The challenge of minimising duplication and overlap

One defence industrial challenge lies in getting the most out of the available resources while minimising overlap and resource waste. This can be achieved through cooperation and coordination, such as through joint acquisition and development initiatives. However, European governments have traditionally favoured national procurement over joint efforts. Between 2021 and 2022, only 18 percent of total equipment investments in Europe were collaborative.[26] This preference for national procurement has perpetuated issues with fragmentation and lack of coordination.[27] For instance, European states currently operate approximately 25 different types of artillery.[28] In 2022, Europe operated several different weapon systems across various categories, including main battle tanks, armoured-infantry fighting vehicles, and fighter jets.[29] This may create difficulties for European armed forces to use shared capabilities jointly, hence potentially hindering their interoperability. One additional challenge for interoperability is that various manufacturers in Europe lack common standards, for instance, for producing ammunition.[30]

Continued preference for national procurement without coordination or cooperation risks squandering current and future reinvestments in European defence, as this perpetuates duplication, overlap, and fragmentation. This, in turn, could impede European states' ability to fully make use of current and future reinvestments in defence. It is important to note, however, that fragmentation is not entirely negative, and that having fewer

key producers, e.g., more European defence industrial consolidation, is not necessarily the optimal solution to this multifaceted problem. Instead, fragmentation and maintaining competition in the defence industrial sector can, in fact, have a role in driving innovation and cost control.[31]

## Dilemmas arising when addressing capability gaps

The persistent prioritisation of national interests in procurement decisions highlights a dilemma confronting many European countries: they must balance the imperative of securing short-term increases in operational capability with the necessity of safeguarding long-term domestic development. This dilemma extends to addressing capability gaps. The absence of advanced European alternatives, which are still under development, has compelled several European states to seek solutions outside of Europe.

European countries often prioritise procurement options based on availability, timely delivery, and cost-effectiveness, leading them to procure from suppliers outside Europe.[32] Between February 2022 and June 2023, a significant portion, 78 percent, of European defence procurement expenditures went towards non-EU military imports, with imports from the United States alone accounting for 63 percent.[33] Given the high level of imports from the United States, it is important to note that European countries sometimes choose to procure from the United States for political rather than economic reasons, which serves to foster bilateral relations with the US. While purchasing off-the-shelf solutions from non-European states enhances short-term operational capability, it also diverts resources away from Europe's own development projects that hold the potential to bolster its independence over the medium to longer term. If Europe's increased defence investments result in greater spending on non-European capabilities, it could intensify fragmentation within Europe's defence industrial landscape. Consequently, uncoordinated short-term national procurement decisions may have long-term implications for the composition and interoperability of European armed forces.[34]

The EU plays an important role in coordinating defence industrial matters and has the potential to leverage its regulatory market power and budget to support NATO's objectives.[35] Since the early 2000s, the European Defence Agency (EDA) has been coordinating member states' efforts in this regard. In recent years, several EU initiatives and instruments, such as the European Defence Fund (EDF) and European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), have emerged to promote and finance increased collaboration among member states. Accordingly, the EU is a key institution for coordinating and financing defence industrial collaboration within Europe.

Nevertheless, in order to build an efficient defence industrial base in Europe that effectively contributes to NATO's capability needs, the collaboration with third countries, i.e., NATO members that are not EU members, notably the United States and the United Kingdom, will be crucial. EU members hold divergent views on how to engage or involve third countries in the EU's defence industrial ecosystem, for instance, regarding formats for collaboration within the EDA or participation in EDF projects. Recent developments on this front include the EDA's reaching an administrative arrangement with the United States, in 2023, although such an arrangement has not yet been established with the United Kingdom. In the next 5 to 10 years, however, tensions among EU members over whether and how to collaborate more closely with third countries may hamper efforts to coordinate defence industrial matters with NATO members that are not EU member states.

## The consequences of inadequate coordination and collaboration

In sum, to increase its contributions to NATO's deterrence and defence, Europe must prioritise ramping up production and defence industrial capacity. While European states collectively allocate significant budgets to defence, the defence industrial landscape remains fragmented and is characterised by overlapping capabilities and limited cooperation. A continued preference for retaining national procurement without coordination or cooperation with others risks squandering current and future reinvestments in European defence, as this perpetuates duplication, overlap, and fragmentation. Uncoordinated short-term national procurement decisions may have long-term consequences for the composition and interoperability of European armed forces. This could hinder the implementation of reforms intended to strengthen Europe's collective defence in a 5 to 10 year perspective.

## 5.4   Conclusions

Western cooperation will be crucial for NATO's effectiveness in achieving deterrence and defence in Northern Europe during the next 5 to 10 years, as

it promotes unity and cohesion around shared goals and strategies. Intra-European cooperation will also be vital, especially in the event of significant US disengagement from Europe. It could prove a challenge for European major powers to shoulder the necessary leadership, particularly if their differing threat perceptions and national interests persist. The rise of populist and nationalist parties in key major European states further complicates matters.

Intra-European cooperation takes place within various institutions and formats, which are becoming more overlapping. While this proliferation offers potential for enhanced collaboration, there is also a risk of resource overstretch, particularly at a time when defence resources are still limited. One approach for states to optimise their resources and enhance their contributions to NATO's deterrence and defence efforts over the next 5 to 10 years is by increasing production and bolstering defence industrial capacity through cooperation. However, divergent views on defence industrial cooperation risk perpetuating duplication, overlap, and fragmentation, which could have consequences for the composition and interoperability of European armed forces, affecting NATO's collective capability and the implementation of reforms intended to strengthen Europe's collective defence towards 2030.

## Endnotes

1 Eva Hagström Frisell and Karl Agell, "NATO's return to deterrence and defence and early response to Russia's war against Ukraine" in Western Military Capability in Northern Europe 2024, Part III: Deterrence and Defence (Stockholm: Swedish Defence Research Agency – FOI, forthcoming), Albin Aronsson, Eva Hagström Frisell, Jakob Gustafsson, Robert Dalsjö, and Karl Agell.

2 NATO, *NATO Audience Research: Pre-Summit Polling Results 2022*, Public Diplomacy Division, NATO, June 2, 2022, *https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/220622-pre-summit-research-2022.pdf*.

3 Sophie Arts and Steven Keil, *Flexible Security Arrangements and the Future of NATO Partnerships*, Policy Paper (Washington, D.C.: German Marshall Fund of the United States — GMF, February 2021), 10.

4 Tuomas Iso-Markku and Tyyne Karjalainen, *Flexible Defence Cooperation in Europe: FNC, JEF and EI2*, EU IDEA Policy Briefs No. 6 (N.p.: EU Integration and Differentiation for Effectiveness and Accountability, March 2022), 8.

5 Elin Jakobsson and Emma Sjökvist, *The EU's Rapid Deployment Capacity: Raised Ambitions in Military Crisis Management?*, FOI Memo 8434 (Stockholm: Swedish Defence Research Agency — FOI, 2024).

6 Engvall and Hagström Frisell, "The changing security landscape", 41.

7 Eva Hagström Frisell and Emma Sjökvist, *Military Cooperation Around Framework Nations: A European Solution to the Problem of Limited Defence Capabilities*, FOI Reports FOI-R--4672--SE (Stockholm: Swedish Defence Research Agency — FOI, February 2019), 29–30.

8 Engvall and Hagström Frisell, "The changing security landscape," 41.

9 Hagström Frisell and Sjökvist, *Military Cooperation*, 15–16, 19; Monaghan, Sean and Ed Arnold, *Indispensable NATO's Framework Nations Concept beyond Madrid*, CSIS Briefs (Center for Strategic and International Studies — CSIS, June 2022), 3-4, 8.

10 Hagström Frisell and Sjökvist, *Military Cooperation*, 18.

11 Glatz, Rainer L. and Zapfe, Martin, *NATO's Framework Nations Concept*, CSS Analyses in Security Policy No. 218 (Center for Security Studies — CSS, ETH Zurich, December 2017), 3–4.

12 Glatz and Zapfe, *NATO's Framework Nations* 34.

13 Jakob Gustafsson, ed., *Transatlantiska tvivel: Söker våra grannländer efter en Plan B?,* FOI Reports FOI-R--5188--SE (Stockholm: Swedish Defence Research Agency — FOI, October 2021).

14 Astri Edvardsen, "The Nordic Region Strengthens Double-Edged Defense Cooperation With the US," *High North News*, February 17, 2023, accessed May 27, 2024, *https://www.highnorthnews.com/en/nordic-region-strengthens-double-edged-defense-cooperation-us*.

15 In 2023, Finland, Sweden and Denmark concluded negotiations with the United States on bilateral defence cooperation agreements with prospects for greater US presence in the Northern region. In 2022, Norway's new defence agreement with the United States entered into force.

16 See, for example, Meijer and Brooks, *Illusions of autonomy*.

17 Benjamin Martill, "The Future of UK-EU Security Cooperation in the Shadow of Ukraine," LSE Blog, *London School of Economics and Political Science*, June 6, 2023, accessed January 29, 2023, *https://blogs.lse.ac.uk/politicsandpolicy/the-future-of-uk-eu-security-cooperation-in-the-shadow-of-ukraine/*.

18 Agreement on security cooperation between France and Ukraine, Élysée, February 16, 2024.

19 Marina Henke and Richard Maher, "The Populist Challenge to European Defense," *Journal of European Public Policy* 28, no. 3 (2021): 389–406.

20 Max Becker and Nicolai von Ondarza, *Geostrategy from the Right: How Eurosceptic and Far-right Parties Are Positioning Themselves in Foreign and Security Policy,* SWP Comment No. 8 (Berlin: Stiftung Wissenschaft und Politik — SWP, March 2024), 2.

21 Henke and Maher, "The populist challenge," 391.

22 Guntram B. Wolff, "The European Defence Industrial Strategy: Important, but Raising Many Questions," *Bruegel*, March 19, 2024, *https://www.bruegel.org/analysis/european-defence-industrial-strategy-important-raising-many-questions#footnote5_m7nrwqe*.

23 Paula Alvarez-Couceiro, "Europe at a Strategic Disadvantage: A Fragmented Defence Industry," Commentary, *War on the Rocks*, April 18, 2023, https://warontherocks.com/2023/04/europe-at-a-strategic-disadvantage-a-fragmented-defense-industry/.

24 Max Bergmann, Pierre Morcos, and Sean Monaghan, "Transforming European Defense," *Center for Strategic and International Studies* —CSIS, August 2022, *https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/220818_Bergmann_European_Defense.pdf?VersionId=P1Irl1I7atVvFmK0eibMbJ5CPQZyXhh0;* European Commission, *Joint Communication,* 5.

25 Jan Joel Andersson, *Building Weapons Together (Or Not): How to Strengthen the European Defence Industry*, European Union institute for Security Studies — EUISS (Luxembourg: Publications Office of the European Union, November 2023), 2, *https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_20_Defence%20industry.pdf*; Béraud- Lucie Sudreau and Lorenzo Scarazzato, *Beyond Fragmentation? Mapping the European Defence Industry in an Era of Strategic Flux*, CSDS In-Depth No. 7 (Brussels: Brussels School of Governance — Centre for Security, Diplomacy and Strategy — CSDS, July 2023), *https://www.brussels-school.be/sites/default/files/In-Depth-Beyond-Fragmentation.pdf*.

26 Sophia Besch, "Understanding the EU's New Defense Industrial Strategy," Emissary blog, *Carnegie Endowment for International Peace*, March 8, 2024, *https://carnegieendowment.org/2024/03/08/understanding-eu-s-new-defense-industrial-strategy-pub-91937*; Sebastian Clapp, *European Defence Industry Reinforcement through Common Procurement Act (EDIRPA)*, Briefing — EU Legislation in Progress, European Parliamentary Research Service (EPRS), November 2023, 3, *https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739294/EPRS_BRI(2023)739294_EN.pdf*.

27 Bergmann et al., "Transforming European Defense."

28 Atlantic Council, "The Future of Europe's Defense Capabilities in a Transatlantic Context," Panel at EU-US Defense & Future Forum, YouTube, June 22, 2022, *https://www.youtube.com/watch?v=yZxbK0o6RZo*.

29 Georgiana Cavendish et al., "Invasion of Ukraine: Implications for European Defense Spending," *McKinsey & Company*, December 19, 2022, *https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/invasion-of-ukraine-implications-for-european-defense-spending#/.*

30 Sabine Siebold and Andrew Gray, "NATO calls for common standards in push to boost defence production," *Reuters*, June 14, 2023, accessed May 11, 2024, *https://www.reuters.com/world/nato-calls-common-standards-push-boost-defence-production-2023-06-14/.*

31 Andersson, *Building Weapons Together*, 2, 4.

32 Nathalie Tocci, "The Paradox of Europe's Defence Moment," *Texas National Security Review* 6, Issue 1, (Winter 2022/2023): 104.

33 Maulny, *The Impact of the War*; European Commission and High Representative of the Union for Foreign Affairs and Security Policy, *A New European Defence Industrial Strategy: Achieving EU Readiness through a Responsive and Resilient European Defence Industry*, JOIN (2024) 10 final, Joint Communication (Brussels: European Commission, March 5, 2024): 3–4.

34 Tocci, "The Paradox," 104.

35 Besch, Sophia, "Understanding."

# 6. Outlook

THE PURPOSE OF THIS study was to explore the political landscape concerning the future of European security and provide useful context for the current efforts of Western states, both individually and collectively, to strengthen their defence. Firmly grounded in the strategic situation as of 2024 and recognising NATO as a trust-based organisation whose political and military strength relies on political unity and the integration of its members' military resources, the study posed this research question: What are the main political tensions that may affect NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030? The study identified numerous tensions, clustered into three themes: tensions in addressing threats, tensions in navigating extra-European relations, and tensions in managing intra-European relations.

This chapter aims to analyse the findings with an eye towards the future, examining potential implications and trends that may influence future developments. By exploring these insights, we seek to outline the contours of the future European security landscape.

## 6.1   A precarious security landscape

The European security landscape is undergoing changes marked by the emergence of strategic competition as a defining characteristic of international politics, accompanied by a dispersion of power at the global level and the largest war on its soil since the Second World War. The convergence of these dynamics results in heightened uncertainty and insecurity for European states. The rapid pace of technological advancements, coupled with the challenges posed by climate change and the potential emergence of a global nuclear-arms race, adds further complexity to the evolving security landscape. Moreover, Europe must navigate the escalating rivalry between a politically polarised United States and an increasingly authoritarian China. Simultaneously, instability in the EU's southern neighbourhood looms in the background.

In this context, NATO faces several challenges in achieving its task of deterrence and defence in Northern Europe up to 2030. The organisation must ensure political unity and cohesion to successfully integrate its members' military resources, strategically adapt, and address capability deficiencies. Meanwhile, the EU and individual states must sustain the political will to implement various initiatives to bolster Europe's defence and address the insufficient capacity of its defence industrial base, both in the short and long terms. Given NATO's dual role as both a political and military alliance, and the multilateral nature of the EU, the resolution of political tensions will ultimately determine their success in overcoming these challenges.

## 6.2   Russia and its war against Ukraine

The outcome of the war between Russia and Ukraine is clearly going to be the single most important factor shaping the European security landscape in the next 5 to 10 years and likely for much longer. The conflict's resolution will influence regional stability, military strategies, political alliances, and defence policies across Europe, potentially redefining the continent's security dynamics for decades to come.

Currently, European states perceive and prioritise the threat from Russia differently, leading to tensions that impact NATO's approach and the resource allocations for deterrence and defence in Northern Europe. Due to their geographic proximity, front-line states view Russia as an existential threat driven by its imperialist ambitions and military power. In contrast, many other European states recognise the urgency of the threat from Russia but not as existentially as the front-line states. These differing threat perceptions and priorities are reflected in the strategies proposed for NATO's deterrence and defence, ranging from deterrence by denial to forward deployment with reinforcement capabilities. Regardless of the outcome of the war, the perceptions and priorities of European states will significantly shape Russia's role within the future European security framework. Few outcomes will fundamentally ease this tension due to the varying national interests among European states.

Related tensions regarding the possibility of extending NATO and EU membership to Ukraine are likely to arise if the conflict abates. The prospect of Ukraine joining these organisations raises questions about regional security, political alliances, and the balance of power in Europe. Certain NATO and EU member states may champion Ukraine's integration as

a means to bolster collective security, promote democratic values, and demonstrate NATO's open-door policy. Conversely, others may resist, due to concerns about provoking further Russian aggression, the consequences of extending nuclear deterrence, weakening the cohesion of existing alliances, or simply because it does not align with their national interests. Therefore, managing these tensions requires careful diplomatic manoeuvring and strategic coordination among NATO and EU members to foster unity and cohesion within both organisations.

The outcome of the war in Ukraine will also impact European states' efforts to enhance defence industrial capacity. Tensions arising from divergent threat perceptions and national interests and preferences hinder coordination and collaboration on procurement, potentially leaving current and future defence investments underutilised. Moreover, a continued preference for national procurement risks perpetuating duplication, overlap, and fragmentation. Simultaneously, uncoordinated short-term national procurement decisions may have long-term implications for the composition and interoperability of European armed forces. This could significantly affect NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030. However, despite facing numerous challenges in formulating and implementing a cohesive European defence industry strategy and scaling up production, many of these challenges are solvable with proper management.

## 6.3   Navigating the US-China rivalry

Russia and its war against Ukraine clearly present the most pressing challenge for European security in the near term. Overshadowed by the war, Europe also faces numerous challenges in how to navigate the US-China rivalry, with profound long-term strategic ramifications. The United States has led the effort to assist Ukraine. Without US leadership, it is doubtful that the Western European states would have so unanimously rallied behind Ukraine. US leadership, engagement, and military capacity play a pivotal role in ensuring NATO's unity, cohesion, integrated military capabilities, and deterrence and defence capabilities. No European state is in the position to replace the US in that role, and most agree that US leadership remains indispensable for maintaining NATO's effectiveness and relevance in addressing security challenges both in the near and intermediate terms.

In this context, it is a serious concern in Europe that the US strategic guidance clearly identifies China as its main competitor and pacing threat, while regarding Russia as a strategically limited, acute threat. Should the United States begin to significantly rebalance towards Asia and reallocate its vast but finite defence resources to the Indo-Pacific region, the consequences for European security could be profound. A crisis, such as a Taiwan contingency, would likely divert US resources considered essential in Europe, including air power, long-range strike capabilities, various enablers, and naval forces. This potential scenario would be exacerbated if it were accompanied by increased coordination between China and Russia. Such a shift in US focus could leave Europe more vulnerable to Russian aggression, undermining NATO's ability to effectively deter and defend against threats in Northern Europe.

The US strategic adjustment, combined with increasing political polarisation, nationalism, and growing frustration in the United States over Europe's reluctance to bear more of the burden for maintaining its own security, has instilled fear among many European allies about the potential for US disengagement from international commitments. This has raised questions about the sustainability of the US role in the continent's defence. European nations have different views and priorities regarding the transatlantic relationship. Across the continent, concerns about the future of the US role reveal competing approaches to European capability development: whether to strengthen bilateral defence ties with the United States or to develop independent European capabilities while maintaining the transatlantic link. Challenges in reaching consensus may lead to fragmentation, potentially impeding efforts to strengthen Europe's capabilities and defence production capacity at a critical juncture.

European states have diverging views and priorities regarding the Sino-European relationship, and differing assessments of China's rise risk becoming a key source of tension both among European states and within the transatlantic relationship. European states and institutions, including the EU and NATO, are under increasing US pressure to reduce dependencies on China and support the US position towards it. At the same time, China is one of the EU's largest trading partners; Germany, for instance, relies on extensive trade relations with China. The intensity of these tensions will likely mirror the intensity of the United States-China competition. Heightened rivalry between the two major powers may potentially lead to increased divergence among European states, as well as between Europe and the United States, on measures to counter China's global influence.

European states recognise the importance of maintaining trade routes and sea lines of communication in

and to the Indo-Pacific region. Ensuring the security and stability of these vital maritime corridors is essential for global trade and economic prosperity. However, tensions related to the allocation of political, financial, and military resources by the United States and European states towards addressing the challenges from China and ensuring stability in the Indo-Pacific region may impact their ability to contribute effectively to NATO's deterrence and defence posture in Northern Europe. Balancing commitments between these two strategic theatres could strain resources and coordination, potentially weakening the collective security efforts required to address Russian aggression and other threats in Northern Europe. Coordinated burden-sharing between the two theatres may mitigate this dilemma.

Given the tensions in the transatlantic relationship, the power dynamics among major European states will be crucial in the coming years. These dynamics will play a significant role in strengthening NATO's European pillar and, by extension, enhancing NATO's collective defence of Europe. The ability of European nations to collaborate effectively, share burdens, and align their strategic priorities will determine the robustness of NATO's defence posture.

A potential gradual US disengagement from Europe would compel European states to shoulder the responsibility for the continent's defence. This scenario would pose a significant challenge, particularly given the divisions among major European states stemming from differences in leadership, cultures, policy priorities, and domestic politics. The absence of US leadership and military support would necessitate that European nations enhance their defence capabilities, improve coordination, and overcome political and strategic differences. Achieving this level of unity and operational effectiveness would be a formidable task, requiring substantial investment in defence, deeper integration of military resources, and a concerted effort to bridge the gaps in national security policies and priorities across the continent.

## 6.4 NATO's 360-degree approach

Political unity and cohesion will play a crucial role not only in addressing immediate threats against NATO territory, but also in forging and dedicating resources to address common European strategic interests beyond NATO's borders. Europe's approach to partner states in its eastern and southern neighbourhoods is undergoing a transformative phase, driven by a recognition of European strategic interests in ensuring security in

the wider region amidst growing instability. NATO's southern allies, in particular, perceive regional and intrastate conflicts in Africa and the Middle East, terrorism, and migration as equal threats to those posed by Russia. Consequently, the Alliance must devote political and military resources to address these multifaceted challenges.

However, determining how to allocate resources and address these complex issues will be subject to debate in the coming years, as various national interests within Europe need reconciliation. Balancing the need for collective action with individual member states' priorities and concerns will require management and strategic planning. Moreover, ensuring coherence and coordination between NATO, the European Union, and other relevant actors will be essential to effectively addressing the diverse security challenges facing Europe and its neighbourhood.

At the same time, institutional dynamics have shifted with Finland and Sweden's accession to NATO and Denmark's opt-in to the EU's CSDP. This increased institutional overlap between NATO and the EU may help bridge existing divides and foster a clearer division of labour between the two major institutional frameworks for European defence. Additionally, the proliferation of mini- and bilateral cooperation formats allows states to address prioritised threats and interests with like-minded partners, maintaining capabilities while enabling quicker and more flexible action.

However, the growing involvement of states in overlapping institutions may lead to resource overstretch. Consequently, national contributions are likely to remain double-hatted, posing challenges for states in allocating forces and capabilities to fulfil various tasks, including those related to NATO's deterrence and defence. This dual commitment necessitates careful coordination to ensure that resources are effectively managed and strategic objectives are met across both NATO and EU frameworks.

Moreover, political polarisation and the rise of populism and nationalism across Europe could lead to significant shifts in the political landscape within individual states, potentially resulting in dramatic changes in their security and defence policies and priorities. These evolving political dynamics may impact the implementation of various reforms aimed at strengthening Europe's collective defence in multiple ways. One potential outcome is an increase in disagreements during negotiations, drawn-out decision-making processes, and drift as differing national priorities come into play. The presence of spoilers—actors who obstruct progress for various reasons—could become more prevalent, further complicating efforts to achieve consensus. Additionally, a

politically fragmented landscape might lead to inconsistent policy approaches and fluctuating commitments to international defence initiatives. This instability could undermine the effectiveness of collaborative defence efforts and weaken the overall cohesion of NATO and EU defence strategies, impacting deterrence and defence in Northern Europe.

## 6.5 Moving forward in the fraught European security landscape

NATO's political and military strength and credibility hinge on political unity and the integration of its members' military resources. Despite NATO's heightened ambitions for the collective defence of Europe, including a new NATO Force Model, several challenges must be addressed and managed to ensure the political unity and cohesion necessary for implementation. This report identified tensions within several areas that may directly or indirectly impact the Alliance's ability to achieve effective deterrence and defence in Northern Europe.

The analysis revealed that in a world marked by increasing strategic competition, particularly between the United States and China, dispersion of power, rapid technological innovation, uncertainty and war, the European states will need to make difficult strategic choices and tough compromises to maintain unity and cohesion. Achieving this level of coordination is essential for NATO to achieve its deterrence and defence objectives in Northern Europe. Key areas of concern include differing threat perceptions and preferences in how to address them, particularly regarding Russia and the war in Ukraine; extra-European relations, especially in how to navigate the transatlantic relationship amid the intensifying rivalry between the United States and China; and intra-European relations, particularly challenges to political unity and solidarity among NATO members, which could lead to fragmented strategies and diluted efforts.

To navigate these challenges, NATO as an organisation must foster deeper political engagement, enhance resource integration, and ensure that all member states remain committed to the shared goal of collective security. The adaptability of NATO, the EU, and European states to the evolving security landscape and internal dynamics will be crucial for maintaining the effectiveness and credibility of the Alliance and shaping a coherent and effective response to a reconstituted Russia and other emerging threats in the coming decade. It will be a challenging path, but NATO has a history of successfully adapting to the evolving security landscape.

# Contributors

**ALINA ENGSTRÖM** is a Researcher at FOI's Department for Security Policy and Strategic Studies. Her main research area is European security, with a focus on Western Europe and Germany. Alina's recent research has focused on Germany's security and defence policy and the EU's security and defence policy. She holds a double master's degree in European governance from the University of Konstanz and the Utrecht University School of Governance.

**BJÖRN OTTOSSON,** Ph.D., is a Senior Researcher in FOI's Department for Security Policy and Strategic Studies, with a primary focus on U.S. foreign, security, and defence policy, as well as transatlantic relations. His expertise extends to international relations theory, foreign policy analysis, and methodology. In recent years, Björn has published studies on US-China relations and US strategy. Björn's doctorate, in political science, is from Stockholm University, and he has previously held positions at Stockholm University, Södertörn University, and the Swedish Defence University.

**EMMA SJÖKVIST** is an Analyst at FOI's Department for Operational Support. Her main research areas are European security policy and international military missions. Emma's recent research has focused on shifts in European security policy and the trajectories of European military engagements abroad.

**EMELIE THORBURN** is a Researcher in FOI's Department for Security Policy and Strategic Studies. Her main research area is European security and defence policy, with a focus on Central Europe. Emelie has recently written about the security and defence policies of the Visegrad states, Nordic defence cooperation and the EU's security and defence policy. She holds a master's degree in politics and war from the Swedish Defence University.

The Northern European and Transatlantic Security Programme (NOTS) at the Swedish Defence Research Agency (FOI) follows security and defence policy developments in Western countries and organisations that influence Swedish security. Every three years since 2017, the programme has conducted a comprehensive analysis of the military strategic situation in Northern Europe. Building on our wealth of experience, this third iteration represents our most ambitious undertaking yet.

Part two of Western Military Capability in Northern Europe 2024 is dedicated to examining the evolving global security landscape focusing on identifying political tensions that could impact NATO's ability to achieve its task of deterrence and defence in Northern Europe up to 2030. It explores the main political tensions affecting NATO's unity, cohesion, and integration of military resources, all of which are crucial for effective deterrence and defence.

This analysis delves into three main sources of political tension that shape the current landscape. First, it examines how differing threat perceptions, priorities, and policy preferences among NATO members significantly impact their security strategies, resource allocation, and cooperation. Second, it explores the political tensions stemming from how European states and the EU manage their external relations. Third, it addresses the complexities of intra-European relations, highlighting disagreements among major European powers, domestic challenges to unity, and differing views on cooperation, particularly regarding the European defence industry. This comprehensive study offers a deep understanding of the multifaceted dynamics influencing Europe's security environment.

For more information about the Northern European and Transatlantic Security Programme, including our newsletter and publications, please visit www.foi.se/en/foi/research/security-policy/northern-european-and-transatlantic-security.