

Europe Faces Defining Moment in Its Defense Strategy

by Antonia Colibasanu - March 17, 2025

NATO military chiefs and European defense ministers gathered in Paris last week to coordinate policies on European security and continued support for Ukraine. The meeting came amid reports that Washington and Kyiv had agreed to a ceasefire deal on the Ukraine-Russia war. These developments followed a series of notable diplomatic engagements, including a summit on Ukraine in London and separate bilateral meetings between U.S. President Donald Trump and the leaders of France and the U.K.

The Securing Our Future London Summit, held on March 2, brought together the leaders of Europe as well as Canada and Turkey. Its aim was to promote unity on European security and craft a comprehensive peace plan for Ukraine that Europe could present to Washington, in the hope that it could help secure U.S. backing for Kyiv in the long term. Hosted by Prime Minister Keir Starmer, the summit took place just days after Ukrainian President Volodymyr Zelenskyy's tense meeting with Trump in Washington. It appears to have made some progress in aligning European and U.S. positions on ceasefire talks.

The summit also resulted in the creation of a European "coalition of the willing" aimed at enhancing European security cooperation outside NATO and EU structures. In forging this coalition, European governments have recognized that even a temporary truce would not solve Europe's fundamental security dilemma. Russia remains an economically weak but aggressive actor, willing to use military force to achieve its strategic goals, while Ukraine, battered by war, will require security guarantees and extensive reconstruction to prevent another conflict from erupting. While Europe needs to address its immediate security concerns, long-term stabilization in Ukraine and beyond will be an essential component in any European defense policy.

Avoiding Roadblocks

The coalition is first and foremost a political initiative rather than a military alliance. Its purpose is to create a flexible, non-bureaucratic mechanism that allows willing European states to pool resources, coordinate defense strategies and ensure consistent military and financial support for Ukraine without the institutional barriers that come with existing alliances. Though NATO remains the primary security

umbrella for the Continent, its decision-making process can be cumbersome in a crisis. The European Union, meanwhile, has powerful economic tools but lacks a unified military structure to implement security interventions.

A recent case in point is the EU's commitment to military support for Ukraine. Hungary abstained from a recent EU vote on defense funding, reflecting its cautious stance on backing Kyiv. Hungarian Prime Minister Viktor Orban has expressed concerns that increased defense spending could strain European finances, especially given uncertainties surrounding the United States' commitment.

In light of Hungary's objections and other challenges, European countries have explored alternative mechanisms. One approach involves establishing a voluntary fund (totaling 20 billion to 40 billion euros, or \$22 billion to \$44 billion) to allow member states to contribute military assistance to Ukraine on a voluntary basis. They have also considered leveraging the profits from frozen Russian assets to finance further arms shipments. The plan would not require unanimous support, meaning Hungary (or any other single country) could not block the initiative.

It's a pragmatic approach, bypassing EU and NATO institutions while also working with them to ensure as much cohesion as possible. The U.K. and France, historically Europe's leading military powers, have pushed (with the support of countries like Poland, Finland and the Baltic states) to prioritize action over prolonged negotiations. The coalition's goal is not to replace NATO or the EU but to serve as a parallel mechanism that ensures military aid gets to Ukraine regardless of the changing political dynamics.

At the core of the initiative, however, lies deep concern about the reliability of U.S. support. While Washington has provided crucial military and financial assistance to Ukraine, the Trump administration has signaled that Europe must prepare for a scenario where the U.S. significantly reduces its commitment to Ukraine and European security in general. The Europeans understand that this increasingly isolationist approach could transition into a strategy where the U.S. interferes in European affairs wherever it (or its leadership) has an interest, no longer seeing the trans-Atlantic alliance as the cornerstone of its own security. Recent U.S. threats to impose tariffs on European goods, even if they're merely a negotiation tactic, are seen in some European circles as proof that the U.S. no longer has an interest in maintaining basic economic ties. Of course, these voices are exaggerating the impact of the threats, as the U.S. can't completely decouple from Europe, but the full fallout of this political drama is yet to be seen.

Germany's Role

For the coalition, one of the most complex factors to consider has been Germany's stance. As Europe's largest economy and a key NATO member, Germany's role is indispensable. Before elections last month, Berlin's position reflected its historical resistance to engaging in deep military involvement abroad, despite committing billions of euros in military aid to Ukraine. While Chancellor Olaf Scholz and his government recognized the need for stronger European defense, he resisted moving too quickly toward direct militarization.

The likely next chancellor, Friedrich Merz, campaigned on a more robust defense strategy, supporting stronger defense capabilities and European security frameworks. Most recently, he called for talks among European nations – specifically Germany, France and the United Kingdom – on sharing of nuclear deterrence responsibilities. He even favors the gradual reintroduction of conscription amid personnel shortages in the German armed forces.

Though negotiations on a coalition to form the next government are ongoing, it's clear that Merz's positions will help shape the policies of the new government. As the strongest party in the Bundestag, his Christian Democratic Union will be central in crafting the government's defense and economic policies, even if coalition partners try to moderate its strategy.

The political shift in Berlin has had a direct impact on discussions across the EU about economic priorities, leading many to see defense as a central pillar in Europe's economic recovery and industrialization strategies. The defense industry, as well as supply chain security, has increasingly been linked to long-term economic competitiveness, marking a turning point in how EU states approach both security and industrial policies.

To finance these efforts, the European Union is also reassessing its budgetary priorities. Discussions have emerged about redirecting EU funds to defense and security, a significant shift for an organization traditionally focused on economic, rather than military, integration. Proposed mechanisms include increased use of the European Peace Facility, a mechanism established in 2021 to enhance the EU's ability to prevent conflicts, maintain peace and strengthen international security. Because it operates outside the EU's main budget, it has greater flexibility in financing defense-related assistance to partner countries.

The EU has also established a new defense investment framework to “rearm Europe” modeled after the European Financial Stability Facility used during the eurozone crisis. The plan includes a joint borrowing mechanism that would issue EU-backed bonds to provide member states with low-interest capital for defense projects. A 150 billion-euro loan program would offer funding for military expenditures, provided that the purchased equipment comes from European manufacturers, boosting

the Continent's defense industry and reducing its reliance on external suppliers. In addition, the EU proposed relaxing budgetary constraints to accommodate increased defense spending, potentially unlocking 650 billion euros over four years.

These structures would provide long-term financial backing for arms procurement, troop readiness and Ukraine's reconstruction efforts. However, each initiative will have an impact on member states' finances, which could jeopardize their commitment to the project. The EU's defense investment plan depends on member state cooperation in several key areas. Joint borrowing for defense bonds requires shared financial responsibility, with stronger economies like Germany, France and the Netherlands expected to help guarantee the debt – a move fiscally conservative figures within these nations could resist. Coordinated defense procurement is also a challenge, as some countries already have long-term contracts with non-EU suppliers like the U.S., Israel and South Korea. In addition, relaxing EU fiscal rules to allow for increased defense spending requires approval from budget-conscious nations, which could impose strict conditions. Finally, investments in the defense industry require long-term commitment, but future governments and political wrangling could shift priorities for individual states.

A New Phase

While much of the debate around Europe's coalition of the willing involves questions around political posturing and commitment levels, even incremental progress toward such a grouping of this kind would mark an evolution in European security strategy. For decades, European defense policy has been reactive and heavily dependent on the United States. The formation of a coalition outside of NATO and the EU signifies a shift toward a more proactive, self-sufficient approach, with the U.K. and France leading the way and Germany contributing a bit of pragmatism.

When the United States formed its own coalition of the willing in Iraq and Afghanistan, European nations fought and sacrificed alongside U.S. forces. Europe is today adopting a similar model, while charting its own course outside U.S.-led frameworks. Though it's unrealistic to think that European governments will follow through on all their promises, the very existence of the coalition signals that Europe has entered a new phase in its security thinking. It reflects a shift from a passive peace mentality – which involved following the U.S. into conflicts as needed by Washington – to a proactive defense mindset, recognizing that Europeans must protect their own strategic interests. The ability of European nations to coordinate effectively, commit financial and military resources, and ensure Ukraine's future stability will determine whether this coalition becomes a defining moment for Europe's strategic autonomy – or simply another grand ambition left unfulfilled.

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