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# European Studies Review

How will Trump 2.0 impact European Strategic Autonomy?

Europe's Dual Trade Front: The Western and Eastern Dilemma

Poland's Memory Wars: How Law Regulates Competing Historical Narratives





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# EUROPEAN STUDIES REVIEW

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# AMELINE COENS

## THE COMMISSION AS LEGISLATOR: WHERE TO DRAW THE LINE ON SECONDARY LEGISLATION?

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### Introduction

**O**n March 9, 2022, the European Commission classified nuclear energy and fossil gas as “sustainable” investments under the Taxonomy Regulation,<sup>2</sup> a framework guiding sustainable finance in the European Union.<sup>3</sup> This decision was challenged at the European Court of Justice by Austria, a long-time opponent of nuclear energy, along with environmental nongovernmental organisations (ENGOS) Greenpeace and a Client Earth coalition.<sup>4</sup> Beyond environmental concerns, an issue of power was raised: Can the European Commission, which usually does not make legislation but only proposes and enforces them, act like a legislator and decide on these matters? This article argues that while this is technically possible, it often seems to be practised more widely and

frequently than intended.

### The Hidden Part of EU Law Making

The issue raised lies in the Commission’s use of secondary legislation or non-legislative acts, known in EU terms as implementing and delegated acts. These acts are often the “hidden” part of the EU’s legislative iceberg. The process of primary legislation is well known: the European Commission proposes legislation, which is then followed by negotiations and amendments between the European Parliament and the Council of the EU. Once an agreement is reached, the Commission oversees the implementation by EU Member States in its executive and enforcing role.<sup>5</sup>

However, the process that follows, for secondary legislation, is less widely

1 Ameline Coens is a trainee at the European Trade Association of Plastics Manufacturers. She holds an LL.M. in European Union law with a specialisation in Environmental Law from Ghent University Law School. Ameline has also obtained an MSc degree in European Studies and a BA degree in Political Science from Ghent University. Her research interests include institutional law, environmental and sustainable policies and practices, EU’s external action, and development cooperation.

2 Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities, *OJ* 2022, L 188, 1–45, [https://eur-lex.europa.eu/eli/reg\\_del/2022/1214/oj/](https://eur-lex.europa.eu/eli/reg_del/2022/1214/oj/) (Complementary Climate Delegated Act).

3 Regulation (EU) 2020/852 of the European Parliament and of the Council on the Establishment of a Framework to Facilitate Sustainable Investment and Amending Regulation (EU) 2019/2088, *OJ* 2020, L198, 13–43, <https://eur-lex.europa.eu/eli/reg/2020/852/oj> (Taxonomy Regulation).

4 *Case T-625/22: Action brought on 7 October 2022 — Austria v Commission*, *OJ* C 24, January 23, 2023, 43–45; *Case T-215/23: Action brought on 18 April 2023 — ClientEarth and Others v Commission*, *OJ* C 235, July 3, 2023, 48–49; *Case T-214/23: Action brought on 18 April 2023 — Greenpeace and Others v Commission*, *OJ* C 235, July 3, 2023, 46–48.

5 Article 294 of the Treaty on the Functioning of the European Union (TFEU).

known.<sup>6</sup> When the legislator (Parliament and Council) decide on basic elements of legislation, they can, in this process, delegate authority to the executor (Commission) to work out the details of legislation.<sup>7</sup> Secondary legislation is thus intended to be purely technical, but plays a crucial role in the effective and uniform implementation of the primary legislation. While these acts can be used for tweaks in legislation, they cannot be used to change essential elements or make politically sensitive changes to the enabling legislation. Their use is limited, but as will be explained later, they are often used more broadly in practice.

Albeit hidden, secondary legislation forms a significant part of the EU's legislative iceberg: primary legislation (laws, directives, decisions) by the Parliament

and the Council accounts for only 7 percent of all legislation, and most of the details of the laws are decided in secondary legislation (implementing and delegated acts) by the Commission, which accounts for the remaining 93% of all EU acts (see Figure 1).<sup>8</sup>

### A Commission Tool for Better Lawmaking?

Before delving into the controversy surrounding these acts, it is crucial to understand the distinction made in the Lisbon Treaty between implementing and delegated acts. While both types of acts are drafted by the European Commission and carry the same legal weight, they differ in terms of purpose, stakeholder involvement, and the level of scrutiny exercised by other EU institutions.

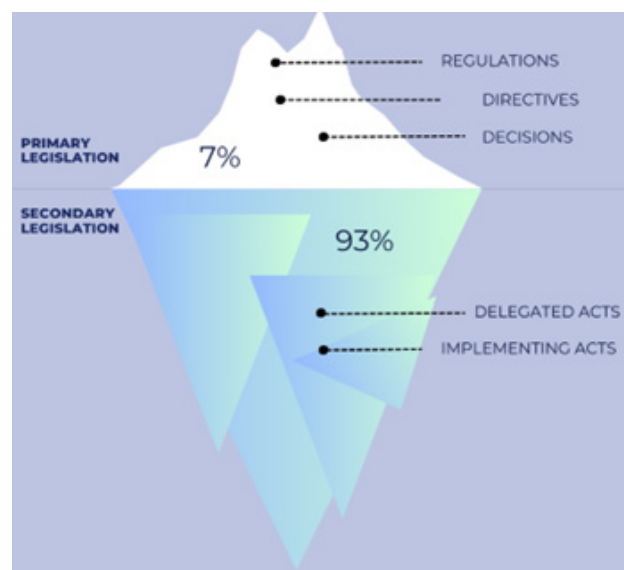


Figure 1. The Binding Types of EU "Iceberg" Law (recommendations and opinions as non-binding secondary law are excluded).<sup>9</sup>

<sup>6</sup> The practice of non-legislative or administrative acts may be less common in the EU, but it is not unique to it, since it is also widespread at the national and regional levels in Belgium, known as *koninklijke en ministeriële besluiten*.

<sup>7</sup> Articles 290, 291 TFEU.

<sup>8</sup> Eur-Lex, "Legal Acts: Statistics," European Union, Last modified 2024, <https://eur-lex.europa.eu/statistics/2023/legislative-acts-statistics.html>.

<sup>9</sup> *Ibid.*, based on Treaty on the functioning of the European Union -part 6, title I, chapter 2- Legal acts of the Union.

Some legislation requires implementing acts in which the Commission lays down conditions for a uniform implementation in every EU Member State. An implementing act focuses more on the “*how*”; on the practical implementation of the rules already contained in the

object to implementing acts at the final stage.<sup>11</sup>

In contrast, for delegated acts, the European Parliament and the Council delegate powers to the Commission to amend or supplement non-essential

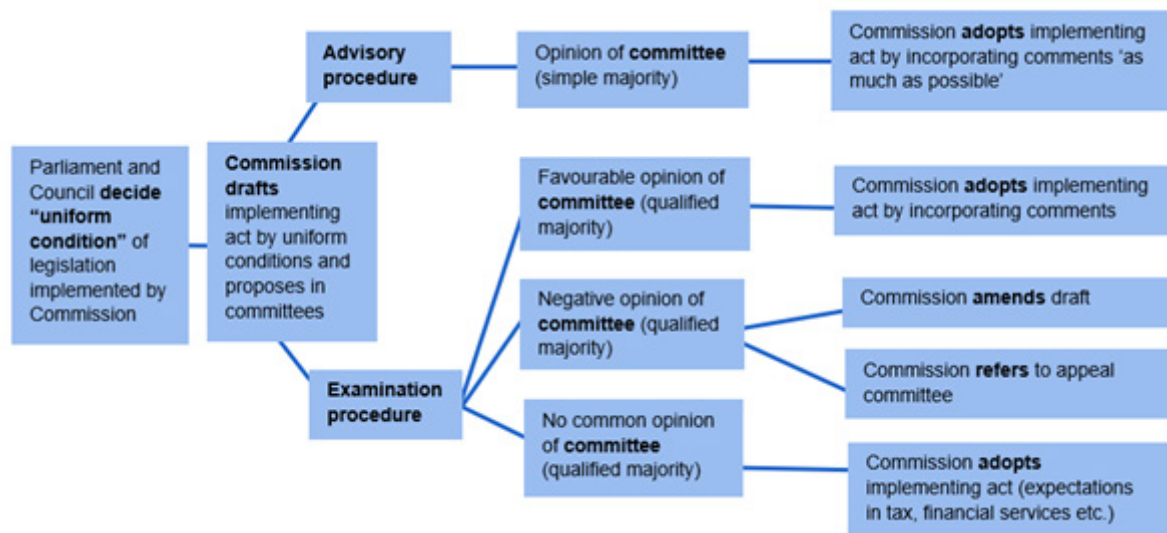


Figure 2. Control Mechanism for Implementing Acts.<sup>12</sup>

original legislation. An example of this is the calculation methods for the recycled content in plastic bottles or approvals for new chemical substances.<sup>10</sup> In this process, the Commission works alongside national experts from Member States through committees known as *comitology* (see Figure 2). Both the Council and the European Parliament retain the right to

elements of EU legislation. A delegated act is closer to law-making and focuses on the “*what*”. This is typically for technical matters such as an exemption for a particular type of steel in an existing law or the addition of criteria for safe water consumption.<sup>13</sup> Since these acts focus on details of the legislation, differently from implementing acts, the Commission consults technical

<sup>10</sup> Commission Implementing Regulation (EU) 2023/2683 of 30 November 2023 laying down rules for the application of Directive (EU) 2019/904 of the European Parliament and of the Council as regards the calculation, verification and reporting of data on recycled plastic content in single-use plastic beverage bottle, <https://webgate.ec.europa.eu/regdel/#/implementingActs/10193?lang=en>; Commission Implementing regulation approving the active substance *Bacillus velezensis* strain RTI301 as a low-risk active substance in accordance with Regulation (EC) No 1107/2009 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) No 540/2011, <https://webgate.ec.europa.eu/regdel/#/implementingActs/15410?lang=en>.

<sup>11</sup> Article 291(3) TFEU.

<sup>12</sup> Modified from Aaron McLoughlin, “How to control the European Commission when law making -Delegated legislation- Part 1,” *Aaron McLoughlin Blog*, March 14, 2016, <https://www.aaronmcloughlin.com/2043-2/1>.

<sup>13</sup> Commission Delegated Directive (EU) amending Directive 2011/65/EU of the European Parliament



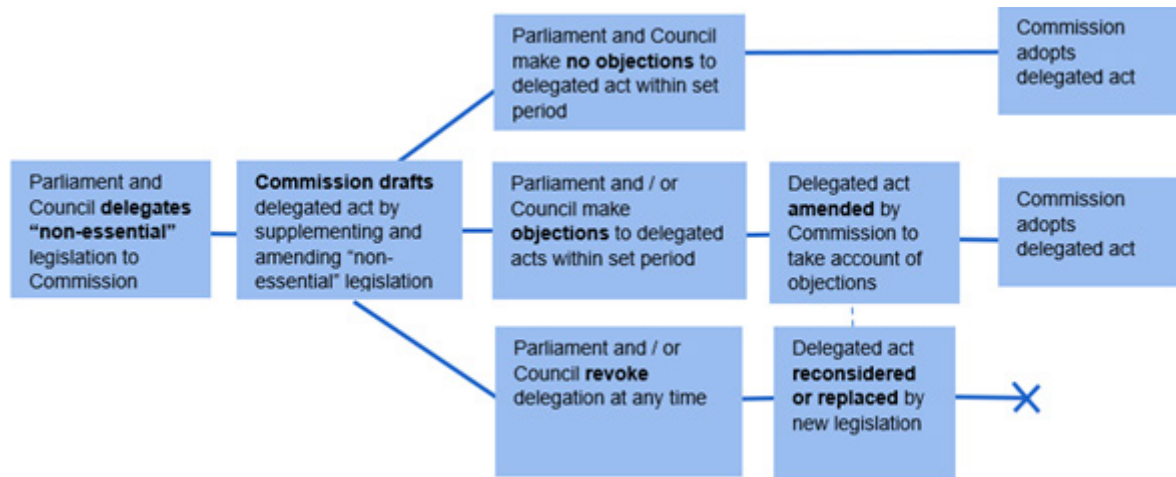


Figure 3. Control Mechanism for Delegated Acts.<sup>15</sup>

stakeholders, with no formal involvement of national experts linked to the Council or other EU institutions in the process. The Parliament and the Council retain only the right to reject or revoke the delegated act at the final stage (see Figure 3).<sup>14</sup>

The controversy lies in the issue of scrutiny. The Treaty of Lisbon (2009) introduced implementing and delegated acts to make lawmaking more efficient, speed up its process, and handle technical issues as the EU regulates more policy areas.<sup>16</sup> However, scholars still debate whether this is truly an improvement, pointing to

concerns over transparency, stakeholder influence, and the limited oversight other institutions have in these acts.<sup>17</sup>

In principle, this lower level of scrutiny is not problematic as, for example, delegated acts are intended to supplement and amend only “non-essential” elements of legislation. However, in the case of the Taxonomy Regulation already mentioned, the Commission was given the power to define criteria to classify sustainable investments and ultimately classified nuclear energy and fossil gas as “sustainable” through a controversial

and of the Council as regards an exemption for lead as an alloying element in steel, aluminium and copper, <https://webgate.ec.europa.eu/regdel/#/delegatedActs/2644?lang=en>; Commission Delegated Regulation (EU) 2024/371 of 23 January 2024 supplementing Directive (EU) 2020/2184 of the European Parliament and of the Council by establishing harmonised specifications for the marking of products that come into contact with water intended for human consumption, <https://webgate.ec.europa.eu/regdel/#/delegatedActs/2081?lang=en>.

<sup>14</sup> Article 291(2) TFEU.

<sup>15</sup> Modified from McLoughlin, “How to Control the European Commission.”

<sup>16</sup> Interinstitutional Agreement (IIA) between the European Parliament, the Council of the European Union, and the European Commission on Better Law-Making, OJ 2016, L 123, 1-14 [https://eur-lex.europa.eu/eli/agree\\_interinst/2016/512/oj](https://eur-lex.europa.eu/eli/agree_interinst/2016/512/oj); European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Better regulation for better results - An EU agenda, COM/2015/0215 final, 2015, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52015DC0215>.

<sup>17</sup> Kevin Stack, “The Irony of Oversight: Delegated Acts and the Political Economy of the European Union’s Legislative Veto Under the Treaty of Lisbon,” *The Theory and Practice of Legislation* 2, no. 1 (2014): 61-84; Steve Peers and Marios Costa, “Accountability for delegated and implementing acts after the Treaty of Lisbon,” *European Law Journal* 18, no. 3 (2012): 427-460.

delegated act authorised by the Council and Parliament. This raises concerns that delegated acts may grant the Commission too much discretion, allowing it to influence legislation beyond technical matters. Moreover, as the Commission may be aware of this latent decision-making power, it may use delegated acts beyond its mandate and act as an unelected legislator.<sup>18</sup>

### The Pre-legislative Phase

The Taxonomy case provides an interesting perspective on the Commission's use of delegated acts at key stages of the legislative process. As the initiator of proposals,<sup>19</sup> it can shape EU legislation early on to ensure delegated and implementing acts are included in the basic act later. This is a strategy known as *pre-empting* or *prior steering* future legislation. In other words, while Parliament and the Council decide on delegating authority in the basic act, the Commission can exert significant influence over the further legislative process by drawing a proposal, thus securing itself a spot within it.

In the case of the Taxonomy Regulation,

the Commission went beyond simply drafting the proposal, and actively shaped the legislation. This was evident in its impact assessment, where the Commission relied on self-initiated studies from the Joint Research Centre (JRC) while ignoring and not awaiting the input from the Technical Expert Group (TEG), citing "*inconclusive evidence*".<sup>20</sup> Moreover, the Commission did not carry out an impact assessment for a delegated act itself defining criteria for nuclear and fossil gas investments, arguing that this was not necessary under better regulation guidelines to avoid duplication.<sup>21</sup>

### The Legislative Phase

Once the Commission drafts a proposal, it moves into the hands of the legislators. However, the use of delegated and implementing acts ensures that the Commission retains a role in the process. Negotiating basic acts has become a faster but more complex process, leading Parliament and the Council to delegate technical decisions to the Commission. This growing trend brings challenges. First, the Better lawmaking guidelines and Interinstitutional Agreement are unclear

18 Michelle Cini, "The European Commission: An Unelected Legislator?," *The Journal of Legislative Studies* 8, no. 4 (2011): 14-26.

19 Article 17(2) TFEU.

20 European Commission, "Commission Staff Working Document Impact Assessment Accompanying the document Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment," SWD(2018) 265 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0264>; Joint Research Centrum, "Technical assessment of nuclear energy with respect to the 'do no significant harm' criteria of Regulation (EU) 2020/852 ('Taxonomy Regulation')," JRC125953, July 2020, Publications Office, 3, <https://publications.jrc.ec.europa.eu/repository/handle/JRC125953>.

21 Commission Delegated Regulation (EU) 2022/1214, 5; European Commission, "Better Regulation Guidelines", SWD/2021/305 final, 87; Technical Expert Group on Sustainable Finance, "Taxonomy: Final Report of the Technical Expert Group on Sustainable Finance," March 9, 2020, [https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance\\_tegfinal-report-taxonomy\\_en.pdf](https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance_tegfinal-report-taxonomy_en.pdf) p209-211; Dawn Slevin, "The Argument against Nuclear Power as Sustainable for Finance," *TEG Petition*, December 21, 2021, [https://www.petitions.nz/the\\_argument\\_against\\_nuclear\\_power\\_as\\_sustainable\\_for\\_finance?a=202074](https://www.petitions.nz/the_argument_against_nuclear_power_as_sustainable_for_finance?a=202074)



about when to use an implementing act versus a delegated act,<sup>22</sup> which is likely to cause future debates between Parliament and the Council. Second, these acts leave room for broad interpretation. While the basic act grants the Commission authority, the exact limits of its power are not always well-defined.

In the case of the delegated act under the Taxonomy Regulation, the Commission was given the power to define the criteria for sustainable investments based on scientific evidence. However, the Commission interpreted its delegated mandate broadly, neglecting this requirement by disregarding the advice of the Platform on Sustainable Finance (PSF), which was explicitly referred to in article 20 of the Taxonomy regulation.<sup>23</sup> ENGOS represented in the Platform argued that this contradicted the regulation and subsequently withdrew from the Platform in protest.<sup>24</sup>

## The Scrutiny Stage

At the final stage, when the Commission drafts delegated and implementing acts, there is a level of scrutiny to ensure it does not exceed its mandate, allowing

other institutions to reject or revoke the act if needed. As mentioned above, for implementing acts, this happens through the comitology procedure, but for delegated acts, the control is more limited, with only the right to revoke and reject the act. Challenging these acts is difficult due to high rejection thresholds (set at absolute majority of seats for the European Parliament and qualified majority for the Council) and the usually short timeframe of two months (though it may vary in principle).<sup>25</sup> Because of this lack of voting rights in the process itself compared to implementing acts, there are now mandatory Member State Expert Groups (MSEGs) introduced in the drafting process of delegated acts. However, the Commission is not bound by their input.<sup>26</sup>

Additionally, the lack of scrutiny can be linked to the nature of delegated acts, which typically cover non-essential elements. These are often overlooked by Members of Parliament (MEPs), and Member States tend to lose interest once the file becomes too technical after the basic law is adopted.<sup>27</sup>

This was not the case for the delegated act under the Taxonomy Regulation,

<sup>22</sup> *Ibid.*; Article 17(2) TFEU.

<sup>23</sup> Platform on Sustainable Finance, "Consultation Response: Taxonomy Draft Delegated Act Setting Out Technical Screening Criteria for Climate Change Mitigation and Adaptation," December 2020, 19, [https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance\\_en](https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en)

<sup>24</sup> Honey Kohan, "Statement: BirdLife resumes activities in EU Commission's Platform on Sustainable Finance," *Birdlife International*, May 31, 2021, <https://www.birdlife.org/news/2021/05/31/birdlife-returns-eu-commission-platform-sustainable-finance-taxonomy/>.

<sup>25</sup> David Guéguenand and Vicky Marissen, "Push the 'pause' button for taxonomy: Use the revocation right," *Comitology Newsletter #72, EPPA*, June 2022, <https://www.eppa.com/comitology-newsletter-72-june-2022/>.

<sup>26</sup> IIA on Better Law-Making, *OJ* 2016, 6.

<sup>27</sup> Ana Mar Fernández Pasarín, "The State Back In: La Comitologie ou la Délégation Contrôlée et Coordonnée du Pouvoir," [Comitology or the Controlled and Coordinated Delegation of Power], *Revue française d'administration publique* 158, no. 2 (2016): 471, <https://doi.org/10.3917/rfap.158.0463>.

where the Commission defined criteria for sustainable investments, including nuclear energy and fossil gas. There was significant input during the four-week public consultation and strong opposition from some Member States in a non-paper. However, the Council remained divided since there were also Member States supporting the inclusion of nuclear energy, leading to a request for an extended deadline to review the delegated act.<sup>28</sup> Initially, the Commission seemed to take account of the controversy and proposed a delegated act that excluded the controversial criteria for nuclear energy and fossil gas. Later, it introduced a complementary act that included these criteria for nuclear energy and fossil gas, but without a new public consultation or without input from stakeholders from the Platform on Sustainable Finance, arguing that the first delegated act had already undergone extensive review.<sup>29</sup>

Despite the fact that multiple motions against both acts were raised in the parliamentary committee, none were passed in the European Parliament's plenary session, promoting broader concerns among scholars about the high

rejection thresholds.<sup>30</sup> Even in the case of such a controversial delegated act involving the public and the institutions, and in the face of opposition, the Commission's act was not withdrawn and was eventually adopted. Due to limited procedural tools for scrutiny in this case, there were attempts outside the delegated act procedure where environmental NGOs first attempted to challenge the act through an administrative internal review procedure.<sup>31</sup> Ultimately, opponents took the case to court, citing procedural errors and questioning the Commission's exceeding its power and competence in this delegated act.<sup>32</sup>

## Conclusion

*"Everything in this file has been done the exact opposite of how it should be",* stated political analysts David Guéguen and Thierry de L'Escaille.<sup>33</sup> The Commission bypassed an impact assessment, relying on procedural rules, interpreted its mandate broadly by disregarding scientific evidence, and benefited from the high rejection threshold that shielded the act from scrutiny and consultation. This raises wider concerns about the clarity of Better

28 Frédéric Simon, "Brussels postponed green finance rules after 10 EU states wielded veto," *Euractiv*, January 18, 2021, <https://www.euractiv.com/section/energy-environment/news/brussels-postponed-green-finance-rules-after-10-eu-states-wielded-veto/>

29 Commission Delegated Regulation (EU) 2022/1214.

30 European Parliament, *"Taxonomy: MEPs do not object to inclusion of gas and nuclear activities," Press Releases, Brussels, 6 July, 2022*, <https://www.europarl.europa.eu/news/en/press-room/20220701IPR34365/taxonomy-meps-do-not-object-to-inclusion-of-gas-and-nuclear-activities>.

31 Request for Internal review Re. Commission Delegated Regulation (Taxonomy) (EU) 2022/1214 of 9 March 2022, *OJ* 2022, L 188, 1 et seq. under Arts. 10, 11 of Regulation 1367/2006 (Aarhus Regulation), Submitted by Greenpeace e.v. to the European Commission, DG FISMA, 8 September, 2022, [https://www.greenpeace.de/publikationen/EU\\_Taxonomie%20request%20for%20internal%20review\\_3.pdf](https://www.greenpeace.de/publikationen/EU_Taxonomie%20request%20for%20internal%20review_3.pdf).

32 Case T625/22, *Austria v Commission*; Case T215/23; Case T-214/23, *Greenpeace and Others v Commission; Client Earth and Others v Commission*.

33 David Guéguen and Thierry de L'Escaille, "The Commission and Taxonomy: a respectful call to order," *Comitology Newsletter #69 – Taxonomy edition*, EPPA, March 2021, <https://www.eppa.com/comitology-newsletter-69-taxonomy-edition-march-2021/>.

Regulation guidelines, the EU Treaty thresholds, and above all, the extent to which the Commission can use these mechanisms to act as a quasi-legislator with broad discretion and limited checks along the procedure.

The Commission's actions in the Taxonomy case were not in line with the intended use of delegated acts. Its use of such acts in the Taxonomy Regulation demonstrates how secondary legislation can be leveraged for political manoeuvring rather than purely technical adjustments. Formally, the Commission had the authority to classify nuclear energy as "*green*" through delegated and implemented acts. However, the way this was done reflected more of a political strategy than a neutral technical decision.

Delegated and implementing acts often remain the hidden part of the legislative process, but their use is growing. Since their introduction, they have been widely used in the European Green Deal, where many technical details had to be worked out over time. In fact, 99.2% of EU environmental legislation from 2019 to 2024 was adopted through secondary legislation.<sup>34</sup> While these acts are primarily technical and focused on ensuring uniform implementation, some have significant political or socio-economic impacts and can introduce far-reaching measures.

This paper looks at just one case, attempting to highlight a trend rather

than making broad generalisations. However, what appears clear is that both policymakers and stakeholders are becoming more aware of these acts, and lobbyists have already started to target them. Both the legislators and the Commission understand that the "*devil is in the details*".<sup>35</sup> This shows the need for clearer rules, better awareness, and more careful drafting of mandates by the legislators to prevent the Commission from exceeding its authority.

In the near future, in 2025, Austria's case against the Commission is expected to bring clarity. The two cases brought by NGOs may be resumed afterwards, unless the ruling of the Austria case is appealed.<sup>36</sup> More importantly, the verdict could set a crucial precedent for the future use of delegated acts.

<sup>34</sup> Eur-Lex, "Legal Acts: Statistics."

<sup>35</sup> Quentin Ariès and James Panichi, "The 'c-word' and the EU lobbyist," *Politico*, February 1, 2016, <https://www.politico.eu/article/c-word-and-the-eu-lobbyist-brussels-commission/>.

<sup>36</sup> Catherine Early, "Seven key environmental legal cases to track in 2025," *Ends Europe*, January 23, 2025, <https://www.endseurope.com/article/1903386/seven-key-environmental-legal-cases-track-2025>.



# JORDY BENOIT

## THE EUROPEAN HOUSING CRISIS: EU POLICY RESPONSES AND THEIR LIMITATIONS

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### Introduction

**T**he European Housing Crisis is a growing socio-economic challenge, marked by rising home prices, rental unaffordability, and housing insecurity across the European Union (EU) Member States. Decades of policy shifts—from strong state intervention to market-driven housing models—have transformed housing from a social necessity into investment assets. This has resulted in supply shortages, speculative investment, and widening inequalities, disproportionately affecting younger generations and lower-income households.

While housing policy primarily falls under national jurisdiction, the European Union has begun to recognise the urgency of the crisis and is taking steps to address it. Though constrained by its limited legislative authority in housing, the EU is leveraging financial instruments, regulatory frameworks, and coordination mechanisms to support affordable housing initiatives. This article explores the historical buildup, the most prominent manifestations—demonstrated in the cases of Ireland, the Netherlands, and Portugal—and

the socio-economic consequences of the European Housing Crisis while assessing the EU's evolving role in fostering long-term, sustainable housing solutions.

### The Historical Buildup of the European Housing Crisis

The European Housing Crisis did not emerge overnight but resulted from decades of policies, economic trends, and structural changes in the housing markets. Governments have long played a crucial role in shaping housing accessibility and affordability. However, they have recently shifted their approach away from large-scale public housing investment and social projects, becoming reliant on private and speculative investors who ultimately place profits over public needs.

Following the Second World War, Western European governments prioritised large-scale housing construction to address war-related destruction and rapid urbanisation, investing heavily in social housing and/or encouraging homeownership through state subsidies. These policies, defined by strong state intervention, successfully ensured an accessible and relatively affordable housing market.<sup>2</sup>

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<sup>2</sup> Ana Tostões and Zara Ferreira, "The Right to Housing (1945-2017): The Preservation of Post-WWII European Neighbourhoods," in *UIA 2017 Seoul World Architects Congress Proceedings* (2017), 1–6; Ellen

However, as economic conditions improved, governments shifted toward market-driven policies, scaling back their public investments. The neoliberal turn of the '80s and '90s transformed housing markets, privatising social housing, and deregulated financial markets, making it easier for private actors to invest in real estate.<sup>3</sup> Housing became increasingly viewed as investment assets, rather than a social necessity, whilst looser credit policies and mortgage deregulation led to an artificial surge in home prices.<sup>4</sup>

The 2008 financial crisis exposed the vulnerabilities of Europe's housing policies. Unchecked real estate speculation resulted in severe housing market crashes, leading to mass foreclosures and a slowdown in housing construction.<sup>5</sup> The subsequent austerity measures further limited public investment, worsening housing shortages. Some Member States even saw an influx of private investors into their rental markets,<sup>6</sup> driving up prices and further displacing lower-income residents.

Following the crisis, the European Central Bank (ECB) intended to stimulate economic recovery via a low-interest-rate policy. This policy ushered in a rush of investors towards the housing market, which, combined with persistent supply constraints, fuelled further price inflation.<sup>7</sup> This trend continued at a seemingly manageable pace during the 2010s. However, during the COVID-19 pandemic, a combination of economic stimulus policies, supply chain disruptions, and changing housing preferences again triggered rapid house price inflation across the EU.<sup>8</sup>

European governments have implemented various policies attempting to address housing affordability, yet these were often ineffective or produced unintended consequences. Rent control measures, such as the *Mietendeckel* (rent freeze) in Berlin, have provided short-term relief but discouraged landlords from maintaining or expanding rental accommodations, leading to reduced availability.<sup>9</sup> Some landlords even shifted properties to short-term rental platforms such as Airbnb,

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Van Beckhoven, Gideon Bolt, and Ronald Van Kempen, "Theories of Neighbourhood Change and Decline: Their Significance for Post-WWII Large Housing Estates in European Cities," in *Mass Housing in Europe: Multiple Faces of Development, Change, and Response*, ed. Rowland Atkinson and Keith Jacobs (London: Palgrave Macmillan UK, 2009), 20–50.

3 Stuart Hodgkinson, Paul Watt, and Gerry Mooney, "Introduction: Neoliberal Housing Policy—Time for a Critical Re-Appraisal," *Critical Social Policy* 33, no. 1 (2013): 3–16; Manuel B. Aalbers and Andrej Holm, "Privatising Social Housing in Europe: The Cases of Amsterdam and Berlin," *Urban Trends in Berlin and Amsterdam* 110 (2008): 12–23.

4 Christine Whitehead, Kathleen Scanlon, and Jens Lunde, *The Impact of the Financial Crisis on European Housing Systems: A Review* (London: Swedish Institute for European Policy Studies, 2014).

5 *Ibid.*

6 Gertjan Wijburg and Manuel B. Aalbers, "The Alternative Financialization of the German Housing Market," *Housing Studies* 32, no. 7 (2017): 968–89.

7 Klaus Adam, "Monetary Policy Challenges from Falling Natural Interest Rates," in *Central Banks in a Shifting World* (2020), 186–209.

8 Giovanna Coi, "Gimme Shelter: Cost-of-Living Crisis Squeezes Europe's Housing," *Politico*, December 10, 2023, <https://www.politico.eu/article/gimme-shelter-cost-of-living-crisis-squeeze-europe-housing/>.

9 Anja M. Hahn, Konstantin A. Kholodilin, Sofie R. Walzl, and Marco Fongoni, "Forward to the Past: Short-Term Effects of the Rent Freeze in Berlin," *Management Science* 70, no. 3 (2024): 1901–23.

worsening supply shortages.<sup>10</sup> Simultaneously, tax incentives intended to stimulate construction have often benefited investors rather than expanding affordable housing. In the case of Ireland, tax breaks for investors have fuelled large-scale property acquisitions by real estate investment trusts (REITs), driving up prices rather than improving affordability.<sup>11</sup>

The privatisation of social housing has further deepened the crisis, particularly in the UK and the Netherlands, where sell-offs have severely outpaced replacement efforts in past decades. Public-private partnerships have failed to deliver sufficient affordable units, leaving many households dependent on an increasingly expensive rental market.<sup>12</sup> Attempts to curb speculative investment, for example, through additional taxes and ownership restrictions, have frequently faced enforcement challenges and legal pushback or have allowed for loopholes that investors could exploit.<sup>13</sup>

## The Current State of the Housing Crisis in the EU

The housing crisis in Europe manifests differently across Member States but with common trends such as rising costs, declining affordability, and growing housing insecurity. This section discusses three case studies, namely Ireland, the Netherlands, and Portugal. By analysing these cases, each illustrating different dimensions of the crisis, we can highlight the policy failures and socio-economic consequences of the crisis and set the stage for exploring potential solutions at the European level.

### *Ireland: The Most Expensive Housing Market in the EU*

Ireland's housing crisis is driven by a severe supply-demand imbalance, exacerbated by policy failures and structural weaknesses. The collapse of construction firms and government austerity measures following the 2008 financial crisis led to a prolonged slowdown in housing development.<sup>14</sup> When the economy rebounded in the mid-2010s, housing demand surged.

10 Lluís Garay-Tamajón, Josep Lladós-Masllorens, Antoni Meseguer-Artola, and Soledad Morales-Pérez, "Analyzing the Influence of Short-Term Rental Platforms on Housing Affordability in Global Urban Destination Neighborhoods," *Tourism and Hospitality Research* 22, no. 4 (2022): 444–61.

11 Guolin Wang, "Analyze the Impact of REITs on the Irish Real Estate Market," in *2021 3rd International Conference on Economic Management and Cultural Industry (ICEMCI 2021)* (Atlantis Press, 2021), 1917–20.

12 Aalbers and Holm, "Privatising Social Housing in Europe," 12–23; Martine August, "Social Mix and the Death of Public Housing," in *A Research Agenda for Housing*, ed. Markus Moos (Cheltenham: Edward Elgar Publishing, 2019), 116–30.

13 Costas Lapavistas, "Theorizing Financialization," *Work, Employment and Society* 25, no. 4 (2011): 611–26; Paulo Pena, "Europe's Governments Inflate Housing Prices with Huge Tax Privileges for Real Estate," *Investigate Europe*, December 8, 2022, <https://www.investigate-europe.eu/posts/europes-governments-inflate-housing-prices-with-huge-tax-privileges-for-real-estate>.

14 Patrick Honohan, "How Did Ireland Recover So Strongly from the Global Financial Crisis," *Economics Observatory*, September 17, 2024, <https://www.economicsobservatory.com/how-did-ireland-recover-so-strongly-from-the-global-financial-crisis>; Rory Hearne, "Ireland's Housing Crisis Is a Disaster for Its People – and a Gift to Far-Right Fearmongers," *The Guardian*, December 11, 2023, <https://www.theguardian.com/commentisfree/2023/dec/11/ireland-housing-crisis-far-right-europe-refugees>.



However, with limited new construction and foreign investors entering the market, property prices and rents soared, making Ireland the most expensive housing market in the EU.<sup>15</sup> The crisis highlights the failure of long-term planning and inadequate public investment in affordable and social housing.

The dominant institutional investors, such as REITs and private equity firms, often purchased entire apartment complexes before they reached individual buyers, further inflating prices. Government policies, including tax breaks for large investors, were introduced to stimulate housing development but instead facilitated large-scale property acquisitions by financial entities. Rather than increasing supply for local home buyers and renters, these incentives contributed to further price inflation.<sup>16</sup> Limited rent control measures provided only temporary relief, failing to prevent displacement or stabilise long-term affordability. Ultimately, the subsi-

dies have driven prices higher without addressing the underlying supply shortages, while bureaucratic delays and rising construction costs have further stalled public housing projects.<sup>17</sup>

### ***The Netherlands: The Highest Cost of Renting***

The Netherlands is experiencing a severe rental affordability crisis, especially in its major cities, where minimum wage earners spend the highest proportion of their income, 56%, on rent.<sup>18</sup> The decline in social housing availability, due to privatisation and restrictions on new constructions, has resulted in long waiting lists and tighter eligibility requirements, fuelling a dependency on the for-profit private rental sector.<sup>19</sup> To encourage private investment, the Dutch government provided tax incentives and rental market deregulation, which have inadvertently concentrated rental properties in the hands of large investors rather than increasing accessibility

<sup>15</sup> Thomas Conefrey, Fergal McCann, and Martin O'Brien, "Economic Policy Issues in the Irish Housing Market," *Quarterly Bulletin Articles* (2024): 68–119; Sarah Burns and Jack Power, "Other EU Countries Have Banned Foreign Property Buyers to Ease Housing Crises. Should Ireland Do the Same?" *The Irish Times*, April 20, 2024, <https://www.irishtimes.com/ireland/housing-planning/2024/04/20/other-eu-countries-have-banned-foreign-property-buyers-to-ease-housing-crises-should-ireland-do-the-same/>.

<sup>16</sup> Barra McCarthy, "Institutional Investment and Residential Rental Market Dynamics," *Central Bank of Ireland*, 2024, <https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/institutional-investment-and-residential-rental-market-dynamics.pdf>; Department of Finance, Ireland, *Institutional Investment in the Housing Market* (Dublin: Department of Finance, 2019), <https://assets.gov.ie/6348/140219142846-5a166a1ec85f4237935fb5c21dd666cb.pdf>.

<sup>17</sup> International Monetary Fund, *Housing Affordability in Ireland*, IMF Country Report No. 23/412, 2023, <https://doi.org/10.5089/9798400261428.002>; Michelle Norris and Declan Redmond, "Perspectives on the Irish Housing System," in *Housing Law, Rights and Policy*, ed. Padraic Kenna (Dublin: Clarus Press, 2008), 57–84.

<sup>18</sup> Servet Yanatma, "How Much Income Goes on Rent for Minimum Wage Earners in Europe," *Euronews*, November 16, 2024, <https://www.euronews.com/business/2024/11/16/how-much-income-goes-on-rent-for-minimum-wage-earners-in-europe>.

<sup>19</sup> European Commission, "The Dutch Housing Crisis: Increasing Social Unrest While the Government Plans Its Policies," *European Social Policy Network*, January 2022; Marja Elsinga and Frank Wassenberg, "Demise of the Dutch Social Housing Tradition: Impact of Budget Cuts and Political Changes," *Journal of Housing and the Built Environment* 29, no. 2 (2014): 221–35.

for lower-income renters.<sup>20</sup>

While rental caps and stricter regulations have been introduced to halt rental price inflation, these measures remain insufficient without addressing the underlying housing shortage. The reliance on financial incentives for developers, rather than direct public housing investment, has perpetuated affordability challenges. Regulatory constraints and restrictive zoning laws have further contributed to the stagnation of housing supply, exacerbating market distortions.<sup>21</sup> The emphasis on market-driven solutions without significant public intervention has worsened inequality, with younger and lower-income individuals facing increasing housing instability, and businesses struggling to attract workers due to unaffordable nearby housing.<sup>22</sup>

### **Portugal: Declining Homeownership and Rising Housing Insecurity**

Once a nation with high homeownership levels, Portugal has seen a sharp rever-

sal since the 2010s, due to rising property prices, stagnant wages, and stricter mortgage regulations. With homeownership increasingly out of reach, younger and middle-income households are forced into a rental market that has become equally unaffordable, resulting in growing housing insecurity.<sup>23</sup> Government policies, such as the Golden Visa program and tax incentives for foreign buyers, were initially intended to attract investment but instead fuelled real estate speculation, pricing out local residents and distorting the market towards short-term, high-yield rentals.<sup>24</sup>

Short-term rental platforms like Airbnb have further worsened the crisis, reducing the availability of long-term rental units in urban areas.<sup>25</sup> While the government has since taken steps to curb speculative investment —phasing out Golden Visas and restricting short-term rentals— these measures have struggled to reverse the entrenched affordability issues.<sup>26</sup> Limited public housing investment and continued reliance on the private sector to address supply shortages have proven ineffec-

20 International Monetary Fund, *Housing Supply in the Netherlands: The Road to More Affordable Living*, IMF Country Report No. 23/107, 2023, <https://doi.org/10.5089/9798400236082.002>; Manuel B. Aalbers, "Framing the Housing Crisis: Politicization and Depoliticization of the Dutch Housing Market," *Housing Studies*, April 12, 2024, <https://doi.org/10.1080/02673037.2024.2344844>.

21 Ruben Tarne and Dirk Bezemer, *Housing Affordability in a Monetary Economy: An Agent-Based Model of the Dutch Housing Market*, Hans-Böckler-Stiftung, no. 222 (Düsseldorf, 2023).

22 Peter Boelhouwer, "The Housing Market in The Netherlands as a Driver for Social Inequalities: Proposals for Reform," *International Journal of Housing Policy* 19, no. 3 (2019): 336–56.

23 Teresa Sá Marques et al., *Property Investment and Housing Affordability in Lisbon and Porto*; Eurofound, *Unaffordable and Inadequate Housing in Europe*.

24 Sílvia F. Franco and Ricardo M. Rodrigues, *Short-Term Rental Bans and Housing Prices: Evidence from Lisbon*; Ana Pereira, "Portugal's Bid to Attract Foreign Money Backfires as Rental Market Goes Crazy," *The Guardian*, July 2023.

25 Sílvia F. Franco and Ricardo M. Rodrigues, *Short-Term Rental Bans and Housing Prices: Evidence from Lisbon*; Antonio Fernandes, «Portugal Housing Crisis: «I'll Have to Move Back in with Mum»,» *BBC News*, May 28, 2023.

26 *Ibid.*, Investment Visa. "Housing Crisis in Portugal Creates Investment Opportunity," *Investment Visa*, October 2023, <https://www.investmentvisa.com/news-and-media/housing-crisis-in-portugal>; Idealista, "Government to Limit Rent Increases in New Contracts in Portugal," *Idealista News*, March 1, 2023, <https://www.idealista.pt/en/news/property-for-rent-in-portugal/2023/03/01/5381-government-to-limit-rent-increases-in-new-contracts-in-portugal>.

tive.<sup>27</sup> Without a stronger commitment to large-scale public housing projects and stricter regulations against speculative practices, affordability concerns will persist despite recent policy shifts.

### **Socio-economic Implications**

The European Housing Crisis has deepened the intergenerational wealth gap, disproportionately affecting Millennials and Gen Z. Younger Europeans today face high housing costs, stagnant wages, and precarious labour market conditions. Homeownership rates among individuals under 40 have plummeted across Europe, forcing many into long-term renting amid worsening affordability.<sup>28</sup>

These exacerbating trends force many young people and low-income households to allocate an increasing share of their income to housing, reducing their ability to accumulate wealth and secure

financial stability over time.<sup>29</sup> The reliance on financial incentives and voluntary compliance rather than robust public investment has led to a system where affordability continues to decline for young people and low-income households, negatively impacting their prospects of entrepreneurship, parenthood, and geographic mobility, ultimately increasing economic insecurity and deepening socio-economic inequalities.<sup>30</sup>

The crisis has also exacerbated social tensions, particularly regarding migration and urban displacement, as affordable housing shortages strengthen far-right populism and anti-migrant sentiment while deepening social polarisation and political instability.<sup>31</sup> Simultaneously, homelessness and housing insecurity have surged across Europe, exacerbated by the commodification of rental markets and the persistent underinvestment in social housing.<sup>32</sup> Government programs —emergency shelters

27 Investment Visa, *Housing Crisis in Portugal Creates Investment Opportunity*; Carlos Moedas, "How Lisbon and Other World Cities Are Tackling the Affordable Housing Crisis," World Economic Forum, February 15, 2024, <https://www.weforum.org/stories/2024/02/how-lisbon-and-other-world-cities-are-tackling-the-affordable-housing-crisis/>.

28 European Central Bank, "Younger Generations and the Lost Dream of Home Ownership," *ECB Research Bulletin*, January 26, 2022, <https://www.ecb.europa.eu/press/research-publications/resbull/2022/html/ecb.rb220126~4542d3cea0.en.html>; World Economic Forum, "This Is Why Owning a Home Is More Difficult than Ever for Young People," *Centre for the New Economy and Society*, January 31, 2022, <https://www.weforum.org/stories/2022/01/younger-generations-homeownership-housing-market-wealth-inequality/>.

29 Katrina Scalise, "Young People Can't Afford to Buy Homes—Everywhere in the World," *Worldcrunch*, October 11, 2024, <https://worldcrunch.com/business-finance/young-homeownership-world>.

30 European Network for Housing Research (ENHR), "Housing and Young People," *ENHR*, accessed February 13, 2025, <https://enhr.net/housing-and-young-people/?form=MG0AV3>; European Parliamentary Research Service, *The EU Housing Crisis: Challenges and Solutions* (EPRS, 2024), [https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/757653/EPRS\\_BRI%282024%29757653\\_EN.pdf?form=MG0AV3](https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/757653/EPRS_BRI%282024%29757653_EN.pdf?form=MG0AV3).

31 M. J. Lind and P. T. Wallin, "Affordable Housing in the European Context: A Comparative Analysis," *SAGE Journals* 10, no. 1 (2024): 1–15; Hélène Walker, "Fix Europe's Housing Crisis or Risk Fueling Far Right, UN Expert Warns," *The Guardian*, May 6, 2024, <https://www.theguardian.com/news/article/2024/may/06/fix-europe-housing-crisis-risk-fuelling-far-right-un-expert-warns>.

32 David Giddens, "The Impact of the European Housing Crisis on Political Stability," *SSRN*, May 2024, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3627526](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3627526); European Foundation for the Improvement of Living and Working Conditions (Eurofound), *Unaffordable and Inadequate Housing in Europe* (Eurofound, 2023), <https://www.eurofound.europa.eu/en/publications/2023/unaffordable>.



and rental assistance— provide temporary relief but fail to address the structural causes of the crisis, leading to further pressure on social services.<sup>33</sup>

Finally, the crisis hampers economic growth by reducing consumer spending and limiting workforce mobility. High housing costs in urban areas create labour shortages in key sectors such as healthcare, education, and hospitality, as workers cannot afford to live where jobs are available. Those who can afford to live in these areas are left with less disposable income, further constraining economic resilience.<sup>34</sup>

Ultimately, these implications threaten Europe's social and economic resilience, making housing reform essential. However, without policies addressing shortages and social concerns, the crisis may contribute to reactionary politics, further complicating impactful solutions.<sup>35</sup> Comprehensive housing reform is now both a social necessity and an economic imperative.

### **The Role of EU Policymakers in Addressing the Housing Crisis**

Recognising that housing affordability and supply have become a socio-economic crisis, the EU has introduced a series of mea-

sures aimed at tackling the root causes of the European Housing Crisis. Housing policy remains primarily within the competence of the Member States, constraining the EU's ability to address the crisis. Yet, despite its lack of direct legislative authority, the EU has begun to leverage its financial instruments, regulatory frameworks, and coordination mechanisms to provide guidance, funding, and policy alignment. The 2024-2029 legislature marks a significant institutional shift in the EU's approach, with new initiatives aimed at fostering sustainable, affordable, and inclusive housing solutions.

However, while these initiatives represent a growing recognition of the housing crisis, their objectives fall short of addressing its structural causes. The continued reliance on financial incentives, voluntary compliance, and market-friendly solutions mirrors the previously discussed national policies that have repeatedly failed to deliver affordability. Without a fundamental shift toward large-scale public housing investment, strict rent regulations, and aggressive measures against speculation, the EU's strategy will do little more than manage the symptoms of an ongoing crisis.

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and-inadequate-housing-europe.

33 Hearne, David. "Ireland's Housing Crisis Is a Disaster for Its People." *The Irish Times*, January 25, 2025; Puch, Carla. "Germany's Struggle to House Refugees Fuels Election Debate." *Reuters*, February 12, 2025. <https://www.reuters.com/world/europe/germanys-struggle-house-refugees-fuels-election-debate-2025-02-12/>.

34 European Commission. "The European Social Policy and Housing in the EU." *European Commission*, 2024. <https://ec.europa.eu/social/BlobServlet?docId=27473&langId=en>; European Policy Centre. "How the EU Should Tackle the Housing Crisis." *EPC*, November 2024. <https://www.epc.eu/en/publications/How-the-EU-should-tackle-the-housing-crisis~5f7198>.

35 *Ibid.*; European Economic and Social Committee. "The EU Needs a Pan-European Policy Response to Its Housing Crisis." *EESC*, December 2024. <https://www.eesc.europa.eu/en/news-media/news/eu-needs-pan-european-policy-response-its-housing-crisis>.

### ***Institutional Changes in the EU's 2024-2029 Legislature: Can the EU's Approach Deliver Meaningful Housing Reform?***

The EU's response to the housing crisis has evolved significantly, culminating in new institutional mechanisms to address affordability and supply constraints. The establishment of the Commissioner for Energy and Housing, alongside the European Affordable Housing Plan, signals a shift towards a more active EU role.<sup>36</sup> However, despite these developments, the EU's approach remains constrained by its reliance on market-driven solutions and the voluntary cooperation of Member States.

The European Affordable Housing Plan aims to address structural supply shortages by mobilising public and private investment, streamlining regulatory barriers, and ensuring that housing initiatives align with sustainability goals.<sup>37</sup> While increased

EU coordination is a step forward, the emphasis on public-private partnerships and financial incentives for developers mirrors policy approaches that have proven inadequate.<sup>38</sup> In Ireland, tax incentives for developers and large institutional investors led to a surge in property speculation rather than affordable housing construction, exacerbating the affordability crisis.<sup>39</sup> Similarly, in the Netherlands, deregulated rental markets have attracted private investors but failed to increase supply in a way that benefits low-income renters.<sup>40</sup> The EU's reliance on private investment over direct state intervention risks repeating these failures at a continental scale.

The European Parliament's new Special Parliamentary Committee on the Housing Crisis in the EU (HOUS) has been tasked with formulating legislative and financial recommendations.<sup>41</sup> Yet, without enforcement mechanisms, its impact will remain limited. A parallel can be drawn with Por-

<sup>36</sup> European Commission. "Dan Jørgensen – Executive Vice-President for the European Green Deal, Interinstitutional Relations and Foresight." *European Commission*. Accessed February 13, 2025. [https://commission.europa.eu/about/organisation/college-commissioners/dan-jorgensen\\_en](https://commission.europa.eu/about/organisation/college-commissioners/dan-jorgensen_en); European Commission. "Mission Letter to Dan Jørgensen." *European Commission*, 2024. [https://commission.europa.eu/document/download/35154547-48c1-4671-8d34-13e098859a57\\_en?filename=mission-letter-jorgensen.pdf](https://commission.europa.eu/document/download/35154547-48c1-4671-8d34-13e098859a57_en?filename=mission-letter-jorgensen.pdf).

<sup>37</sup> *Ibid.*

<sup>38</sup> *Ibid.*; European Investment Bank (EIB). "EIB Group Gathers Experts from Across the EU to Tackle Europe's Multi-Billion Housing Challenge." *EIB*, December 18, 2024. <https://www.eib.org/en/press/all/2024-288-eib-group-gathers-experts-from-across-the-eu-to-tackle-europe-s-multi-billion-housing-challenge>.

<sup>39</sup> McCarthy, "Institutional Investment and Residential Rental Market Dynamics,"; Department of Finance, Ireland, *Institutional Investment in the Housing Market*; International Monetary Fund, *Housing Affordability in Ireland*, IMF Country Report No. 23/412, 2023, <https://doi.org/10.5089/9798400261428.002>; Norris and Redmond, "Perspectives on the Irish Housing System," 57–84.

<sup>40</sup> International Monetary Fund, *Housing Supply in the Netherlands: The Road to More Affordable Living*; Aalbers, "Framing the Housing Crisis: Politicization and Depoliticization of the Dutch Housing Market,"; Tarne and Bezemer, *Housing Affordability in a Monetary Economy: An Agent-Based Model of the Dutch Housing Market*, no. 222.

<sup>41</sup> European Parliament. "Composition of Parliament's New Committees Released." *European Parliament*, January 16, 2025. <https://www.europarl.europa.eu/news/en/press-room/20250116IPR26333/composition-of-parliament-s-new-committees-released>; Socialists & Democrats. "Special Committee on the Housing Crisis in the European Union." *S&D Group*. Accessed February 13, 2025. <https://socialistsanddemocrats.eu/committees/special-committee-housing-crisis-european-union>.

tugal's past reliance on foreign investment schemes, such as the Golden Visa program, which promised to increase the housing supply but instead fuelled price inflation and displaced local residents.<sup>42</sup> The EU's focus on investment incentives<sup>43</sup>—rather than strict regulatory interventions—risks a similar outcome, allowing speculative forces to dominate rather than ensuring housing availability for those in need.

### ***Financial and Regulatory Support for Affordable and Social Housing: Why the EU's Market-Based Strategy Falls Short***

The EU's financial mechanisms, such as the European Regional Development Fund (ERDF) and Cohesion Funds, aim to increase access to affordable housing, particularly in economically challenged regions.<sup>44</sup> The European Affordable Housing Initiative, part of the broader Renovation Wave Strategy, seeks to improve existing housing stock while integrating ener-

gy efficiency measures.<sup>45</sup> However, these funding mechanisms fail to address a core issue: the chronic undersupply of new housing. Focusing on renovations without increasing new developments fails to expand the overall housing stock, a problem already evident in countries like the Netherlands, where restrictive zoning laws and insufficient public investment have kept supply stagnant despite rental caps.<sup>46</sup>

Furthermore, while the EU has revised state aid rules to allow direct subsidies for social housing,<sup>47</sup> this does not mandate governments to expand public housing significantly. Ireland and Portugal provide clear examples of how limited public investment in social housing leads to a long-term affordability crisis. Ireland's failure to replace sold-off social housing stock with new units, combined with reliance on private sector solutions, has deepened supply shortages.<sup>48</sup> In Portugal, where homeownership has declined, the lack of

42 Franco and Rodrigues, *Short-Term Rental Bans and Housing Prices: Evidence from Lisbon*; Pereira, "Portugal's Bid to Attract Foreign Money Backfires as Rental Market Goes Crazy,".

43 European Investment Bank. "EIB Group Gathers Experts from Across the EU to Tackle Europe's Multi-Billion Housing Challenge"; European Commission. "Mission Letter to Dan Jørgensen".

44 European Commission. "European Regional Development Fund." *European Commission*. Accessed February 13, 2025. [https://ec.europa.eu/regional\\_policy/funding/erdf\\_en](https://ec.europa.eu/regional_policy/funding/erdf_en); Housing Europe. "Housing Investment through Cohesion Policy 2021-27." *Housing Europe*, November 2019. <https://www.housingeurope.eu/housing-investment-through-cohesion-policy-2021-27/>; Housing Europe. "Housing Investment through Cohesion Policy 2021-27".

45 European Commission. "Affordable Housing Initiative."; *European Investment Bank*. "Affordable and Sustainable Housing." EIB. Accessed February 13, 2025. <https://www.eib.org/en/projects/topics/sustainable-cities-regions/urban-development/affordable-and-sustainable-housing>.

46 Tarne and Bezemer, *Housing Affordability in a Monetary Economy: An Agent-Based Model of the Dutch Housing Market*, no. 222; Boelhouwer, "The Housing Market in The Netherlands as a Driver for Social Inequalities: Proposals for Reform," 336–56; Elsinga and Wassenberg, "Demise of the Dutch Social Housing Tradition: Impact of Budget Cuts and Political Changes," 221–35.

47 European Commission. "State Aid Support for the Social Economy: State Aid Fundamentals." *European Commission*, June 2023. [https://social-economy-gateway.ec.europa.eu/document/download/9cf41b0b-0ebb-4489-a8e3-9a3205d9048d\\_en?filename=WS1\\_Thematic+paper\\_State+aid+fundamentals.pdf](https://social-economy-gateway.ec.europa.eu/document/download/9cf41b0b-0ebb-4489-a8e3-9a3205d9048d_en?filename=WS1_Thematic+paper_State+aid+fundamentals.pdf); European Economic and Social Committee. "EESC Calls for Reforms to EU State Aid Rules to Support Social Economy Entities." *EESC*, January 2025. <https://www.eesc.europa.eu/en/news-media/news/eesc-calls-reforms-eu-state-aid-rules-support-social-economy-entities>.

48 Honohan, "How Did Ireland Recover So Strongly from the Global Financial Crisis"; Hearne, "Ireland's Housing Crisis Is a Disaster for Its People – and a Gift to Far-Right Fearmongers"; Conefrey, McCann and O'Brien, "Economic Policy Issues in the Irish Housing Market," 68–119.



large-scale social housing investment has forced middle-income households into an unaffordable rental market.<sup>49</sup> Unless the EU takes a stronger stance on public housing construction, its financial mechanisms will be insufficient to counteract decades of privatisation and deregulation.

Regulatory reforms, such as the EU's Short-Term Rental Regulation and increased oversight of REITs, attempt to curb speculative investment.<sup>50</sup> While these policies acknowledge the distortions created by investor-driven markets, they remain piecemeal solutions. Portugal's decision to phase out Golden Visas and restrict short-term rentals is a promising example of regulatory intervention.<sup>51</sup> However, the aim of restricting large-scale foreign investors has been undermined by loopholes, allowing these investors to shift their capital to different market segments.<sup>52</sup> The EU must ensure that its regulations do not merely introduce restrictions but actively dismantle speculative housing investment models.

## Conclusions

The European Housing Crisis is a complex and persistent issue, characterised

by rising housing costs, declining affordability, and growing insecurity for millions. Decades of policy shifts—from post-war public investment to neoliberal deregulation—have transformed housing into speculative investment assets, leading to chronic supply shortages and market distortions. Key causes include privatisation of social housing, financial speculation, inadequate public investment, and policy failures such as ineffective rent controls and tax incentives benefiting investors over residents.

While the EU has taken steps to address the crisis, its reliance on financial incentives, voluntary compliance, and market-friendly approaches mirrors national policies that have already proven insufficient. The European Affordable Housing Plan and other initiatives indicate a growing institutional commitment, but without direct legislative authority, enforcement challenges and speculative loopholes undermine their impact. The cases of Ireland, the Netherlands, and Portugal demonstrate that similar policies—tax incentives, limited rent regulations, and reliance on private investment—have exacerbated affordability issues rather than resolved them.

<sup>49</sup> Teresa Sá Marques et al., *Property Investment and Housing Affordability in Lisbon and Porto*; Eurofound, *Unaffordable and Inadequate Housing in Europe*; Pereira, "Portugal's Bid to Attract Foreign Money Backfires as Rental Market Goes Crazy".

<sup>50</sup> European Securities and Markets Authority (ESMA). "ESMA Explores Risk Exposures to Real Estate in EU Securities Markets and Investment Funds." *ESMA*, January 10, 2024. <https://www.esma.europa.eu/press-news/esma-news/esma-explores-risk-exposures-real-estate-eu-securities-markets-and-investment>; PricewaterhouseCoopers. "EU Mandatory Disclosure Regime for Cross-Border Transactions 'DAC6'." *PwC Netherlands*. <https://www.pwc.nl/en/services/tax/tax-transparency/eu-mandatory-disclosure-regime-for-cross-border-transactions-dac6.html>; European Parliament. "New Rules for a Responsible and Transparent Short-Term Rental Sector." *European Parliament News*, February 23, 2024. <https://www.europarl.europa.eu/news/en/press-room/20240223IPR18094/new-rules-for-a-responsible-and-transparent-short-term-rental-sector>; Eurocities. "New EU Rules to Stop Illegal Short-Term Rentals Are a Welcome Change." *Eurocities*, March 2024. <https://eurocities.eu/latest/new-eu-rules-to-stop-illegal-short-term-rentals-are-a-welcome-change/>.

<sup>51</sup> Investment Visa. "Housing Crisis in Portugal Creates Investment Opportunity".

<sup>52</sup> *ibid.*; Pena, "Europe's Governments Inflate Housing Prices with Huge Tax Privileges for Real Estate".

Ultimately, while the EU's initiatives acknowledge the urgency of the crisis, they fall short of addressing its structural causes. Without a fundamental shift towards large-scale public housing investment, strict rent regulations, and aggressive measures against speculation, these strategies will merely manage symptoms rather than create lasting solutions. A more interventionist approach, involving stronger regulatory oversight and direct public investment, is essential to reversing the trajectory of Europe's housing crisis.



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# JAMES MILLIGAN

## THE STORMONT BRAKE: A SAFEGUARD OR A STUMBLING BLOCK?

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### Introduction

**O**n February 27, 2023, the Windsor Framework was introduced to the Northern Irish public as a revised agreement between the United Kingdom (UK) and the European Union (EU). It aimed to improve the Northern Ireland Protocol, which was designed to ease post-Brexit trade issues arising from Northern Ireland's uniquely delicate situation.<sup>2</sup> Specifically, the agreement sought to address Unionist concerns that Brexit had left Northern Ireland within the EU single market for goods. Many Unionists argued that the Northern Ireland Protocol had effectively created an Irish Sea border, subjecting companies and consumers in Northern Ireland to tougher trade restrictions than those in mainland UK.<sup>3</sup>

As a result, lawmakers in London and Brussels came to an agreement and proposed a range of sizeable concessions including: an ease on customs checks with

new "red" and "green" lanes, increased control for the UK government over VAT rates in Northern Ireland and most importantly, a new instrument designed to "*stop the application of amended or replacement EU law in Northern Ireland*" known as the Stormont Brake.<sup>4</sup> Whilst seemingly plausible in the short-term, the Brake poses a number of problems for Northern Ireland's constitutional future, along with the UK's evolving relationship with the EU under new Prime Minister Sir Keir Starmer.

The Stormont Brake was triggered for the first time in December 2024 after a Democratic Unionist Party (DUP) motion, signaling their perturbation over the Chemical Classification, Labelling and Packaging Regulation, or CLP regulation, which would subject Northern Irish manufacturers to EU rules over font sizes and text spacing.<sup>5</sup> The British Government thus responded by denying the application of the Brake, stating that the rules on

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- 2 Colin Murray and Niall Robb, "From the Protocol to the Windsor Framework," *The Northern Ireland Legal Quarterly* 74, no. 2 (September 4, 2023): 395–415, <https://doi.org/10.53386/nllq.v74i2.1100>.
- 3 Reality Check, "Brexit: What Is in Boris Johnson's New Deal with the EU?," *BBC News*, October 21, 2019, <https://www.bbc.com/news/uk-50083026>.
- 4 Northern Ireland Assembly, "The Stormont Brake," accessed March 12, 2025, <https://www.niassembly.gov.uk/contentassets/7aabb06f68064d46a174d05ae452692b/the-stormont-brake.pdf>.
- 5 Democratic Unionist Party (DUP), "Stormont Brake Pulled for the First Time," March 1, 2024, <https://mydup.com/news/stormont-brake-pulled-for-the-first-time>.



chemical packaging did not meet the threshold of having a “*significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist*”.<sup>6</sup> It remains to be seen if the pro-Brexit DUP and the more radical members of the Ulster Unionist Party (UUP) will work together again to pull the Brake. However, a common theme arising is that the Brake is being used as a weapon by Unionists, keen to delay and obstruct future UK-EU engagement. Unsurprisingly, Nationalists within Northern Ireland are eager to oppose the Brake, citing its use as a “*distraction from the real issues*”.<sup>7</sup>

This article aims to examine how the Stormont Brake poses a number of obstacles to the future of the UK’s relationship with the EU and how its weaponisation may lead to future deadlock in the Northern Irish constitutional situation. By analysing the development of legislation on Northern Ireland’s post-Brexit position and forecasting future scenarios, this article will determine whether the Brake is fit for purpose in the long term.

### **Background: What are the Stormont Brake and Windsor Framework?**

The Protocol on Ireland/Northern Ireland, a key part of the UK-EU Withdrawal Agreement, gave Northern Ireland a

unique status after Brexit, maintaining its vital place in the UK while effectively aligning it with the EU’s single market for goods and customs rules.<sup>8</sup> Most importantly, the lack of a physical land border between the Republic of Ireland and Northern Ireland was enshrined in the Good Friday Agreement, and any alteration to this *status quo* would have serious repercussions on the delicately constructed post-conflict society in Northern Ireland. This is why Brexit has caused such enormous headaches for lawmakers both in the UK, Northern Ireland, and within the European Union, as they strive to formulate an agreement that meets the demands of all involved.

As the island of Ireland has no physical land border but contains two nations, one with EU membership and one without, successive British Prime Ministers have put forward various proposals to address the sensitive issue of cross-border trade while upholding the primacy of the Good Friday Agreement. Theresa May’s proposed “backstop” would have kept the entire UK within a temporary customs union with the EU until a future agreement was reached, preventing the need for customs checks at the Irish border.<sup>9</sup> Boris Johnson’s Northern Ireland (NI) Protocol, implemented as part of the UK’s withdrawal agreement, took a different approach by removing Great Britain from the EU customs union

6 UK Government, “Correspondence from the Secretary of State for Northern Ireland Pursuant to Schedule 6B, Northern Ireland Act 1998,” January 20, 2025, [https://assets.publishing.service.gov.uk/media/678e4c3d432c55fe2988f63e/Correspondence\\_from\\_the\\_Secretary\\_of\\_State\\_for\\_Northern\\_Ireland\\_pursuant\\_to\\_Schedule\\_6B\\_Northern\\_Ireland\\_Act\\_1998\\_20.01.2025\\_1\\_.pdf](https://assets.publishing.service.gov.uk/media/678e4c3d432c55fe2988f63e/Correspondence_from_the_Secretary_of_State_for_Northern_Ireland_pursuant_to_Schedule_6B_Northern_Ireland_Act_1998_20.01.2025_1_.pdf).

7 Matthew O’Toole, “O’Toole: Stormont Brake Distraction from Real Issues,” *Social Democratic and Labour Party*, 2025, [https://www.sdlp.ie/o\\_toole\\_stormont\\_brake\\_distraction\\_from\\_real\\_issues](https://www.sdlp.ie/o_toole_stormont_brake_distraction_from_real_issues).

8 Billy Melo Araujo, “The Windsor Framework and Its Impact for Northern Ireland and EU-UK Relations,” *Social Science Research Network*, January 1, 2023, <https://doi.org/10.2139/ssrn.4599159>.

9 Pauline Schnapper, “Theresa May, the Brexit Negotiations and the Two-Level Game, 2017–2019,” in *The Nested Games of Brexit* (London: Routledge, 2022).

entirely, while keeping Northern Ireland aligned with it.<sup>10</sup> This arrangement led Unionists in Northern Ireland to collapse the Stormont Assembly in February 2022 when First Minister Paul Givan resigned in protest, triggering the breakdown of power-sharing institutions.<sup>11</sup> Unionists strongly opposed any agreement that created regulatory differences between Northern Ireland and the rest of the UK.

With the Northern Ireland Assembly inoperative, newly elected Prime Minister Rishi Sunak began negotiating on what would become the Windsor Framework, a revised version of the NI Protocol that addressed Unionist and businesses' concerns about the barriers to trade in the post-Brexit economy of Northern Ireland. Specifically, it provided for: "green" lanes for goods not considered to be at risk of subsequently entering the EU through the Irish border, the removal of some EU rules on goods moving to NI such as medicines and food-stuffs, and most importantly, the Stormont Brake, which allowed a minority of Members of the Legislative Assembly (MLAs) (30 MLAs from at least two parties) to veto the introduction of new EU legislation.<sup>12</sup> The introduction of the Stormont Brake acted as a stimulus to encourage the DUP back into power-sharing, and after further concessionary guarantees from the UK Government,

the Stormont assembly was restored in February 2024.

### The DUP and the Politics of Protest

The DUP has long held itself as the primary defender of Northern Ireland's place within the United Kingdom, often leveraging political deadlock as a means of exerting pressure on both Westminster and Brussels. Specifically, the party's use of the veto power within the Northern Ireland Assembly and numerous instances of dissolving Parliament through resigning their position in the executive office have created political deadlock in Northern Ireland. As McCulloch (2018) argues,

*In consociational theory, veto rights represent the primary means by which ethnic groups defend their 'vital interests', though they are often criticized for rewarding extremism and producing institutional instability.*<sup>13</sup>

Certainly, it can be argued that the DUP has leveraged the consociational structure of Northern Ireland's Assembly to its advantage in the years preceding Brexit, as one only has to look as far as their attempts to delay welfare reform, same-sex marriage and abortion reform and the numerous scandals that have surrounded the party since their rise to power in the early 2000s.<sup>14</sup> With this in mind, it is

10 Colin Murray, "From Oven-Ready to Indigestible: The Protocol on Ireland/Northern Ireland," *Northern Ireland Legal Quarterly* 73, no. 52 (December 15, 2022): 8–36, <https://doi.org/10.53386/nlq.v73is2.1057>.

11 Damien Edgar and Eimear Flanagan, "DUP: NI First Minister Paul Givan Announces Resignation," *BBC News*, February 3, 2022, <https://www.bbc.com/news/uk-60241608>.

12 Tobias Lock, Mary Dobbs, and Karen Lynch Shally, "The Windsor Framework – Guarantees, Gaps and Governance," *Northern Ireland Legal Quarterly* 75, no. 3 (October 4, 2024): 433–42, <https://doi.org/10.53386/nlq.v75i3.1152>.

13 Allison McCulloch, "The Use and Abuse of Veto Rights in Power-Sharing Systems: Northern Ireland's Petition of Concern in Comparative Perspective," *Government and Opposition* 53, no. 4 (April 3, 2017): 735–56, <https://doi.org/10.1017/gov.2017.6>.

14 James Milligan, "Power-Sharing as a Means of Conflict Resolution," *IFF Working Paper Online* 40 (January 1, 2023), <https://doi.org/10.51363/unifr.diff.2023.40>.

imperative to analyse the likelihood of parties using political instruments in their favour to disrupt or halt good governance. In this scenario, the Stormont Brake presents an opportunity for the DUP to continue its politics of protest against any further amendment or replacement of European law in Northern Ireland. It also serves as a means to reinforce their support for a hard Brexit and full alignment with the rest of the United Kingdom, which many argue is difficult to execute.<sup>15</sup>

The DUP's reliance on obstructionist tactics is not merely a response to Brexit, but part of a broader pattern in Northern Ireland's post-Good Friday Agreement political landscape. The party has frequently positioned itself as a gatekeeper, using veto power to stall progressive social policies and resist compromises that might alter Northern Ireland's constitutional status. This approach has reinforced the perception that Northern Ireland remains trapped in a cycle of instability, where governance is often dictated by the ability of one party to wield institutional mechanisms for its own strategic ends.<sup>16</sup> As a result, power-sharing, intended as a means of fostering cooperation, has instead become a battleground for political dominance in Northern Ireland, with the DUP at the center of recurring crises.

### **The Consequences of Weaponising the Stormont Brake**

The first and most pertinent consequence

of any fallout related to a weaponisation of the Stormont Brake would be a breakdown in political stability in Belfast and the destabilising effect this will have on citizens in Northern Ireland. As Brexit has signaled a new period of instability in British politics, it has also renewed interest in other destabilising movements within the UK, both with the Scottish independence movement and the emerging conversation surrounding the reunification of Ireland.<sup>17</sup> With such a resurgence in the question of Irish unity, one only has to hypothesise a scenario where the DUP will use the Stormont Brake as a mechanism to destabilise any attempt by the UK or EU to align Northern Ireland with its European counterparts. Moreover, if the Brake is fully applied at some point in the future, it will certainly lay the ground for Nationalist parties to rebuke its validity and garner support for Irish reunification, to bring the whole island back into the European Union.

Secondly, the economic fallout of weaponising the Stormont Brake could be significant, as it may create further barriers between Northern Ireland and both the EU and Great Britain. By effectively halting the application of certain EU regulations, the Brake risks disrupting the smooth flow of trade across the Irish Sea and deepening existing challenges. For businesses in Northern Ireland, the uncertainty created by frequent interventions through the Brake could lead to increased operational costs, delays, and disruptions to supply

<sup>15</sup> Mary Murphy and Jonathan Evershed, "The DUP and the European Union: From Contestation to Conformance and Back Again," in *Unionisms in Times of Change* (London: Routledge, 2021).

<sup>16</sup> *Ibid.*

<sup>17</sup> Mary Murphy, "Northern Ireland and Brexit: Where Sovereignty and Stability Collide?," in *The Nested Games of Brexit* (London: Routledge, 2022).

chains.<sup>18</sup> In particular, companies that rely on seamless access to both UK and EU markets may find themselves facing additional red tape or regulatory divergences, potentially diminishing Northern Ireland's competitiveness. Furthermore, the Brake could strain the UK's post-Brexit trade relationship with the EU, as Brussels may view its repeated use as a signal that the UK is unwilling to abide by agreed-upon arrangements, undermining efforts to maintain stable and predictable trade ties. Consequently, the economic impact could extend beyond Northern Ireland, influencing broader economic stability and growth in the UK and EU.<sup>19</sup>

While criticism of the Unionists' use of the Stormont Brake is gaining traction, it is essential to consider the issue from multiple perspectives. Whilst it is clear that the Brake is likely to be used as a defence mechanism for Unionists' constitutional interests, their argument that its application will prevent unnecessary regulation and protect businesses in Northern Ireland from increased compliance costs should not be simply ignored.<sup>20</sup> As the DUP argues, the Chemical Industries Association raised its concerns regarding the formatting rules for the labelling of packaging under the CLP

regulation and highlighted that, similarly, this would create a divergence from GB CLP, thus creating trade friction between GB and Northern Ireland.<sup>21</sup> Regardless of opinion, both the CLP regulation itself and the use of the Stormont Brake to challenge it present significant hurdles for policymakers. This not only complicates UK-EU relations but also fuels nationalist calls for a border poll, further intensifying Northern Ireland's constitutional debate.

### Interpreting the Swiss Model

Given the clear challenges of safeguarding Northern Ireland's economic security in the post-Brexit era, we can examine other cases where non-EU countries have established strong economic ties with the Union without full membership. One such example is Switzerland, which has a unique relationship with the EU, allowing it to uphold freedom of movement and access to the single market, which are key benefits of EU membership, without being a member itself. Switzerland has negotiated a series of bilateral agreements with the EU that grant it free trade access, provided it adheres to key regulations, while allowing the country to maintain full political autonomy and decision-making authority.<sup>22</sup> For example, Switzerland is part of the European Free Trade Association

<sup>18</sup> David Torrance, "Northern Ireland – the Stormont Brake," *House of Commons Library*, February 18, 2025, <https://commonslibrary.parliament.uk/research-briefings/cbp-9757/>.

<sup>19</sup> Colin Murray and Niall Robb, "From the Protocol to the Windsor Framework," *The Northern Ireland Legal Quarterly* 74, no. 2 (September 4, 2023): 395–415, <https://doi.org/10.53386/nilq.v74i2.1100>.

<sup>20</sup> Democratic Unionist Party (DUP), "Stormont Brake Pulled for the First Time," March 1, 2024, <https://mydup.com/news/stormont-brake-pulled-for-the-first-time>.

<sup>21</sup> Letter from the Speaker to the Secretary of State regarding Notification under Part 3 of Schedule 6B of the Northern Ireland Act 1998 ("Stormont Brake") and the Written Explanation (Annex 1) available from: <https://www.niassembly.gov.uk/globalassets/documents/speaker/correspondence/annex-1-written-explanation---brakenotification19dec24.pdf>

<sup>22</sup> Wolf Linder, "Switzerland and the EU: The Puzzling Effects of Europeanisation without Institutionalisation," *Contemporary Politics* 19, no. 2 (June 2013): 190–202, <https://doi.org/10.1080/13569775.2013.785830>.



and enjoys the full benefits of being part of the Schengen Area. Moreover, Switzerland negotiated the Bilateral Agreements of 1999 and 2004, establishing standards for free movement, technical trade barriers, agriculture, and education, thus solidifying Switzerland's unique relationship with the EU and providing a strong foundation for ongoing cooperation.<sup>23</sup> Certainly, in the case of Northern Ireland, the Swiss model could be used as renewed inspiration for providing a more cooperative and reliable framework and preventing future roadblocks in policymaking, just as it did with Theresa May's Backstop proposal.

One of the key lessons from the Swiss-EU relationship is the necessity for policymakers to recognise and capitalise on opportunities to negotiate agreements that serve both economic and political interests. Given that sovereignty remains a highly politicised issue, particularly in regions with complex governance structures like Northern Ireland, policymakers must navigate the delicate balance between maintaining regulatory autonomy and ensuring economic stability.<sup>24</sup> The Swiss experience highlights the need for flexibility in policymaking, as rigid approaches can lead to prolonged disputes and hinder economic cooperation. Policymakers should adopt a forward-thinking approach, proactively adjusting policies to accommodate shifting political dynamics and external economic pressures. In the case of Northern Ireland, this means carefully assessing how the Stormont Brake is applied, ensuring it serves as a tool for legitimate scrutiny

rather than a mechanism for perpetual deadlock.

## Conclusion

The long-term viability of the Stormont Brake depends not only on its legal framework but also on how political actors choose to use it. Although designed to address Unionist concerns over EU influence, its weaponisation risks deepening divisions within Northern Ireland and complicating the UK's relationship with Brussels. At a crucial time when Prime Minister Starmer is attempting to redefine the UK's relationship with the EU, the use of the Brake could complicate this process. If the Brake becomes a recurring source of political deadlock, it could weaken confidence in Stormont's ability to function effectively, reinforcing calls for alternative governance arrangements, including potential Irish reunification.

<sup>23</sup> *Ibid.*

<sup>24</sup> Xinyan Zhao, *The Stormont Brake: What Can We Learn from the Swiss-EU Relationship?*, Centre for Inclusive Trade Policy, January 23, 2023, <https://citp.ac.uk/publications/the-stormont-brake-what-can-we-learn-from-the-swiss-eu-relationship>.



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# EVA PALO

## TRUMP'S SECOND TERM AND THE FUTURE OF TRANSATLANTIC RELATIONS

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### Introduction

**A**fter four years, on November 5, 2024, Donald Trump was re-elected President of the United States (US). Trump's victory paves the way for different and complex scenarios, such as the future of US relations with the European Union (EU) and China, the war in Ukraine, and the Israeli-Palestinian crisis, the outcomes of which appear too difficult to be foreseen. The main guidelines of his future policy appear, instead, more predictable. Following a path already known because of his first term, on his first day in office, President Trump wasted no time delivering on the promises he made to the American people. He signed executive orders to secure the border, deport illegal immigrants, unleash American prosperity, and reduce American commitment to key international agreements, withdrawing from the World Health Organisation and the Paris climate agreement. Despite these initial moves which look to be both controversial and revolutionary, another topic worthy of analysis is the approach he will use with the European Union –considering the hesitance toward multilateralism during his first presidency and tariff threats against the EU delivered during his campaign– and how this will

affect transatlantic relations in this highly tense geopolitical atmosphere.

Recalling the evolution of transatlantic relations from the end of the Second World War to the Biden Administration, this article will try to predict what could be the future US-EU partnership during Trump's second term, questioning if this could represent a new wake-up call for the European Union's development of its strategic autonomy.

### Transatlantic Relations from the Second World War to the Biden Administration

A strong EU-US partnership has characterised the international system from the end of the Second World War until now. It has prospered for more than six decades and was constructed on a foundation of shared common values, including the commitment to the rule of law, the democratic process, free enterprise, human rights, and alleviating poverty, thus making the EU and the US natural partners for tackling today's global challenges. However, the EU-US partnership has experienced many ups and downs during these years. On the one hand, the US has often supported the European integration process, emphasising its importance as an

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anti-Soviet perspective; on the other hand, it has sometimes looked at the growing economic and political strength of the European Community (EC) as something that could damage US leadership or interests. The “Year of Europe” initiative supported in 1973 by former US Secretary of State Henry Kissinger in order to define a more balanced political and economic US-EC partnership –following the development of European Political Cooperation (EPC) and the trade difficulties Washington was experiencing with the EC– as well as the apparent drift following the different approaches adopted by EPC and US in the aftermath of the 1979 Iran hostage crisis and the Polish crisis in 1981 appear useful to underline how US and EC interests sometimes used to diverge. Different perceptions and policies indeed used to push the Allies to choose quite different and, at times, opposite stances, thus questioning their strong partnership.<sup>2</sup>

Despite these high-tension moments which have also occurred since the end of the Cold War, such as some EU Member States’ reaction to former President

George W. Bush’s invasion of Iraq in 2003, transatlantic relations have always rested on the assumption that, despite everything, Europe can always rely on the US’s help and protection, thus making this partnership strong enough to face every kind of issue or drift.<sup>3</sup>

The first US President to question this EU awareness was Barack Obama. On many occasions, he underlined that Europe had become a strong and stable region, not more needy of US help or assistance. It was clear indeed that, despite America’s strong commitment to the defence of all NATO partners, he would have continued to pursue a foreign policy in which Europe was a major, but no longer the main, focus of American foreign policy.<sup>4</sup> At the same time, although the EU and US accomplished historic goals during the Obama Administration, such as the Paris Agreement and the Joint Comprehensive Plan of Action in 2015, President Obama often showed some criticism toward EU Member States, accusing them of acting as free-riders in security affairs and pushing the US “to act [in an international crisis,

2 European Political Cooperation was first introduced in 1970 following the Davignon Report, which laid the foundations for political cooperation between the Member States in foreign policy. It was basically intergovernmental in character, based on consensus and nurtured a diplomacy based on high-sounding statements and the adoption of a very general stance on international issues. During the 1980s, Member States started to adopt common positions, backed up with economic sanctions. This happened for example during the Soviet invasion of Afghanistan, the Israeli-Palestinian talks, the Middle East, the Conference on Security and Cooperation in Europe, and so on. Following the events in Iran and Poland, the European Community, using the EPC framework, chose to adopt a different approach from the one used by the United States, thus trying to maintain an open dialogue with all the actors involved in order to pursue the détente policy the EC had been supporting. For further details, see Maria Eleonora Guasconi, *Prove di politica estera. La cooperazione politica europea, l'Atto Unico europeo e la fine della guerra fredda* (Mondadori, 2020); Mark Gilbert, “Gli anni Settanta: un decennio di tensione e disattenzione nelle relazioni transatlantiche,” in *Le crisi transatlantiche. Continuità e trasformazioni*, ed. Mario Del Pero and Federico Romero (Biblioteca di Studi Americani, 2007).

3 Paolo Magri, Gianluca Pastori, Alessia De Luca, Elena Corradi, and Fabio Parola, “Gli USA e il mondo: come cambia il rapporto con l’Europa,” *Focus* n.2, *Ispionline*, September 22, 2020, <https://www.ispionline.it/it/pubblicazione/gli-usa-e-il-mondo-come-cambia-il-rapporto-con-leuropa-27551>.

4 “What’s Obama’s European legacy?” *Politico*, April 21, 2016, <https://www.politico.eu/article/what-will-define-barack-obamas-european-legacy-eu-us/>.

such as Libya in 2011] *but then showing an unwillingness to put any skin in the game*".<sup>5</sup> Given this, in Obama's view, Europeans could not take US commitment for granted anymore, but they were asked to work harder, work more for their security, and give more credibility to their common foreign policy. Despite Obama's criticism, it would have been President Donald Trump's approach toward the European Union to create a more significant split between the Allies. Since his first election in 2017, President Trump has demolished the main pillars that laid the foundations of transatlantic relations: those of economics and strategy.

On the economic side, since the beginning of his first administration, President Trump did not share the idea that the trade and financial integration processes the European Union had experienced were as positive for the United States as they were for the EU itself. The growing deficit the US had been recording toward the EU for the last twenty years signaled that the economic relations between Washington and Brussels were neither balanced nor useful to the US balance of payments. They represented, instead, a vantage only for the EU and, above all, for Germany. Not so unexpectedly, in 2018, President Trump labelled the EU as a *foe*

in economic and trade affairs, just like China and Russia, and in 2019, adopted some punishing tariffs on EU goods, thus damaging trade.<sup>6</sup>

On the strategic and security side, the issue was no less crucial. European States' inability to commit 2% of their GDP to defence spending, following the agreement reached by NATO's heads of government and states in 2014, strengthened Trump's idea that Allies had been acting like free-riders and taking advantage of the United States' capabilities and assets without being truly committed to NATO or their own security.<sup>7</sup>

In a not-so-relaxed atmosphere, the outbreak of the COVID-19 pandemic considerably worsened transatlantic relations: In March 2020, President Trump accused the EU of having failed to take enough precautions and restrict travel from China, thus spreading the "*foreign virus*" to the US. These allegations resulted in a US travel ban from Europe, adopted without any consultation with European Allies, deepening the already significant rift between the two partners.<sup>8</sup>

Probably due to all that Europeans had experienced during Trump's four-year presidency, Joe Biden's election was met

<sup>5</sup> Jeffrey Goldberg, "Obama unhappy with the allies, upset at free-riders," *The Atlantic Council*, March 10, 2016, <https://www.atlanticcouncil.org/blogs/natosource/obama-unhappy-with-allies-upset-at-free-riders/>.

<sup>6</sup> Gianluca Di Donfrancesco, "Aiuti a Airbus, sì WTO a dazi Usa per 7,5 miliardi sulle merci Ue. Europa pronta a rispondere," *Il Sole 24 ore*, October 2, 2019, <https://www.ilsole24ore.com/art/wto-da-ragione-usa-scattano-dazi-75-miliardi-merci-ue-ACIhoXo>.

<sup>7</sup> It might be for this reason that, in July 2020, President Trump announced a significant reduction of US troops in Germany, paving the way to the withdrawal of 12,000 contingencies, at least in part due to its failure to spend enough on defence. "So, we are paying to 4.3% when Germany is paying 1 to 1.2% of a much smaller GDP. That's not fair" said Trump in December 2019. See Amanda Macias, "US moves nearly 12,000 troops out of Germany," *CNBC*, July 29, 2020, <https://www.cnn.com/2020/07/29/us-is-bringing-6400-troops-home-from-germany.html>.

<sup>8</sup> Saim Saeed, "Trump's Europe travel ban explained," *Politico*, March 12, 2020, <https://www.politico.eu/article/coronavirus-donald-trump-europe-travel-ban-explained/>.



with hope and enthusiasm by European leaders, who hoped to restore the previous EU-US partnership. However, during these four years, despite the relevant convergence of US and EU policies toward general security and defence issues – following Russia's invasion of Ukraine in 2022– and a more aligned policy toward China, some areas of tension persisted: trade, climate, industrial, and technology regulation policies.<sup>9</sup> This resulted in the adoption of independent policies that either inadvertently would have harmed each other's economies and interests, or created misalignments that prevented effective integration between the two sides.<sup>10</sup>

### **Trump's Second Term: A New Call for European Strategic Autonomy?**

As Donald Trump, known for his anti-

EU attitude, takes office, experts believe that Brussels must keep communication channels with Washington open and maintain transatlantic relations based on mutual interests, particularly in the areas of defence, trade, and support for Ukraine.<sup>11</sup> However, Trump's second term is expected to be difficult in various areas, including trade, technology, climate, defence, China, and Ukraine. At the same time, it could signal a pivotal moment for Europe, depending on how the EU decides to approach it. As shown by his first term, it is likely that Trump will once again erase the foundations of transatlantic ties, resuming what he started in 2017.

From a strategic and security perspective, it is unlikely that President Trump will effectively withdraw the US from NATO, as he threatened during an interview in December 2024.<sup>12</sup> However, among his

<sup>9</sup> However, it is remarkable that Europe's rush to finalise an investment agreement with China in the weeks between Biden's election and his inauguration was met by frustration by senior officials in Washington, which considered the reunion with European counterparts to be less congenial than it had hoped. It is interesting to focus on two particular events where European Member States considered President Biden not so different from his predecessor: the US withdrawal from Afghanistan and the signing of the AUKUS deal in 2021, which were interpreted in many European capitals as signals, not that America was back, but of a changing strategy: a sharper focus on China's rise and its global impact, coupled with overseas military commitments reoriented toward Asian security. However, despite all the divergences, it is important to highlight the development of the EU-US Trade and Technology Council, proposed by the EU and strongly supported by the US, in order to coordinate approaches to key global trade, economic and technology issues and to deepen transatlantic trade and economic relations based on these shared values. See Cornelius Adebahr, Dan Baer, Rosa Balfour, Lizza Bomassi, Anu Bradford, Erik Brattberg, Allison Carragher, Raluca Csernaton, Thomas de Waal, Paul Haenle, Olivia Lazard, Marc Pierini, Pierre Vimont, and Richard Youngs, "How the transatlantic relationship has evolved, one year into the Biden administration," *Carnegie Europe*, January 20, 2022, <https://carnegieendowment.org/posts/2022/01/how-the-transatlantic-relationship-has-evolved-one-year-into-the-biden-administration?lang=en>; European Commission, "EU-US Trade and Technology Council," [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/eu-us-trade-and-technology-council\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/eu-us-trade-and-technology-council_en).

<sup>10</sup> Liana Fix and Molly Carlough, "The trajectory of US-EU relations in a tumultuous year," *Elcano Royal Institute*, ARI 101\2024, July 22, 2024, <https://www.realinstitutoelcano.org/en/analyses/the-trajectory-of-us-eu-relations-in-a-tumultuous-year/>.

<sup>11</sup> "EU braces for challenges in transatlantic ties as Trump begins 2<sup>nd</sup> term," *Anadolu Ajansi*, January 21, 2025, <https://www.aa.com.tr/en/europe/eu-braces-for-challenges-in-transatlantic-ties-as-trump-begins-2nd-term-/3458526>.

<sup>12</sup> On December 8, during an interview, once questioned about the possibility for the US of getting out, Trump underlined that he would consider this possible if the Allies didn't spend enough. Recalling all the withdrawal threats he made in his first term and the effect they had on Europeans, he affirmed "I said to the countries, 'I'm not going to protect you unless you pay,' and they started paying. And that

officials, the idea to foster a stronger and significant disengagement from the Alliance and Europe itself appears to be more congenial. It is clear indeed that US priorities will be territorial defence and deterrence of China in the Asia-Pacific, but this does not necessarily mean the abandonment of Europe. As Giuseppe Spatafora, a transatlantic relations expert at the European Union Institute for Security Studies has urged, *"in the complex security environment it faces today, the United States will probably have to pick and choose their battles, and at the same time, they'll think about their own reindustrialization. (..) This means that the Europeans will need to pull up their own weight and spend more for their own defence, to support Ukraine and Russia"*.<sup>13</sup> Thus, Europeans have no choice but to ramp up their own security, a process that could eventually retain Washington's interest in the Alliance and dispel accusations of free-riding.<sup>14</sup>

Issues concerning the war in Ukraine are strictly related to the President's attitude toward NATO and European security. During his campaign, Trump stressed that he would end the Russo-Ukrainian war in one day, promoting, at the same time, the suspension of any US military and financial

aid to Kyiv. However, if Trump followed this rhetoric, it is likely that Europeans would not be able to rapidly compensate for US capabilities, due to the uneasiness of providing Ukraine a constant flow of goods, thus undermining assistance to the country.<sup>15</sup>

In the realm of trade, Europe seems to be in a stronger position than in defence. However, Trump sees the US trade deficit with the EU as a critical priority, and for this reason, during his campaign, he announced future tariffs on European goods. Following this scenario, the EU would be extremely vulnerable to the President's plans, thus pushing Brussels to act more competitively and protect its own economy. The report adopted in September 2024 by former Italian Prime Minister and European Central Bank President Mario Draghi appears to be aligned with what Europeans are asking to do due to Trump's trade policies. It provided the blueprint for competitiveness on an industrial strategy for Europe, suggesting acting not as protectionists, but in the interest of preserving Europe's prosperity.<sup>16</sup> This could include, for instance, simplification or reduction of EU rules to minimise regulatory burden on growing industries or countering the dein-

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*amounted to more than \$600 billion. That's a big thing. Otherwise, they wouldn't even be fighting. They wouldn't have any money to fight. If they're paying their bills, and if I think they're doing a fair – they're treating us fairly, the answer is absolutely I'd stay with NATO". See Meet the Press, December 2024, NBC News, December 8, 2024, <https://www.nbcnews.com/meet-the-press/meet-press-december-8-2024-n1311184>.*

13 "EU braces for challenges in transatlantic ties as Trump begins 2<sup>nd</sup> term," *Anadolu Ajansi*, January 21, 2025, <https://www.aa.com.tr/en/europe/eu-braces-for-challenges-in-transatlantic-ties-as-trump-begins-2nd-term-/3458526>.

14 Shairee Malhotra and Rajoli Siddharth Jayaprakash, "Trump 2.0 and European security," *Observer Research Foundation*, November 23, 2024, <https://www.orfonline.org/expert-speak/trump-2-0-and-european-security>.

15 Sofia Ena, "Trump 2.0 e l'Europa. Un bivio tra autonomia e dipendenza strategica," *Mondo Internazionale Post*, November 30, 2024, <https://mondointernazionale.org/post/trump-2-0-e-leuropa>.

16 Mario Draghi, "The future of European competitiveness: a competitiveness strategy for Europe," September 9, 2024, [https://commission.europa.eu/topics/eu-competitiveness/draghi-report\\_en](https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en).

dustrialisation of European economies.<sup>17</sup> Hastening this plan, in July 2024, European Commission President Ursula von der Leyen took a similar stance in her Political Guidelines for the 2024-2029 Commission, suggesting giving *“adequate weight to the European economy’s more acute needs in respect of resilience, efficiency and innovation”*.<sup>18</sup>

Given this, concerning defence, in order to be considered able to defend itself, the European Union has to strengthen its budget and pursue massive internal reforms to ensure that Europeans can operate and fight together. In the US-EU trade relationship, it is clear that the EU would prefer to avoid a trade war and offer concessions. European Commission President Ursula von der Leyen has suggested that the European Union could buy more US liquified natural gas as part of a broader trade deal with Washington or, as suggested by the head of the European Parliament’s trade committee, it could reduce its 10 percent import tax on cars, aligning it more closely with the 2.5 percent charged by the United States. However, it is also important to recognise that, in trade policy, Europe has enough power and ability to act and to retaliate if necessary. The European Union could thus reimpose tariffs on US imports that were suspended under the deal that ended the 2018 dispute with the first Trump administration.<sup>19</sup> This path the European Union should follow is one that would aim to make the EU more autonomous, more capable, and more reliant.

Donald Trump’s second term challenge to European security and economy may represent a second wake-up call for it.

The concept of strategic autonomy is quite evident: it refers to the capacity of the EU to act autonomously –without being dependent on other countries– in strategically important policy areas, which can range from defence policy to the economy, and the capacity to uphold democratic values. From 2017 to 2019, EU strategic autonomy was considered a way to defend European interests in a hostile geopolitical environment, marked by Brexit, Trump’s first presidency, and China’s growing assertiveness. In 2020, the COVID-19 pandemic shifted the focus to mitigating economic dependence on foreign supply chains and, in 2022, the outbreak of the war in Ukraine pushed Europeans to focus on their defence dimension and the development of a strong defence industrial base. During the European Council meeting of 10-11 March 2022, which adopted the Versailles Declarations, EU Member States agreed that increased investment in defence capabilities should have happened in a *“in a collaborative way within the EU”* and should *“stimulate Member States’ collaborative investments in joint projects and joint procurement of defence capabilities”*. The declaration also called for greater energy independence and a *“robust economic base”*.<sup>20</sup> After that, the European Council

17 Carmen Bell, Jacob Moroza-Rasmussen, and Thomas Thaler, “Trump’s Return: A Second Wake-Up Call for European Strategic Autonomy?” APCO, November 22, 2024, <https://apcoworldwide.com/blog/trumps-return-a-second-wake-up-call-for-european-strategic-autonomy/>.

18 Ursula von der Leyen, “Political Guidelines for the next European Commission 2024-2029,” Strasbourg, July 18, 2024, [https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648\\_en?filename=Political%20Guidelines%202024-2029\\_EN.pdf](https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf).

19 Max Bergmann, “The Transatlantic Alliance in the Age of Trump: The Coming Collisions,” *Center for Strategic and International Studies*, February 14, 2025, <https://www.csis.org/analysis/transatlantic-alliance-age-trump-coming-collisions>.

20 Informal meeting of the Heads of State and Governments, “Versailles Declaration,” March 10-11, 2022, <https://www.consilium.europa.eu/media/54773/20220311-versailles-declaration-en.pdf>.

showed renewed unity at its meeting of March 24-25, 2022, where it endorsed the Strategic Compass for the EU's security and defence policy to 2030, thus underlying Europeans' will to improve their own defence capabilities in order to be able to face strategic challenges.<sup>21</sup> However, despite this awareness of the importance of autonomy, during these years, Europeans have realised how they had been relying on US armaments imports. This was possible thanks to the Foreign Military Sales program and because of their low investments in the development of a strong technological and industrial European defence base.<sup>22</sup> Thus, while in 2024, the European Commission, under Ursula von der Leyen's leadership, created the new position of Defence Commissioner, and had been advocating for a European Defence Union to build Europe's defence capabilities through common EU debt, progress has been slow and riddled with challenges because Member States have been reluctant to pool in sovereignty to the EU on security amidst political instability in the key power centers of France and Germany.<sup>23</sup>

Even though Trump's second term is likely to be a further stimulus for the earlier debates concerning strategic autonomy, it is not so easy to foresee if these hopes and perceptions will effectively bring an improvement in European capabilities and policies. Europe appears more divided

than ever. The far-right forces in the EU, who often sympathise with Trump, have taken power in some European Member States and, thanks to the President's re-election, they have just received a huge confidence boost and may now be able to use new levers to push toward a gradual normalisation of far-right policies in various domains, aligning themselves with the Trump administration.<sup>24</sup> Given this, and considering the very fragile international system we have been living in, it would be more difficult for the advocates of European strategic autonomy to achieve their goal and give Europe what it really requires.

## Conclusion

The re-election of President Trump comes at a very delicate moment in international affairs. The path Trump is likely to follow pushes us to wonder how transatlantic relations will evolve in the future. As French President Emmanuel Macron urged during an interview on February 14, the return of Trump could be an "*electroshock*" for the Old Continent, and it should push Europe to "*muscle up*" on defence and economy.<sup>25</sup> A clear example of Trump's electroshock to Europeans was given by the last meeting with the US President and his Ukrainian counterpart. After US President Trump and Vice President JD Vance's attack on Ukraine President Volodymyr Zelenskyy during their meeting on February 28, on March 4, the US suspended military and

21 European Council meeting, "Conclusions," March 24-25, 2022, <https://data.consilium.europa.eu/doc/document/ST-1-2022-INIT/en/pdf>.

22 It is a security assistance program of the United States government to facilitate the purchase of US arms, defence equipment, design, and military training to foreign governments.

23 Malhotra and Siddharth Jayaprakash, "Trump 2.0 and European security."

24 *Ibid.*

25 Francesco Bartoletto, "Trump is the 'electroshock' that Europe needs, says Macron," *EUNews*, February 14, 2025, <https://www.eunews.it/en/2025/02/14/trump-is-the-electroshock-that-europe-needs-says-macron/>; Roula Khalaf, Leila Abboud, and Ben Hall, "Europe must respond to Trump 'electroshock', says Macron," *Financial Times*, February 14, 2025, <https://www.ft.com/content/1ee43b51-9d3a-47d2-adf6-3315c38e1c38>.



intelligence assistance to Ukraine, thus paving the way to a delicate scenario and proving how deep the rift is between the US and the EU. After the US change of attitude, at a summit meeting in London on March 2, UK Prime Minister Keir Starmer announced that Ukraine's Western Allies would keep military aid flowing to accomplish the aim of a lasting peace that ensures the sovereignty of Ukraine, while underlying the readiness of the UK to "*to put boots on the ground and planes in the air*" to defend Ukraine if necessary, evoking a "*coalition of the willing*" of other countries to do the same.<sup>26</sup> Support for Ukraine was later reiterated during an extraordinary meeting on March 6, where European leaders also agreed to significantly boost defence spending to ensure Europe's security, showing the first effects of President Trump's stances on the EU's search for strategic autonomy.<sup>27</sup>

Despite that, even though it is unpredictable to define exactly how the Trump administration will act in its foreign and trade policies, it is clear that European leaders need to improve their capabilities and increase their unity in order not to surrender to US trade policies and external actions. Though the required reforms are a big ask to European States, they are necessary in order to give the EU its maximum agency and strength. By promoting unity, embracing strategic autonomy, and asserting its global influence, the EU can ensure it remains a strong and resilient player on the world stage, no matter what happens in Washington.

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<sup>26</sup> Stefan Grobe, "Europe agrees steps to peace in Ukraine, but it needs US backing," *Euronews*, March 2, 2025, <https://www.euronews.com/my-europe/2025/03/02/europe-agrees-peace-plan-for-ukraine-but-it-needs-us-backing>; Vicky Wong, "Starmer announces 'coalition of the willing' to guarantee Ukraine peace," *BBC*, March 2, 2025, <https://www.bbc.com/news/articles/c9vygkzkkvrvo>.

<sup>27</sup> See "European Council Conclusions on Ukraine," March 6, 2025, <https://www.consilium.europa.eu/en/press/press-releases/2025/03/06/european-council-ukraine/>.



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# LORENZO AVESANI

## HOW WILL TRUMP 2.0 IMPACT EUROPEAN STRATEGIC AUTONOMY?

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### Introduction

**T**he re-election of Donald Trump to the White House has surged the debate about the possibility of the European Union (EU) developing its Strategic Autonomy. Since the first Trump administration (2016-2020), the concept of European Strategic Autonomy has become a buzzword among scholars and EU policymakers. Strategic Autonomy is a central element of state sovereignty as it outlines the means, rationales, and goals of a political actor in international relations. Fundamentally, scholars define it as *"the ability to set one's own priorities and decisions in matters of foreign policy and security, together with the institutional, political and material wherewithal to carry these through cooperation with third parties, or if need be alone"*.<sup>2</sup>

The term *"European"* refers to the geographical dimension, reigniting the

discussion about the *"nature of the beast"*, namely, framing the EU as an actor. The supranational-intergovernmental duality of the EU does not provide a clear definition of what kind of actor it is. The EU shows *"an organisational and member state core - granted by the European institutions - but with a level of centralization and territorial extension that vary by function"*,<sup>3</sup> which is the outcome of *"a long and difficult search for a constitutional foundation"*.<sup>4</sup> Nevertheless, the topic has become crucial in light of the numerous systemic challenges. The current President of the European Commission, Ursula von der Leyen, sees it as a functional and normative lever to drive results-oriented initiatives and a pull factor to encourage Member States to pursue further integration.<sup>5</sup> Reports from former Italian Prime Ministers, Mario Draghi and Enrico Letta, and former Finnish President of the Republic Sauli Niinistö, as well as the 2024-2029 Political Guidelines, acknowledge the current *status quo* and

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2 Barbara Lippert, Nicolai Von Ondarza, and Volker Perthes, "European Strategic Autonomy: actors, issues, conflicts of interests," *Stiftung Wissenschaft und Politik - Deutsches Institut für Internationale Politik und Sicherheit*, No. 4, (2019): <https://doi.org/10.18449/2019RP04>.

3 Dirk Leuffen, Berthold Rittberger, and Frank Schimmelfennig, *Integration and differentiation in the European Union* (Cham: Palgrave Macmillan, 2022), 32.

4 *Ibid.*, 403.

5 Camille Beaucillon, "Strategic Autonomy: A New Identity for the EU as a Global Actor," *European Papers-A Journal on Law and Integration*, no. 2 (2023): 417-428, 420.

share the idea that Brussels “*must act as a Union in a way it never has before*”.<sup>6</sup>

### Chronicles of a Never-ending Debate

The concept of European Strategic Autonomy was established in the 1990s and was significantly shaped by the EU’s transformation under the Maastricht Treaty. The 1998 Saint-Malo Declaration partially addressed the key issue regarding the EU’s role as a security actor, balancing Europe’s willingness to be more independent in security matters with the United States’s (US) desire to maintain the primacy of NATO as a security actor. However, the Declaration ambiguously solved the knot by not providing any suggestions on the essence and scope of key terms such as “*autonomous military capability*” and “*national or multinational European means outside the NATO framework*” in order to avoid Euro-Atlantic tensions.<sup>7</sup>

Pull factors for European Strategic Autonomy emerged in the 2010s as a reaction to the emergence of the polycrisis, which impacted the EU’s internal cohesion on economy and security. By the end of 2013, the term appeared in the document “European Council on Defence

Conclusions” published at the Brussels summit.<sup>8</sup> The expression assessed a path towards a more integrated EU Defence Technological and Industrial Base, aiming to achieve autonomy from external actors in terms of military supply. However, European Strategic Autonomy expanded its meaning in 2016, a game-changing year marked by Brexit and Donald Trump’s first victory in the US. The EU Global Strategy identified key priorities, such as the ability to respond to external crises and conflicts, strengthening the capacities of partners and safeguarding the Union and its citizens. These innovative approaches were seen as essential means to pursue these objectives.<sup>9</sup> The Permanent Structured Cooperation and the European Defence Fund were activated with the aim of serving as a “*silver thread between the EU’s operational capacities, capability development initiatives and defence industrial and technological support bringing European security and defence to a higher level*”.<sup>10</sup>

The concept of European Strategic Autonomy has evolved from an actorness perspective, namely “*being an autonomous, coherent, dynamic and consistent global actor*”.<sup>11</sup> In 2016, it became more than a theory since European Strategic Autonomy

6 Mario Draghi, “The Future of European Competitiveness: Part A | A Competitiveness Strategy for Europe,” *European Commission*, September 9, 2024, [https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961\\_en](https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en).

7 Ethan Michaels and Monika Sus, “(Not) Coming of Age? Unpacking the European Union’s Quest for Strategic Autonomy in Security and Defence,” *European Security* (2024): 383-405, 390.

8 European Council, *Council of the European Union Document*, EUCO(2013) 217, Brussels, 20 December 2013.

9 Council of the European Union, *EU Global Strategy Implementation Plan: Security and Defence*, OR. 14392/16, Brussels, 14 November 2016.

10 Federica Mogherini, “From Shared Vision to Common Action: Implementing the EU Global Strategy Year 1: A Global Strategy for the European Union’s Foreign and Security Policy,” *European External Action Service*, June 19, 2017, [https://www.eeas.europa.eu/sites/default/files/full\\_brochure\\_year\\_1\\_0.pdf](https://www.eeas.europa.eu/sites/default/files/full_brochure_year_1_0.pdf).

11 Martin Rhinard and Gunnar Sjöstedt, “The EU as a Global Actor: A New Conceptualisation Four

concretely embodies the concept of EU actorness. The European Commission and France supported the idea due to skepticism towards US consistency in European security. French President Emmanuel Macron even questioned the possibility of revitalising the *"brain-dead"* transatlantic cooperation.<sup>12</sup> On the other hand, a group of countries led by Germany took a more moderate stance. In an interview, former German Foreign Minister Annegret Kramp-Karrenbauer dismissed the idea as an illusion, emphasising Europe's dependence on US conventional and nuclear military protection.<sup>13</sup>

The reality was sending mixed signals. Joe Biden's administration in the US appeared to confirm the latter stance as the Democratic President made significant efforts to mend Euro-Atlantic relations. The 2022 Russian invasion of Ukraine further solidified the US's commitment to ensuring European security. Nevertheless, Trump's possible return –which became a reality in November 2024– stimulated the EU's efforts toward Strategic Autonomy. Ursula von der Leyen emphasised this shift in 2019 at the start of her first mandate. Together with Josep Borrell, the former High Representative of Foreign Affairs and Security Policy, she worked to prepare Europe to speak *"the language of power"*.<sup>14</sup>

In March 2022, the Member States approved the European Strategic Compass, consolidating political commitment to investing in European defence. The Political Guidelines for 2024-2029 have outlined that Strategic Autonomy can only be achieved by deepening European integration. While Draghi, Letta, and Niinistö show the way to reach it in strategic fields, the three reports share how European competitiveness, economy, and defence are *"public goods"* that require a *"systematic review of the various existing instruments at the EU level, political leadership and a long-term time horizon"*.<sup>15</sup>

### **The T-factor and Internal Troublemakers**

The return of Donald Trump to the White House has opened a new chapter for European Strategic Autonomy. With the US increasingly turning its back on Europe, Brussels could become a fully international security actor. This new phase presents both similarities and differences compared to the previous ones. On the one hand, existing security challenges, such as Russia's ongoing war in Ukraine, have underscored the need for European Strategic Autonomy. On the other hand, it will be more *Trump-proof* as Trump's hostility towards the EU and multilateralism confirms that Euro-

Decades after 'Actorness'," *Swedish Institute for International Affairs*, 2019, <https://www.ui.se/globalassets/ui.se-eng/publications/ui-publications/2019/ui-paper-no.-6-2019.pdf>.

12 Sophie Pedder, "Emmanuel Macron Warns Europe: NATO Is Becoming Brain-Dead," *The Economist*, November 7, 2019, <https://www.economist.com/europe/2019/11/07/emmanuel-macron-warns-europe-nato-is-becoming-brain-dead>

13 Annegret Kramp-Karrenbauer, "Europe Still Needs America," *Politico.eu*, November 2, 2020, <https://www.politico.eu/article/europe-still-needs-america/>.

14 Josep Borrell, "Several Outlets: Europe Must Learn Quickly to Speak the Language of Power," *European External Action Service*, November 29, 2020, [https://www.eeas.europa.eu/eeas/several-outlets-europe-must-learn-quickly-speak-language-power\\_und\\_en](https://www.eeas.europa.eu/eeas/several-outlets-europe-must-learn-quickly-speak-language-power_und_en).

15 Roel Beetsma and Marco Buti, "Promoting European Public Goods," *EconPol Forum, Munich: CESifo GmbH* 25, no. 3 (2024): 37-41, 37.



Atlantic relations may become more confrontational than before.<sup>16</sup> Trump Presidency, only five EU countries met or at least came close to meeting

	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Belgium</b>	<b>0.89</b>	<b>0.88</b>	<b>0.89</b>	<b>0.89</b>	<b>1.01</b>	<b>1.04</b>	<b>1.18</b>	<b>1.21</b>	<b>1.30</b>
<b>Bulgaria</b>	1.24	1.22	1.45	3.13	1.59	1.52	1.59	1.96	2.18
<b>Croatia</b>	1.59	1.63	1.54	1.59	1.69	1.95	1.78	1.74	1.81
<b>Czechia</b>	0.95	1.03	1.10	1.18	1.30	1.39	1.34	1.37	2.10
<b>Denmark</b>	1.15	1.14	1.28	1.30	1.38	1.30	1.37	2.01	2.37
<b>Estonia</b>	2.07	2.01	2.01	2.04	2.30	2.03	2.16	3.04	3.43
<b>Finland</b>	1.42	1.38	1.39	1.45	1.53	1.40	1.68	2.09	2.43
<b>France</b>	1.79	1.78	1.81	1.81	2.00	1.91	1.88	1.96	2.06
<b>Germany</b>	1.20	1.23	1.25	1.35	1.51	1.45	1.51	1.64	2.12
<b>Greece</b>	2.40	2.38	2.54	2.45	2.91	3.70	3.88	2.80	3.08
<b>Hungary</b>	1.00	1.19	1.01	1.34	1.76	1.32	1.84	2.05	2.11
<b>Italy</b>	1.18	1.20	1.23	1.17	1.59	1.54	1.52	1.50	1.49
<b>Latvia</b>	1.44	1.59	2.06	2.02	2.16	2.09	2.12	2.87	3.15
<b>Lithuania</b>	1.48	1.71	1.97	2.00	2.07	1.96	2.45	2.78	2.85
<b>Luxembourg</b>	0.38	0.49	0.50	0.55	0.58	0.47	0.56	1.12	1.29
<b>Netherlands</b>	1.16	1.15	1.22	1.32	1.73	1.55	1.38	1.54	2.02
<b>Poland</b>	2.00	1.89	2.02	1.99	2.23	2.22	2.23	3.26	4.12
<b>Portugal</b>	1.27	1.24	1.34	1.37	1.43	1.52	1.40	1.48	1.58
<b>Romania</b>	1.43	1.73	1.79	1.84	2.01	1.85	1.74	1.60	2.25
<b>Slovakia</b>	1.12	1.10	1.22	1.70	1.92	1.74	1.81	1.84	2.00
<b>Slovenia</b>	1.00	0.98	1.01	1.05	1.06	1.23	1.29	1.34	1.29
<b>Spain</b>	0.81	0.91	0.93	0.91	1.00	1.03	1.16	1.19	1.28
<b>Sweden</b>	0.97	0.97	0.97	1.04	1.09	1.42	1.45	1.50	2.09

Table 1. Share of Real GDP (%) Spent on Defence by NATO Countries Belonging to the EU Based on 2015 Prices.<sup>17</sup>

The EU that Trump will encounter now differs from the 2016-2020 period in terms of security preparedness. Firstly, EU countries have become more committed to burden-sharing, namely the fulfilment of defence spending at least 2% of the GDP. This point is confirmed by how defence expenditure has grown since 2016. As shown in Table 1, during the first

the required burden-sharing. In contrast, currently, there are only seven States that do not meet the 2% threshold. Trump's beratings on NATO burden-sharing do not fully explain the rise of defence spending in Europe, especially in the 2022-2024 period,<sup>18</sup> i.e., during the second half of Biden's Presidency. The Russian invasion of Ukraine, instead, is game-changing. The conflict has alarmed Europeans and

<sup>16</sup> Stuart Austin, "Can European Security Be 'Trump-Proofed'?" *London Schools of Economics EUROPP Blog*, November 27, 2024, <https://blogs.lse.ac.uk/euoppblog/2024/11/27/can-european-security-be-trump-proofed/>.

<sup>17</sup> NATO, "Defence Expenditure of NATO Countries (2014–2024)," *NATO Public Diplomacy Division: Press Release*. June 17, 2024, [https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/2024/6/pdf/240617-def-exp-2024-en.pdf](https://www.nato.int/nato_static_fl2014/assets/pdf/2024/6/pdf/240617-def-exp-2024-en.pdf).

<sup>18</sup> *Ibid.*

created a rapid consensus within Member States -or at least the majority of them- to support Ukraine in an unprecedented way through military, financial, and humanitarian aid.<sup>19</sup> However, *"it is far from obvious how threatening behavior translates into threat perceptions, and how those threat perceptions translate into material action"*, making the European rising defence spending not linear.<sup>20</sup>

Yet, transatlantic security is not just about military commitments; it is also shaped by broader political dynamics. Trump's re-election threatens the EU because of its ramifications on the European domestic scenario.<sup>21</sup> In 2024, European far-right parties achieved good results in the European elections -Patriots for Europe is currently the third-largest political group in the European Parliament- and in national rallies in countries like France, Slovakia, Austria, and Romania. The year 2025 is also a crucial electoral year. In February, German elections saw the victory of the

Christian Democrats led by Friedrich Merz, but the far-right achieved a significant result that can complicate the formation of a new government.<sup>22</sup> The European far-right parties share a common rejection towards more integration on security, defence, and foreign policy, even if they diverge on crucial geostrategic aspects such as the relationship with Russia and China.<sup>23</sup> Trump's return to the White House has accelerated the disruptive attitudes of far-right parties fragmenting the efforts towards a more integrated Common Security Defence Policy.<sup>24</sup> Hungarian and Italian governments are positioning themselves as *"Trump whisperers"* to achieve individual gains.<sup>25</sup>

### Hungary: An Old Classic

Hungarian Prime Minister Viktor Orbán has continuously converged with the Republican President on Russia's war in Ukraine by praising Trump's appeasing positions towards Russia. However, it

19 Eleonora Poli and Costanza Galletto, "Shifting Sands of Europe: How Political Trends Might Reshape EU Unity Towards Ukraine," *Centre for European Policy Network* September 20, 2024, <https://www.cep.eu/eu-topics/details/the-shifting-sands-of-europe-how-political-trends-might-reshape-eu-unity-towards-ukraine.html>.

20 Jordan Becker, Douglas Lute, and Andrew Webster. "The Time for Europe to Step Up Is Now," *War on the Rocks*, May 17, 2024, <https://warontherocks.com/2024/05/the-time-for-europe-to-step-up-is-now/>.

21 Giovanni Grevi, "How Europe Views Trump: Three Camps on a Fluid Map," *Istituto per gli Studi di Politica Internazionale*, February 3, 2025, <https://www.ispionline.it/en/publication/how-europe-views-trump-three-camps-on-a-fluid-map-199184>.

22 Nette Nöstlinger, Emily Schultheis, Chris Lunday, and Hanne Cokelaere, "What's Next After Merz's Conservatives Win German Election," *Politico*, February 25, 2025, <https://www.politico.eu/article/german-election-results-2025-friedrich-merz-cdu-conservative-party-win-exit-poll/>.

23 Max Becker and Nicolai von Ondarza, "Geostrategy from the Far Right: How Eurosceptic and Far-Right Parties Are Positioning Themselves in Foreign and Security Policy," *Stiftung Wissenschaft und Politik - Deutsches Institut für Internationale Politik und Sicherheit*, No. 8 (2024): <https://doi.org/10.18449/2024C08>.

24 Martina Canesi, "Trump's Second Term: Implications for Europe's Security, Populism, and Economy," *European Student Think Tank*, January 6, 2025, <https://esthinktank.com/2025/01/06/trumps-second-term-implications-for-europes-security-populism-and-economy/>.

25 Edit Inotai and Claudia Ciobanu, "Orban, Meloni and Duda vie to become Trump's whisperers," *Balkan Insight*, October 31, 2024, <https://balkaninsight.com/2024/10/31/orban-meloni-and-duda-vie-to-become-europes-trump-whisperer/>.

remains unclear under what conditions the US would support negotiations between Kyiv and Moscow. Hungary doesn't desire the collapse of Ukraine. Budapest seeks an end to the war and a reset of EU-Russia cooperation.<sup>26</sup> During its EU Council presidency in the second half of 2024, Hungary sent clear signals about its free-riding. The uninformed visits to Moscow and Beijing, the constant clashes on European funds with Brussels, and the continuous contestation of European sanctions policy made the Hungarian Presidency the most contested mandate in EU history.<sup>27</sup> Regarding Hungary's position on European Strategic Autonomy, Orbán has only recently and reluctantly developed his idea based on the assumption that *"the European Union should not copy the foreign policy of the American Democrats"*.<sup>28</sup> However, this stance is seen as an attempt to be somehow constructive inside the European talks.<sup>29</sup>

### Italy: Dancing with the Devil?

After Trump's election, Prime Minister

Giorgia Meloni expressed interest in working closely with Washington on all major international dossiers to promote stability and security.<sup>30</sup> The renewed special transatlantic relation was also symbolic, as Meloni, unlike Orbán, was the sole European leader at Trump's presidential inauguration last January. She then met the US President in Florida to position herself as his European ally. However, the Italian position is ambiguous as Meloni hopes that having Trump's ear will prove valuable, but she risks isolating herself in Europe.<sup>31</sup> Rome may choose to go it alone to achieve transactional gains (such as reduced tariffs) without encouraging a shared EU position. Italy's temptation to free-ride could also impact its stance towards Ukraine. Despite Meloni's staunch support, Musk's proposal to cede parts of Ukrainian territory to Russia found some support within her government. If Musk pressures Kyiv to reach an agreement by suspending satellite internet services, he could assist Italian factions in favour of reducing support for Ukraine and, as a result, weakening overall EU support.<sup>32</sup>

26 Tamas Csiki, "Hungary," in *Europe Reacts to Trump: What to Expect in Security and Defence Policy*, ed. Christian Mölling and Torben Schütz (Gütersloh: Bertelsmann Stiftung - Global & European Dynamics, November 22, 2024), <https://globaleurope.eu/europes-future/europe-reacts-to-trump-what-to-expect-in-security-and-defence-policy/#Hungary>.

27 Fouda Malek, "Hungary's Controversial Presidency of the EU Comes to an End," *Euronews*, December 31, 2024, <https://www.euronews.com/2024/12/31/hungarys-controversial-presidency-of-the-council-of-the-european-union-comes-to-an-end>.

28 Benko V. Cher, "Viktor Orbán Advocates for European Strategic Autonomy at EPC Summit," *Hungary Today*, July 18, 2024, <https://hungarytoday.hu/viktor-orban-advocates-for-european-strategic-autonomy-at-epc-summit/>.

29 Tamas C. Varga, "A Reluctant Supporter: The Hungarian Perspective on European Strategic Autonomy," in *European Strategic Autonomy and Small States' Security*, ed. Giedrius Česnakas and Justinas Juozaitis (Abingdon: Routledge, 2022), 182–195, 192.

30 Ivan Zaccagnini, "Italy," in *Europe Reacts to Trump: What to Expect in Security and Defence Policy*, ed. Christian Mölling and Torben Schütz (Gütersloh: Bertelsmann Stiftung - Global & European Dynamics, November 22, 2024), <https://globaleurope.eu/europes-future/europe-reacts-to-trump-what-to-expect-in-security-and-defence-policy/#Italy>.

31 Crispian Balmer, "Trump Whisperer? Italy's Meloni Navigates a High-Stakes Relationship," *Reuters*, January 22, 2025, <https://www.reuters.com/world/trump-whisperer-italys-meloni-navigates-high-stakes-relationship-2025-01-22/>.

32 Arturo Varvelli, "Il Nuovo Futurismo: Cosa Può Significare Un'alleanza Meloni-Musk per L'Europa,"

## It's An Opportunity, Stupid!

Brussels should seize this moment to strengthen European strategic autonomy. Trump's return highlights the EU's vulnerability to US foreign policy shifts, underscoring the need for deeper integration and a more coherent, independent foreign policy.<sup>33</sup> Instead of bilateral dealings with Washington, Brussels could enhance its defence cooperation with the United Kingdom -as it has done since February 2022- and intensify efforts with like-minded non-EU partners such as Japan, Australia, and Canada to uphold its commitment to addressing climate change and promoting human rights.<sup>34</sup> Secondly, the transatlantic relationship remains crucial, particularly in containing China. Trump's recent tariff hikes on Chinese goods signal growing US-China tensions, with potential pressure on the EU to align with Washington's stance.<sup>35</sup> This could divide Europe between states prioritising economic ties with Beijing and those favoring US policy. As a result, European support for Washington's containment towards China may weaken.<sup>36</sup>

## Conclusion

Overall, European Strategic Autonomy was not born in the aftermath of the 2022 Russian invasion of Ukraine. The second Trump Presidency represents a new challenging stage due to his transactional and hostile attitude towards the EU. Despite European unity against Russia's invasion of Ukraine, defence spending efforts have been nonlinear as a signal that the threat is perceived differently. The political ramifications of Trumpism in Europe, namely the European far-right parties, could undermine European Strategic Autonomy. Italy and Hungary, due to political convergence with Trump, are developing their own position to secure individual benefits. EU Member states should avoid following them since it can trigger either a nationalist competition to gain favourable treatment from the US or Trump could use bilateralism to disrupt European unity. Instead, Brussels should commit itself to building alliances with other like-minded players and strengthening internal unity to advance European Strategic Autonomy. Finally, the EU should create a Joint Strategic Coordination Taskforce to align policies and speed up the decision-making process

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*European Council on Foreign Relations*, November 22, 2024, <https://ecfr.eu/rome/article/il-nuovo-futurismo-cosa-puo-significare-unalleanza-meloni-musk-per-leuropa/>.

33 Nele Fabian and Jules Maaten, "US Elections: Donald Trump Is an Opportunity for the EU," Friedrich Naumann Foundation, November 19, 2024, <https://www.freiheit.org/european-union/opportunity-eu>.

34 Elżbieta Bieńkowska, Cecilia Malmström, Atli Stannard, Bart Szewczyk, and Matthieu Coget, "Policy Implications for Europe under a Second Trump Administration," *Global Policy Watch*, December 12, 2024, <https://www.globalpolicywatch.com/2024/12/policy-implications-for-europe-under-a-second-trump-administration/>.

35 Max Bergmann, "The United States Now Wants European Strategic Autonomy," *Centre for Strategic and International Studies*, November 8, 2024, <https://www.csis.org/analysis/united-states-now-wants-european-strategic-autonomy>.

36 Péter Klemensits, "Trump 2.0, the European Union and China – How will Donald Trump's second term as president affect relations between the EU and China?" *China-CEE Institute*, 7, (February 2025): 2560-1628.



across the European institutions.



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# MYRTO VAMVAKOUDI

## AN EU INTELLIGENCE AGENCY: MISSION INEVITABLE OR MISSION IMPOSSIBLE?

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### Introduction

**J**ean Monnet famously wrote in his Memoirs that «*Europe will be forged in crises*».<sup>2</sup>

Indeed, time and again, the European Union (EU) has deepened its integration in response to external shocks –but will intelligence cooperation follow the same path? For years, the idea of enhancing intelligence collaboration among EU Member States has been debated, but it was not until the 2015 Paris attacks and the 2016 Brussels bombings that the discussion intensified.<sup>3</sup> These tragedies exposed critical flaws in intelligence-sharing among Member States, as vital information regarding the perpetrators was not communicated effectively, hindering a coordinated response that could have potentially prevented the incidents.

More recently, a call for a deeper EU-wide intelligence partnership has resurfaced,

fuelled not only by terrorism but also by the Russian war against Ukraine, broader geopolitical tensions, cyber threats, transnational crime, and growing concerns over foreign interference in European affairs. A key development in this discussion is the Niinistö Report, published on October 30, 2024. Prepared by the former President of Finland and Special Adviser to the President of the European Commission, this report offers recommendations to strengthen the EU's civilian and military preparedness for future crises, notably advocating for the creation of a «*fully-fledged intelligence cooperation service at the EU level*», thereby reigniting the focus on the need for increased intelligence integration within the Union.<sup>4</sup>

Despite the bold vision presented, a crucial question persists: Can a unified EU intelligence agency truly become a reality, or will entrenched national security

- 1 Myrto Vamvakoudi is a graduate of the Dual Master's Degree in International Security and EU/International Relations from Sciences Po Paris and Freie Universität Berlin, specialising in Global Risks. Her diverse professional experience spans European institutions (European Commission), national diplomatic services, NGOs, and the private sector, providing her with a multifaceted understanding of policymaking and a comprehensive skill set in research, public affairs, and international relations.
- 2 Paul Mortimer-Lee, "Letter: A Europe 'forged in crisis' — as Monnet predicted," *Financial Times*, October 10, 2022, <https://www.ft.com/content/1bf561d9-9786-4cbb-89c8-49bbfeaf91af>.
- 3 Martin Banks, "Brussels Attacks Demonstrate 'Urgent Need' for EU Intelligence Cooperation," *The Parliament Magazine*, March 25, 2016, <https://www.theparliamentmagazine.eu/news/article/brussels-attacks-demonstrate-urgent-need-for-eu-intelligence-cooperation>.
- 4 Sauli Niinistö, "Report: Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness," *European Commission*, October 30, 2024, [https://commission.europa.eu/document/5bb2881f-9e29-42f2-8b77-8739b19d047c\\_en](https://commission.europa.eu/document/5bb2881f-9e29-42f2-8b77-8739b19d047c_en).

interests and other formidable obstacles continue preventing closer synergy? To address this query, this article will explore the current state of EU intelligence cooperation, the benefits of greater collaboration, and the barriers that could make an EU-wide intelligence agency an elusive ambition.

### Current EU Intelligence Framework

Before assessing the viability of a new framework, it is essential to first evaluate the main intelligence tools and mechanisms already in place within the Union.

In terms of civilian intelligence, the primary gateway for intelligence-sharing is the European Union Intelligence and Situation Centre (INTCEN), which traces its origins to the EU Joint Situation Centre (SitCen) and has been integrated into the European External Action Service (EEAS) since 2010.<sup>5</sup> While INTCEN provides intelligence analysis, early warning, and situational awareness, it lacks a formal mandate to collect intelligence, relying primarily on open-source information and voluntary contributions from EU Member States.<sup>6</sup>

Concerning military intelligence, the Union's main hub is the European Union Military Staff Intelligence Division (EUMS-INT), which serves as an information manager concerning national agencies and consolidates intelligence from the Member States and the European Union Satellite Centre (SATCEN) to support decision-making on external affairs at the EU level.<sup>7</sup> INTCEN and EUMS-INT join their forces through the Single Intelligence Analysis Capacity (SIAC), combining internal, external, and military intelligence to generate comprehensive 360-degree analysis.<sup>8</sup>

With regard to border-related intelligence, the key mechanisms include information exchange and knowledge sharing via the European Border and Coast Guard Agency (Frontex) and the Schengen Information System (SIS),<sup>9</sup> the most widely utilised platform for security and border management in Europe, which underwent a major update in 2015 to improve information exchange on terrorist suspects.<sup>10</sup>

When it comes to law enforcement intelligence cooperation, the primary

5 European Parliament, "EU INTCEN Factsheet," February 5, 2015, [https://www.europarl.europa.eu/meetdocs/2014\\_2019/documents/sede/dv/sede160615factsheetintcen/\\_sede160615factsheetintcen\\_en.pdf](https://www.europarl.europa.eu/meetdocs/2014_2019/documents/sede/dv/sede160615factsheetintcen/_sede160615factsheetintcen_en.pdf).

6 John Nomikos, "European Union Intelligence Analysis Centre (INTCEN): Next Stop to an Agency?" *Journal of Mediterranean and Balkan Intelligence* (JMBI), December 11, 2015, <https://www.rieas.gr/images/editorial/NomikosEUintelligence15.pdf>.

7 David, "The European Union Military Staff – Intelligence Directorate – European Defence Network," *European Defence Network*, March 14, 2021, <https://e-d-n.eu/index.php/2021/03/14/the-european-union-military-staff-intelligence-directorate/#:~:text=Therefore%2C%20the%20EUMS%20INT%20is,external%20affairs%20at%20EU%20level>.

8 Laurent Nuñez-Belda, "How Intelligence Supports EU Security," *Internationale Politik Quarterly*, May 16, 2022, <https://ip-quarterly.com/en/how-intelligence-supports-eu-security>.

9 European Border and Coast Guard Agency, "Beyond EU Borders - Areas of Cooperation," *European Border and Coast Guard Agency [Frontex]*, accessed March 14, 2025, <https://www.frontex.europa.eu/what-we-do/beyond-eu-borders/areas-of-cooperation/>.

10 European Commission, "Schengen Information System," *European Commission*, accessed March 14, 2025, <https://home-affairs.ec.europa.eu/policies/schengen-borders-and-visa/schengen-information->

instrument is the European Union Agency for Law Enforcement Cooperation (Europol). Under the 2020 Security Union Strategy, the Commission proposed reinforcing Europol's mandate to amplify support for national law enforcement authorities through information, analysis, and expertise.<sup>11</sup>

The synergy extends through various other channels as well. For instance, police records are shared through the European police record index system (EPRIS),<sup>12</sup> vehicle registration data via the European car and driving licence information system (EUCARIS),<sup>13</sup> cyber threats through the Cybersecurity Service for the Union Institutions, Bodies, Offices and Agencies (CERT-EU) and the European Union Agency for Cybersecurity (ENISA),<sup>14</sup> and information on third states' activities are gathered through more than 140 EU Delegations. Information sharing also takes place through bilateral and multilateral partnerships and on an ad-

hoc basis, allowing for more tailored liaison between Member States' national agencies.

EU Member States also benefit from cooperation with allied countries through NATO initiatives such as the Joint Intelligence, Surveillance, and Reconnaissance (JISR) programme, which enhances situational awareness across multiple domains and the NATO Intelligence, Surveillance, and Reconnaissance Force (NISRF), which conducts unified ISR operations to support collective security efforts.<sup>15</sup> Additionally, the EU Hybrid Fusion Cell, established in 2016, and its interaction with the NATO Hybrid Analysis Cell enables a shared situational picture to be drawn up, while regular briefings are exchanged between NATO, the EEAS, the European Parliament, and the European Commission.<sup>16</sup> Lastly, other initiatives such as the Intelligence College in Europe (ICE),<sup>17</sup> the Club of Bern,<sup>18</sup> and the Counter Terrorism Group

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system\_en.

- 11 European Commission, "Information Exchange," *European Commission*, accessed March 14, 2025, [https://home-affairs.ec.europa.eu/policies/law-enforcement-cooperation/information-exchange\\_en](https://home-affairs.ec.europa.eu/policies/law-enforcement-cooperation/information-exchange_en).
- 12 Cornelia Riehle, "Prüm II Regulation Enters Into Force," *Eucrim*, May 23, 2024, <https://eucrim.eu/news/prum-ii-regulation-enters-into-force/>.
- 13 European Commission, "EUCARIS, the European Car and Driving Licence Information System (EUCARIS)," *European Commission*, last modified October 26, 2022, <https://interoperable-europe.ec.europa.eu/collection/egovernment/document/eucaris-european-car-and-driving-licence-information-system-eucaris-0>.
- 14 European Union Agency for Cybersecurity, "About Us," *CERT-EU*, accessed March 14, 2025, <https://cert.europa.eu/about-us>; ENISA, "Information Sharing and Analysis Centers (ISACs)," *European Union Agency for Cybersecurity [ENISA]*, accessed March 14, 2025, <https://www.enisa.europa.eu/topics/state-of-cybersecurity-in-the-eu/national-cybersecurity-strategies-0/information-sharing-and>.
- 15 North Atlantic Treaty Organization, "Joint Intelligence, Surveillance and Reconnaissance," *North Atlantic Treaty Organization [NATO]*, March 7, 2024, [https://www.nato.int/cps/uk/natohq/topics\\_111830.htm?selectedLocale=en](https://www.nato.int/cps/uk/natohq/topics_111830.htm?selectedLocale=en); NATO, "About NISRF," *North Atlantic Treaty Organization [NATO]*, accessed March 14, 2025, <https://nirf.nato.int/home/about-us>.
- 16 Dick Zandee, Sico Van Der Meer, and Adája Stoetman, "EU-NATO Cooperation: What Has Been Achieved So Far?" *Clingendael Institute*, October 2021, <https://www.clingendael.org/pub/2021/countering-hybrid-threats/3-eu-nato-cooperation-what-has-been-achieved-so-far/>.
- 17 Intelligence College in Europe, "Building a Common Strategic Culture," *Intelligence College in Europe*, accessed March 14, 2025, <https://www.intelligence-college-europe.org/>.
- 18 João Esteves, "Building Intelligence Cooperation in the European Union," *JANUS NET E-Journal of*



(CTG) further underscore the importance of intelligence-sharing at a multinational level.<sup>19</sup>

This brief presentation of the existing mechanisms showcases that the EU already possesses a wide array of established intelligence tools. Nevertheless, while these channels demonstrate considerable progress in intelligence integration, gaps remain in formalised and structured intelligence collection and coordination, as efforts are largely voluntary and fragmented, leaving room for a more unified approach.

### **Benefits of A Centralised EU Intelligence Agency**

Following the 2022 EU Strategic Compass that called for the consolidation of European intelligence, the new mandate of the European Commission has continued to signal a gradual shift in political will.<sup>20</sup> This is reflected not only in the Niinistö report but also in a broader emphasis on defence as exemplified by the appointment of the first EU Commissioner for Defence and the recent adoption of the

fifth annual Work Programme under the European Defence Fund, which allocates over €1 billion to collaborative defence research and development projects.<sup>21</sup> The European Commission President, Von der Leyen, further reiterated the importance of “*enhancing the flow of information, as well as improving information and intelligence-gathering*”.<sup>22</sup> Within this context, and with growing common threats, including Russia’s hybrid warfare tactics, China’s intelligence activities, and the rise of terrorism and organised crime, proponents of EU centralised intelligence operations present several potential benefits if such an initiative were to materialise.

Firstly, this move could ameliorate coherence and efficiency. More concretely, a common intelligence service would streamline communication, coordination, and interoperability among Member States, reducing duplication of efforts and fostering real-time responses.<sup>23</sup> An additional incentive would be cost reduction, as independent intelligence-gathering can be expensive.<sup>24</sup> Also, the pooling of resources, technologies, and expertise through a sophisticated common

*International Relation* 2, no. 11 (2020), <https://doi.org/10.26619/1647-7251.11.2.6>.

19 Claire DiMario, “Counter Terrorist Group (CTG)”, *Harvard Law School Program on International Law and Armed Conflict*, February 2015, <https://pilac.law.harvard.edu/europe-region-efforts//counter-terrorist-group-ctg>.

20 European External Action Service, “A Strategic Compass for Security and Defence”, *European External Action Service [EEAS]*, accessed March 14, 2025, [https://www.eeas.europa.eu/eeas/strategic-compass-security-and-defence-1\\_en](https://www.eeas.europa.eu/eeas/strategic-compass-security-and-defence-1_en).

21 Beata Stur, “European Defence Fund Will Allocate Over €1 Billion for the Next Generation Defence Technologies”, *European Interest*, February 2, 2025, <https://www.europeaninterest.eu/european-defence-fund-will-allocate-over-e1-billion-for-the-next-generation-defence-technologies/>.

22 Joshua Posaner, “Create a CIA-Style European Spy Service, Von Der Leyen Is Told”, *Politico*, October 30, 2024, <https://www.politico.eu/article/europe-spy-service-cia-ursula-von-der-leyen/>.

23 Nigel Howard, “Amidst Complex Threats, How Can the EU Fight Terrorism More Effectively?” *Centre for European Reform*, August 30, 2024, <https://www.cer.eu/insights/amidst-complex-threats-how-can-eu-fight-terrorism-more-effectively>.

24 Ramses Wessel and Viktor Szép. “Towards Intelligence Cooperation in the EU?” *European Foreign Affairs Review* 27, no. 3 (2022): 307–12, <https://doi.org/10.54648/EERR2022024>.

apparatus would improve situational awareness and intelligence analysis.<sup>25</sup> This could provide all Member States with a comprehensive picture of present and emerging threats that individual states might miss when operating independently. Such seamless information-sharing across borders would result in quicker and more agile reactions, more nuanced decision-making, and subsequently, a stronger and more resilient EU.

At the same time, an EU intelligence agency would bolster the bloc's autonomy and posture on the global stage. By demonstrating a commitment to collective security through, *inter alia*, an EU-wide intelligence agency, the Union could assert itself as a key player in international affairs. This is particularly significant at the moment, as Transatlantic relations face growing strain. The greatest diplomatic rifts include the Trump administration's decision to exclude Kyiv and Brussels from bilateral US-Russia talks on ending the Ukraine war, the American firm stance on NATO defence spending,<sup>26</sup> and a fundamental divergence at the 2025 Munich Security Conference, where US Vice President JD Vance openly questioned the «shared values» often emphasised by Europeans.<sup>27</sup> Against this backdrop, a coordinated intelligence partnership at

the EU level would allow the Union to rely more on its own intelligence rather than external powers like the US. This could also embody the principle of solidarity and send a strong message that Europe stands united and ready to protect its strategic interests.

### **Obstacles to an EU-wide Intelligence Service**

Even though a unified approach offers potential advantages, numerous arguments suggest that an EU-level intelligence agency is unfeasible.

The primary obstacle to a more integrated approach is the issue of national sovereignty. As intelligence operations are inherently sensitive, Member States are reluctant to cede control over their internal security affairs. This issue becomes even more pronounced with the rise of far-right and Eurosceptic parties across Europe, which oppose delegating more authority to supranational institutions.<sup>28</sup> Besides, although the Treaty of Lisbon increased INTCEN's competencies and strategic relevance, it still upholds Member States' exclusive responsibility over national security.<sup>29</sup> This framework, along with differing national surveillance laws and privacy protection concerns,

<sup>25</sup> Roxana Stanica, "A Unified Intelligence for a Safer Europe," *The Diplomatic Affairs*, October 30, 2024, <https://www.thediplomaticaffairs.com/2024/10/30/a-unified-intelligence-for-a-safer-europe/>.

<sup>26</sup> Nicole Triant, "EU Braces for Turbulent Diplomacy as US Demands 'Rebalancing' of Relations," *France 24*, February 14, 2025, <https://www.france24.com/en/europe/20250214-eu-braces-for-turbulent-diplomacy-as-us-demands-rebalancing-of-relations>.

<sup>27</sup> Thomas Latschan, "Fundamental Rift Between US and EU Opens up in Munich," *Deutsche Welle*, February 15, 2025, <https://www.dw.com/en/munich-security-conference-fundamental-rift-between-us-and-eu/a-71624354>.

<sup>28</sup> Armida van Rij, Tim Benton, Creon Butler, and Patrick Schröder, "How Will Gains by the Far-Right Affect the European Parliament and the EU?" *Chatham House*, June 11, 2024, <https://www.chathamhouse.org/2024/06/how-will-gains-far-right-affect-european-parliament-and-eu>.

<sup>29</sup> European Commission, "The Treaty of Lisbon," December 1, 2009, <https://www.europarl.europa.eu/factsheets/en/sheet/5/the-treaty-of-lisbon>.

can create legal constraints that limit the standardisation of intelligence cooperation across the EU. The nations' hesitation is further compounded by a culture of secrecy within intelligence services, which are wary that sharing information could jeopardise confidential sources and methods, potentially compromising their effectiveness.<sup>30</sup> From this politico-legal perspective, a unified agency is not only complicated to achieve but could also be perceived as an infringement on a precious national prerogative, threatening the autonomy and strategic discretion that individual states have over their intelligence activities.

A further hurdle is the diverging national priorities and interests among EU countries. While the EU has made significant strides in elevating its common foreign and security policy, internal disputes continue to obstruct the coherence of the Union's external action.<sup>31</sup> For instance, the visit of Hungarian Prime Minister Orbán to Moscow in the summer of 2024 starkly contrasted with the EU's unified stance on Russia's war of aggression against Ukraine, highlighting the differing national positions within

the Union on critical security matters.<sup>32</sup> To add to this, a zero-sum logic often prevails in the intelligence field, where certain information gains value when held exclusively by one actor, offering political leverage. This discourages widespread sharing among states.<sup>33</sup> Such deviations in threat perception and strategic priorities hamper the harmonisation of intelligence-sharing practices across Member States, as each country tends to prioritise its own security imperatives over collective action.

Moreover, intelligence cooperation requires a foundation of trust and reliability between counterparts. Although the actual level of mistrust between EU Member States is relatively low, there are still occasions where countries do not see it in their best interest to share intelligence due to fears of how the information might be used.<sup>34</sup> An example that underscored these concerns is the Russian espionage scandal that broke out in Austria in March 2024, following the arrest of a former intelligence officer accused of years of covert dealings with Moscow.<sup>35</sup> Further cases at the EU level reveal multiple serious security breaches in recent years. These include the "Qatargate" corruption

30 Oldřich Bureš, "Intelligence Sharing and the Fight against Terrorism in the EU: Lessons Learned from Europol," *European View* 15, no. 1 (2016): 57–66, <https://doi.org/10.1007/s12290-016-0393-7>.

31 Alex Collado, "Foreign Policy: A Challenge for European Governance?," *EST - European Student Think Tank*, October 30, 2024, <https://esthinktank.com/2024/10/30/foreign-policy-a-challenge-for-european-governance/>.

32 Peter Van Elsuwege, "How Viktor Orbán Challenges the EU's Common Foreign and Security Policy," *Verfassungsblog*, July 9, 2024, <https://verfassungsblog.de/how-viktor-orban-challenges-the-eus-common-foreign-and-security-policy/>.

33 Björn Fägersten, "For EU Eyes Only? Intelligence and European Security," *European Union Institute for Security Studies*, March 4, 2016, <https://www.iss.europa.eu/publications/briefs/eu-eyes-only-intelligence-and-european-security>.

34 James Igoe Walsh, "Intelligence-Sharing in the European Union: Institutions Are Not Enough," *JCMS Journal of Common Market Studies* 44, no. 9 (2006): 625–43, <https://doi.org/10.1111/j.1468-5965.2006.00638.x>.

35 Jean-Baptiste Chastand, "Austria Rocked by Massive Russian Spying Scandal," *Le Monde*, August 9, 2024, [https://www.lemonde.fr/en/international/article/2024/04/12/austria-rocked-by-massive-russian-spying-scandal\\_6668207\\_4.html](https://www.lemonde.fr/en/international/article/2024/04/12/austria-rocked-by-massive-russian-spying-scandal_6668207_4.html).

affair and instances of spyware targeting Members of the European Parliament.<sup>36</sup> Another notable case was the arrest of an assistant to AfD politician Maximilian Krah –Germany’s top candidate in the 2024 European Parliament elections– on suspicion of spying for China.<sup>37</sup> Such incidents underline how foreign infiltration can erode confidence between EU intelligence services, reinforcing the perception that critical information might be exploited rather than serving the common security interests of the Union.

In addition, the unwillingness to share information through a centralised agency may be exacerbated by the asymmetry of resources and capabilities among national intelligence services. This imbalance leads to heterogeneous intelligence production processes across Member States’ agencies, creating inconsistencies in the quality and scope of intelligence, and potentially fostering “free riding” among certain countries.<sup>38</sup> Furthermore, smaller countries may resist centralised intelligence-sharing due to fears of being dominated by stronger nations, while

no Member State is eager to assume a prepotent role, knowing it would likely face intense scrutiny in the event of intelligence failures.<sup>39</sup> In parallel, distinct intelligence cultures–shaped by the diverse political and historical backgrounds of Member States– further complicate efforts to establish a more structured and cohesive framework for cooperation.<sup>40</sup> Consequently, these challenges suggest that achieving a fully unified intelligence service within the EU may require addressing deep-rooted concerns about fairness, as well as cultural and operational deterrents.

Finally, a significant challenge could lie in reaching an agreement on the budget and funding sources required to establish a centralised intelligence body.<sup>41</sup> Critics also point out that EU institutions often grapple with slow, bureaucratic, and inefficient decision-making.<sup>42</sup> A unified intelligence agency could face analogous shortcomings, weakening its ability to respond swiftly to immediate threats.

Hypothetically, if all the constraints were addressed, a potential model

<sup>36</sup> Antoaneta Roussi, “Brussels Spyware Crisis Expands: Two MEPs Hit in Phone-Hacking Security Breach,” *Politico*, February 22, 2024, <https://www.politico.eu/article/nathalie-loiseau-elena-yoncheva-pegasus-spyware-european-parliament-security-defense-subcommittee/>; The Brussels Times Newsroom, “‘Qatargate’ Corruption Case Discovered During Investigation by Belgium’s Intelligence Services,” *The Brussels Times*, December 15, 2022, <https://www.brusselstimes.com/337417/qatargate-corruption-case-discovered-during-investigation-by-belgiums-intelligence-services>.

<sup>37</sup> Kate Connolly, “AfD Politician’s Aide Arrested on Suspicion of Spying for China,” *The Guardian*, April 23, 2024, <https://www.theguardian.com/world/2024/apr/23/afd-politician-employee-arrested-germany-on-suspicion-of-spying-for-china>.

<sup>38</sup> *Ibid.*, 20

<sup>39</sup> Seniz Bilgi, “Intelligence Cooperation in the European Union: An Impossible Dream?,” *All Azimuth: A Journal of Foreign Policy and Peace* 5, no. 1 (January 2016): 57–67, <https://doi.org/10.20991/allazimuth.167342>.

<sup>40</sup> Bob de Graaff and James M. Nyce, with Chelsea Locke, eds., *Handbook of European Intelligence Cultures* (Plymouth: Rowman & Littlefield, 2016).

<sup>41</sup> Thomas Fazi, “Is a New Spy Agency Coming to the EU?” *UnHerd*, October 31, 2024, <https://unherd.com/newsroom/is-a-new-spy-agency-coming-to-the-eu/>.

<sup>42</sup> Florence Gaub, Nicu Popescu, eds., “After the EU Global Strategy – Building Resilience,” *European Union Institute for Security Studies*, 2017, [https://www.iss.europa.eu/sites/default/files/EUISSFiles/After\\_EU\\_Global\\_Strategy\\_Resilience.pdf](https://www.iss.europa.eu/sites/default/files/EUISSFiles/After_EU_Global_Strategy_Resilience.pdf).



for structuring a unified European intelligence body could be the Five Eyes Alliance (FVEY), which comprises Australia, Canada, New Zealand, the UK, and the US.<sup>43</sup> This alliance operates through a comprehensive framework for sharing various types of intelligence, with real-time, transnational cooperation. The EU could be inspired by this blueprint. It would then need to carefully calibrate the agency's power and scope, ensuring transparent and efficient oversight while preventing the vulnerabilities that have allowed national agencies to be infiltrated by foreign actors –an issue that could be even more damaging at the EU level. The Union should also ensure that this agency would strike a balance between collaboration and confidentiality while respecting national sovereignties and resisting possible external conditioning.<sup>44</sup> If all these safeguards were secured and agreed upon by all Member States, the EU could potentially launch a body capable of both addressing ongoing threats and adapting to evolving risks.

## Conclusion

Looking ahead, the prospect of a centralised EU intelligence body remains a subject of intense debate. On the one

hand, intelligence interdependence has become a fundamental reality in an era where contemporary foreign interference and multifaceted threats transcend borders, necessitating a robust response.<sup>45</sup> On the other hand, given the plethora of impediments, the added value and feasibility of such an agency may be questioned, with some arguing that the drawbacks may outweigh the upsides.<sup>46</sup>

After considering the rationale of both sides and the various influencing factors, it can be concluded that the complexity of establishing a cohesive intelligence-sharing framework within the EU persists as particularly challenging under the current circumstances. For this reason, the EU's priority should be optimising and expanding the powers of existing tools, such as EU INTCEN and Europol, while fostering greater trust among Member States and overcoming the political, legal, cultural, and operational disparities. These intermediate steps could pave the way for more integrated intelligence operations within the EU, potentially leading to a fully-fledged common agency in the future.

However, it is essential to remember that crises have historically been catalysts for significant change. As such, with the EU currently navigating a "polycrisis",<sup>47</sup> the

43 KNews, "Politico: EU Urged to Establish Spy Agency to Combat Espionage," October 30, 2024, <https://knews.kathimerini.com.cy/en/news/politico-eu-urged-to-establish-spy-agency-to-combat-espionage>.

44 Giuseppe Gagliano, "Rapport Niinistö : 'Plus Sûrs Ensemble : Renforcer La Préparation Et L'état De Préparation Civils Et Militaires De L'Europe,'" *Centre Français De Recherche Sur Le Renseignement*, October 31, 2024, <https://cf2r.org/actualite/rapport-niinisto-plus-surs-ensemble-renforcer-la-preparation-et-letat-de-preparation-civils-et-militaires-de-leurope/>.

45 *Ibid.*, 25

46 Wilfried Martens Centre for European Studies, "A European Intelligence Agency: The Cons Outweigh the Pros," April 6, 2016, <https://www.martenscentre.eu/blog/a-european-intelligence-agency-the-cons-outweigh-the-pros/>.

47 Kate Whiting, "This Is Why 'Polycrisis' Is a Useful Way of Looking at the World Right Now," *World Economic Forum*, May 7, 2023, <https://www.weforum.org/stories/2023/03/polycrisis-adam-tooze-historian-explains/>.

possibility of an unexpected shift in the intelligence landscape due to unforeseen events cannot be dismissed. With the new mandate still in its early stages and the policy direction yet to be fully consolidated, the question of whether the EU will continue to be divided in its intelligence efforts or take a more cohesive approach stays open.

# VIKTORIIA SKOROPADSKA

## THE NEW FRONTIER: EUROPEAN UNION'S SPACE POLICY

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### Introduction

**O**ver the past decades, the possession of a developed space programme has been considered an attribute of power and progressiveness of a state. While earlier, similarly to nuclear weapons, this was only possible for superpowers with the latest technology and scientific innovation, more and more countries are getting to grips with space exploration today. Human life has increasingly relied on the use of data derived from satellite services, covering telecommunications, transportation safety, climate disaster forecasting, and energy generation management.

The European Union's (EU) space programme, which has been implemented through the EU Space Programme Agency (EUSPA) since 2021, is prominent for its cutting-edge strategic space assets and capabilities, the most advanced of which are the global navigation satellite system Galileo and the Earth observation programme Copernicus. Furthermore, among the key EU projects are the EU SST (Space Surveillance & Tracking) space debris monitoring programme, the "IRIS"

initiative for resilience, interconnectivity and security, and the GOVSATCOM programme for secure satellite communications for governmental usage. Although the European Space Agency (ESA), which develops space technologies, including the Earth Observation mission Sentinel and the Mars exploration mission Exomars, is partially financed by the European Union, it is a separate intergovernmental organization, and not an EU body. At the same time, ten countries of the EU have their own national space programmes, mostly designed for military purposes, while the European Union is taking over projects with civilian applications in most of the cases (navigation, earth observation, communications).

Although the technologies engineered in the European Union compare favourably in quality with those produced in the United States (US), they are not developing as quickly and efficiently as they could if unified coordination and proper investment were in place. In comparison with the US, which has not only centralised space activities under the NASA umbrella, but has also dramatically increased the

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<sup>2</sup> EUSPA, "EU Space Programme," 2022, <https://www.euspa.europa.eu/eu-space-programme>.

allocation of public funds to the space sector from \$54 billion in 2021 to \$79 billion in 2024, the EU has allocated only €14.7 billion for the space activities within the 2021-2027 period and has relatively poor coordination of public spending in this area.<sup>3</sup>

innovative space technologies in the private sector -a crucial step that is believed to have been rather helpful in stimulating progress on the European commercial market.

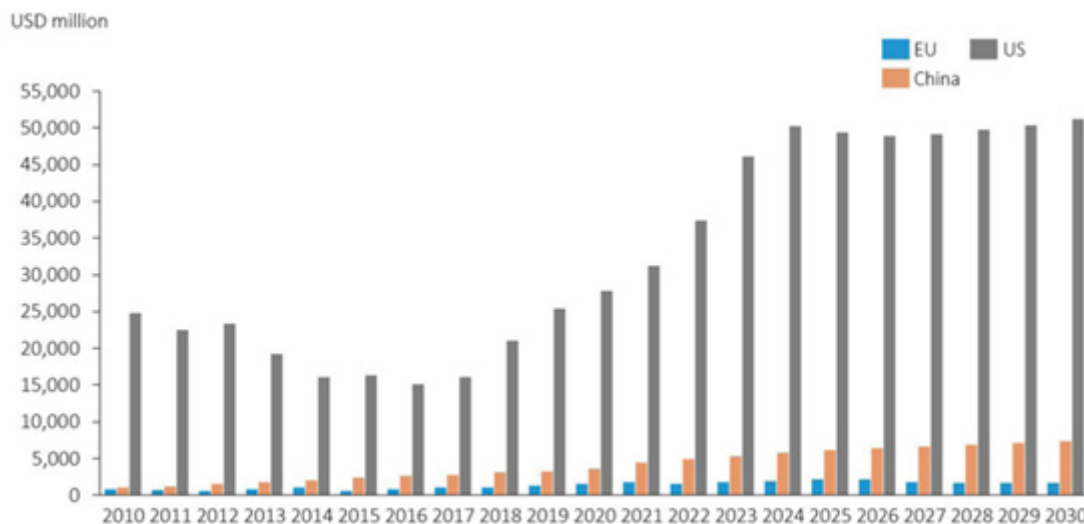


Figure 1. Space Defence Expenditure (2010 – 2030).<sup>5</sup>

It is also crucial to consider the expanding scale of China's space programme, which is clearly set to emerge as a frontrunner in space exploration. Judging from the space spending figures, China is determined to reach parity with major players in the space domain, having tremendously increased the space budget from \$2.22 billion in 2022 to more than \$14 billion in 2023.<sup>4</sup> Considerable governmental investment in China boosts the development of

### Current Priorities in EU Space Governance

In the face of such competition, it can be well observed how the EU is trying to adjust its policy priorities to these new technological trends. Thus, Andrius Kubilius, European Commissioner for Defence Industry and Space appointed in 2024, outlined three priority areas: passing the EU space law, bolstering European

<sup>3</sup> European Commission, "EU Space Programme," 2022, [https://defence-industry-space.ec.europa.eu/eu-space/eu-space-programme\\_en](https://defence-industry-space.ec.europa.eu/eu-space/eu-space-programme_en).

<sup>4</sup> China Briefing, "China's opportunities in Aerospace and Commercial Space Industries," 2025, <https://www.china-briefing.com/news/chinas-opportunities-in-aerospace-and-commercial-space-industries/#:~:text=The%20government%20has%20also%20dramatically,state%2Dled%20and%20commercial%20programs>

<sup>5</sup> Mario Draghi, "The Draghi Report: In-Depth Analysis and Recommendations (Part B)," 2025, [https://commission.europa.eu/topics/eu-competitiveness/draghi-report\\_en#paragraph\\_47059](https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en#paragraph_47059).



competitiveness, and facilitating EU access to space.<sup>6</sup> The latter point, based on the EU Space Strategy for Security and Defence, largely entails accelerating the development and management of spacecraft launching capabilities. The ESA operated the Ariane and Vega launchers until they were decommissioned in 2022, which, in combination with the shutdown of the Russian Soyuz launchers, resulted in a crisis situation.<sup>7</sup> As a consequence, the EU has been relying on the services provided by SpaceX, which is owned by controversial tycoon-turned-political figure Elon Musk.<sup>8</sup> Musk is allegedly involved in attempts to meddle with European domestic politics, using the far-right populist slogan “*From MAGA to MEGA: Make Europe Great Again*”, undermining the credibility of the current democratic governments in EU countries.<sup>9</sup> It is therefore arguably in the EU’s best interest to foster a competitive domestic commercial space sector that would enable reorientation from extra-European procurement (foreign imports) to domestic supply and channel substantial share of space budget into securing the autonomy of strategically valuable satellite services.

The pursuit of the ESA to stimulate technological advancements and the

diversity of space products among relatively “young” European private space transportation services resulted in creating a tender project -the European Launcher Challenge- which was announced in November 2023 in Spain.<sup>10</sup> This initiative seeks to enhance the competitiveness of European launch providers by granting contracts to “*European economic operators for demonstrating their ability to develop and fly a capacity to serve institutional mission needs to access space*”.<sup>11</sup>

In order to define the demands of the European space transport industry, the representatives of this very industry were asked to provide information outlining current issues and suggestions for the programme to enable a better understanding of the real situation in the field.<sup>12</sup> The first identified item only confirms the assumption that the allocated funding for the space sector up until now has been clearly misaligned with the high-reaching goal of enabling “*medium or heavy lift payload performance demonstrations to LEO [(Low Earth Orbit)] before the decade’s end*”.<sup>13</sup> Another crucial point referred to was the necessity to establish better capacity for launching European institutional payloads from

6 Jeff Foust, “New EU Space Commissioner Outlines Priorities,” *Space News*, December 1, 2024, <https://spacenews.com/new-eu-space-commissioner-outlines-priorities>.

7 Draghi, “The Draghi Report: In-Depth Analysis and Recommendations (Part B).”

8 *Ibid.*

9 Daniel Bellamy, “Musk Pushes Hard Right to Make Europea Great Again Slogan Amid EU Inquiry,” *Euronews*, January 18, 2025, <https://www.euronews.com/2025/01/18/musk-pushes-hard-right-make-europe-great-again-slogan-amid-eu-inquiry>.

10 European Space Agency, “Prepare for the European Launcher Challenge,” 2024, [https://www.esa.int/Enabling\\_Support/Space\\_Transportation/Prepare\\_for\\_the\\_European\\_Launcher\\_Challenge](https://www.esa.int/Enabling_Support/Space_Transportation/Prepare_for_the_European_Launcher_Challenge).

11 European Space Agency, “Document Details,” 2023, <https://ideas.esa.int/servlet/hype/IMT?documentTableId=45087183952543654&userAction=Browse&templateName=&documentId=18c7fb575d720977538fc7a4c85e3614>.

12 Andrew Parsonson, “European Launch Startups Send Open Letter to ESA Outlining Key Priorities,” *European Spaceflight*, January 24, 2025, <https://europeanspaceflight.com/european-launch-startups-send-open-letter-to-esa-outlining-key-priorities>.

13 *Ibid.*

locations outside the European Union, such as the United Kingdom (UK) and Norway.<sup>14</sup> To effectively reinforce Europe's autonomy in space transportation, the launch sites within and outside the EU, such as Esrange Space Centre in Sweden and Europe's Spaceport in French Guyana, should be strengthened, and new facilities developed.

In relation to the EU's efforts to secure its strategic autonomy in space, it is noteworthy that in December 2024, the third-largest space project worth €10.6 billion was launched: "IRIS" (Infrastructure for Resilience, Interconnectivity, and Security by Satellite), a multi-orbit satellite constellation intended to become operational in early 2030.<sup>15</sup> 290 satellites are scheduled to be placed in low and medium Earth orbits, which represents a shift from the traditional European orientation on geostationary orbit-based networks.<sup>16</sup> It is believed that this project would foster cooperation between public and private space sectors and offer more secure surveillance and crisis management capabilities for European governments.

### **European Space Law: Flagship Long-Delayed Project**

*"Europe must be part of this space revolution",* underlined Andrius Kubilius

in his 2023 speech -a process that is, among other factors, impeded by non-uniform regulatory policies across the EU countries.<sup>17</sup> This argument is extremely relevant against the backdrop of the long-standing debate around the unified legal framework -the European Union's Space Law, the flagship initiative of European Commission President Ursula von der Leyen, whose future has been in question for several years.<sup>18</sup>

At the moment, the legal regulation of space falls within shared competencies under the 2007 Lisbon Treaty and is executed within the national legislations of EU Member States, therefore creating a highly heterogeneous dynamic environment.<sup>19</sup> While some legal provisions may coincide in different EU countries, such as safeguarding compliance with the existing international treaties regulating space activities or space debris mitigation measures, they still demonstrate differences when it comes to policy priorities or procedural aspects. In comparison with France, which has implemented a broad space law framework -France's 2008 Space Operations Act- Germany is still debating the necessity of a compilation of laws specifically created for space governance.

<sup>20</sup>

<sup>14</sup> *Ibid.*

<sup>15</sup> European Commission, "IRIS Secure Connectivity," 2024, [https://defence-industry-space.ec.europa.eu/eu-space/iris2-secure-connectivity\\_en](https://defence-industry-space.ec.europa.eu/eu-space/iris2-secure-connectivity_en).

<sup>16</sup> *Ibid.*

<sup>17</sup> Foust, "New EU Space Commissioner Outlines Priorities."

<sup>18</sup> Jeff Foust, "Further Delays and Hurdles for EU Space Law," *SpaceNews*, February 26, 2024. <https://spacenews.com/further-delays-and-hurdles-for-eu-space-law>.

<sup>19</sup> European Union, *Treaty of Lisbon Amending the Treaty on European Union and the Treaty Establishing the European Community*, Signed December 13, 2007, Official Journal of the European Union C 306, <https://eur-lex.europa.eu/eli/treaty/lis/sign/eng>.

<sup>20</sup> Chambers and Partners, "Space Law 2024: Trends and Developments," July 11, 2024, <https://practiceguides.chambers.com/practice-guides/space-law-2024/germany/trends-and-developments>.

Even though some German parliamentary groups do advocate for establishing common standards and mandatory regulations on the national and EU levels, Eurosceptic right-wing political entities are highly unlikely to support the EU space law draft proposal.<sup>21</sup> Germany, as well as other countries without detailed legislation on overseeing space activities, rely on the relatively outdated Open Space Treaty, the provisions of which do not explicitly prohibit the replacement of conventional weapons in space and do not provide a clear definition of a “space weapon”.<sup>22</sup>

The evolving nature of dual-use technologies is reshaping threat perception. Traditionally, threats were primarily associated with technologies explicitly designed for warfare. However, capabilities such as active debris removal (ADR) aircraft, initially developed for peaceful purposes, can also be repurposed as space weapons, which introduces new security concerns. Moreover, the EU countries that have enacted the space law may enforce different degrees of oversight over the space activities, such as including or excluding in-orbit operations or end-of-life disposal measures. As a result, the absence of clear space law, whether national or European, may lead to legal issues for commercial space service providers operating within its jurisdiction. The divergence in space regulation may negatively affect EU space security architecture and have an impact on the competitiveness of the EU space assets,

preventing commercial players’ access to the advantages of the potential Single Market of space services.<sup>23</sup>

The EU Space Law proposal was expected to be released in 2023, but as of 2024, it has yet to be unveiled, with the legislation anticipated to be revealed in 2025. Even though the President of the European Commission has set quite ambitious goals regarding the content of the pending document, some of its provisions have better chances to be agreed upon by the EU Member States. A good starting point could be space situational awareness, data sharing initiatives, and cybersecurity-strengthening measures, as these do not require any special compromise in terms of state autonomy. Furthermore, the key supply chain stakeholders among EU Member States may be encouraged to issue a joint policy recommendation document to envision a viable minimum quality standard for the resilience of space infrastructure that would be enshrined in the new space law to ensure coordinated joint preparedness plans and emergency protocols.

The space debris proliferation issue has long ceased to be solely a matter of climate activism, as it is gaining more importance as a concern of national security in the context of uninterrupted operations of critical space assets. According to the data of the ESA, an approximate estimation of space junk objects larger than 10 centimetres amounts to more than

21 Norton Rose Fullbright, “Global Outer Space Guide: Germany,” *Norton Rose Fullbright*, December 2023, <https://www.nortonrosefulbright.com/en/knowledge/publications/582a6d62/global-outer-space-guide-germany>.

22 United Nations Office for Outer Space Affairs (UNOOSA), *Outer Space Treaty*, 1967, <https://www.unoosa.org/oosa/en/ourwork/spacelaw/treaties/introouterspacetreaty.html>.

23 European Commission, *Space Strategy for Security and Defense*, 4.

35,000, followed by the dramatic figure of one million pieces within the 1-to-10-centimetre spectrum.<sup>24</sup> The infamous case of the collision of the non-functioning Russian satellite Cosmos-2251 with the operating American satellite Iridium 33 in 2009 resulted in the destruction of both satellites and the formation of a significant amount of long-lasting debris.<sup>25</sup> The debris mitigation efforts are severely impaired by the issue of debris attribution and liability. As of now, there is no publicly available data on the space junk originating from the space missions carried out by the European Union.

accentuates the urgent necessity to improve the efficiency of the Space Surveillance and Tracking (SST) system to enable collision avoidance and maneuvering in the context of orbital debris, the document fails to include the prospects of joint space debris removal operations.<sup>27</sup> Overall, potentially debatable and contentious points are prevailing in the space traffic management discussions.

## Conclusion

In tandem with modern technological advancements, warfighting capabilities are taking new forms and entering new

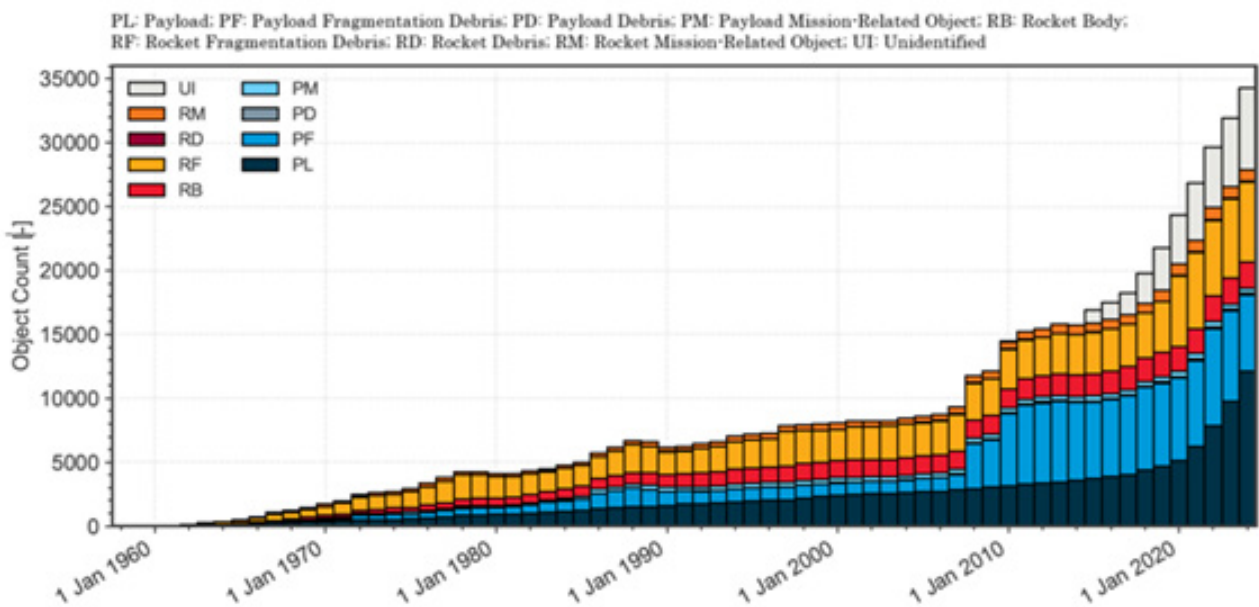


Figure 2. Evolution of the Number of All Space Debris Objects in All Earth Orbits.<sup>26</sup>

The specific law provisions covering the reduction of long-lived space junk can potentially become a common ground for agreement among the EU spacefaring nations. However, even though the EU Space Strategy for Security and Defence

domains. The question of preserving space free from military confrontations becomes of utmost relevance as dependency on space assets application grows. European Union Member States have demonstrated solidarity with other democratic states

<sup>24</sup> European Space Agency, "Annual Space Environment Report," 2024, 26.

<sup>25</sup> NASA, "Report," 2009, <https://ntrs.nasa.gov/citations/20100002023>.

<sup>26</sup> European Space Agency, "Annual Space Environment Report."

<sup>27</sup> European Commission, "Space Strategy for Security and Defense," 15.



in keeping outer space free from destructive activities, but to form a shared understanding of how exactly it will be achieved has proved to be a challenging task not only within the European Union itself but also on a global scale.

The crucial role of the space-based Earth Observation assets in the Ukrainian Armed Forces' resistance against the invasion of Russia has demonstrated the significance of maintaining strategic autonomy in advanced space technologies for military and defence applications. However, for Europe, this entails lowering the dependence on the US space services rather than granting the EU the right to exercise exclusive competence over space governance. Over the last couple of decades, EU Member States could not find common ground to create EU joint military forces, making it clear that no EU common defence is in the horizon. As space is increasingly viewed as the 21st-century battlefield for hybrid warfighting, it is unlikely that Member States will transfer their autonomy of managing space activities to the EU, despite the existing evidence of mutual benefits of such a venture for all participants.



March 2025

# EMA ODRA RAŠČAN

## MILITARY MOBILITY: THE MISSING LINK IN EUROPEAN DEFENCE

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### Introduction

**F**ebuary 2025 saw significant shifts in the transatlantic relationship, particularly in terms of security cooperation for Ukraine. The month began with the Munich Security Conference where European leaders confronted the reality of a changing United States' foreign policy under President Donald Trump. At the final keynote, an emotional Christoph Heusgen, the Chairman since 2022, warned that *"we have to fear that our common value base is not that common anymore"*.<sup>2</sup> Just weeks later, Ukrainian President Zelenskyy met with President Trump in the Oval Office, facing a starkly different diplomatic environment than in past years. Meanwhile, an emergency European Union (EU) summit in Brussels failed to deliver concrete military aid to Ukraine, exposing divisions within the bloc. With United States (US) military assistance and intelligence-sharing now cut off, Kyiv is under growing pressure from Washington to negotiate with Moscow. However, as

leaders debate funding commitments, a bigger question looms: does Europe have the logistical and infrastructure capacity to turn financial promises into real military support?

A recent European Court of Auditors (ECA) report highlights just how unprepared Europe is to meet this challenge. Despite years of discussions on military mobility, EU armed forces still face major logistical hurdles when moving across borders, with approvals taking up to 45 days in some cases.<sup>3</sup> Many roads, bridges, and railway networks remain unsuitable for heavy military transport and, in spite of €1.7 billion allocated for mobility improvements between 2021 and 2027, the funds were already exhausted by 2023 and without a clear strategy for addressing the most urgent needs.<sup>4</sup> The biggest issue, however, is governance. Unlike NATO, which has a clear chain of command, the EU's approach to military logistics is scattered across multiple institutions and national governments, leading to

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2 Presstv, "Munich Security Conference Chairman Weeps Over Deepening Division in NATO," February 17, 2025, <https://www.presstv.ir/Detail/2025/02/17/742994/Munich-Security-Conference-Vance-Heusgen>.

3 European Court of Auditors, *EU Military Mobility: Full Speed Not Reached Due to Design Weaknesses and Obstacles En Route*, Special Report 04/2025 (Luxembourg: Publications Office of the European Union, 2025), 7, <https://www.eca.europa.eu/en/publications/SR-2025-04>.

4 European Court of Auditors, *EU Military Mobility: Full Speed Not Reached Due to Design Weaknesses and Obstacles En Route*, 9–12.

slow decision-making and inconsistent priorities. As Ukraine fights for survival and Europe faces the possibility of future conflicts, building a faster, more coordinated military mobility system must become a top priority, not just in theory, but in practice.

This article examines the role of military mobility in European defence, the current state of mobility initiatives, and the key obstacles that prevent progress. It also proposes concrete steps to ensure that military mobility is not only recognised as a strategic necessity, but also fully integrated into Europe's security framework.

### The Evolution of Military Mobility

Military mobility is a fundamental component of any credible defense strategy, ensuring that personnel, equipment, and supplies can be rapidly deployed to respond to emerging threats. While territorial defense remains the responsibility of the 27 EU Member States, 23 of which are also NATO members, the EU has become an increasingly important stakeholder in facilitating seamless military movement within and beyond its borders. This requires not only infrastructure capable of supporting modern military hardware, but also streamlined bureaucratic procedures to prevent delays that could undermine an effective response.

The EU's military mobility initiative began with President Juncker's 2017 State of the Union address, emphasising a European Defence Union by 2025.<sup>5</sup> In March 2018, the Commission released the first Action Plan on Military Mobility, followed by periodic progress reports in 2019, 2020, and 2021. The Strategic Compass (March 2022) called for a revised plan, leading to Action Plan 2.0 (November 2022), covering 2022-2026 with 38 actions. The 2021-2027 Multiannual Financial Framework (MFF) allocated €1.69 billion for military mobility under the Connecting Europe Facility (CEF), though funding was cut from initial proposals. Additional funding rounds were launched between 2021-2023, largely influenced by the war in Ukraine.

Following the Strategic Compass on Security and Defence, which the European Council endorsed in March 2022, the EU recognised military mobility as a strategic necessity in light of Russia's military aggression against Ukraine.<sup>6</sup> The Action Plan on Military Mobility 2.0, published in November 2022, reflects this urgency by outlining a comprehensive framework for improving logistics, transport infrastructure, and procedural efficiency across EU Member States.<sup>7</sup> The war in Ukraine demonstrated the need for rapid and seamless military movement, particularly in delivering aid and reinforcements to the frontline. However, inconsistent national regulations, outdated infrastructure, and reliance on

5 European Commission, "President Jean-Claude Juncker's State of the Union Address 2017," (Brussels, September 13, 2017), [https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_17\\_3165](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_17_3165).

6 Council of the European Union, *A Strategic Compass for Security and Defence – For a European Union that Protects Its Citizens, Values and Interests and Contributes to International Peace and Security*, 7371/22 (Brussels: General Secretariat of the Council, March 21, 2022), <https://data.consilium.europa.eu/doc/document/ST-7371-2022-INIT/en/pdf>.

7 High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication to the European Parliament and the Council: Action Plan on Military Mobility 2.0*, JOIN(2022) 48 final (Brussels, November 10, 2022), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022JC0048>.

civilian transport systems have slowed response times, highlighting the importance of moving from ad-hoc, case-by-case solutions to a more structured and integrated system.

Building on progress since 2017, the Action Plan on Military Mobility 2.0 sets the stage for a more connected and resilient military transport network by addressing four key pillars: multimodal corridors and logistical hubs, regulatory reforms, resilience and preparedness, and enhanced partnerships with organisations such as NATO. Notable developments include streamlining customs formalities, harmonising dangerous goods transport regulations, and increasing investment in dual-use infrastructure through CEF. Additionally, the EU aims to enhance cybersecurity protections for transport networks, improve coordination with external partners, and develop a more unified, digitised administrative system. By ensuring that military mobility is not only a political priority but also an operational reality, the EU seeks to reinforce its defense capabilities and rapid deployment capacity in the evolving geopolitical landscape.

The importance of military mobility was also emphasised in the Joint Communication on Defence Investment Gaps, adopted in June 2022.<sup>8</sup> The Joint Communication underlines that military mobility is crucial for ensuring effective logistics, sustainment, and force movement, particularly in light of the war in Ukraine. It also highlights the need

for increased investment in transport infrastructure, as demonstrated by the oversubscription for dual-use project funding under the CEF. Additionally, it calls for a holistic approach to military mobility, integrating strategic and tactical lift capabilities, enhanced civil-military synergies, and improved resilience, while accelerating key Permanent Structured Cooperation (PESCO) projects to strengthen air, land, and sea transport capacities for high-intensity operations.

Military mobility in the EU involves multiple actors with overlapping responsibilities, requiring coordination between NATO, the EU, and intergovernmental bodies. While territorial defense remains a national competence and NATO plays a key role in security cooperation, the EU funds dual-use infrastructure projects that complement military efforts.

Within the EU, the European External Action Service (EEAS), the European Defence Agency (EDA), and several European Commission directorates-general oversee different aspects of military mobility. Additionally, one of the key military mobility initiatives is the PESCO project, which brings together 25 EU Member States along with non-EU partners such as the United States, Canada, and Norway.

The European Investment Bank has also allocated funding for military mobility under its Strategic European Security Initiative, increasing defense-related

<sup>8</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, "Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the Defence Investment Gaps Analysis and Way Forward," JOIN(2022) 24 final, May 18, 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022JC0024>.



financing to €8 billion.<sup>9</sup> However, the absence of a central coordinating body within the EU complicates governance, creating inefficiencies and a lack of accountability between EU-funded and intergovernmental initiatives.<sup>10</sup> Without better oversight and coordination, military mobility efforts risk remaining fragmented, slowing the EU's ability to respond to security challenges effectively.

Military mobility also underpins broader concepts of strategic autonomy and serves as a test case for strengthening EU-NATO cooperation, with the EU filling logistical and regulatory gaps that NATO has traditionally deprioritised. Drent, Kruijver, and Zandee emphasise that NATO's military planning capabilities complement the EU's regulatory authority, but political barriers such as the Cyprus-Turkey dispute hinder formal collaboration.<sup>11</sup> Despite this, progress has been made through informal staff-to-staff cooperation and ad-hoc logistical agreements. Chihai notes that the Russian invasion of Ukraine accelerated EU-NATO coordination, yet inconsistent funding and bureaucratic

hurdles continue to limit interoperability.<sup>12</sup>

Simon and Marrone highlight the role of PESCO and the European Defence Fund in bridging capability gaps, though they caution that diverging legal frameworks complicate integration.<sup>13</sup> Similarly, Håkansson traces how NATO's advocacy for a "military Schengen" influenced EU policy, leading to greater alignment in transport standards.<sup>14</sup> However, he warns that further harmonisation, particularly in cyber protection, is needed to strengthen resilience against hybrid threats.<sup>15</sup>

By investing in dual-use infrastructure and aligning with US calls for burden-sharing, the EU reinforces deterrence while maintaining strong transatlantic ties, potentially paving the way for deeper collaboration on future defense initiatives.<sup>16</sup> If the EU aims to become more self-reliant in defence, it cannot rely solely on declarations or summits. The EU needs the capacity to act quickly. This capacity is central to deterrence: a potential adversary is less likely to provoke or attack, if it knows European forces can

<sup>9</sup> ECA, *EU Military Mobility*, 18.

<sup>10</sup> ECA, *EU Military Mobility*, 18.

<sup>11</sup> Margriet Drent, Kimberley Kruijver, and Dick Zandee, "Military Mobility and the EU-NATO Conundrum," *Clingendael Report* (The Hague: Clingendael Institute, July 2019), [https://www.clingendael.org/sites/default/files/2019-07/Military\\_Mobility\\_and\\_the\\_EU\\_NATO\\_Conundrum.pdf](https://www.clingendael.org/sites/default/files/2019-07/Military_Mobility_and_the_EU_NATO_Conundrum.pdf).

<sup>12</sup> Mihai Chihai, "Military Mobility: A Stepping Stone for European Defence and Deterrence," in *The 7Ds for Sustainability – Defence Extended*, ed. Ionela Maria Ciolan and Klaus Welle (Brussels: Martens Centre, July 2024), <https://www.martenscentre.eu/wp-content/uploads/2024/07/7Ds-Defence-Extended.pdf>.

<sup>13</sup> Edouard Simon and Alessandro Marrone, *Linking PESCO and EDF: Institutional Mechanisms and Political Choices* (Paris: French Institute for International and Strategic Affairs, April 2021), [https://www.iris-france.org/wp-content/uploads/2021/05/ARES\\_2021\\_05\\_66\\_PESCO\\_EDF\\_Report.pdf](https://www.iris-france.org/wp-content/uploads/2021/05/ARES_2021_05_66_PESCO_EDF_Report.pdf).

<sup>14</sup> Calle Håkansson, "The Strengthened Role of the European Union in Defence: The Case of the Military Mobility Project," *European Security* 32, no. 3 (2023): 436–456, <https://doi.org/10.1080/14702436.2023.2213647>.

<sup>15</sup> *Ibid.*

<sup>16</sup> Ben Hodges and CEPA Editorial Board, "Deterrence Through Military Mobility: From the Roman Empire to NATO," *Insights & Analysis*, February 12, 2020, <https://cepa.org/article/deterrence-through-military-mobility/>.

arrive in strength within days rather than weeks. In other words, military mobility is both a deterrent and a response tool, making it a strategic enabler of Europe's defence and crisis management.

### **Current Military Mobility Initiatives: PESCO and the EDA**

Military mobility within the EU context takes shape under two distinct and complementary umbrellas: the Permanent Structured Cooperation project and broader EDA programmes.

Established to enhance defense cooperation, PESCO aims to simplify and standardise cross-border military transport procedures. Under PESCO, the Military Mobility project is coordinated by the Netherlands and includes 24 EU Member States, plus external partners such as the United Kingdom, Canada, Norway, and the United States. Switzerland also asked to join the project in October 2024 and an administrative agreement is underway to formalise the membership.<sup>17</sup> The Military Mobility project within PESCO works to share best practices and improve strategic communication

among EU defence institutions while reducing bureaucratic hurdles, improve logistics, and align national military transit procedures with broader EU and NATO frameworks.<sup>18</sup>

The project aims to create a clear platform for initiating, coordinating, and guiding work on military mobility, seeking alignment with NATO standards wherever feasible. Despite its progress, PESCO remains a state-led initiative, so its effectiveness depends on the willingness of individual countries to implement reforms and harmonise military transit rules. The debate around PESCO centres on its effectiveness in advancing European defense integration and capability development. Some scholars view it as a significant step forward, fostering deeper cooperation among EU Member States and enhancing Europe's strategic autonomy.<sup>19</sup> Others, however, argue that PESCO lacks clear objectives, fails to address key capability gaps, and remains too politically fragmented to produce meaningful results.<sup>20</sup> Critics also highlight the risk of national interests overriding collective goals,<sup>21</sup> while supporters see it as an essential mechanism for coordinating

<sup>17</sup> European Council, "PESCO: Switzerland Will Be Invited to Participate in the Military Mobility Project," Press release, January 13, 2025, <https://www.consilium.europa.eu/en/press/press-releases/2025/01/13/pesco-switzerland-will-be-invited-to-participate-in-the-military-mobility-project/>.

<sup>18</sup> PESCO, *Military Mobility Project*, accessed February 17, 2025, <https://www.pesco.europa.eu/project/military-mobility/>.

<sup>19</sup> Steven Blockmans and Dylan Macchiarini Crosson, *Differentiated Integration in EU Defence Policy: PESCO's Future Between Inclusivity and Ambition*, (Brussels: Centre for European Policy Studies, 2021), <https://kluwerlawonline.com/journalarticle/European+Foreign+Affairs+Review/26.3/EERR2021028>.

<sup>20</sup> Sven Biscop, *EU Integration and Differentiation for Effectiveness and Accountability Policy Papers No. 1: European Defence and PESCO: Don't Waste the Chance* (Brussels: Egmont Institute, May 5, 2020), [https://www.egmontinstitute.be/app/uploads/2020/05/euidea\\_policy-paper1-SvenBiscop-mei2020.pdf?type=pdf](https://www.egmontinstitute.be/app/uploads/2020/05/euidea_policy-paper1-SvenBiscop-mei2020.pdf?type=pdf).

<sup>21</sup> Alice Billon-Galland and Yvonne-Stefania Efsthathiou, *Are PESCO Projects Fit for Purpose?* (London: European Leadership Network, 2019), <https://www.europeanleadershipnetwork.org/wp-content/uploads/2019/02/Final-PESCO-policy-brief-ELN-IISS-20-Feb-2019-ilovepdf-compressed.pdf>.

defense efforts across the continent.<sup>22</sup> Ultimately, PESCO's success depends on sustained political will, strategic prioritisation, and stronger enforcement of its commitments.

Another PESCO project is the Network of Logistical Hubs in Europe, which aims to create a network of logistical hubs across Europe to streamline military transport, deployment, and sustainment operations, ensuring faster crisis response for both humanitarian and combat missions whilst enhancing strategic force projection and resilience through coordinated logistics and expedited transport authorisation procedures.<sup>23</sup>

In parallel, the EDA addresses military mobility through action plans aligned with EU-NATO cooperation. These plans

involve four actions. Firstly, the CEF is a mechanism that allocates €1.74 billion to fund 95 projects intended to upgrade roads, bridges, and railway lines for dual civilian and military use.<sup>24</sup> Although the money has been spent, the need for enhancements far exceeds the available funds.

Secondly, regulatory reforms wherein the EDA work to streamline customs regulations and ensure consistent rules for transporting dangerous goods, addressing one of the biggest bureaucratic barriers to swift troop movements.<sup>26</sup> Next, infrastructure coordination between EDA and EU Member States to align military requirements through the Trans-European Transport Network weaves military needs into the EU's broader infrastructure goals.<sup>27</sup> Lastly, the improvement of

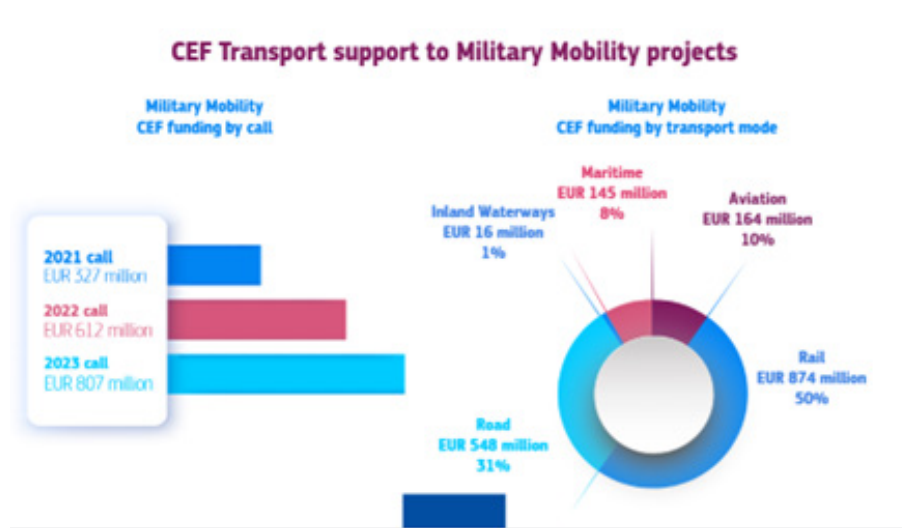


Figure 1. CEF Transport Support to Military Mobility Projects.<sup>25</sup>

<sup>22</sup> Jarosław Nocoń, Lesia Dorosh, and Olha Ivasechko, *The Role of PESCO in European Security: Opportunities and Challenges* (Warsaw: Institute of Eastern Studies, 2019), <https://repozytorium.bg.ug.edu.pl/info/article/UOG05e5990594994e7d87d55cc8e66390e7/>.

<sup>23</sup> PESCO, *Network of Logistic Hubs in Europe and Support to Operations (NetLogHubs)*, February 2024, <https://www.pesco.europa.eu/wp-content/uploads/2025/02/2024-DE-Network-of-Logistic-Hubs-in-Europe-and-Support-to-Operations-NetLogHubs-Website-leaflet.pdf>.

<sup>24</sup> European Climate, Infrastructure and Environment Executive Agency, "Factsheet on Military Mobility," April 12, 2023, [https://cinea.ec.europa.eu/publications/factsheet-military-mobility\\_en](https://cinea.ec.europa.eu/publications/factsheet-military-mobility_en).

<sup>25</sup> *Ibid.*

<sup>26</sup> *Ibid.*

<sup>27</sup> *Ibid.*

cybersecurity and resilience since physical infrastructure is only as strong as the systems controlling it, the EDA encourages measures to protect transport networks from cyberattacks and hybrid threats.<sup>28</sup>

Despite these various efforts, the lack of a central coordinating body has led to fragmented implementation. The EU's multi-level governance structure, where responsibilities are split between the European Commission, the EEAS, Member States, and NATO, can sometimes slow decision-making and create gaps in accountability. To reduce military border delays, the EU should introduce a Military Mobility Directive (MMD), requiring member states to process military transit requests within a maximum of five days, with expedited three-day processing for NATO rapid response units. Drent et al. emphasise that harmonising border-crossing regulations is essential to credible deterrence.<sup>29</sup> Håkansson further highlights that inconsistencies in national regulations undermine military preparedness, making an EU-wide directive critical for operational readiness.<sup>30</sup>

### Challenges Hindering Swift and Unified Military Mobility

The ECA has reviewed the EU's military mobility policy and provided several recommendations to improve its effectiveness. Their assessment found that Action Plan 2.0, adopted in 2022,

was developed under time constraints due to Russia's war in Ukraine and lacked a thorough ex-ante analysis and a clear budgetary assessment. One key recommendation is to streamline governance by appointing a single point of contact to coordinate efforts between the EU, Member States, and defense agencies, thereby minimising bureaucratic overlaps.<sup>31</sup> To address fragmented governance, the EU should establish a Military Mobility Coordination Unit (MMCU) within the EDA, ensuring direct oversight of military transit policies and synchronising efforts across NATO and EU institutions. This aligns with PESCO's objective of "*step-by-step defense integration*".<sup>32</sup> Additionally, the MMCU could oversee periodic progress reviews and use digital tracking systems to monitor real-time troop movements. According to Simon and Marrone, stronger coordination within EU defense initiatives is necessary to prevent redundancy and ensure smoother interoperability with NATO's military planning structures.<sup>33</sup>

The ECA also emphasises the need for improved monitoring and reporting, urging the European Commission and the EEAS to systematically assess progress on each key action and encourage Member States to provide updates.<sup>34</sup> Another concern is funding predictability, while the EU's initial €1.69 billion allocation for dual-use infrastructure was a step forward, the front-loading of funds has led to instability, necessitating a more

<sup>28</sup> *Ibid.*

<sup>29</sup> Drent, Kruijver, and Zandee, *Military Mobility and the EU-NATO Conundrum*.

<sup>30</sup> Håkansson, "The Strengthened Role of the European Union in Defence."

<sup>31</sup> European Court of Auditors, *EU Military Mobility*.

<sup>32</sup> Drent, Kruijver and Zandee, *Military Mobility and the EU-NATO Conundrum*.

<sup>33</sup> Simon and Marrone, *Linking PESCO and EDF*.

<sup>34</sup> European Court of Auditors, *EU Military Mobility*.



structured financial framework under the post-2027 Multiannual Financial Framework.<sup>35</sup> To ensure stable long-term financing, the EU should establish a Permanent Military Mobility Fund (PMMF) within the post-2027 MFF. This fund, backed by EU member state contributions and potential NATO co-funding, would provide an annual budget of at least €5 billion. According to Chihaia, underfunding military mobility infrastructure weakens Europe's ability to respond to crises effectively.<sup>36</sup> Furthermore, Håkansson warns that without predictable funding, efforts to modernise cross-border military logistics could stall, leading to fragmented capabilities among EU member states.<sup>37</sup>

Additionally, the ECA calls for a more strategic selection of dual-use infrastructure projects, ensuring they align with military priorities and NATO corridors.<sup>38</sup> Billon-Galland and Efstathiou emphasise that aligning EU-funded projects with NATO's military transport corridors enhances interoperability and avoids duplication of efforts.<sup>39</sup> Chihaia further argues that current EU funding mechanisms lack a prioritisation framework, leading to inefficiencies in infrastructure investment for military mobility.<sup>40</sup> Håkansson highlights that NATO's operational requirements should be systematically integrated into EU planning to create a seamless logistics network that supports rapid troop deployment.<sup>41</sup>

Finally, future action plans should be more focused, incorporating lessons from past exercises and setting clear targets for cross-border military movements, cybersecurity, and infrastructure upgrades. The EU should adopt an EU Cybersecurity Strategy for Military Mobility, incorporating real-time threat monitoring across critical military transport routes and joint cyber defense exercises with NATO. Billon-Galland and Efstathiou stress that cybersecurity in military logistics is an overlooked vulnerability, and EU funding should be directed toward safeguarding digital infrastructure.<sup>42</sup>

## Conclusion

The discussions at the Munich Security Conference underscored the growing urgency for Europe to strengthen its defense capabilities. However, while strategic autonomy and increased defense spending dominated the agenda, a critical question remained overlooked: how quickly and effectively can Europe mobilise its forces in a crisis? Military mobility is not just a logistical concern. It is the foundation of any credible defense posture. The war in Ukraine has exposed the EU's vulnerabilities in deploying troops and equipment efficiently, emphasising the pressing need to reform governance, regulatory frameworks, and infrastructure planning.

Despite incremental progress through

<sup>35</sup> *Ibid.*

<sup>36</sup> Chihaia, "Military Mobility."

<sup>37</sup> Håkansson, "The Strengthened Role of the European Union in Defence."

<sup>38</sup> European Court of Auditors, *EU Military Mobility*.

<sup>39</sup> Billon-Galland and Efstathiou, *Are PESCO Projects Fit for Purpose?*

<sup>40</sup> Chihaia, "Military Mobility."

<sup>41</sup> Håkansson, "The Strengthened Role of the European Union in Defence."

<sup>42</sup> Billon-Galland and Efstathiou, *Are PESCO Projects Fit for Purpose?*

Action Plan 2.0, PESCO, and the EDA's initiatives, persistent bureaucratic fragmentation, inadequate coordination, and unpredictable funding have limited the effectiveness of military mobility efforts. The European Court of Auditors has highlighted key weaknesses, including delays in border-crossing approvals, outdated transport networks, and inconsistent dual-use infrastructure prioritisation. As Chihaia and Håkansson emphasise, without a long-term financing mechanism and a cohesive governance structure, military mobility will remain a political ambition rather than an operational reality.<sup>43</sup>

To close the gap between strategic objectives and actual capabilities, the EU must take decisive action in three key areas:

1. *Governance Reform.* Establishing a centralised Military Mobility Coordination Unit within the European Defence Agency to streamline decision-making and ensure alignment between EU and NATO initiatives.

2. *Sustained Financial Investment.* Creating a Permanent Military Mobility Fund under the post-2027 Multiannual Financial Framework to provide stable, long-term funding for dual-use transport infrastructure and logistics enhancements.

3. *Deeper EU-NATO Coordination.* Institutionalising joint military mobility planning to prevent duplication, improve interoperability, and integrate NATO's logistical and operational standards into EU-funded projects.

Furthermore, cybersecurity vulnerabilities in military logistics require urgent attention. Billon-Galland and Efstathiou stress that military transport networks must be protected from cyber threats to ensure operational readiness.<sup>44</sup> The EU should adopt a Cybersecurity Strategy for Military Mobility, integrating real-time threat monitoring and conducting annual cyber defense exercises with NATO.

Military mobility is not just a technical exercise. It is a strategic enabler of European security, crisis response, and deterrence. A potential adversary is far less likely to act if it knows European forces can deploy within days rather than weeks. The EU cannot afford to rely solely on political declarations or emergency improvisation. If Europe is serious about defending itself and its allies, it must institutionalise military mobility as a permanent, well-funded, and operationally viable component of its security architecture. The ability to move troops and equipment swiftly is not just about efficiency, it is about survival.

<sup>43</sup> Chihaia, "Military Mobility"; Håkansson, "The Strengthened Role of the European Union in Defence."

<sup>44</sup> Billon-Galland and Efstathiou, *Are PESCO Projects Fit for Purpose?*

# MOHAMAD FADL HARAKE

## EU PEACEBUILDING STRATEGIES AND CHALLENGES

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### Introduction

**T**he European Union (EU) has long held peacebuilding as one of its foundational objectives, a legacy rooted in its history of overcoming intra-European conflict following World War II. Established initially as an economic coalition, the EU has evolved into a unique political actor with a strong influence in global governance and international diplomacy.<sup>2</sup>

This influence has shaped the EU's approach to conflict resolution, where its emphasis on diplomacy, economic development, and governance reform is the backbone of its peacebuilding strategy. Unlike traditional state actors with substantial military reach, the EU employs soft power mechanisms, prioritising incentives, dialogue, and institutional support over direct intervention.<sup>3</sup>

In the contemporary global context,

the EU's peacebuilding efforts are particularly visible in regions that are either geographically close or strategically relevant to its security interests, including post-conflict areas like the Western Balkans, frozen conflicts such as in Cyprus, and active conflict zones like Ukraine.<sup>4</sup> Through case studies of EU involvement in these areas, this paper explores the EU's public policy initiatives, including economic support, institutional reform, and political mediation efforts, examining how these tools promote stability, democracy, and conflict de-escalation.<sup>5</sup>

The EU's peacebuilding activities also intersect with complex geopolitical dynamics. In Ukraine, the EU faces a situation heavily influenced by Russia, a powerful actor that directly challenges EU objectives in the region. Similarly, in Cyprus, Turkey's continued presence complicates peace efforts, while the situation in the Western Balkans reflects the EU's ambitions for regional integration.

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- 2 Elena Aoun, Stephan Keukeleire, and Tom Delreux, *European Review of International Studies* 2, no. 3 (2015): 150–153, <https://www.jstor.org/stable/26593488>.
- 3 Thomas Diez and Nathalie Tocci, *The EU, Promoting Regional Integration, and Conflict Resolution* (Palgrave Macmillan, 2017), <https://doi.org/10.1007/978-3-319-47530-1>.
- 4 James Ker-Lindsay, Ioannis Armakolas, Rosa Balfour, and Corina Stratulat, "The National Politics of EU Enlargement in the Western Balkans," *Southeast European and Black Sea Studies* 17, no. 4 (2017): 511–522, <https://doi.org/10.1080/14683857.2017.1424398>.
- 5 European Union External Action, *The EU's Global Strategy: Three Years On, Looking Forward*, 2018, [https://eeas.europa.eu/sites/default/files/eu\\_global\\_strategy\\_2019.pdf](https://eeas.europa.eu/sites/default/files/eu_global_strategy_2019.pdf).

These cases reveal both the strengths and limitations of the EU's peacebuilding capabilities, highlighting the challenges inherent in applying soft power solutions within contested geopolitical spaces. Through an analysis of these examples, this article assesses the EU's evolving peacebuilding strategies, the outcomes achieved, and areas for improvement, ultimately illustrating the EU's vital but complicated role in contemporary peacebuilding.

## The European Union's Framework for Peacebuilding

### *The EU's Approach to Peacebuilding*

The European Union's approach to peacebuilding is deeply embedded in its commitment to soft power, emphasising the promotion of democracy, human rights, the rule of law, and sustainable economic development as essential pillars for lasting peace.<sup>6</sup> Unlike traditional hard power strategies, which rely on military force and coercion, the EU's peacebuilding

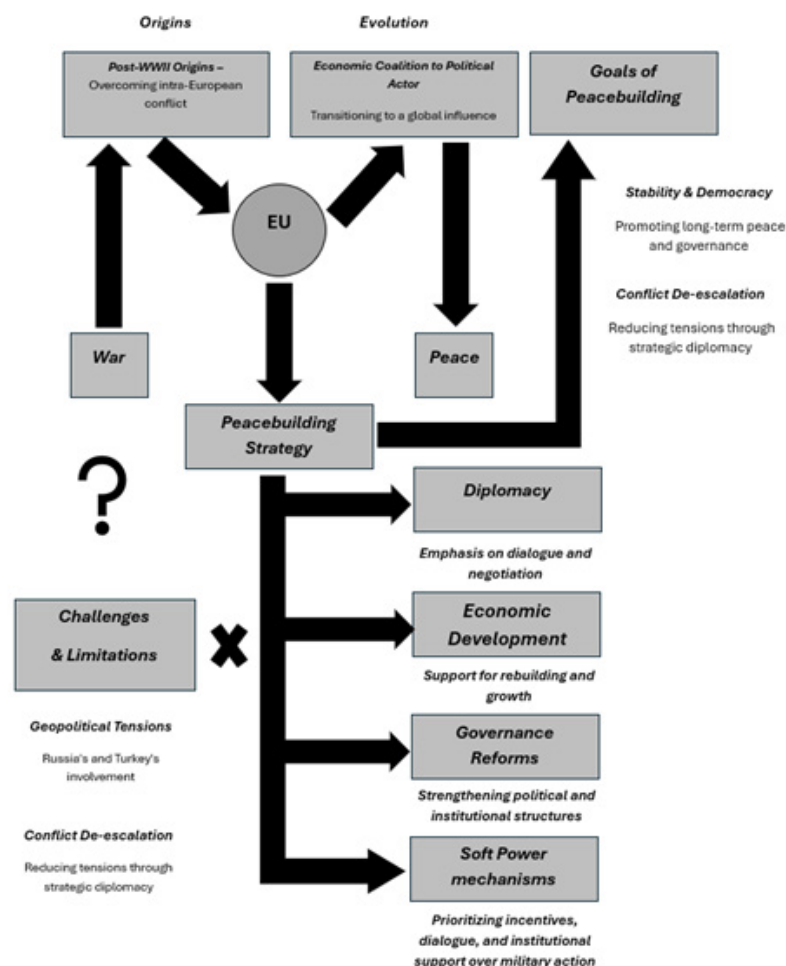


Figure 1. EU Peacebuilding Strategy: An Overview

<sup>6</sup> Annika Björkdahl, Kristine Höglund, Gearoid Millar, Johan van der Lijn and Willemijn Verkoren, *Peacebuilding and Friction: Global and Local Encounters in Post Conflict Societies* (London: Routledge, 2017). <https://doi.org/10.4324/9781315669823>.

efforts are characterised by diplomatic engagement, multilateral cooperation, and long-term investment in institutions that foster stability. This approach aligns with the EU's broader vision of conflict prevention and crisis management, which seeks to address the root causes of instability rather than merely responding to its symptoms.

At the heart of EU peacebuilding efforts is the 2016 Global Strategy for Foreign and Security Policy, which underscores the importance of resilience and long-term stability in conflict-prone regions.<sup>7</sup> The strategy recognises that sustainable peace cannot be achieved solely through short-term interventions but requires a holistic and integrated approach that combines political dialogue, governance reforms, and economic recovery. The EU, therefore, prioritises capacity-building initiatives, strengthening state institutions, and empowering civil society actors to contribute to peace processes. By fostering inclusive political structures and supporting good governance, the EU aims to create environments where conflicts are less likely to arise or escalate.

One of the most significant recent developments in the EU's peacebuilding framework is the European Peace Facility (EPF), introduced in 2021. This off-budget instrument represents a shift in EU crisis

management, enabling the Union to provide direct military assistance, security cooperation, and crisis response funding to partner countries facing instability.<sup>8</sup> The EPF is designed to enhance the EU's ability to act swiftly in conflict situations, supporting both preventive measures and post-conflict stabilisation efforts. Through this mechanism, the EU can supply military aid, fund peacekeeping operations, and assist in the training of security forces in partner nations, ensuring that local and regional actors have the necessary tools to maintain security and uphold international law.

Furthermore, EU peacebuilding extends beyond immediate security measures. It is closely tied to its development cooperation policies, which address economic disparities, social inequalities, and governance deficits—key drivers of conflict. The EU's external financial instruments, such as the Neighbourhood, Development, and International Cooperation Instrument (NDICI), work alongside the EPF to provide a comprehensive response to fragile contexts.<sup>9</sup> By integrating diplomatic, security, and development efforts, the EU aims to bridge the gap between crisis response and sustainable peace, ensuring that interventions lead to long-term stability rather than temporary ceasefires.

7 European Union External Action, "Global Strategy for the European Union's Foreign and Security Policy: Shared Vision, Common Action: A Stronger Europe," December 15, 2019, [https://www.eeas.europa.eu/eeas/global-strategy-european-unions-foreign-and-security-policy\\_en](https://www.eeas.europa.eu/eeas/global-strategy-european-unions-foreign-and-security-policy_en).

8 Council of the European Union, "European Peace Facility," accessed December 8, 2024, <https://www.consilium.europa.eu/en/policies/european-peace-facility/>.

9 European Commission, *Multi-Annual Indicative Programme 2021–2027: Peace, Stability and Conflict Prevention – Annex* (Brussels: European Commission, 2022), [https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-8985-peace-stability-conflict-prevention-annex\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-8985-peace-stability-conflict-prevention-annex_en.pdf).



Overall, the EU's peacebuilding strategy embodies its broader commitment to multilateralism, conflict prevention, and global stability. As the Union continues to refine its tools and approaches, its emphasis on resilient institutions, inclusive governance, and economic development remains central to its role as a global peace actor. This framework not only reinforces the EU's normative influence but also strengthens its ability to navigate an increasingly complex and volatile international security landscape.

*EU Institutional Framework and Key Funding Mechanisms*

The EU's peacebuilding initiatives rely on coordination among multiple institutions, primarily the European External Action Service (EEAS), which manages diplomatic missions and peacekeeping operations. Funding is provided through a range of financial instruments, including:

- *The European Neighbourhood Instrument (ENI)*, which is focused on stabilising the EU's eastern and southern neighbours, especially conflict-prone regions such as Ukraine and the South Caucasus.<sup>10</sup>
- *The Instrument for Pre-accession Assistance (IPA)*, which targets EU candidate countries, specifically in the Western Balkans, where it funds reforms to prepare countries for EU member-

ship.<sup>11</sup>

- *The European Peace Facility (EPF)*, which provides funds for security cooperation, including training and equipment for security forces in unstable regions.<sup>12</sup>

These frameworks enable the EU to implement diverse peacebuilding activities, from economic reconstruction and electoral support to conflict mediation and judicial reform, contributing to long-term peace in affected regions.

## Case Study: Ukraine

### *Background and the Euromaidan Protests*

Ukraine's political landscape changed dramatically after the Euromaidan protests in 2013-2014, which led to the ousting of President Yanukovich and triggered Russia's annexation of Crimea. The Donbas conflict in Eastern Ukraine began shortly after, with pro-Russian separatists challenging the Ukrainian government. The EU's involvement in Ukraine highlights its role in a complex geopolitical conflict, where Russia's influence directly opposes European objectives.<sup>13</sup>

<sup>10</sup> Dimitris Bouris and Tobias Schumacher, *The Revised European Neighbourhood Policy: Continuity and Change in EU Foreign Policy* (Palgrave Macmillan, 2017), <https://doi.org/10.1057/978-1-137-47182-6>.

<sup>11</sup> European Commission, *Commission Implementing Decision of 10.12.2021 Adopting the Instrument for Pre-Accession Assistance (IPA III) Programming Framework for the Period 2021–2027*, (Brussels: European Commission, 2021), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021D10365>.

<sup>12</sup> Council of the European Union, "European Peace Facility."

<sup>13</sup> Andrea Gawrich, Inna Melnykovska, and Rainer Schweickert, "Neighbourhood Europeanization through ENP: The Case of Ukraine," *Journal of Common Market Studies* 48, no. 5 (2010): 1209–1230, <https://doi.org/10.1111/j.1468-5965.2010.02110.x>.

### *The EU's Peacebuilding and Support Initiatives in Ukraine*

The EU's response in Ukraine includes economic support, security sector reform, and governance assistance. The EU-Ukraine Association Agreement, signed in 2014, marked a key step in Ukraine's path toward integration with Europe. The European Union Advisory Mission (EUAM) in Ukraine was established to assist in reforming Ukraine's police and judicial systems, aimed at fostering transparency and curbing corruption.<sup>14</sup>

The European Union has significantly increased its financial aid to Ukraine in response to the ongoing conflict. Between 2022 and 2025, the EU has committed approximately €28.2 billion in macro-financial assistance, comprising both loans and grants.<sup>15</sup> In addition to this, EU member states have collectively provided around €13.2 billion in financial support through grants, loans, and guarantees. The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) have also contributed with loans totaling €3 billion, backed by the EU budget. Furthermore, the EU has allocated €4.8 billion for humanitarian aid, emergency assistance, budget support, and crisis response, including €122 million dedicated to rebuilding Ukrainian

schools<sup>16</sup>. These financial commitments are part of the EU's broader strategy to support Ukraine's economic stability, infrastructure reconstruction, and humanitarian needs in the face of ongoing challenges.

### *Challenges in EU Peacebuilding in Ukraine*

Despite EU efforts, ongoing tensions with Russia complicate peacebuilding initiatives in Ukraine. Russian-backed separatist authority in parts of the Donbas region has hindered the peace process, and repeated ceasefire violations prevent lasting stability. While the EU's economic sanctions against Russia demonstrate solidarity with Ukraine, they have been only moderately effective in reducing Russian influence. This case underscores the difficulty of applying EU peacebuilding strategies in conflict zones where geopolitical rivalries play a significant role.<sup>17</sup>

### **Case Study: Cyprus**

#### *Historical Context and the Cyprus Division*

Cyprus has been divided since 1974, with the northern part occupied by Turkish forces and recognised only by Turkey, while the Republic of Cyprus governs the southern area. Cyprus's division has political, cultural, and religious dimensions

14 Nathalie Tocci, *Framing the EU Global Strategy: A Stronger Europe in a Fragile World* (Palgrave Macmillan Cham, 2020), <https://doi.org/10.1007/978-3-319-55586-7>.

15 Council of the European Union, "EU Solidarity with Ukraine," *Consilium.europa.eu*, accessed February 21, 2025, <https://www.consilium.europa.eu/en/policies/eu-solidarity-ukraine/>.

16 European External Action Service, "EU Assistance to Ukraine in US Dollars," *EEAS - European External Action Service*, accessed February 21, 2025, [https://www.eeas.europa.eu/delegations/united-states-america/eu-assistance-ukraine-us-dollars\\_en](https://www.eeas.europa.eu/delegations/united-states-america/eu-assistance-ukraine-us-dollars_en).

17 Zsolt Darvas, Marek Dabrowski, Heather Grabbe, Luca Léry Moffat, André Sapir, and Georg Zachmann, *The Impact on the European Union of Ukraine's Potential Future Accession* (Brussels: Bruegel, 2024), <https://www.bruegel.org/sites/default/files/2024-04/Report%2002.pdf>.

that have remained resistant to resolution, even as the country joined the EU in 2004.<sup>18</sup>

### *EU Peacebuilding Policies in Cyprus*

The EU has engaged in multiple initiatives to foster dialogue between Greek and Turkish Cypriots. The EU Aid Programme for the Turkish Cypriot Community supports economic and social development in the north, aiming to reduce disparities and increase cross-community interactions.<sup>19</sup> The Green Line Regulation allows trade between the two communities, a critical step in promoting economic interdependence.<sup>20</sup>

### *Ongoing Challenges in Cyprus Peacebuilding*

Despite the EU's investments, political tensions between the two communities persist, and reunification talks have stalled multiple times. The conflict's intractability is partly due to Turkey's involvement and the enduring mistrust between Greek and Turkish Cypriots. While the EU provides a supportive framework, its influence is limited by Cyprus's sovereignty and Turkey's political leverage in the region.<sup>21</sup>

## **Case Study: The Western Balkans**

### *The EU's Role in Post-Conflict Reconstruction in the Western Balkans*

The Western Balkans represent one of the EU's most extensive peacebuilding engagements, with post-conflict efforts following the Yugoslav Wars of the 1990s. The Stabilisation and Association Process (SAP) was established to integrate the region with the EU, fostering economic and political reforms as a pathway to EU membership.<sup>22</sup>

### *Peacebuilding Successes in the Western Balkans*

The EU's conditionality principle, which ties financial assistance and political support to reform efforts, has shown success in the Western Balkans. Croatia's accession to the EU in 2013 is a key example, showcasing how EU membership incentives can drive significant reforms.<sup>23</sup> Serbia and Montenegro have also made considerable progress in their EU accession pathways, motivated by the prospect of EU integration.<sup>24</sup>

18 Ker-Lindsay et al., "The National Politics of EU Enlargement in the Western Balkans."

19 Dimitris Bouris and Tobias Schumacher, *The Revised European Neighbourhood Policy: Continuity and Change in EU Foreign Policy* (Palgrave Macmillan, 2017), <https://doi.org/10.1057/978-1-137-47182-6>.

20 Fadıl Ersözer, "The Limits of Europeanisation and Liberal Peace in Cyprus: A Critical Appraisal of the European Union's Green Line Regulation," University of Manchester, 2017, <https://research.manchester.ac.uk/en/studentTheses/the-limits-of-europeanisation-and-liberal-peace-in-cyprus-a-criti>.

21 Ahmet Sözen and Devrim Şahin, "Renewing Hope for Cyprus Peace: A Novel Approach to Reconcile the Negotiation Positions of the Turkish Cypriot Side and the Greek Cypriot Side," *New Perspectives on Turkey*, 2024, 1–20, <https://doi.org/10.1017/npt.2024.14>.

22 Gentjan Skara, "The Role of the EU as a Peacebuilder in the Western Balkans," *European Institute of Romania*, December 2014, 26–43, [http://rjea.ier.gov.ro/wp-content/uploads/revista/RJEA\\_2014\\_vol14\\_no4\\_site.pdf](http://rjea.ier.gov.ro/wp-content/uploads/revista/RJEA_2014_vol14_no4_site.pdf).

23 Mladen Karadjoski and Goran Ilik, "Specific Conditionality of the EU Towards the Western Balkans: The Macedonian Case," *Studia Europejskie – Studies in European Affairs* 28, no. 3 (2024): 281–293, <https://journalse.com/pliki/pw/3-2024-Karadjoski.pdf>.

24 Tonino Picula, Soeren Keil, and Simonida Kacarska, "EU Conditionality in the Western Balkans: Implications for the Rule of Law," *The State of the Union Conference, 2022, A Europe Fit for the Next*

## *Continuing Challenges: Bosnia and Herzegovina, and Kosovo*

Bosnia and Herzegovina, as well as Kosovo, remain challenging areas for the EU. The former's complex governance structure, a result of the Dayton Accords, hampers effective administration and fuels ethnic divisions. The EU has deployed the EUFOR Althea mission to ensure security, yet political instability remains a persistent threat.<sup>25</sup> In the latter, the EU Rule of Law Mission (EULEX) supports judicial reforms and law enforcement, but Kosovo's partial international recognition complicates EU-led reconciliation efforts with Serbia.

### **Case Study: The South Caucasus**

#### *Regional Background and Strategic Importance*

The South Caucasus, consisting of Armenia, Azerbaijan, and Georgia, has experienced multiple conflicts, particularly over the Nagorno-Karabakh area. The EU's involvement is influenced by the region's strategic position as a bridge between Europe and Asia, as well as Russia's strong influence.<sup>26</sup>

## *EU's Engagement and Peacebuilding Efforts in the Caucasus*

Through the Eastern Partnership programme, the EU supports reforms and democratisation in the South Caucasus. This project also provides platforms for dialogue and reconciliation for the Nagorno-Karabakh conflict.<sup>27</sup> The EU's efforts include humanitarian aid, confidence-building projects, and civil society initiatives that foster people-to-people contact, especially between Armenia and Azerbaijan.<sup>28</sup>

#### *Limitations of EU Efforts in the Caucasus*

Despite EU support, the Nagorno-Karabakh situation remains unresolved, as demonstrated by the 2020 war. The EU's limited presence in the conflict zone and Russia's dominant role in ceasefire enforcement restrict the EU's influence. While the EU plays a supporting role, the complex geopolitics of the Caucasus narrow the scope of its peacebuilding efforts.<sup>29</sup>

*Generation?*, <https://hdl.handle.net/1814/74663>.

25 Lejla Gacanica, Izabela Kisić, Petar Todorov, Fisnik Korenica, and Daliborka Uljarević, "The Dayton Peace Agreement at 25: How to Proceed for Agreement for the Future?," *Western Balkan Strategy Group for an Effective EU-Enlargement Policy*, January 2021, [https://www.boell.de/sites/default/files/2021-02/ENG\\_POLICY%20BRIEF\\_The%20Dayton%20Peace%20Agreement%20at%2025%20%E2%80%93%20how%20to%20proceed%20for%20agreement%20for%20future%20.pdf](https://www.boell.de/sites/default/files/2021-02/ENG_POLICY%20BRIEF_The%20Dayton%20Peace%20Agreement%20at%2025%20%E2%80%93%20how%20to%20proceed%20for%20agreement%20for%20future%20.pdf).

26 Diez and Tocci, *The EU, Promoting Regional Integration, and Conflict Resolution*.

27 Tinatin Akhvlediani, "The EU and the South Caucasus: Geoeconomics at Play," *Carnegie Europe*, October 2, 2024, <https://carnegieendowment.org/research/2024/10/the-eu-and-the-south-caucasus-geoeconomics-at-play?lang=en&center=europe>.

28 Joanna Placzek and Michal Jiráček, "Three Eastern Partnership Neighbours in the South Caucasus," *Factsheets on the European Parliament*, 2024, <https://www.europarl.europa.eu/factsheets/en/sheet/172/three-eastern-partnership-neighbours-in-the-south-caucasus>.

29 Walter Landgraf and Nareg Seferian, "A 'Frozen Conflict' Boils Over: Nagorno-Karabakh in 2023 and Future Implications," *Foreign Policy Research Institute*, January 18, 2024, <https://www.fpri.org/article/2024/01/a-frozen-conflict-boils-over-nagorno-karabakh-in-2023-and-future-implications/>.

## Case Study: The Middle East and North Africa

## *The EU's Limited Role in the Israeli-Palestinian Conflict*

### *EU's Engagement in the MENA Region*

The EU has a strong interest in stability in the MENA region due to its proximity to Europe, refugee flows, and security concerns. The EU's regional peacebuilding efforts have focused on governance, economic support, and addressing the root causes of conflict.<sup>30</sup>

### *Specific Peacebuilding Initiatives*

The European Union's engagement in North Africa showcases varying approaches and challenges in supporting stability and governance, as seen in its contrasting roles in Tunisia and Libya. In Tunisia, the EU has been a key supporter of democratic transition post-2011, providing significant economic aid and governance reform support through ENI. In Libya, however, the EU has struggled to facilitate peace amid ongoing civil conflict. The EU has contributed to humanitarian assistance and supports the UN-led political dialogue, yet the conflict's complexity and the involvement of multiple external powers have limited its influence.<sup>31</sup>

The EU has long advocated for a two-state solution to the Israeli-Palestinian conflict, providing economic and technical support to the Palestinian Authority. However, its efforts have been hindered by the intractable nature of the conflict and the involvement of other actors, particularly the United States and regional powers. The EU continues to promote dialogue and fund development projects, yet its peacebuilding impact remains constrained by deep-seated political divisions.<sup>32</sup>

## **Analysis: Evaluating the EU's Peacebuilding Impact**

### *Strengths of the EU's Peacebuilding Approach*

The EU's emphasis on economic development, democratic reform, and governance aligns with sustainable peacebuilding principles. By leveraging incentives such as EU membership and financial support, the EU has encouraged significant reforms in the Western Balkans, Cyprus, and Ukraine. Moreover, the EU's focus on institution-building and rule of law implementations fosters a supportive environment for long-term stability.

<sup>30</sup> European Commission, "The Middle East Crisis," *European Commission*, 2024, [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/middle-east-crisis\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/middle-east-crisis_en).

<sup>31</sup> Mehmet Direkli and Hoda Abdulhafizh Ashiekh, "The European Union and Democracy Promotion in the Middle East and North Africa Countries: Bridging the Gap Between Constructivism and Realism," in *Politics, Economy, Security Issues Hidden Under the Carpet of Mediterranean* (European Publisher, 2022), 109–125, <https://doi.org/10.15405/BI.20221101.7>.

<sup>32</sup> Sinem Akgül-Açıkmeşe and Soli Özel, "EU Policy towards the Israel-Palestine Conflict: The Limitations of Mitigation Strategies," *The International Spectator* 59, no.1 (2024): 59–78, doi:10.1080/03932729.2024.2309664; European External Action Service, "The EU and the Middle East Peace Process," *European External Action Service*, February 2024, [https://www.eeas.europa.eu/eeas/eu-and-middle-east-peace-process\\_en](https://www.eeas.europa.eu/eeas/eu-and-middle-east-peace-process_en); European Commission, "The Middle East Crisis," *European Commission*, 2024, [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/middle-east-crisis\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/middle-east-crisis_en).



### *Limitations in Conflict Zones with Strong Geopolitical Influences*

The EU's soft-power approach faces challenges in regions where other global powers are heavily involved, for example, Russia in Ukraine and the Caucasus or the US in the Middle East. Its limited military presence and reliance on diplomacy and economic tools reduce its leverage in regions with high geopolitical stakes. Cyprus, Ukraine, and the MENA region exemplify these limitations, where geopolitical rivalries often overshadow the EU's peacebuilding efforts.

### *Lessons Learned and Future Directions*

The EU's experiences in peacebuilding underscore the necessity of long-term engagement, demonstrating that sustainable peace cannot be achieved through short-term interventions alone. The complexity of contemporary conflicts requires strategies that are not only responsive to immediate crises but also adaptable to regional dynamics, political shifts, and socio-economic factors that influence conflict trajectories. The EU's ability to remain flexible and responsive to evolving challenges has proven crucial in its efforts to stabilise fragile regions.

A key lesson from past engagements is the importance of local partnerships in ensuring effective and sustainable conflict resolution. By working closely with local governments, civil society organisations, and grassroots actors, the EU can help foster inclusive governance structures, strengthen democratic institutions, and empower local communities to play an active role in post-conflict reconstruction. Investing in capacity-building initiatives

for local authorities and security forces enhances the legitimacy of state institutions, reducing the likelihood of renewed violence and fostering trust in the political process.

Looking ahead, the EU may consider enhancing its crisis-response capabilities by improving the coordination and efficiency of its rapid reaction mechanisms. Strengthening the EPF and increasing funding for civilian crisis management operations could allow the EU to respond more swiftly and effectively to emerging conflicts. Additionally, reinforcing joint security operations with NATO, the UN, and the African Union (AU) would bolster the EU's role in multilateral peacekeeping efforts, ensuring a more cohesive and strategic approach to global security challenges.

A continued focus on resilience-building strategies is essential, particularly in fragile states where instability is deeply rooted in governance failures, economic hardship, and social fragmentation. The EU's peacebuilding efforts must go beyond traditional diplomatic interventions to integrate development cooperation, economic recovery programs, and social cohesion initiatives. By fostering inclusive governance frameworks and ensuring the active participation of civil society groups, women, and youth, the EU can support conflict-affected communities in building sustainable peace from within.

Ultimately, the EU's peacebuilding success hinges on its ability to blend diplomacy, security cooperation, and development aid into a cohesive and adaptive framework. By refining its strategies to better align with regional realities and prioritising locally driven solutions, the EU can

reinforce its role as a global peace actor, contributing to more resilient, stable, and self-sustaining societies.

## Conclusion

The European Union has established itself as a vital actor in global peacebuilding, with a distinctive approach prioritising economic assistance, governance reforms, and the promotion of democratic values. Across conflict-prone areas such as Ukraine, Cyprus, the Western Balkans, the South Caucasus, and the MENA region, the EU's peacebuilding efforts demonstrate its commitment to creating sustainable peace by addressing underlying social, economic, and political issues. The EU's approach stands out for its focus on fostering community resilience and reinforcing state institutions, which are critical to ensuring that post-conflict societies can independently manage and prevent future crises.

Significant limitations remain, in spite of the EU's successes, particularly in the Western Balkans and in promoting institutional reforms in Ukraine. The EU's ability to influence outcomes in these regions is often restricted by external factors, such as Russia's military and political involvement in Ukraine and the South Caucasus, as well as Turkey's ongoing role in Cyprus. These examples illustrate that while the EU's soft-power strategies can be effective in post-conflict and development contexts, they may fall short in active or deeply entrenched conflicts with prominent hard-power actors. Nonetheless, the EU's dedication to long-term engagement and local partnership-building has proven effective in creating gradual change and supporting

peace, underscoring its position as a peacebuilder in the international arena.

In the future, the EU will face both challenges and opportunities in its peacebuilding role. Building partnerships with international organisations, fostering local ownership of peace processes, and adapting to regional contexts are essential to enhancing the EU's impact. As the global political landscape evolves, the EU's continued refinement of its peacebuilding framework, along with its dedication to multilateral cooperation, will be critical to addressing emerging and persistent conflicts. The EU remains poised to play a key role in shaping a more stable and peaceful world through its adaptable, non-military approach.

# ZINTIS SILS

## BREAKTHROUGH: UNMANNED SYSTEM INNOVATION FOR DEFENCE APPLICATIONS ON EUROPEAN EASTERN FLANK

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### Introduction

In his book *The Invincible*, Polish science-fiction author Stanislaw Lem imagined an alien world ruled by a swarm of autonomous, deeply intertwined non-organic “insects”. While we have yet to see something as apocalyptic as Lem envisioned, it is undeniable that since the 1960s, unmanned technologies have gone a long way. In the past few years, unmanned systems (UMS) have been used to further strategic, operational, and tactical leverage by both state and non-state actors across the world. One only needs to look at conflicts in Nagorno-Karabakh,<sup>2</sup> Gaza,<sup>3</sup> Yemen,<sup>4</sup> and Ukraine,<sup>5</sup> to observe the increasing role of UMS in conventional and asymmetric warfare alike. In all these cases, UMS

have been used across all three domains of battlespace, whether it would be Azerbaijan using aerial unmanned assets (UAV) to strike Armenian tank columns, Houthis attacking ships with kamikaze boats (USV), or Ukraine launching assaults on Russian-held positions with various unmanned ground vehicles (UGV).

Even more so, it is becoming self-evident that deeper integration between all these asset types, possibly aided by machine learning and swarming technologies, which allow one operator to control multiple surveillance or attack UMS simultaneously, will provide a decisive advantage in future wars. At the end of 2024, Ukraine launched its first all-UMS assault in Kharkiv Oblast, orchestrating offensive actions with both UAVs and UGVs.<sup>6</sup> At the

- 1 Zintis Sils is a third-year International Relations student at Riga Stradins University. He has studied international security courses at the University of Ljubljana, served in the Latvian National Guard, and worked in various roles in aerospace and defence fields, including in the Latvian Ministry of Defence at the Defence Industry and Innovation Department. His academic work spans subjects related to the defence industry, innovation, asymmetric, conventional warfare and Eastern European security affairs.
- 2 Shaan Shaikh and Wes Rumbaugh, “The Air and Missile War in Nagorno-Karabakh: Lessons for the Future of Strike and Defense,” *CSIS*, December 8, 2020, <https://www.csis.org/analysis/air-and-missile-war-nagorno-karabakh-lessons-future-strike-and-defense>.
- 3 Gloria Shkurti Özdemir, “Remote Warfare: Evaluating the Combat Effectiveness of Drones in the Context of the War on Gaza,” *ACRPS*, November 21, 2024, 6, <https://www.dohainstitute.org/en/PoliticalStudies/Pages/remote-warfare-evaluating-the-combat-effectiveness-of-drones-in-the-context-of-the-war-on-gaza.aspx>.
- 4 Conflict Armament Research, “Evolution of UAVs Employed by Houthi Forces in Yemen,” March 25, 2024, <https://storymaps.arcgis.com/stories/46283842630243379f0504ece90a821f>.
- 5 Ulrike Franke, “Drones in Ukraine: Four lessons for the West,” *European Council on Foreign Relations*, January 10, 2025, <https://ecfr.eu/article/drones-in-ukraine-four-lessons-for-the-west/>.
- 6 Tim Mak, “Inside the first ever all-drone assault by Ukraine,” *The Counteroffensive*, 8 February, 2025, <https://www.counteroffensive.news/p/the-first-ever-all-drone-assault>.

same time, these technologies are being developed by the United States,<sup>7</sup> Russia,<sup>8</sup> and China alike.<sup>9</sup> However, in discussions about these developments, an important trend is often overlooked: the blooming of UMS innovation for defence and security applications in the European Union's (EU) Eastern flank, which includes Poland, the Baltic States, and Finland.

### The Baltics – Rising Hubs of Innovation

According to the European Defence Agency, the Baltic countries, Finland, and Poland are all in the top EU countries in terms of defence expenditure by percentage of GDP in 2023. Surpassing NATO's requirement of 2%, Eastern Member States are breaking the 3% or even 3.5% mark with no signs of stopping.<sup>10</sup> While a large part of the sum goes toward acquiring and developing both personnel reserve and conventional capabilities, such as infantry fighting vehicles, tanks, or surface-to-air missiles, all these countries recognise the need for both UMS and counter-UMS capacities.

### Latvia

*"Latvia is not only working toward supplying the Ukrainian armed forces with drones, but also to create its own drone army",<sup>11</sup>* remarked Andris Sprūds, the Latvian Minister of Defence.

Indeed, there is fertile ground to capitalise on. Since at least the late 2000s, Latvia has possessed the most sophisticated UAV industry in the Baltics. While there was no direct state involvement until the late 2010s, private companies like UAV Factory (now Edge Autonomy Riga) produced world-renowned aerial reconnaissance and surveillance platforms, such as Penguin C, which has been used by multiple militaries, including those of the United States and Ukraine, since its launch in 2012.<sup>12</sup> In 2024, the turnover of Edge Autonomy Riga was 80 million euros – the largest in the Baltic UMS industry.<sup>13</sup> Meanwhile, Atlas Aerospace, Gorgon Optronics, Origin Robotics, and Belss have concentrated on smaller, easily interconnected UAV applications, developing various swarming technologies.

7 Lockheed Martin, "F-35s, Drones are Transforming American Airpower," January 27, 2025, <https://www.f35.com/f35/news-and-features/F35s-Drones-are-Transforming-American-Airpower.html>.

8 ESD, "Russian UGV developments influenced by Ukraine War," June 19, 2024, <https://euro-sd.com/2024/06/articles/38818/russian-ugv-developments-influenced-by-ukraine-war/>.

9 Mikayla Easley, "China's drone modernization efforts close to 'matching US standards,' Pentagon report says," *Defensescoop*, December 18, 2024, <https://defensescoop.com/2024/12/18/chinas-drone-modernization-efforts-close-to-matching-us-standards-pentagon-report-says/>.

10 European Defence Agency, "Defence Data 2023-2024," November 29, 2024, 4, <http://eda.europa.eu/docs/default-source/brochures/1eda---defence-data-23-24---web---v3.pdf>.

11 Sargs.lv, "Sprūds: Latvija veidos savu "dronu armiju"; šogad investēs 20 miljonus eiro," May 27, 2024, <https://www.sargs.lv/lv/tehnika-un-ekipejums/2024-05-27/spruds-latvija-veidos-savu-dronu-armiju-sogad-investes-20-miljonus>.

12 Vikram Mittal, "The Penguin UAS: The Cost-Effective, Adaptable Solution In Ukraine's Ongoing War," *The Forbes*, July 16, 2023, <https://www.forbes.com/sites/vikrammittal/2023/07/16/the-penguin-uas-the-cost-effective-adaptable-solution-in-ukraines-ongoing-war/>.

13 Anda Asere, "The turnover of Edge Autonomy Riga reaches almost 80 million euros," *labs of Latvia*, August 12, 2024, <https://labsoflatvia.com/en/news/the-turnover-of-edge-autonomy-riga-reaches-almost-80-million-euros>.

Currently, there are around fifteen Latvian UAV companies of various sizes.<sup>14</sup> The leading Baltic university in UAV technologies, Riga Technical University, has created a dedicated centre for the development of drone technologies, partnering with Estonian-based counter-UAV (C-UAV) developer Frankenburg Technologies.<sup>15</sup> UGV and USV development has not been as active, but there have been attempts to supply and support UGV platforms, such as Natrix,<sup>16</sup> and some USVs, such as NEWT21 vessels, for combat support.<sup>17</sup> At the same time, historically, state support for such initiatives has been low. For example, systems such as Penguin C have only been used by the Latvian Armed Forces in limited numbers, despite being readily available for the past ten years. Although there was a strong academic and private sector for UMS production, there was no political will to support it until 2022.

### Estonia

Meanwhile, in Estonia, the situation is somewhat reversed. First of all, while the private research and production capability of UMS have historically been lower than in

Latvia, the Estonian state has been much more involved and supportive toward its growing drone industry. From 2024 to 2027, Estonia has allocated more than 200 million euros toward acquiring various types of loitering munitions, aiming to produce most of them locally.<sup>18</sup> It is also important to note that Estonia has deeply integrated private initiatives into the defence force structure, such as allowing tests of UMS during military exercises.

The main Estonian companies in the field of UAVs are Threod Systems, which produce longer-range aerial reconnaissance and surveillance platforms, as well as the aforementioned Frankenburg Technologies, which aim to substantially reduce the costs of C-UAV networks. *"Our mission is to equip the free world with technologies needed to win the war",*<sup>19</sup> states Frankenburg Technologies on their website. The company, spearheaded by former Permanent Secretary of the Estonian Ministry of Defence and a dozen retired Estonian generals, has already tested their systems in Ukraine.

However, possibly the most important Estonian innovation comes in the field of

14 LA.lv, "Latvija dronus ražo 14 uzņēmumi, taču lielākā daļa no tiem nav piemēroti militārām vajadzībām," February 25, 2024, <https://www.la.lv/latvija-dronus-razo-14-uznemumi-tacu-tikai-divi-no-tiem-razo-militaram-vajadzibam-paredzetos>.

15 RTU, "RTU and «Frankenburg Technologies» lay the foundation for the advanced missile industry in the Baltics," November 14, 2024, <https://www.rtu.lv/lv/universitate/masu-medijiem/zinas/atvert/rtu-un-uznemums-frankenburg-technologies-liek-pamatus-gaisa-aizsardzibas-industrijai-baltija>.

16 Sargs.lv, "Bezpilota sistēmas "Natrix" izstrādi plānots pabeigt tuvāko divu gadu laikā," April 14, 2024, <https://www.sargs.lv/lv/uznemejdarbiba-un-inovacijas/2021-04-14/bezpilota-sistemas-natrix-izstradi-planots-pabeigt-tuvako>.

17 Nikolay Novichkov, "Euronaval 2024 – Latvian NEWT21 unveils its Fog multipurpose unmanned surface vessel," *EDR News*, November 8, 2024, <https://www.euronaval.com/latvian-newt21-unveils-its-fog-multipurpose-unmanned-surface-vessel>.

18 Sam Skove, "How Estonia Is Becoming a Hotbed for Drone Warfare," *Defense One*, June 11, 2024, <https://www.defenseone.com/defense-systems/2024/06/how-estonia-becoming-hotbed-drone-warfare/397280/>.

19 Frankenburg Technologies, "Tech to win the war," accessed on February 5, 2025, <http://frankenburg.tech/>.



UGV. Established in 2013, Milrem Robotics has been a worldwide leader in UMS applications for ground warfare. Their main product, THeMIS UGV, has since been acquired and used by 16 militaries worldwide, including Estonia itself, the United States, Ukraine, Poland, and Germany, besides being tested during combat in Ukraine and Mali.<sup>20</sup> At its base, THeMIS is a simple, unmanned tracked vehicle. However, this simple concept allows a modular approach – THeMIS can be used for casualty evacuation, resupplying, ground surveillance, removing mines, as well as direct combat. More interestingly, a few of the modules also incorporate other systems, such as first-person-view (FPV) attacks or surveillance drones.

### *Lithuania*

Another Baltic state, Lithuania, has been somewhat quieter in the development of UMS. However, it would be wrong to assume that this is due to a lack of national capabilities. In the case of Lithuania, proven and battlefield-tested systems take priority over innovations or, at least, they are not publicised as much. Out of all Baltic countries, Lithuania likely has the biggest production capability, which is being used to produce simple FPV or surveillance UAVs, both for the national and Ukrainian Armed Forces. Such companies as Dangolakis, RSI Europe, Ltmiltech, Granta Autonomy,

and Unmanned Defence Systems have successfully tested their systems in Ukraine and, since then, have moved to sign contracts with the Lithuanian Armed Forces.<sup>21</sup>

Around 7500 UAVs will be delivered to both the Lithuanian and Ukrainian forces.<sup>22</sup> Currently, Lithuania also has the biggest C-UAV industry out of all three Baltic states. The Skywiper Drone Mitigation System, a mobile hand-held C-UAV weapon resembling a futuristic assault rifle, has been used in Ukraine since the start of the full-scale invasion and has also been integrated into the Lithuanian Armed Forces.<sup>23</sup>

To conclude, the Latvian UMS industry has been characterised by heavy reliance on academic and private sector innovation, with state initiatives that have been coming to fruition in the past two years. Meanwhile, in Estonia, both the private and academic sectors for innovation of UMS for defence applications have been smaller, however, they have enjoyed a more productive relationship with state structures. In Lithuania, innovation is second to the production of battlefield-tested solutions, and the state is more focused on acquiring already established UMS technologies.

<sup>20</sup> Milrem Robotics, "Meet Our Unmanned Tech," accessed on February 5, 2025, <https://milremrobotics.com/defence/>.

<sup>21</sup> Žygintas Abromaitis and Kristina Karlone, "Getting Dronisation Moving: Lithuanian UAVs Successfully Pass Tests in Ukraine," *Irt.lt*, August 20, 2024, <https://www.irt.lt/en/news-in-english/19/2341744/getting-dronisation-moving-lithuanian-uavs-successfully-pass-tests-in-ukraine>.

<sup>22</sup> Elisabeth Gosselin-Malo, "Lithuania to Deliver Thousands of FPV Drones to Its Army, Ukraine," *Defense News*, September 26, 2024, <https://www.defensenews.com/global/europe/2024/09/26/lithuania-to-deliver-thousands-of-fpv-drones-to-its-army-ukraine/>.

<sup>23</sup> Global Defence News, "Ukraine Deploys Thousands of Lithuanian Anti-Drone Systems," *edrmagazine*, October 12, 2023, <https://armyrecognition.com/focus-analysis-conflicts/army/conflicts-in-the-world/russia-ukraine-war-2022/ukraine-deploys-thousands-of-lithuanian-anti-drone-systems>.

### Poland: Regional Centre of Gravity

In stark contrast with the Baltic states, both Poland and Finland possess a sizable arms industry. Even more so, the defence industry has been a historical focus for both countries. In the case of Poland, the defence industry has enjoyed an almost uninterrupted evolution, building upon its Warsaw Pact legacy. Adding to that, Poland has a growing research and development sector; R&D expenditure by percentage of GDP has been methodically increased for the past few years, being around 1.56% in 2023.<sup>24</sup> As such, Poland has immense potential in the field of defence innovation.

In Poland, which has recently become a top defence spender in Europe, aiming to achieve 4.7% of GDP in 2025,<sup>25</sup> the military-grade UMS industry has been active since the early 2010s. It would be impossible to analyse the Polish UMS industry without first looking at the WB Group. Being the largest Polish private investor in the defence sector, the WB Group has actively participated in UAV development and production. Probably their most popular product is the Flyeye mini UAS, a close-range UAV designed for surveillance, which has production numbers in the thousands and has been used in Ukraine since at least 2015.<sup>26</sup> As of now, it is probably the most popular UAV

in the Polish Armed Forces, numbering in the hundreds of units.

However, the WB Group also produces tactical-size UAVs, as well as various models of loitering munitions. The FT5 Tactical Aerial Platform, around two times as large as Flyeye with a wingspan of around 6.4m, has been designed for prolonged surveillance missions, such as those required by hybrid warfare on the Polish Eastern border.<sup>27</sup> On the other hand, Warmate loitering munition allows mission-specific payloads to destroy various targets. More impressively, all these systems can be integrated into what WB calls the "SWARM System". Combining aerial surveillance with loitering strike platforms, top-of-the-line communication, and AI, which recognises various military vehicles from data provided by surveillance, WB has created a potent and, to a degree, autonomous observe-recognise-strike system.

Meanwhile, Polska Grupa Zbrojeniowa (PGZ), a Polish state-owned enterprise created in 2013, is made up of around 50 subsidiaries, some of which are active in UMS development. Being one of the larger defence conglomerates in Europe, PGZ has enjoyed a productive relationship with the Polish state, cooperating in such ventures as the Atrax and Neox type UAV systems, the creation of the UAV Excellence Centre in 2016, and the development of PGZ-19R Orlik UAV for surveillance.<sup>28</sup> More recently,

<sup>24</sup> Eurostat, "R&D expenditure", December 1, 2024, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=R%26D\\_expenditure](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=R%26D_expenditure).

<sup>25</sup> Gergely Szakacs and Karl Badohal, "Poland Leads NATO on Defence Spend - but Can It Afford It?" *Reuters*, October 23, 2024, <https://www.reuters.com/world/europe/poland-leads-nato-defence-spend-can-it-afford-it-2024-10-23/>.

<sup>26</sup> Altair, "Fly Eye i Warmate na Ukrainie," May 5, 2016, [https://www.altair.com.pl/news/view?news\\_id=19349](https://www.altair.com.pl/news/view?news_id=19349).

<sup>27</sup> WB Group, "FT5 Tactical Aerial Platform," accessed on February 6, 2025, <https://www.wbgroup.pl/en/produkt/ft-5-los-tactical-uav/>.

<sup>28</sup> PGZ, "Aviation Projects," accessed on February 6, 2025, <https://grupapgz.pl/en/pmt/aviation-projects/>.

PGZ has also developed Perun UGV for both combat and support roles.

UGVs have also been produced by Macro-Systems, developing kamikaze Gnom UGV and larger, more combat support-oriented UNL UGV, which can move cargo up to 300kg and operate for 10 hours without additional supplies.<sup>29</sup> Another UGV development comes from the Polish Military Institute of Armament Technology, which has historically worked on developing warheads for UMS.

To conclude, Poland has an active defence UMS innovation sector. Growing defence spending, as well as the overall Polish commitment to digitalisation, research, and development, will support the national UMS industry with both a skilled workforce and an industrial base for production. As the regional security power in Eastern Europe, it is undeniable that Poland will try its best to acquire the most up-to-date defence technologies.

### **Finland: Unused Expertise**

In Finland, during the Cold War, a resilient national defence industry was a must if the country ever hoped to guard its geopolitical neutrality between the USSR and NATO. The Finnish defence industry has always been an integral and state-recognised part of the so-called total state defence concept. It is also important to

note that Finland has consistently ranked in the EU top regarding R&D expenditure by percentage of GDP at around 3.09% in 2023.

In 2024, the Finnish state-owned venture capital enterprise Finnish Industry Investment, or Tesi, identified 368 companies operating in the defence sector, 144 of which were fast-growing or start-ups.<sup>30</sup> The Research Alliance for Autonomous Systems, aimed at developing unmanned solutions for both civil and security applications, was already started in 2019, uniting more than a hundred researchers from most of the Finnish science universities.<sup>31</sup> Similarly, Arctic Drone Labs, a joint project between universities and the aerospace industry, provides an innovation hub specialised in UAV expertise.<sup>32</sup> The same thing can be said about the Finnish UAV Ecosystem, which is the largest of the three initiatives, boasting impressive member counts from academic, public, and private sectors.<sup>33</sup>

However, actual UMS production efforts have been somewhat lacking. According to the Finnish Defence and Aerospace Industries Association, there are only a few enterprises dedicated to the development and production of drones. The largest of them, formerly known as Nordic Drones, was recently bought by the Finnish defence giant Patria. Their product, SkyDrone7,

<sup>29</sup> Macro-Systems, "Systemy Bezzałogowe," accessed on February 6, 2025, <https://www.macrosystem.pl/static/pl/systemy-bezzałogowe/>.

<sup>30</sup> Tesi.fi, "Finnish Defence Industry Growing Strongly," September 24, 2024, <https://tesi.fi/en/press-release/finnish-defence-industry-growing-strongly-investors-eyeing-dual-use-products-in-particular/>.

<sup>31</sup> NOVIA, "RAAS - Research Alliance for Autonomous System," accessed on February 8, 2025, <https://www.novia.fi/en/rdi/our-projects/raas-research-alliance-for-autonomous-system>.

<sup>32</sup> Arctic Drone Labs, "Finnish Drone Expertise," accessed on February 9, 2025, <https://www.arcticdronelabs.com/>.

<sup>33</sup> FUAVE, "Members - The Finnish UAV Ecosystem (FUAVE)," accessed on February 9, 2025, <https://www.fuave.fi/members/>.

is already in use in the Finnish Defence Forces.<sup>34</sup> Other important players in the Finnish UMS scene are Robonic, the oldest among these companies, which produces launch platforms for fixed-wing UAVs, and Summa Defence, a joint Ukrainian-Finnish venture, which also specialises in USVs.<sup>35</sup>

At the same time, Finnish potential cannot be underestimated since the integrated innovation ecosystem, connecting all the main science universities with private and public sector actors, is only waiting for the right moment to capitalise on the accumulation of industry-specific knowledge. It is also important to remark that Finland has an extensive network of enterprises dedicated to the production of integral UMS components.<sup>36</sup>

In a way, the Finnish UMS industry is already there, it is just waiting to take physical form. It is not a coincidence that Patria has just bought Nordic Drones, Summa Defence is opening a new production facility dedicated to UAVs, and the Finnish Defence and Aerospace Industries Association, with the support of Finnish Parliament MP Jarno Limnéll, developed and published “Finnish Drone Strategy”.<sup>37</sup> Suffice it to say, that we will undoubtedly see Finnish unmanned systems in European fields, skies, and seas.

## Toward European Drone Union

While all three of the Baltic states have taken different approaches toward UMS innovation, development, and production, it is undeniable that the evolution is indeed there. Poland, as a regional powerhouse, possesses the largest defence industry of the five countries and has a vibrant UMS scene, with both UAVs and UGVs being represented. Finland, in contrast, already has the knowledge and expertise for a world-class UMS industry; however, as of yet, it is only starting to take shape.

In a sense, all the countries have something that others do not. Whether it is Latvian expertise in UAVs, Lithuanian C-UAV capabilities, Estonian world-class UGVs, Finnish scientific knowledge, or the sheer size of the Polish military industry, in the modern age, what matters the most is the systematic integration of different components aimed at achieving an overarching goal. If taken alone, each of the states is too small and lacking in something to create a truly disruptive technology in the field of UMS. It is also true for international security in general – if Eastern EU Member States ever hope to deter a potential Russian aggression, the answer is cooperation and coordination, not fragmentation. The same applies to the defence innovation and industry in general – it is unity that will pave the road to victory.

34 Nordic Drones, “SkyDrone7 - New Drone Performance for Military and Security Needs,” accessed on February 9, 2025, <https://nordicdrones.fi/en/skydrone7-new-drone-performance-for-military-and-security-needs/>.

35 Summa Defence, “Summa Drones – Summa Defence,” accessed on February 9, 2025, <https://summadefence.fi/en/our-companies/summa-drones/>.

36 Association of Finnish Defence and Aerospace Industries, “AFDA Facts and Figures 2023,” June 19, 2023, [https://www.afda.fi/sites/default/files/AFDA\\_FF\\_2023\\_0.pdf](https://www.afda.fi/sites/default/files/AFDA_FF_2023_0.pdf).

37 PIA, “Suomen Droonistrategia julkaistu,” February 10, 2025, <https://www.pia-fi.fi/>.



March 2025

# MARIAMI MODEBADZE

## EUROPE'S DUAL TRADE FRONT: THE WESTERN AND EASTERN DILEMMA

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### Introduction

**T**he European economy remains highly unpredictable, shaped by external pressures, as geopolitical shifts and trade disputes continue to shape fragile economic landscapes. With the United States (US) and China being the European Union's (EU) largest trade partners, relations with these two global powers remain crucial to the Union's economic future. In 2023, exports of EU goods were most concentrated in the United States (19.7%), and China (8.8%).<sup>2</sup> On the other hand, China was the EU's largest partner for imports of goods contributing to 20.5%, followed by the United States (13.7%). This interconnection makes the EU highly vulnerable to shifts in both the US and China. Europe must navigate these challenges to secure its economic interests and geopolitical stability.

One of the most immediate concerns for the Union lies in the actions of the new American Commander-in-Chief, who has raised alarm among European leaders,

due to threats of imposing tariffs. The hot waves coming from the Trump 2.0 administration have sparked numerous forecasts about the upcoming damage that tariffs could cause. The European Union was not included in the first round of US tariffs, which targeted Mexico, Canada, and China.<sup>3</sup> However, President Trump has suggested that the EU could be next.

As the world's second and third-largest economies, following the US, China and the EU maintain a complex relationship. Both continue efforts to further open their markets to enhance trade and investment. Amid global uncertainties, they face challenges in deepening their bilateral economic cooperation.

In this evolving landscape, this attitude will prompt a rethinking and reevaluation of the current economic policies and shape the new direction of upcoming trade relationships. Key questions arise: What is the EU's position between the trade rivals, the US and China? How will future trade

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<sup>2</sup> European Commission, "China-EU - international trade in goods statistics," *Statistics Explained*, February 2024, <https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/55157.pdf>.

<sup>3</sup> White House, "Fact Sheet: President Donald J. Trump imposes Tariffs on Imports from Canada, Mexico and China," February 1, 2025, <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>.



policies and threatened tariffs affect the EU? And what new shifts will emerge in the economic interdependence between Europe and the two major global powers, the US in the West and China in the East?

## Trump's Trade Policy Shift Dynamics

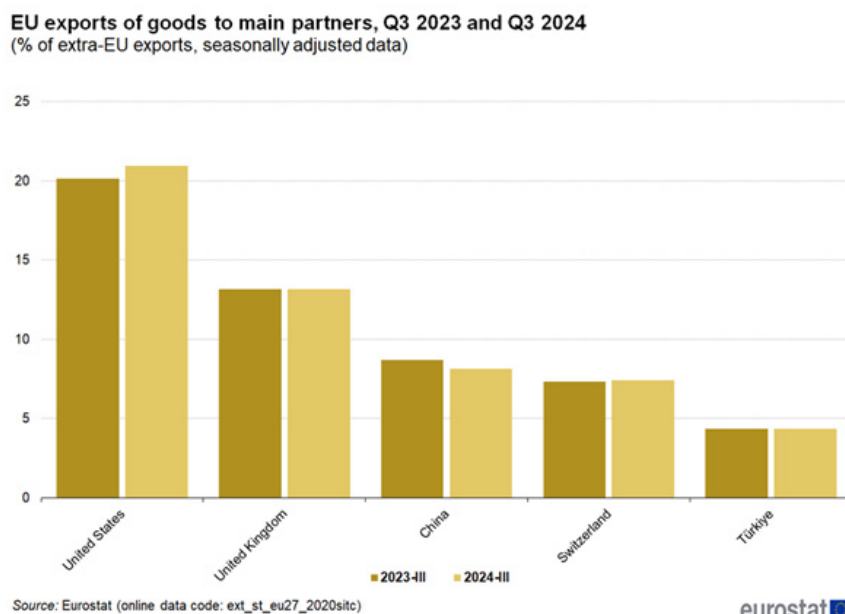
### *Growing Tensions and Trade Imbalance*

President Donald Trump's return to the Oval Office has led to potential changes in US trade policies, particularly in the form of imposing tariffs. Following tariff measures targeted at Mexico, Canada, and China, the European Union could be next in line for intensified trade enforcement on imported goods. Washington's stance on such economic relations will infuse tensions, unsettle European leaders, and

complicate efforts to deepen their bilateral economic cooperation.

In 2023, the European Union exported goods worth €502 billion to the United States, while imports from the US totaled €344 billion, resulting in a trade surplus of €158 billion.<sup>4</sup> As of November 2024, the United States remained the EU's main trade partner, with an export growth rate of 1.6%.<sup>5</sup>

The United States imports more goods than it exports, which drives threats of potential tariffs. In 2024, the US imported approximately \$605.8 billion worth of EU goods,<sup>7</sup> which, in turn, has contributed to the trade imbalance that occurred with Trump's statements on imposing tariffs. «I wouldn't say there's a timeline, but it's going



**Figure 1. EU Exports of Goods to Main Partners, Q3 2023 and Q3 2024<sup>6</sup>**  
(% of extra-EU exports, seasonally adjusted data)

- 4 Eurostat, "€502 billion exports to USA & €344 billion imports," *New Articles*, March 11, 2024, <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240311-1>.
- 5 Eurostat, "Euro area international trade in goods surplus €16.4 bn," *EURO INDICATORS*, January 16, 2025, <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/6-16012025-ap>.
- 6 Eurostat, "EU27 (from 2020) trade by SITC product group," *International trade in goods - aggregated data*, ext\_st\_eu27\_2020sit.
- 7 Office of the United States Trade Representative, "European Union," *European Union Trade Summary*, accessed February 8, 2025, [https://ustr.gov/countries-regions/europe-middle-east/europe/european-union#:~:text=U.S.%20goods%20trade%20\(exports%20plus,goods%20imports%20](https://ustr.gov/countries-regions/europe-middle-east/europe/european-union#:~:text=U.S.%20goods%20trade%20(exports%20plus,goods%20imports%20)

to be pretty soon»,<sup>8</sup> Trump stated. He has repeatedly voiced concerns over the EU's car exports to the US. The largest trade surplus was recorded by Germany, driven by car and machinery exports, followed by Italy and Ireland. Within the MAGA movement,<sup>9</sup> Trump mentioned his desire to bring factories back and produce more products in the «good old USA». «I want German car companies to become American car companies»,<sup>10</sup> Trump said, which, in fact, could weaken Germany's position in the global market.

### *Europe's Economic Resilience Under Threat*

President Trump has raised tariff rates on steel and aluminum imports from 10% to 25%. This policy change is set to take into force on March 4, 2025, as confirmed by the White House.<sup>11</sup> These tariff changes will significantly disrupt European growth and strain key trade-dependent sectors. Following the announcement, President of the European Commission Ursula von der Leyen issued a statement, claiming that «The EU will act to safeguard its economic interests».<sup>12</sup> She emphasised that «Unjustified tariffs on the EU» would be met with a response, since the tariffs

would negatively impact the goods that rely heavily on US exports. On the same note, in the long term, these changes are likely to further weaken the EU's economic resilience.

During the bilateral meeting held in Paris, the first high-level meeting between the two administrations, US Vice President JD Vance stated, «The Trump administration has been very clear that we care a lot about Europe. We see a lot of economic relationships to build upon with Europe».<sup>13</sup> However, in the face of imposed tariffs on all steel and aluminum imports and fears over a trade war, "strong bonds" between the US and EU may not materialise as hoped.

### **The EU in the Shadow of China's Economic Power**

China is a rapidly growing economic power and plays a significant role on the global stage. Since surpassing Japan in 2010 to become the world's second-largest economy,<sup>14</sup> the country has pursued an ambitious agenda under Xi Jinping's leadership. According to the predictions of the International Monetary Fund, by 2030, China could replace the United States as

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totalled%20%24605.8%20billion.

8 Nomia Iqbal, João da Silva, and Michael Race, "EU tariffs 'pretty soon' but UK can be worked out – Trump," *BBC*, February 3, 2025, <https://www.bbc.com/news/articles/cn4zgx808g7o>.

9 Adam Volle, "MAGA movement," *Britannica, History & Society*, February 5, 2025, <https://www.britannica.com/topic/MAGA-movement>.

10 Reuters, "Trump pledges to 'take' jobs and factories from allies, China," September 25, 2024, <https://www.yahoo.com/news/trump-pledges-jobs-factories-allies-042037488.html>.

11 Steve Holland, David Lawder, and Andrea Shalal, "Trump raises tariffs on aluminum, steel imports in latest trade war salvo," *Reuters*, February 11, 2025, <https://www.reuters.com/markets/asian-eu-steelmakers-shares-fall-after-trump-escalates-tariffs-2025-02-10/>.

12 European Commission, "Statement by President von der Leyen on announced US tariffs," *Statement*, February 11, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_25\\_469](https://ec.europa.eu/commission/presscorner/detail/en/statement_25_469).

13 Jeffrey Dastin, "Vance says U.S. cares 'a lot' about Europe as trade war fears brew," *Reuters*, February 11, 2025, <https://www.reuters.com/world/europe/vance-says-trump-administration-cares-lot-about-europe-2025-02-11/>.

14 BBC, "China overtakes Japan as world's second-biggest economy," *BBC News*, February 14, 2011, <https://www.bbc.com/news/business-12427321>.

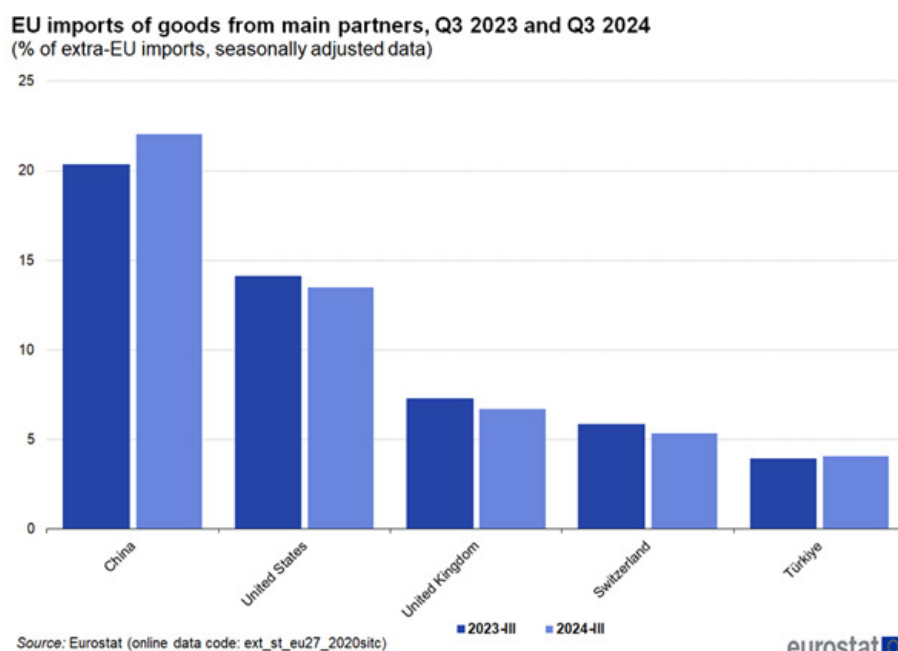


Figure 2. EU Imports of Goods from Main Partners, Q3 2023 and Q3 2024<sup>16</sup>  
(% of extra-EU imports, seasonally adjusted data)

the economic leader.<sup>15</sup> Under this agenda, the EU will be seen in a backward position, primarily as a market for Chinese goods.

The rapid expansion of the Chinese economy has made European firms reliant on Chinese markets (See Figure 2), which have become heavily dependent on trade with China. While economic cooperation offers substantial benefits, it also carries significant risks associated with over-reliance. Recent geopolitical tensions and trade restrictions further underline the fragility of this dependency. To mitigate the geopolitical uncertainties, there is an urge to assess long-term risks and implement balanced trade partnerships.

### *The Belt and Road Initiative*

The EU has pledged to mobilise approximately €300 billion in investments through the Global Gateway strategy between 2021 and 2027. This initiative aims to provide an alternative to China's Belt and Road Initiative (BRI).<sup>17</sup> The BRI, in turn, establishes new connections for the fast-growing markets of East Asia but raises concerns over the political and economic dependence of participating countries on China. The high demand for infrastructure financing creates an opportunity for the EU to contribute its expertise in the long-term financial management of complex investment initiatives.

<sup>15</sup> Steven Barnett, "China's Growth: Why Less is More," *IMF BLOG*, October 29, 2013, [https://www.imf.org/en/Blogs/Articles/2013/10/29/chinas-growth-why-less-is-more?utm\\_source=chatgpt.com](https://www.imf.org/en/Blogs/Articles/2013/10/29/chinas-growth-why-less-is-more?utm_source=chatgpt.com).

<sup>16</sup> Eurostat, "EU27 (from 2020) trade by SITC product group," *International trade in goods - aggregated data*, ext\_st\_eu27\_2020sitc.

<sup>17</sup> Stefano Palmieri, "Global battle of offers – from the Chinese Belt and Road initiative to the EU Global Gateway: the vision of European organised civil society," *EESC Opinion*, Adopted on December 13, 2023, <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/global-battle-offers-chinese-belt-and-road-initiative-eu-global-gateway-vision-european-organised-civil-society>.

However, the BRI extends beyond infrastructure and includes free trade agreements, new land and sea connections, and financial integration. While this creates a set of benefits, the prospects for cooperation between EU financial institutions and Chinese projects remain uncertain.

### *The EU's "De-risking" Strategy and Economic Safeguard*

Relations between the EU and China remain fragmented. China's Belt and Road Initiative is strategically motivated to expand its regional and global influence, which explains the concerns expressed by the European Economic and Social Committee (EESC) over potential risks. The Chinese investments could weaken the ownership of strategic national infrastructure, which will cause challenges to economic security and sovereignty.

In a response to the economic and technological challenges posed by China, the EU has proposed a "de-risking" strategy.<sup>18</sup> The policy contains risk management approaches associated with economic and technological engagement with China. However, implementing this policy requires careful consideration of the balance between excessive protectionism and insufficient safeguards.

Strengthening the EU's capacity to act as a geopolitical leader is not aligned with China's economic ambitions. According to the EESC, BRI projects often lack transparency, clarity, and accurate information. Moreover, the initiative poses risks to EU competitiveness and labour rights. To counter unfair competition, the European Commission has imposed anti-dumping duties ranging from 10% to 35.6%. This action aims to protect 6,000 EU jobs and ensure the EU's energy security.<sup>19</sup> In contrast, Chinese enterprises argue that the EU's restrictions on high-tech exports are discriminatory and unfair.

### *Tensions in Trade Relations*

China remains both a key trade partner and an economic rival. China-EU trade relations appear to be based on trade investigations. In February 2025, under the Digital Services Act (DSA), the European Commission demanded internal documents from Chinese e-commerce firms to provide information and assess potential unfair trade practices.<sup>20</sup> Furthermore, there are concerns regarding trade matters, especially concerning electric vehicle tariffs. The new measures imposed to safeguard the EU's electric bike industry. The e-bikes from China faced anti-dumping duties ranging from 10.3% to 70.1%.<sup>21</sup> The measures encourage new European companies

18 Andreea Brinza, "EU-China relations: De-risking or de-coupling the future of the EU strategy towards China," *European Parliament*, March, 2024, [https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO\\_STU\(2024\)754446\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO_STU(2024)754446_EN.pdf).

19 European Commission, "Commission protects EU biodiesel industry from dumped Chinese imports," *Trade and Economic Security*, February 11, 2025, [https://policy.trade.ec.europa.eu/news/commission-protects-eu-biodiesel-industry-dumped-chinese-imports-2025-02-11\\_en](https://policy.trade.ec.europa.eu/news/commission-protects-eu-biodiesel-industry-dumped-chinese-imports-2025-02-11_en).

20 China Briefing Team, "EU-China Relations After the 2024 European Elections: A Timeline," *China Briefing*, February 7, 2025, <https://www.china-briefing.com/news/eu-china-relations-after-the-2024-european-elections-a-timeline/>.

21 European Commission, "EU extends duties on electric bicycles from China," *Trade and Economic Security*, January 24, 2025, <https://policy.trade.ec.europa.eu/news/eu-extends-duties-electric>

to invest in this industry and promote sustainable production within the EU.

### Europe's Struggle for Unity

The European Economic and Social Committee has stated that the growing economic influence of the United States and China is outpacing the European Union's growth. The EU's stability has become dependent on US policies regarding transatlantic tariffs. As a result, the threat of tariffs is shifting focus from the US to China. Meanwhile, in response to the evolving dynamics, EU trade Commissioner Maroš Šefčovič has emphasised proposing «*a package of cooperation*» with Washington to address and overcome the economic security challenges coming from China.<sup>22</sup>

In light of these challenges, the EU struggles to define the trade partnership strategy, primarily due to weak coordination at the central level and the subsequent difficulty in formulating a unified policy. The competitive disadvantages for EU exports and increased import costs will possibly put the euro under pressure. The increased tariffs from the US and ongoing investigations into China will significantly reduce export opportunities and escalate the need for higher spending on defense

and protectionism. To mitigate these challenges, the solution lies in investing in technological innovation, which will reduce dependency on China.

At the fifth meeting of the European Political Community in Budapest,<sup>23</sup> French President Emmanuel Macron discussed the views on the instability of the EU's independence and its position as an axis of geopolitics. He stated during the meeting that if the European Union remains to act like «*herbivores*»,<sup>24</sup> it risks becoming a marketplace for trade rivals such as the United States and China.

At the same time, Germany experiences a political crisis and several challenges to its economy.<sup>25</sup> Without strong leadership, Germany will fail to find a way forward on fundamental issues, such as trade and its role and place in European politics. Due to economic pressure affecting the EU's two leading nations, the US and China are positioning themselves as powerful poles to define a new world order whose third corner will no longer be the European Union.

### Conclusion

After decades of shared policies, the EU remains divided. The focus continues to

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22 Camille Gijs and Jakob Weizman, "EU offers teamwork with US on China in bid to woo Trump," January 29, 2025, <https://www.politico.eu/article/eu-trade-donald-trump-team-up-us-china-competitive-threat/>.

23 European Council, "Meeting of the European Political Community, 7 November 2024," *International Summit*, accessed February 2, 2025, <https://www.consilium.europa.eu/en/meetings/international-summit/2024/11/07/>.

24 Nicholas Vinocur, Clea Caulcutt, and Barbara Moens, "Macron to Europe: We need to become 'omnivores' after Trump's victory," *Politico*, November 7, 2024, <https://www.politico.eu/article/emmanuel-macron-france-europe-us-elections-donald-trump/>.

25 Christian Kraemer and Maria Martinez, "Hopes for German economic recovery vanish as election nears," *Reuters*, January 29, 2025, <https://www.reuters.com/markets/europe/germany-sees-2025-export-decline-due-growing-trade-tensions-government-report-2025-01-29/>.



be on the pursuit of national interests rather than fostering a cohesive European mindset and strategy. This ongoing fragmentation interferes with the development of a united front, preventing the European Union from fully realising its potential as a collective power.

EU member states are not consolidated on which trade policies the Union should follow. It illustrates the lack of consensus, ununited opinions on long-term strategies, and unclear vision. Furthermore, this makes the Union, as Macron said, seem like “*herbivores*” – a mere market for the US and China.

With US President Trump defending the interests of Americans and China expanding its global influence, the European Union faces pressure in choosing a strategic direction. It remains unclear which trade defense mechanisms the European Union should implement to shape its economic policies or how it will respond to growing competition in international trade.

# VICTORIA ACHESON

## POLAND'S MEMORY WARS: HOW LAW REGULATES COMPETING HISTORICAL NARRATIVES

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### Introduction

*On this graveyard our obligation to carry the past must boil down to a respect for one thing: to see this past in truth".<sup>2</sup>*

Our understanding of the past is inextricably shaped by our present needs. This collective remembrance is constructed through laws, commemorative acts, media portrayals, or cultural landmarks. Since the 1990s, there has been a growing use of law in Europe as one of the tools for shaping these historical narratives. Their construction is not accidental: The state promotes what to forget or what to remember and in what ways to understand and come to terms with a complicated past, to build a common identity around a shared myth, or to legitimise political power, especially in transitional societies. With conflicting and complex histories, different communities face competing narratives when their national interpretations of the past can contradict each other, leading to "memory clashes" or "memory wars". Over the years, Poland has developed an extensive legal regime of memory as part of its politics

of memory that have inevitably clashed with other narratives, namely European, Jewish, and Ukrainian. An analysis of Polish memory laws and their clashes with European, Jewish, and Ukrainian narratives will show that such legislation is not always a legitimate means of imposing a particular state narrative. Instead, an open dialogue would be a better way to ensure reconciliation and a historical discourse that seeks to include the whole truth rather than exclude uncomfortable views.

### Memory Clash: Holocaust and Communism

The Eastern and Western European politics of memory differ because of the competing collective memories of Nazi and Soviet crimes. Since the 1970s, the memory of the Holocaust in Western European memory culture continuously grew in importance, reaching its apogee in 1990 when, with the end of the Cold War and a need for a new unifying idea, it became a core pan-European memory.<sup>3</sup> Its importance evolved from being seen as only a German issue or as merely one

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2 Jan Blonski, "Biedni Polacy patrza na getto," *Tygodnik Powszechny*, no. 2 (1987), [https://sprawiedliwi.org.pl/sites/default/files/attachment\\_85.pdf](https://sprawiedliwi.org.pl/sites/default/files/attachment_85.pdf).

3 Stefan van der Poel, "Memory crisis: The Shoah within a collective European memory," *Journal of European Studies* 49, no. 3-4 (2019): 271-3, <https://doi.org/10.1177/0047244119859180>.

of the parts of World War II into a global paradigm of perceiving the world: The ultimate evil for which the international community was responsible.<sup>4</sup> The collective memory of the Holocaust became part of the common European identity, so much so that its recognition is seen by the historian Tony Judt as a “contemporary European entry ticket”.<sup>5</sup> It was gradually institutionalised through numerous EU Parliament Resolutions, European commemorations of Holocaust Remembrance Day, and lastly, by the EU Council Framework Decision requiring all Member States to criminalise its denial.<sup>6</sup>

The 2004 Eastern enlargement challenged this by bringing in countries with their own conflicting historical narratives shaped by different World War II and post-war experiences. Poland and the Baltic states, in particular, were active in their fight for European recognition of communist crimes and advocated including them in the common commemorative politics so that both regimes, Nazism and Stalinism, would be seen as equally evil, in effect challenging the special status of the

Holocaust.<sup>7</sup>

The legal protection of the Holocaust memory, which placed it on a unique footing and de facto resulted in a hierarchical bias of historical events, conflicted with the Eastern European historical narratives that felt not sufficiently acknowledged. In 2008, in a German-led initiative, the Council of the EU required the criminalisation of Holocaust denial after similar laws had already existed in some Member States.<sup>8</sup> Following the Council’s decision, each country had to introduce measures punishing the public condoning, denying, or grossly trivialising the crimes prosecuted by the Nuremberg Tribunal and those defined in the Statute of the International Criminal Court, directed against a group of persons by reference to race, colour, religion, descent, or national or ethnic origin. Despite the efforts of the Baltics, Poland, and Slovenia, Soviet crimes were not included in the EU-wide legislation because they were seen as directed towards political and social groups, which is not a protected characteristic.<sup>9</sup> Only in the national implementations were

4 Markus J. Prutsch, “European Historical Memory: Policies, Challenges and Perspectives,” *European Parliament*, IP/B/CULT/NT/2015-01, (April 2015), 23, [https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540364/IPOL\\_STU\(2015\)540364\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2015/540364/IPOL_STU(2015)540364_EN.pdf); Nikolay Koposov, *Memory Laws, Memory Wars: The Politics of the Past in Europe and Russia* (Cambridge: Cambridge University Press, 2017), 25-59.

5 Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin Books, 2005), 803.

6 European Parliament, *European Parliament resolution of 18 April 1996 on Auschwitz* (OJ C 141, 5/13/1996); European Parliament, *European Parliament resolution on remembrance of the Holocaust, anti-Semitism and racism* (OJ C 253E, 13/10/2000); European Parliament, *Declaration of 7 July 2000 on the remembrance of the Holocaust* (24/4/2001); Council Framework Decision 2008/913/JHA of 28 November 2008 on combating certain forms and expressions of racism and xenophobia by means of criminal law [2008] OJ L/32.

7 Carna Pistan, “Collective Memory in the context of European integration processes: some critical reflections on the EU politics of remembrance,” *De Europa* 3, no. 2 (2020): 26.

8 Council Framework Decision 2008/913/JHA of 28 November 2008, Article 1; Ian Traynor, “Germany bids to outlaw denial of Holocaust across continent” *The Guardian*, January 16, 2007, <https://www.theguardian.com/world/2007/jan/16/germany.thefarright>.

9 Luigi Cajani, “Criminal Laws on History: The Case of the European Union,” *Historein* 11 (2012): 31, <https://doi.org/10.12681/historein.138>.

both totalitarian regimes mentioned. For instance, Poland, in its denialism ban, punished the public and counterfactual denial of atrocities committed between November 8, 1917, and July 31, 1990, on Polish citizens and nationals.<sup>10</sup> This broad range, covering most of the 20<sup>th</sup> century, is a blanket ban on denialism of all atrocities committed on Poles since the October Revolution of 1917 to the fall of communism, which is specified to include Nazi and communist atrocities, as well as those committed by *“the members of the Ukrainian units collaborating with the Third German Reich”*, and other crimes against peace, war crimes, and crimes against humanity.<sup>11</sup> Notably, the law recognises and protects only Polish victimhood, instead of the Holocaust specifically, as was often legislated in Western Europe. The differing memory legislations show that the diverse experiences of the twentieth-century totalitarian regimes complicate the creation of a common European memory, and the legal governance of memory can lead to grievances that some sufferings are prioritised over others.

one vision of history, let alone within one region. Perhaps instead of viewing the differences in historical narratives as a sub-continental memory divide, it should be seen as a political struggle between certain interest groups, not representing the whole nation, but only a particular voice, since it was mostly right-wing and extreme right-wing groups that were pushing for a European acknowledgment of communist crimes.<sup>12</sup> Nevertheless, the opposing views of what needs to be included in the shared European politics of memory show the difficulty in constructing a common interpretation of the past. The Union, for its identity-building purposes, needs a shared politics of memory that is inclusive rather than exclusionary and one that recognises diversity, instead of imposing one narrative.<sup>13</sup> Instead of legally governing memory and imposing one narrative, education and historical discussions that refer to common legacies should be prioritised.

### Competitive Victimhood: Polish and Jewish

Presenting the diverse memories found in Europe as an issue of an Eastern-Western memory clash or memory divide would be an oversimplification. Within each country, there is often more than

The memory law adopted by the Polish government in 2018 regarding the memory of World War II revealed the conflicting Polish and Jewish historical narratives and abuses caused by the selectivity of

10 Poland, Sejm, Ustawa z dnia 18 grudnia 1998 r. o Instytucie Pamięci Narodowej - Komisji Ścigania Zbrodni przeciwko Narodowi Polskiemu, Art. 1, art. 55, <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19981551016/U/D19981016Lj.pdf>. [law from 18 December 1998 on the Institute of National Remembrance - Commission for the Prosecution of Crimes against the Polish Nation].

11 Ustawa z dnia 18 grudnia 1998 r. o Instytucie Pamięci Narodowej - Komisji Ścigania Zbrodni przeciwko Narodowi Polskiemu, Art. 1, art. 55, <https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU19981551016/U/D19981016Lj.pdf>. [law from 18 December 1998 on the Institute of National Remembrance - Commission for the Prosecution of Crimes against the Polish Nation].

12 Mano Toth, “Challenging the Notion of the East-West Memory Divide,” *JCMS: Journal of Common Market Studies* 57, no. 5 (2019), <https://doi.org/10.1111/jcms.12870>.

13 Andrii Nekoliak, Paula Rhein-Fischer, Mirosław M. Sadowski, and Dovilė Sagatienė, “The Diversity of Legal Governance of Memory in Europe: Looking Back on the MEMOCRACY Country Studies,” *VerfBlog*, January 1, 2025, <https://dx.doi.org/10.59704/e8e9c4dd8dc5d2ad>.

the legal governance of memory. The Law & Justice (*PiS*) government, known for its extensive use of the politics of memory, punished the “*public and contrary to the facts attribution to the Polish nation or the Polish state responsibility or co-responsibility for the Nazi crimes committed by the German Third Reich*”.<sup>14</sup> Importantly, the acts would be criminalised if committed also outside of Poland or if they were unintentional. The law was repealed only a few months later, after a diplomatic crisis with the United States of America (USA) and Israel.<sup>15</sup>

The official reasoning behind the legislation was to combat disinformation and counter what was perceived to be defamatory statements about the Polish state and the nation’s involvement in World War II atrocities. In particular, the legislation focused on the widespread and misleading term “*Polish death camps*”, which –despite often being only an innocuous reference to the geographical location– was con-

sidered “*somewhat denial-oriented*”.<sup>16</sup> Understandably, Poland is very sensitive to counteracting these expressions, yet this did not justify the proposed legal solution. Educational programmes and diplomatic action should be prioritised instead of the inadequate use of criminal law.<sup>17</sup>

The broad wording of the provision extended the scope beyond the term “Polish camps”, including statements about all acts for which Polish individuals could be found responsible or complicit, such as the Jedwabne pogrom or *szmaltsovniks* (Poles who blackmailed hiding Jews or the Poles that sheltered them).<sup>18</sup> The abuse of the statement “Polish camps” is only one of the possible situations that the amendment would have covered. Its broad scope posed a threat to freedom of expression, scientific research, and open historical debate. A public debate about a country’s history is a matter of public concern and should be encouraged

14 Poland, Sejm, Ustawa z dnia 26 stycznia 2018 r. o zmianie ustawy o Instytucie Pamięci Narodowej - Komisji Ścigania Zbrodni przeciwko Narodowi Polskiemu, ustawy o grobach i cmentarzach wojennych, ustawy o muzeach oraz ustawy o odpowiedzialności podmiotów zbiorowych za czyny zabronione pod groźbą kary, Art. 55a., <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20180000369>, [Law of 26 January 2018 amending the law on the Institute of National Remembrance - Commission for the Prosecution of Crimes against the Polish Nation].

15 Secretary of State Rex. W. Tillerson, “Recent Legislation in Poland,” U.S. Department of State. Office of the Spokesperson, February 6, 2018, <https://2017-2021.state.gov/recent-legislation-in-poland/>; Jeffrey Heller and Marcin Goettig, “Israel and Poland clash over proposed Holocaust law,” *Reuters*, January 29, 2018, <https://www.reuters.com/article/us-israel-poland/israel-and-poland-clash-over-proposed-holocaust-law-idUSKBN1FH0S3/>.

16 Concentration camps were established and run solely by the occupying Nazi regime, and non-Jewish Poles constituted the majority of inmates until March 1942. Uladzislau Belavusau, “Polish Memory Laws and Historical Identity in Europe: Analysing the Defence of Disinformation,” *University of Milan-Bicocca School of Law Research Paper Series* No. 20-01, 13 (2019); Tomasz Cebulski, “Can History and Memory Heal Us? Thirty Years of Polish-Israeli Relations,” *Israel Journal of Foreign Affairs* 15, no. 1 (2021): 60; “Polish victims,” United States Holocaust Memorial Museum, Holocaust Encyclopedia, accessed February 11, 2025, <https://encyclopedia.ushmm.org/content/en/article/polish-victims>.

17 Matt Lebovic, “Do the words ‘Polish death camps’ defame Poland? And if so, who’s to blame?” *The Times of Israel*, February 26, 2016, <https://www.timesofisrael.com/do-the-words-polish-death-camps-defame-poland-and-if-so-whos-to-blame/>.

18 Aleksandra Gliszczynska-Grabias and Wojciech Kozłowski, “Calling Murders by Their Names as Criminal Offence - a Risk of Statutory Negationism in Poland,” *Verfassungsblog*, February 1, 2018, <https://dx.doi.org/10.17176/20180201-165352>.



instead of limited to ensure a democratic, pluralistic exchange of views.<sup>19</sup>

Apart from the repealed criminal law provision, the act also introduced a civil law regime intended to protect the good name of the Polish state and nation, which raised doubts among legal scholars regarding its applicability, uncertainty, and possible constraints of freedom of expression and scientific research.<sup>20</sup> The means of safeguarding the personal interests of civil law entities became applicable to protect Poland and its nation against defamatory statements. A unique civil law regime was created, attributing individual rights to protect public interests and public law institutions. Legal scholars criticised the inappropriateness of civil law protection of the abstract concept of “the nation”, since it is uncertain whom it would include. After all, Jews or Ukrainians living within the Polish borders before World War II were also Polish citizens. Moreover, assessing a violation of the nation’s reputation involves a reference to objective criteria, that the action is unlawful because it is contrary to legal regulations or rules of social coexistence. This leads to the difficulty for the court to verify objectively whether a violation of the good name of the Polish nation has occurred and to

assess damages. Agnieszka Kubiak-Cyrul argued that the law might “freeze” public debate, as participants in a historical discussion would refrain themselves from uncovering dark parts of Polish history for fear of lawsuits.<sup>21</sup> The actual scope of the law remains to be seen, and its application is doubtful since other means in civil law are also available to protect national dignity as a personal interest. Nevertheless, the law was symptomatic of an alarming trend of governing legal discussion through law. The role of the courts is not to adjudicate historical facts nor to constrain historical dialogue.

The 2018 memory laws indicate a broader narrative of viewing Polish history as a story of either victims or heroes, leading to a simplistic and unfactual version of the past. This interpretation of history centred around martyrdom is inconsistent with Jewish experiences and memory. If Polish people were only either victims of Nazi crimes or heroes –saving Jews or fighting against the occupier– then there is no place for any memory of collaborators, instances of antisemitism, or indifference. In Polish collective memory, Poles are the primary victims whose memory should be legally protected. The victimhood-heroism narrative, apart from distorting history to

19 Tomasz Tadeusz Koncewicz, “On the Politics of Resentment, Mis-memory, and Constitutional Fidelity: The Demise of the Polish Overlapping Consensus?,” in *Law and Memory: Towards Legal Governance of History*, ed. Uładzislau Belavusau and Aleksandra Gliszczynska-Grabias (Cambridge University Press, 2017): 275.

20 Ustawa z dnia 26 stycznia 2018 r. o zmianie ustawy o Instytucie Pamięci Narodowej - Komisji Ścigania Zbrodni przeciwko Narodowi Polskiemu, ustawy o grobach i cmentarzach wojennych, ustawy o muzeach oraz ustawy o odpowiedzialności podmiotów zbiorowych za czyny zabronione pod groźbą kary, Art. 53o., <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20180000369>, [Law of 26 January 2018 amending the law on the Institute of National Remembrance - Commission for the Prosecution of Crimes against the Polish Nation].

21 Agnieszka Kubiak-Cyrul, “Protection of the Reputation of the Republic of Poland and the Polish Nation in the Law on the Institute of National Remembrance,” in *State’s Responsibility for International Crimes: Reflections upon the Rosenberg Exhibition* ed. Magdalena Balczyk and Agnieszka Kubiak-Cyrul (Stuttgart: Franz Steiner Verlag, 2021).

fit a particular storyline, is an easy populist tool for discrediting any opposition for being anti-Polish or traitors to the Polish nation.<sup>22</sup> The laws in question were part of a political strategy of mnemonic populism, a concept developed by Kornelia Konczal to describe constructing and reinforcing a “*poll-driven, moralistic and anti-pluralist imagining of the past*” in which there is only one legitimate version of history.<sup>23</sup>

This systemic institutionalising of a one-dimensional view of the past, named by legal scholar Tomasz Konieczny “*memory capture*” or “*mis-memory*”, is an “*enslavement of the past within one dominant narrative*” when certain elements are exposed at the expense of others that do not fit the rationale of protecting Poland’s “*good name*”.<sup>24</sup> Polish collective memory of World War II excludes competing narratives. Instead of an open dialogue enabling an inclusive historical memory, the legal governance of memory can “*exacerbate antagonisms*” and “*provoke outright hostility*” towards different perspectives of historical events.<sup>25</sup> Establishing a National Day of Remembrance of Poles Rescuing Jews under German occupation while

marginalising competing narratives is an instrumentalisation of history to construct an indisputable image of the past.<sup>26</sup> The martyrdom narrative creates a Polish monopoly of victimhood, conflicting with the Jewish collective memory, where the law was seen as effectively legislating denial of historical truth.<sup>27</sup> The 2018 memory laws that imposed historical interpretation and led to a Polish-Jewish memory clash showed the possible abuses of the legal governance of collective memory, resulting in memory exclusion and limiting historical discourse.

### Memory Clash: Polish and Ukrainian

Polish-Ukrainian relations are another sphere where two divergent collective memories conflict, exacerbating national tensions. The main issue is the memory of the Volhynia massacre when, between 1943 and 1945, an estimated 100,000 Poles were killed by the Organisation of Ukrainian Nationalists (OUN-B) and the Ukrainian Insurgent Army (UPA) in the Volhynia and Eastern Galicia regions so that the areas would become ethnically homogenous Ukrainian. In response, the

22 Jessie Barton Hronesova, “The uses of victimhood as a hegemonic meta-narrative in eastern Europe,” *Journal of Contemporary European Studies* 32 no. 2 (2022): 9, <https://doi.org/10.1080/14782804.2022.2110456>.

23 Kornelia Konczal, “Mnemonic Populism: The Polish Holocaust Law and its Afterlife,” *European Review* 29, no. 4 (2020): 458, <https://doi.org/10.1017/S1062798720000502>

24 Tomasz Tadeusz Konieczny, “On the Politics of Resentment, Mis-memory, and Constitutional Fidelity: The Demise of the Polish Overlapping Consensus?,” in *Law and Memory: Towards Legal Governance of History*, ed. Uladzislau Belavusau and Aleksandra Gliszczynska-Grabias (Cambridge University Press, 2017), 265-266.

25 Aleksandra Gliszczynska-Grabias, “Memory Laws or Memory Loss? Europe in Search of Its Historical Identity through the National and International Law,” *Polish Yearbook of International Law*, 34 (2014): 164.

26 “Poland observes Day of Remembrance of Poles who saves Jews,” Office of the Polish President, March 24, 2018, <https://www.president.pl/news/poland-observes-day-of-remembrance-of-oles-who-saved-jews,36675>.

27 Jon Henley, “Poland provokes Israeli anger with Holocaust speech law,” *The Guardian*, February 1, 2018, <https://www.theguardian.com/world/2018/feb/01/poland-holocaust-speech-law-senate-israel-us>.

Polish underground *Armia Krajowa* (AK) retaliated and killed an estimated 10,000 Ukrainian civilians.<sup>28</sup>

The atrocity is seen and portrayed very differently in the two countries. Its memory is the leading cause of mistrust and disagreement between the nations, still relevant and impactful eighty years later. In Poland, because of the lack of acknowledgement during the Communist period, it is still an unhealed wound from the past, with commemorations taking place only in the last thirty years and most exhumations and reburials still not resolved.<sup>29</sup> The events are viewed as a “*massacre*”, a “*slaughter*”, or even a genocide, as was recognised by the Polish parliament in 2016 by an almost unanimously passed vote.<sup>30</sup>

In Ukraine, on the other hand, the memory of the ethnic cleansing is virtually absent from the historical narrative. It is remembered as a spontaneous peasant revolution rather than a planned and organised anti-Polish operation, and the UPA and AK actions were often equated, presented as a “*tragedy*” with shared faults

and victims on both sides, even considered a “*double genocide*” by some historians.<sup>31</sup> The memory of an anti-Polish massacre conflicted with the Ukrainian politics of memory and its efforts of national identity-building around shared myths. Ukrainian historiography focused on the struggles for an independent state and, in particular, UPA and Stepan Bandera, the commander of UAN-B, were seen as national symbols of the fight.<sup>32</sup>

A joint quest for reconciliation was reflected through several joint statements by Heads of State, Parliaments, and the Greek Catholic and Roman Catholic Churches.<sup>33</sup> However, this changed in 2015 when Ukraine adopted a package of decommunisation laws, one of which was titled “*Honouring the Memory of Fighters for Ukrainian’s Independence in the Twentieth Century*”. The most controversial was Article 2, which proclaimed all forms and methods of struggle for independence as legal and stipulated that all those who “*publicly display a disrespectful attitude*” towards the independence fighters and “*publicly deny the legitimacy of the struggle for the independence of Ukraine*” will be

28 The approximate numbers from both sides are disputed by historians. See Andrii Portnov, “Clash of victimhoods: the Volhynia Massacre in Polish and Ukrainian memory,” *OpenDemocracy*, November 16, 2016, <https://www.opendemocracy.net/en/odr/clash-of-victimhood-1943-volhynian-massacre-in-polish-and-ukrainian-culture/>; “The Effects of the Volhynian Massacres,” *Volhyniamassacre.eu*, accessed on March 10, 2025, <https://volhyniamassacre.eu/zw2/history/179/The-Effects-of-the-Volhynian-Massacres.html>.

29 Portnov, “Clash of victimhoods.”

30 Poland, Sejm, Uchwała Sejmu Rzeczypospolitej Polskiej z dnia 22 lipca 2016 r. w sprawie oddania hołdu ofiarom ludobójstwa dokonanego przez nacjonalistów ukraińskich na obywatelach II Rzeczypospolitej Polskiej w latach 1943-1945, <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WMP20160000726>, [Resolution of the Sejm of the Republic of Poland of July 22, 2016, on paying tribute to the victims of the genocide committed by Ukrainian nationalists against the citizens of the Second Republic of Poland in the years 1943-1945].

31 Andrii Portnov, “Clash of victimhoods.”

32 Anna Grinberg, “Memory Battlefield on the Eastern front: Ukraine and Poland,” *Baltic Worlds* no. 3 (2021), <https://balticworlds.com/wp-content/uploads/2021/10/Grinberg.pdf>.

33 Alina Cherviatsova, “Memory Wars: The Polish-Ukrainian Battle about History,” *VerfBlog*, February 9, 2018, <https://dx.doi.org/10.17176/20180209-105826>.

held responsible.<sup>34</sup> The vague wording suggested that the law was politically motivated and that judicial execution was not intended. The decommunisation laws were part of a historical policy presenting the country's history as a perennial struggle for independence while whitewashing the Ukrainian nationalist movement. It was a reaction to Russia's extensive use of historical narratives as a weapon intended to divide Ukraine, in particular through disinformation campaigns in Eastern Ukraine, glorification of the Soviet regime, and references to Soviet and Russian imperial nostalgia.<sup>35</sup> The laws, adopted in the wake of the Russian annexation of Crimea and the war in Donbas, were motivated by a need to ensure ontological security; that is, a sense of continuity and order in events.<sup>36</sup>

The decommunisation laws, which whitewashed any responsibility for the 1943 atrocities, angered the Polish government and affected Polish-Ukrainian relations. In response, the Polish Parliament in 2016 unanimously adopted a law recognising the Volhyn massacre as a genocide.<sup>37</sup> Interestingly, only three

years earlier, for the 70<sup>th</sup> anniversary, it was recognised in a commemorative act as an ethnic cleansing bearing characteristics of genocide. At the time, an amendment proclaiming the massacre as genocide was not passed, with arguments being brought up by the Minister of Foreign Affairs that the matter should be left to historians and that the more radical form would humiliate Ukraine and would not help with its EU ambitions.<sup>38</sup> Nevertheless, the parliamentary recognition as a genocide raises doubts regarding the use of law to resolve historical debates since it is still a disputed fact among researchers, with most foreign experts viewing it as an ethnic cleansing. The memory war continued, with Ukraine blaming Poland for "*politicising tragic chapters of the Ukrainian-Polish history*" and for triggering anti-Ukrainian sentiments in Poland at a sensitive time when Ukraine was suffering from Russia's aggressive actions.<sup>39</sup>

The issue once again resurfaced when the Polish parliament criminalised the denial of crimes committed by "*Ukrainian nationalists*" between 1925 and 1950.<sup>40</sup> However, the Constitutional Tribunal held

<sup>34</sup> Cherviatsova, "Memory Wars."

<sup>35</sup> Anne Applebaum et al, "From 'Memory Wars' to a Common Future: Overcoming Polarisation in Ukraine," *Arena* (2020), <https://www.lse.ac.uk/iga/assets/documents/LSE-Arena-From-Memory-Wars-to-a-Common-Future-Overcoming-Polarisation-in-Ukraine.pdf>.

<sup>36</sup> Anna Wojcik, "Memory Laws and Security," *VerfBlog*, January 1, 2018, <https://dx.doi.org/10.17176/20180105-083951>.

<sup>37</sup> Uchwała Sejmu Rzeczypospolitej Polskiej z dnia 22 lipca 2016 r. w sprawie oddania hołdu ofiarom ludobójstwa dokonanego przez nacjonalistów ukraińskich na obywatelach II Rzeczypospolitej Polskiej w latach 1943-1945, [Resolution of the Sejm of the Republic of Poland of July 22, 2016, on paying tribute to the victims of the genocide committed by Ukrainian nationalists against the citizens of the Second Republic of Poland in the years 1943-1945].

<sup>38</sup> "Zbrodnia wołyńska nie została uznana za ludobójstwo," *Newsweek.pl*, July 12, 2013, <https://www.newsweek.pl/polska/zbrodnia-woylenska-glosowanie-sejmu-newsweekpl/tds3fny>

<sup>39</sup> Cherviatsova, "Memory Wars."

<sup>40</sup> Ustawa z dnia 26 stycznia 2018 r. o zmianie ustawy o Instytucie Pamięci Narodowej - Komisji Ścigania Zbrodni przeciwko Narodowi Polskiemu, ustawy o grobach i cmentarzach wojennych, ustawy o muzeach oraz ustawy o odpowiedzialności podmiotów zbiorowych za czyny zabronione pod groźbą kary, Art. 1, [Law of 26 January 2018 amending the law on the Institute of National Remembrance -

the term legally uncertain, with doubts about who it would include and the possibility of abusing its scope.<sup>41</sup> Whereas in Ukraine, memory laws were adopted as part of their mnemonic security –that is, making certain narratives secure while delegitimising others in response to the Russian aggression that relied on a campaign of historical disinformation– the Polish law was a domestic political issue, a populist gesture of “*regaining national pride*”.<sup>42</sup>

The full-scale Russian invasion deferred the question of Volhyn, with a common enemy unifying both countries. Nevertheless, it resurfaces in Polish nationalist circles, triggering xenophobic sentiments, which is extremely alarming considering the 1.5 million Ukrainians living in Poland. The dialogue reached a breakthrough in January 2025 when Ukraine agreed for exhumations and reburials to take place, and both governments pledged to “*continue developing constructive historical dialogue*”.<sup>43</sup> Nothing more can be expected of Ukraine now; full political support should be offered instead of history becoming a condition for its security when too much is at stake. However, to move forward, the country will need to promote an open historical dialogue with a self-critical view of its past.

## Conclusion

Polish memory clashes with the European collective memory of the Holocaust, the Jewish victimhood memory, and the Ukrainian memory of the Volhyn massacre show the difficulties in reconciling conflicting national narratives. These conflicts should not be resolved through a legal imposition of an official interpretation of the past but rather through an inclusive dialogue, allowing for a pluralistic exchange of narratives with space for self-criticism as well as heroism. Conflict resolution and shared remembrance should be promoted instead of legitimising only one view of history. The politics of memory is a key part of community-building efforts that should be based on education, promotion, and dialogue with affected groups, involving local communities, civil society, and the state. The example of the lasting memory of the Volhynia massacre in certain Polish circles shows the real need for acknowledging and commemorating the difficult past. However, to achieve reconciliation, we must respect the coexistence of many memories and see the past in its truth, without simplifications that can easily lead to extremist and exclusionary views.

[Commission for the Prosecution of Crimes against the Polish Nation].

41 Judgment of the Constitutional Tribunal of Poland, 17 January 2019, K 1/18, otk ZU A/2019., poz. 6.

42 Maria Malksoo, “*Memory must be defended: Beyond the politics of mnemonic security*,” *Security Dialogue* 46, no. 3 (2015), <https://doi.org/10.1177/0967010614552549>; “Uladzislau Belavusau, Aleksandra Gliszczynska-Grabias and Maria Malksoo, “Memory Laws and Memory Wars in Poland, Russia and Ukraine,” *Jahrbuch des öffentlichen Rechts* no. 69 (2021), <https://dx.doi.org/10.2139/ssrn.3806091>.

43 Jennifer Rankin, “Poland hails breakthrough with Ukraine over second world war Volhynia atrocity,” *The Guardian*, January 16, 2025, <https://www.theguardian.com/world/2025/jan/16/poland-hails-breakthrough-with-ukraine-over-second-world-war-volhynia-atrocity>.





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# MARTÍ SERRA I FIGAROLA

## DEVELOPMENT BANKS IN THE NEW GEOECONOMIC EU: THE EIB'S INFLUENCE IN EGYPT

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### Introduction

**I**n 2022, the European Investment Bank (EIB) opened its international branch, EIB Global, to standardise EIB's practices abroad and promote the European Union's (EU) priorities in international development and cooperation. This creation and the re-packaging of previous initiatives in the framework of the European Global Gateway (GG) are not *in media res*. Rather, they exist in a world of increasing geoeconomic competition where geopolitics is infiltrating international development and economic policy-making – if they ever were separated.<sup>2</sup>

This article argues that there has been a significant yet unfinished evolution of the European development banking field. With the EIB acting at its core, EU Development Banks (DBs) and national development agencies are increasingly adopting a geoeconomic perspective. These emerging “Geoeconomic Banks” go in parallel with the consolidation of the so-called Wall Street Consensus,<sup>3</sup> which has replaced the old Washington Consensus in development and has a contentious re-

lation with geoeconomics. In this context, the challenges and opportunities for the EU are immense: counteracting Chinese influence, increasing its soft power, securing critical raw materials supply, and establishing de-risking strategies in the African continent. This article analyses the EIB in Egypt, a key geopolitical actor in the region and the main receiver of EIB funds in the EU Southern Neighbourhood, to test the geopolitical role of Development Banks and the field's evolution.

### Historical Background

The field of European Development Banking has been reshaped during the last decade, and the involvement of DBs, especially the EIB, is on the rise. The dynamics of the field, traditionally characterised by competition between the EIB and NDBs, began to shift in the 1990s and accelerated in 2006, when the EIB collaborated with the European Commission (EC) to develop financial instruments that leveraged EC funds to enhance investment. During this time, the EIB started to shift from an infrastructure development bank to a big player in the EC's instruments for policy

- 1 Martí Serra Figarola is a student of European Affairs at Sciences Po Paris. He specialises in trade and development policy and the rise of geoeconomics as a theoretical field and as an arena of international competition. He is interested in international political economy and the transformations of capitalism.
- 2 Milan Babić, Adam D. Dixon, and Imogen T. Liu, *The Political Economy of Geoeconomics: Europe in a Changing World* (Palgrave Macmillan, 2022).
- 3 Daniela Gabor, “The Wall Street Consensus,” *Development and Change* 52, no. 3 (2021): 429–459.

implementation.<sup>4</sup>

The most significant change came with the 2014 Investment Plan for Europe, also known as the Juncker Plan, designed to counteract post-financial crisis stagnation. A combination of risk aversion and institutionalised austerity had led to investment shortfalls, prompting the EC and the EIB to launch the European Fund for Strategic Investments (EFSI). This initiative combined public guarantees, co-financing, and first-loss tranche acquisitions to increase investment by assuming higher risks.<sup>5</sup> The Plan effectively established a field of DBs, fostering both competition and cooperation, where institutions recognised each other's roles. In this framework, NDBs became intermediaries between the EIB –leveraging EC budget guarantees– and local investments. The 2021 InvestEU programme continued this model while reducing the EIB's role in leveraging EC budget guarantees to 75%.

The EIB and NDBs, as well as national development agencies and other institutions, also have a big role in funding development projects abroad. This history can be traced back a long time, to the very origins of development banking and its expansion during the first

industrialisation.<sup>6</sup> Over time, however, European development finance has grown increasingly fragmented, as noted in the 2019 Wieser Report. The establishment of the European Bank for Reconstruction and Development (EBRD) in 1991 further complicated the landscape, leading to inefficiencies, coordination failures, and duplication.<sup>7</sup> In response, the European Council sought to harmonise development finance approaches, but its proposed solutions were not implemented. Instead, the EC used its policy entrepreneurship role to promote Team Europe, a coordinating mechanism in which MS development agencies, NDBs, MDBs, and the EC would collaborate to deliver a more coordinated strategy. This approach evolved with the publication of the Globally Connected Europe investment strategy and, ultimately, of the Global Gateway initiative. The GG aims to consolidate and coordinate Team Europe's resources to create a unified strategy, with an ambitious target of mobilising €300bn through funds like EFSD+. Often framed as a geopolitical tool to counter China's Belt and Road Initiative,<sup>8</sup> the GG represents a new phase in European development banking.

4 Daniel Mertens and Matthias Thiemann, "Building a Hidden Investment State? The European Investment Bank, National Development Banks and European Economic Governance," *Journal of European Public Policy* 26, no. 1 (2019): 23–43.

5 Daniel Mertens and Matthias Thiemann, "Market-Based but State-Led: The Role of Public Development Banks in Shaping Market-Based Finance in the European Union," *Competition & Change* 22, no. 2 (2018): 184–204.

6 Konstantinos Loizos, "Essays on Financial Regulation and Financial Development," (PhD diss. National and Kapodistrian University of Athens, 2010).

7 Dermot Hodson and David Howarth, "From the Wieser Report to Team Europe: Explaining the 'Battle of the Banks' in Development Finance," *Journal of European Public Policy* 31, no. 9 (2024): 2611–2635.

8 Tanja Börzel, Vera Krüsmann, Julia Langbein, and Lilei Wu, "Colliding Scripts in Asia? Comparing China's Belt and Road Initiative and the EU Global Gateway Strategy," No. 34. *SCRIPTS Working Paper*; Eugénia Heldt, "Europe's Global Gateway: A New Instrument of Geopolitics," *Politics and Governance* 11, no. 4 (2023): 223–234.

## Theoretical Framework: Field Transformation and Wall Street Geoeconomics

Public banks are fundamentally contested and dynamic institutions as opposed to static institutions with pre-defined functions. They are shaped by social forces and the actors in the public sphere, and their functions precede their ontological character.<sup>9</sup> As such, when the social forces or the policy paradigm change, this affects the institutional functions of a PB and, thus, its social and institutional meaning. Thus, to “*rethink public banks dynamically is to move reflexively from and between the institution, the public sphere, the state, and global financialized capitalism*”.<sup>10</sup> This means that changes in the field’s policy paradigm also affect the role of DBs. This is the case with the rise of state-capitalism and the appearance of the Wall Street Consensus (WSC), in which the role of the public focuses on de-risking private benefits to promote development.<sup>11</sup>

This definition of the current state of DBs, however, has a gap: it lacks an international system of power competition between states. It is short of *other* states, as well as

all *other* capitalisms and institutions that compete with each other and create better practices. In this sense, DBs are affected by the rise of geoeconomic competition coming from the geopoliticisation of trade, investment, and development policy,<sup>12</sup> which has amounted to a geoeconomic turn in the EU.<sup>13</sup> Some authors have approximated this shift, also focusing on the case of Egypt and the European Bank for Reconstruction and Development (EBRD). In this case, the EBRD, amid multiple field shifts, suffered a bifurcation between the actor’s habitus and the field that coincided with changes in EU developmental priorities, emphasising energy and migration.<sup>14</sup> Accordingly, the EBRD engaged in mandate management to stay relevant via conceptual stretching of what its initial objectives were. However, Piroska and Schlett attribute this shift to the rise of the Wall Street Consensus (WSC) and state capitalism.<sup>15</sup>

While there have been analyses of the interaction between state-capitalism and geoeconomics and state-capitalism and the WSC, the relationship between the WSC and geoeconomics remains unexplored.<sup>16</sup>

9 Thomas Marois, “A Dynamic Theory of Public Banks (and Why It Matters),” *Review of Political Economy* 34, no. 2 (2022): 356–371.

10 *Ibid.*, 364.

11 Gabor, “The Wall Street Consensus.”

12 Aline Burni, “Geopoliticising European Development Policy? Assessing the New EU External Action Budget Framework,” *The Progressive Post*, October 14, 2022; Meunier, Sophie, and Kalypso Nicolaïdis, “The Geopoliticization of European Trade and Investment Policy,” *Journal of Common Market Studies* 57 (2019): 103–113.

13 Sarah Bauerle Danzman and Sophie Meunier, “The EU’s Geoeconomic Turn: From Policy Laggard to Institutional Innovator,” *JCMS: Journal of Common Market Studies*, 2024.

14 Amelia Hadfield and Simon Lightfoot, “Shifting Priorities of the EU as a Development Actor: Context and Consequences,” *Global Affairs* 7, no. 4 (2021): 487–504.

15 Ilias Alami and Adam D. Dixon, *The Spectre of State Capitalism* (Oxford University Press, 2024); Gabor, “The Wall Street Consensus”; Dora Piroska and Balázs Schlett, “Mandate Management: A Field Theory Approach to the EBRD’s Adaptive Practice in Egypt,” *Review of International Political Economy* 31, no. 1 (2024): 47–73.

16 Ilias Alami, Adam Dixon, Ruben Gonzalez-Vicente, Milan Babic, Seung-Ook Lee, Ingrid A. Medby, and Nana de Graaff, “Geopolitics and the ‘new’ state capitalism,” *Geopolitics*, 27, no. 3 (2022): 995–1023;

If this relationship were to be explored, different questions should be asked: How do geoeconomic imperatives relate to other objectives, such as climate finance or development? Which relationships do the firms that are given a project have to the EU Member States and the national – sometimes authoritarian – elites? Finally, if the EU really wants to de-risk through the pursuit of bankable projects that have a private return, it should wonder if bankability is the only criterion to follow, or some projects of great strategic interest may not attract the desired amount of private investment.

While state-capitalism and the WSC are two different concepts, they have gone hand in hand in the evolution of the European field of development banking since 2014, when the Jucker Plan, a paradigmatic example of a state-led but market-based programme, was created.<sup>17</sup> The increase in the EIB Global total lending, then, cannot be considered a product of state capitalism and WSC, but of the EU's geoeconomic turn,<sup>18</sup> which responds to shifting dynamics on the field of global development finance triggered by the rise of Chinese Banks,<sup>19</sup> growing geopolitical competition, and the perceived need to de-risk strategic value chains, secure critical raw materials, and establish international partnerships.

Analysing the EIB's role in Egypt adds another layer to the analysis of the EBRD: While the EBRD's role in the international arena has been more pronounced, a shift from the EIB, which has a clearer link to European institutions, points to a proactive rather than reactive action and is related to the change in EU developmental policies rather than mandate-management.<sup>20</sup> This article defends that it is not possible to understand the EIB's role in Egypt and the shift in EU development policy without the broader framework of the rise of geoeconomic concerns in the states' policy-making process.

### The EIB in Egypt

The main financial instrument of the GG is the European Fund for Sustainable Development Plus (EFSD+), which aims to leverage €232bn from 2021 to 2027. The EFSD+ is an evolution of EFSD, a guarantee fund backed by the EU launched in the 2017 External Investment Plan that complemented the EIB's External Lending Mandate (ELM), around 25% of the funds of which were already destined to Egypt.<sup>21</sup> With the new MFF (2021-2027), the EFSD+ guarantee acquired a global scope and was envisioned as part of the Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe, the new comprehensive international devel-

Seth Schindler, Ilias Alami, and Nicholas Jepson, "Goodbye Washington Confusion, Hello Wall Street Consensus: Contemporary State Capitalism and the Spatialisation of Industrial Strategy," *New Political Economy* 28, no. 2 (2023): 223–240.

17 Mertens and Thiemann, "Market-Based but State-Led."

18 Bauerle Danzman and Meunier, "The EU's Geoeconomic Turn: From Policy Laggard to Institutional Innovator."

19 Min Chen, "Beyond Donation: China's Policy Banks and the Reshaping of Development Finance," *Studies in Comparative International Development* 55, no. 4 (2020): 436–59.

20 Piroška and Schlett, "Mandate Management."

21 Erik Lundsgaarde, Maria L. Sánchez-Barrueco, and Andreea H. Budui, "The New EFSD+ and the EIB's External Lending Mandate," *European Parliament*, 2022.

opment framework. The actions of the EIB in Egypt are thus financed mainly by the EFSD+ in the NDICI-Global Europe framework, which intends to fund €79.4bn divided into three pillars, €60.39bn of which are part of the geographical pillar in which the EFSD+ provides its investment framework.<sup>22</sup> This fund is supposed to be the main risk-sharing instrument of the GG to mobilise up to €135bn through a Team Europe approach and follows –at least in theory– the directives and objectives marked by DG NEAR priorities, the EU's Treaties, and the European Neighbourhood Policy (ENP), thus representing another tool of the EU's external action.

Egypt has been a focal point of EIB activities since 1979, with total disbursements exceeding €15bn. The development banking landscape in Egypt differs from that within the EU, as the EIB collaborates with a distinct set of actors, namely, local Egyptian banks and national development agencies. EIB activity in Egypt has intensified significantly in the past decade. Of the €15.1bn disbursed since 1979, more than half –€9.2bn– was allocated between 2013 and 2023, financing 57 of the 126 total projects. In November 2023, the EIB opened a regional hub in Egypt, consolidating its operations across the Middle East and North Africa (MENA) and promoting public-private cooperation in the region.<sup>23</sup>

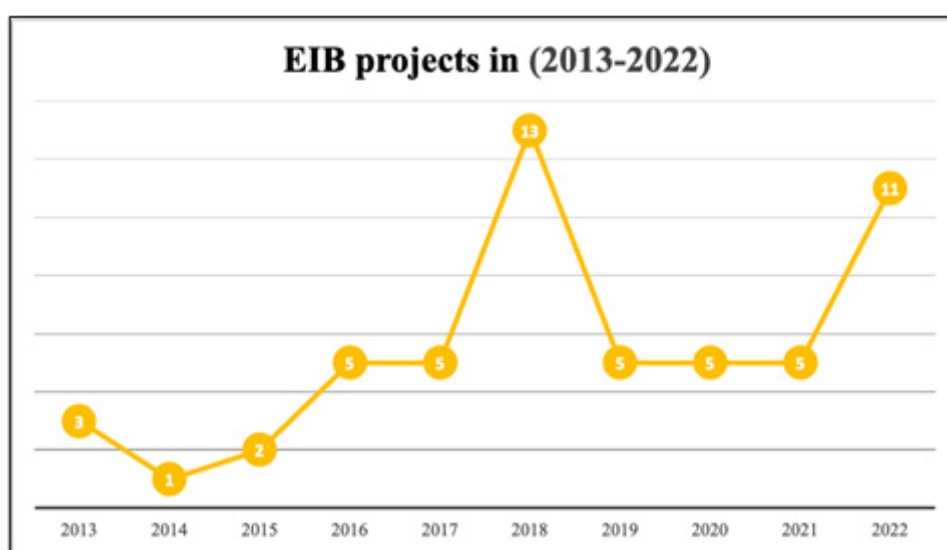


Figure 1. EIB Projects in Egypt (2013-2022). Own Elaboration. EIB Data.

<sup>22</sup> See *Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (Text with EEA relevance)*, PE/41/2021/INIT, OJ L 209, June 14, 2021, 1–78.

<sup>23</sup> EIB, "EIB Expands Presence in the Middle East and North Africa with New Regional Hub in Cairo," 2024, <https://www.eib.org/en/press/all/2023-430-eib-expands-presence-in-the-middle-east-and-north-africa-with-new-regional-hub-in-cairo?recommendation=1>.



Figure 1 illustrates the number of projects signed annually, showing an increase in activity from 2014 onward, stabilising at approximately five projects per year. However, there were notable spikes in 2018 and 2022, with 13 and 11 projects, respectively. A closer examination reveals a shift in focus: While 2018 projects spanned multiple sectors –including credit lines, energy, and water management (see Figure 2)– 2022 investments were more concentrated, with credit lines and water-

related projects comprising 84% of total activity (see Figure 3).

Even more revealing are annual investment volumes (see Figure 4). A notable milestone occurred in 2019 when annual EIB financing in Egypt exceeded €1bn for the first time, a trend that continued, peaking at €1.7bn in 2020. Since then, the EIB has invested more than €1bn every year, reaching a peak of €1.7bn in 2020. This data relativises the importance of Figure 1, since neither 2018 nor 2022 mark peaks in investment, revealing the effectiveness –from an investment perspective– of the Team Europe approach for Egypt, which was able to step up its financing abroad during COVID-19 as one of the initial objectives of the project.<sup>24</sup> This increase in funding has been particularly directed to loans for SMEs and Midcaps to assure the economic resilience of the country and, to a lesser degree, to sanitation systems such as water sewerages. Notably, in 2022, the EIB invested €221 million in upgrading the Tanta-El Mansoura-Damietta corridor, a train line that connects the country to Damietta Port, a key strategic asset next to the Suez Canal that is receiving great amounts of investments by DBs.

The EIB leveraged the COVID-19 pandemic, the Team Europe framework, and the EFSD+ to nearly double its activities in Egypt since 2020. While continuing its traditional infrastructure investments –such as rehabilitating Alexandria and Cairo’s metro systems– it has also supported projects with wider geoeconomic implications. It could be argued that these EIB investments also prepared the terrain for further partnerships. On March 17, 2024, EU-

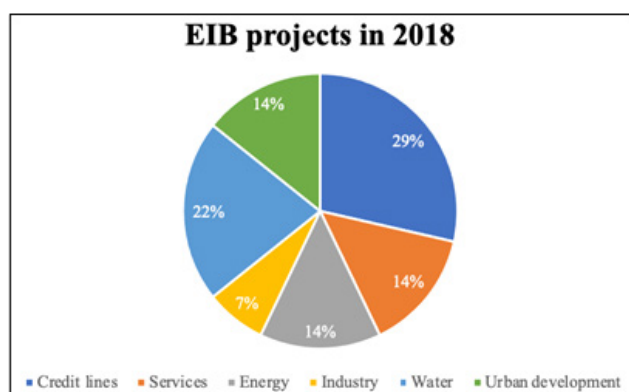


Figure 2. EIB Projects in 2018. Own elaboration. EIB Data.

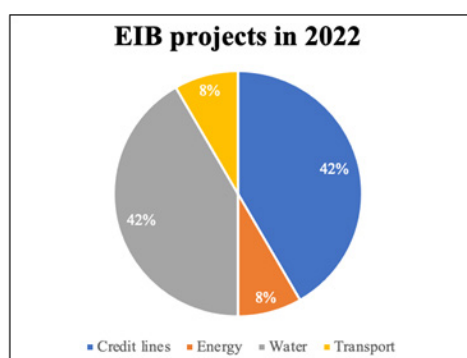


Figure 3. EIB Projects in 2022. Own elaboration. EIB Data.

<sup>24</sup> Hodson and Howarth, "From the Wieser Report to Team Europe."

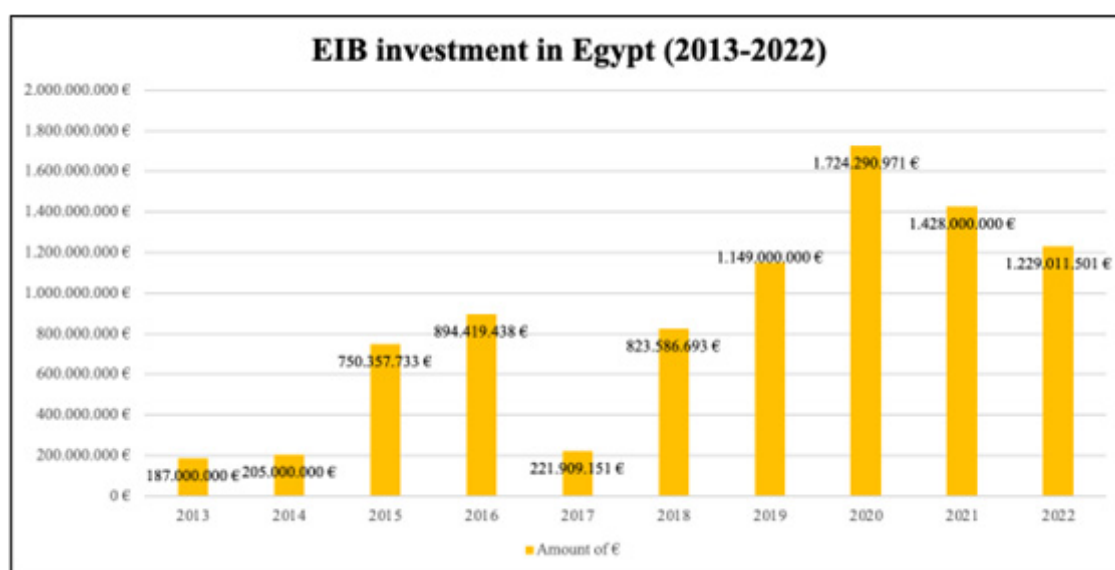


Figure 4. EIB Investment in Egypt (2013-2022). Own Elaboration. EIB Data.

Egypt relations reached a new milestone with the signing of the EU-Egypt Strategic and Comprehensive Partnership, a €7.4bn agreement. This deal came amid Egypt's debt distress and balance-of-payments challenges, reflecting an EU-wide effort to stabilise the country amid security and migration concerns.<sup>25</sup> The agreement committed €5bn in financing through the EFSD+, alongside budget support, grants, and development funding. Additionally, it emphasised Egypt's role in EU supply chains, particularly through the Suez Canal Economic Zone, which has the potential to attract EU industries and enhance regional trade.<sup>26</sup> Energy security is also a key aspect, with the agreement strengthening the EU's access to Egyptian natural gas supplies. In summary, it contributes to de-risking and the creation of a geoeconomically secure neighbourhood.

### **Conclusion: Toward Geoeconomic Development Banks?**

This article has analysed the role of the EIB in Egypt. Through an analysis of its projects and investments in the country, it has observed an increase in EIB's activity in Egypt, together with a change in the focus of its development priorities, reflecting the EIB's shift toward a Geoeconomic Public Bank. The case of Egypt, EIB Global, and, in general, the recent changes in international development affect the functions of a DB under a dynamic theory of public banks. They do so in combination with dynamics in financial capitalism such as the WSC, but not only: DBs' actions abroad increasingly have an implicitly geoeconomic mandate to secure partnerships and critical raw materials and assure the economic resilience of strategic regions.

<sup>25</sup> Anthony Dworkin, "Aid with Reform: How the EU-Egypt Deal Can Succeed," *European Council on Foreign Relations*, March 20, 2024, <https://ecfr.eu/article/aid-with-reform-how-the-eu-egypt-deal-can-succeed/>.

<sup>26</sup> European Commission, "Joint Declaration on the Strategic and Comprehensive Partnership between The Arab Republic of Egypt and the European Union," March 17, 2024.

These Geoeconomic Public Banks raise new doubts. As with the use of the blended finance for development or climate adaptation, there is a question of the desirability and adequacy of the combination of WSC and geoeconomics, and the extent to which this is the best instrument from a policy perspective to de-risk economic interdependencies. Moreover, the structure and expertise of DBs and their organisational culture have an effect on DBs' outcomes. Amidst rising geoeconomic competition, questions about the governance structure of Team Europe and its efficiency in translating the EU's political priorities should be raised.

These findings have clear methodological limitations. The possible endogeneity relation between EIB policies and the shift in EU development policies is one of them. Moreover, there is a need to better analyse the implications of these policies for the European development banking field and how they affect the other actors and the power relations between the EIB and the local partners. However, if this shift can be proven to be happening systematically in EIB projects abroad, the geoeconomic character of DBs should be reassessed and its implications for political accountability discussed.



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# LENNART KREUZFELD

## THE ROLE OF THE WESTERN SAHARA IN EU-MOROCCAN MIGRATION DIPLOMACY

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### Introduction

**T**his paper explores the migration diplomacy between the European Union (EU) and Morocco regarding the role of the Western Sahara (WS) conflict through critical discourse analysis.<sup>2</sup> Commonly labelled “Africa’s last colony”,<sup>3</sup> Western Sahara is a remnant and special case of the colonial era with its seemingly indefinitely disputed territorial status. After years of Spanish colonisation from 1884 to 1975, Morocco, itself a French colony until 1956, occupied<sup>4</sup> WS in 1975, following Spain’s withdrawal. In 1976, the Moroccan army triggered the mass exodus of around 155,000 Sahrawis, who started to erect refugee camps and build up political structures in the Algerian desert. The Frente Polisario<sup>5</sup> proclaimed the Sahrawi Arab Democratic Republic (SADR) in the same year, to later join the African Union in 1984. Until today, no EU

member state diplomatically recognised the SADR.

The analysis is structured along the rulings of the European Court of Justice (CJEU) on EU-Moroccan economic agreements between 2015 and 2024. As the analysis shows, the CJEU’s judgements, annulling the economic agreements on the basis of a lacking distinction between Moroccan and Western Saharan territories, exacerbated a ‘realpolitik’ trade-off on central foreign policy interests between the parties: The diplomatic recognition of Moroccan autonomy over Western Sahara by EU member states is exchanged for the limitation of migration movements and cooperation in readmission of Moroccan nationals from their territories. The transactional character of EU-Moroccan migration diplomacy has been pushed forward by the Moroccan regime’s actively regulating the permeability of its border

1 Lennart Kreuzfeld is completing a double degree M.A. program in European Studies at the European University Viadrina and Bilgi University Istanbul. He is interested in the ways in which migration discourses contribute to the maintenance of hegemonic power structures.

2 Critical Discourse Analysis (CDA), in the tradition of Norman Fairclough, investigates the relationships between discursive practices and broader social and cultural structures to reveal how these practices contribute to maintaining power dynamics. Thereby, CDA fosters an “emancipatory” mission focused on achieving radical social change and empowering marginalized groups.

3 Susan Zunes and Joe Mundy, *Western Sahara: War, Nationalism, and Conflict Irresolution* (Syracuse: Syracuse University Press, 2010), xxi.

4 The status of occupation has repeatedly been acknowledged in international law. See for instance: United Nations, *UNSC Resolution 380*, November 16, 1975; *UNSC Resolution 1244*, S/RES/1244, June 10, 1999; *UNSC Resolution 1429*, July 30, 2002; *UNSC Resolution 1495*, July 31, 2003; *UNSC Resolution 1541*, April 12, 2004.

5 Frente Popular para la Liberación de Saguía el Hamra y Río de Oro (Frente Polisario) was founded in 1973 with the goal of achieving independence for the Western Sahara. The organization is militarily supported by Algeria.

to the Spanish enclaves of Ceuta and Melilla, in order to exert pressure on the EU to comply with its political demands. After the 'Ceuta incident' in 2021, when thousands of refugees crossed into the Spanish enclave, Spain's endorsement of the Moroccan autonomy plan for Western Sahara triggered similar political shifts among several member states, colliding with the CJEU rulings confirming the Sahrawis' right to self-determination.

### Early Years of EU-Moroccan Migration Diplomacy

Official EU-Moroccan dialogue on migration started against the background of the Tampere Summit (1999) where the EU's High Level Group on Asylum and Migration was created and where possibilities of externalising migration control to Morocco were discussed.<sup>6</sup> The EU Commission (EUC) was mandated to lead this process, which created the EU-Morocco Association Agreement in 2000 as a legal basis for bilateral cooperation. After Morocco established the country's first-ever immigration law in 2003, a fishery agreement was also concluded between the parties in 2006, granting predominantly Spanish vessels access to both Western Saharan and Moroccan waters. In 2013, Migration and Mobility Partnership (MMP)

agreements were concluded between Morocco and the EU, plus nine member states individually. The MMP effectively fostered the externalisation of EU border controls while promising legal migration pathways to Moroccan citizens.<sup>7</sup> Since 2014, the EU has provided Morocco with 2.1 billion Euros overall in migration support, from which around 10% was allocated for border management.<sup>8</sup>

Until the first CJEU ruling in 2015, the Western Sahara issue had not been mentioned in any document of the EU-Moroccan bilateral dialogue. While the EU Parliament (EUP) in the past has periodically expressed support on behalf of the Sahrawi people,<sup>9</sup> the EUC and External Action Service (EEAS), as main actors of EU international diplomacy, in principle refrain from any independent position in the name of their strict support for the United Nations (UN) framework.<sup>10</sup> In the past, Moroccan state officials interpreted this absence of positioning as confirmation of Morocco's sovereignty: "*International agreements which do not exclude the Moroccan Sahara from their application, prove that the area is Moroccan*".<sup>11</sup> However, in 2012, the Frente Polisario, for the first time, brought legal action against the EU Council's Agricultural Agreement with Morocco of 2010, which

6 Elie Goldschmidt, "Storming the Fences," *MERIP*, October 21, 2016, [merip.org/2006/06/storming-the-fences/](https://merip.org/2006/06/storming-the-fences/).

7 EuroMed Rights, "EU-Morocco Mobility Partnership: Border Control at the Expense of Human Lives?," *EuroMed Rights*, February 11, 2014, <https://euromedrights.org/publication/eu-morocco-mobility-partnership-border-control-at-the-expense-of-human-lives/>

8 For an overview about EU Migration support in Morocco, see: European Union, *EU Migration Support in Morocco*, February 2023. [https://enlargement.ec.europa.eu/system/files/2023-03/EU\\_support\\_migration\\_morocco.pdf](https://enlargement.ec.europa.eu/system/files/2023-03/EU_support_migration_morocco.pdf).

9 European Parliament, "Resolution on the Situation in Western Sahara," February 7, 2013, <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2013-55>.

10 Irene Fernández-Molina and Anna Khakee, "The 'Moroccogate' Scandal and European Parliament Decision-Making on Western Sahara," *Mediterranean Politics* (2024).

11 Western Sahara Resource Watch, "Trading Saharawi Rights for Moroccan Migrants," *Western Sahara Resource Watch*, March 17, 2016, <https://wsrw.org/en/archive/3418>.



increased the publicity of the Western Sahara issue among European political circles.

### Visibility of the Western Sahara Issue through CJEU Cases

On December 10, 2015, the EU Court of Justice ruled in favor of the Frente Polisario by stating that *"the Liberalisation Agreement does not apply to the territory of Western Sahara"*,<sup>12</sup> implicating the distinctiveness of the Moroccan and Western Saharan territories. As a reaction to the CJEU decision, on February 25, 2016, the Moroccan regime stopped all communications with the European Union on the basis of *"the highly political nature of the judgement"*, *"an unfair attitude that pays little attention to the necessary respect between partners"* and urged the EU to *"preserve a truly solidary, balanced and serene relationship [...] attached to the foundation of common values and mutual interests"*.<sup>13</sup> Furthermore, on February 27, 2017, Moroccan agriculture minister, Aziz Akhannouch, told a Spanish news agency: *"How do you expect us to do the work of blocking African and even Moroccan emigration if Europe doesn't want to work with us? Why should we continue acting as police and giving them work?"*, and *"[t]he immigration problem is very expensive for*

*Morocco, and Europe should appreciate its true worth"*.<sup>14</sup> The latter quote illustrates the transactional nature of migration cooperation in the framework of EU border externalisation, discursively linked with Morocco's political and economic interests. Affective expressions such as *"unfair"* and *"necessary respect"* in the further, are especially prevalent with regard to the first CJEU ruling and encapsulate identity-based diplomatic strategies determining the pre-political and non-negotiable nature of the Western Sahara Issue for the Moroccan regime. In the three days following the judgement, 853 migrants crossed into Ceuta, half of the total border crossings into Ceuta in the entire year of 2016.

The suspension of diplomatic relations happened at the peak of the Schengen Crisis, when public pressures on the Commission were high to conclude the fifteen-year-old negotiation process on the readmission agreement with Morocco. It must be understood against this background and its amplifying effect on the EU's legitimacy crisis,<sup>15</sup> that those member states with already existing migration cooperation agreements with Morocco, accelerated bilateral migration diplomacy, as European channels came to a standstill.

<sup>12</sup> Court of Justice of the European Union, *Press Release No. 146/16: Judgment in Case C-104/16 P, Council v Front Populaire pour la Libération de la Saguia-el-Hamra et du Rio de Oro (Front Polisario). The Association and Liberalisation Agreements Concluded Between the EU and Morocco Are Not Applicable to Western Sahara*. Luxembourg, December 21, 2016, <https://curia.europa.eu/jcms/upload/docs/application/pdf/2016-12/cp160146en.pdf>.

<sup>13</sup> Moroccan Government, "Déclaration de M. le ministre de la Communication Porte-parole du Gouvernement au sujet de l'évolution des relations entre le Royaume du Maroc et l'Union européenne," February 25, 2016, <https://www.maroc.ma/fr/actualites/declaration-de-m-le-ministre-de-la-communication-au-sujet-de-levolution-des-relations>.

<sup>14</sup> Francisco Peregil and Jesús A. Cañas, "Incursions at Spain's North African Exclaves Triple After Moroccan Threats," *El País*, February 27, 2017, [https://english.elpais.com/elpais/2017/02/27/inenglish/1488185422\\_295555.html](https://english.elpais.com/elpais/2017/02/27/inenglish/1488185422_295555.html).

<sup>15</sup> Christian Schweiger, "The Legitimacy Challenge," in *The European Union in Crisis*, ed. Dinan et al. (New York: Bloomsbury, 2017), 202.

## Readmission-Recognition Tradeoffs

Four days after Morocco's diplomatic break up with the EU, Belgian Minister of Security and Home Affairs, Jan Jambon, visited the Kingdom, stating that Morocco and Belgium enjoy "*optimal*" cooperation in counter-terrorism, particularly in the exchange of information and good practices,<sup>16</sup> referring to a concluded agreement, containing the exchange of fingerprint data, that provided Belgium with the legal means to deport hundreds of Moroccans unlawfully residing in the country. At the same time, Belgian Prime Minister Charles Michel declared his support for an appeal by the European Council against the CJEU ruling. A similar tradeoff between concluding a bilateral readmission agreement and appealing the CJEU case happened with Germany, Sweden, and the Netherlands, the two latter ones among those member states having openly objected to the import of agricultural products from Western Sahara under a Moroccan label in the past.<sup>17</sup> The example shows how cooperation in migration and security matters is bargained by the Moroccan regime to enforce EU compliance. The fact that all of the aforementioned member states signed migration partnerships with Morocco in 2013 and (all but Sweden) recently

reaffirmed their support for the Moroccan autonomy plan points to migration diplomatic dependencies constraining agency in foreign policy decision-making. In other words, being exposed to the weaponisation of migration is the 'flip coin' to the externalisation of migration control and leads to the reverse of conditionality in EU foreign policy.<sup>18</sup> Furthermore, offering financial compensation for the development of migration cooperation may lead to unintended consequences when the application of measurements is non-transparent. The EU's declared aim to "*benefit the local population*" through developmental aid may come at the expense of the Sahrawi population when Morocco uses the funds to foster colonial occupation of Western Sahara.<sup>19</sup>

## The Terrorism Issue-Linkage in EU-Moroccan Migration Diplomacy

In 2018, encouraged by Spanish and French lobbyists, the Commission initiated a new trade agreement with Morocco, which, similar to the previous agreement, included the territory of Western Sahara, but this time, the Commission and EEAS declared to have obtained consent from the local population.<sup>20</sup> While Polisario denied having been consulted by the EUC/EEAS,<sup>21</sup> the Moroccan state exerted

<sup>16</sup> Moroccan Government, *The Official Visit of Belgian Prime Minister to Morocco*. February 29, 2016. <https://www.maroc.ma/en/news/morocco-plays-fundamental-role-fight-against-terrorism-belgian-pm>.

<sup>17</sup> Western Sahara Resource Watch, "Trading Saharawi Rights for Moroccan Migrants", *Western Sahara Resource Watch*, March 17, 2016, <https://wsrw.org/en/archive/3418>.

<sup>18</sup> Blanca Garcés Mascareñas, "La «instrumentalización» de las migraciones," September 2022, <https://www.cidob.org/publicaciones/la-instrumentalizacion-de-las-migraciones-0>.

<sup>19</sup> Western Sahara Resource Watch, "EU fish support to Morocco builds Western Sahara fish industry", *Western Sahara Resource Watch*, December 5, 2017, <https://wsrw.org/en/archive/4015>.

<sup>20</sup> European Commission, "Report on benefits for the people of Western Sahara and public consultation on extending tariff preferences to products from Western Sahara", June 15, 2018, [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0346R\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0346R(01)).

<sup>21</sup> <https://wsrw.org/files/dated/2018-11-26/fp-eeas21.11.2018.pdf>.

pressure on EU parliament members to object to “hostile” amendments to the Commission’s trade agreement proposal and emphasised the EUP’s significance to strengthen the strategic relationship in the fight against terrorism, migratory flows, and security issues.<sup>22</sup> The issue-linkage between these elements in EU-Moroccan relations is revealing, as the Moroccan regime has successfully reshaped the image of the Frente Polisario since the end of the Cold War. Initially portrayed as communists, they have also been framed as Islamic fundamentalists in the eyes of their Western allies, particularly the United States and France.<sup>23</sup> Therefore, the utilisation of European financial and technological support in the framework of security cooperation against the Frente Polisario might be discursively concealed by the Moroccan regime as counterterrorism measures in the broader region.

Mirroring Moroccan issue-linkages, the EUP’s rapporteur on the EU-Morocco trade agreement proposal described the importance of EU-Morocco relations in a newspaper article as follows: “*We have strong common interests and especially concerning immigration and security issues like radicalisation and terrorism [and] [w]e have to prove on the ground that the people of the Western Sahara benefit from the*

*commercial agreement*”.<sup>24</sup> The consolidation of blurred linkages between immigration and Islamist terrorism in diplomacy thereby aims to advance the EU’s external security agenda towards Morocco,<sup>25</sup> with the side effect of indirectly legitimising Moroccan narratives of Polisario as a terrorist organisation.

### **The Ceuta Incident and Increasing Support for Morocco’s Autonomy Plan**

In 2020, the United States, as the first country to do so, recognised Moroccan sovereignty over WS as part of the Trump administration’s Abraham Accords, which significantly bolstered Morocco’s autonomy proposal on the international stage. Amidst global border enclosures during the Covid-19 Pandemic, in what was interpreted as a reprisal for Spain’s perceived support of the Frente Polisario leader Brahim Ghali, on May 18, 2021, the Moroccan regime “*pushed forward*”<sup>26</sup> more than 9000 people across the border to the Spanish enclave of Ceuta, creating yet another migration crisis on the European Union’s external borders. While the official statement by the Moroccan Minister of Foreign Affairs, Naser Burita, explained the failure of the border security partly to the “*fatigue of the Moroccan police apparatus after the festivities of the end of Ramadan*”,<sup>27</sup> the European Parliament

22 [https://wsrw.org/files/dated/2018-11-12/gom-waitz\\_29.10.2018.pdf](https://wsrw.org/files/dated/2018-11-12/gom-waitz_29.10.2018.pdf).

23 Pablo De Orellana, “Struggles over Identity in Diplomacy: ‘Commie Terrorists’ Contra ‘Imperialists’ in Western Sahara,” *International Relations* 29, no. 4 (2015): 477–499.

24 Nikolaj Nielsen, “Exposed: How Morocco Lobbies EU for Its Western Sahara Claim,” *EUObserver*, November 23, 2018, <https://euobserver.com/investigations/143426>.

25 Alvaro Casero, “The European Union and Morocco: Prospects and Challenges for Economic Development,” *Estthinktank*, January 14, 2021, <https://estthinktank.com/2021/01/14/the-european-union-and-morocco-prospects-and-challenges-for-economic-development/>.

26 Xavier Ferrer-Gallardo and Lorenzo Gabrielli, “The Ceuta Border Peripeteia: Tasting the Externalities of EU Border Externalization,” *Journal of Borderlands Studies* 37, no. 3 (2022): 645–655, <https://doi.org/10.1080/08865655.2022.2048680>.

27 EFE, “La Embajadora de Marruecos No Volverá Mientras Dure la Crisis con España,” *El País*, May 20,

*"rejected Morocco's use of border control and migration [...] as political pressure against a member state of the EU".*<sup>28</sup> The shift in the Moroccan diplomatic rhetoric, downplaying any accusation of a deliberate border opening, must be seen in the context of increasing political costs due to the high prevalence of the issue on the EU's agenda, resulting in an EUC proposal on addressing situations of instrumentalisation in the field of migration and asylum.<sup>29</sup>

On October 29, 2021, the CJEU repeatedly annulled the trade<sup>30</sup> and fishery<sup>31</sup> agreements between Morocco and the EU due to the inclusion of Western Sahara. An EUC representative reacted by emphasising the *"economic, social and political benefits"*<sup>32</sup> of a successful implementation. Accordingly, both the Commission and Council repeatedly appealed the Court's decision, and European economic activity in Western Sahara could continue.

The diplomatic crisis between Spain and Morocco was eventually resolved, when Spanish Prime Minister Pedro Sanchez in April 2022 declared Morocco's autonomy proposal *"the most serious, realistic and credible basis for the resolution of this dispute"*,<sup>33</sup> reverting Spain's supposedly neutral position on the matter. The joint statement with King Mohammed VI further included the reactivation of cooperation in the areas of migration, as well as *"all areas of common interest"*.<sup>34</sup> The diplomatic shift of one of the two member states central to EU-Moroccan relations triggered a similar political shift among other EU countries. Germany, for instance, after declaring support in 2022, could conclude a bilateral migration cooperation, including a readmission mechanism with Morocco in 2023. Currently, at least 20 member states have officially expressed support for Moroccan sovereignty over Western Sahara.<sup>35</sup>

2021, <https://elpais.com/espana/2021-05-20/la-embajadora-de-marruecos-no-volvera-mientras-este-en-espana-el-lider-del-polisario.html>.

28 European Parliament, "Resolution on the Breach of the UN Convention on the Rights of the Child and the Use of Minors by the Moroccan Authorities in the Migratory Crisis in Ceuta," June 10, 2021, <https://oeil.secure.europarl.europa.eu/oeil/en/document-summary?id=1666096>.

29 European Commission, *Proposal for a Regulation of the European Parliament and of the Council Addressing Situations of Instrumentalisation in the Field of Migration and Asylum*, COM(2021) 890 final, 2021/0427 (COD), Strasbourg, December 14, 2021.

30 General Court of the European Union, *Judgment of the General Court (Ninth Chamber, Extended Composition), 29 September 2021 (Case T-279/19)*, ECLI:EU:T:2021:639.

31 General Court of the European Union, *Judgment of the General Court (Ninth Chamber, Extended Composition), 29 September 2021 (Joined Cases T-344/19 and T-356/19)*, ECLI:EU:T:2021:640.

32 Veronika Veits cited in: Western Sahara Resource Watch, "Parliamentarians called for ignoring EU Court", October 29, 2021, *Western Sahara Resource Watch*, <https://wsrw.org/en/news/parliamentians-called-for-ignoring-eu-court>.

33 Moroccan Government, "Joint Statement Adopted at The End of Talks Between HM King Mohammed VI, President of Spanish Government Pedro Sanchez -Full Text", April 8, 2022, <https://www.maroc.ma/en/news/joint-statement-adopted-end-talks-between-hm-king-mohammed-vi-president-spanish-government>.

34 *Ibid.*

35 Souhira Medini, "EU-Morocco Relations: Stuck Between Law and Politics?," *Washington Institute*, January 8, 2025, <https://www.washingtoninstitute.org/policy-analysis/eu-morocco-relations-stuck-between-law-and-politics>.



## Latest CJEU Rulings and Outlook

On October 4, 2024, the CJEU repeated previous decisions on the distinctiveness of Western Sahara from Morocco on the basis of a *“breach of the principles of self-determination”*<sup>36</sup> and annulled them for good. The EUC and EEAS’ joint statement declared firm intention *“to preserve and continue strengthening close relations with Morocco in all areas of the Morocco-EU partnership”*<sup>37</sup> and was later adopted in its wording by several member states, while others expressed the necessity to find binational solutions to *“the fight against illegal immigration”*.<sup>38</sup> Most notably, the French President took a step further during his state visit in Rabat shortly after the sentence, where he declared the autonomy plan being the *“only basis for achieving a just, lasting and negotiated political solution”*, while reaffirming that *“our operators and our companies will support the development of these territories through investment and sustainable, mutually supportive initiatives, for the benefit of local populations”*.<sup>39</sup> Unlike before, the response of the Moroccan regime was short, stating

*“not being concerned by the decision”*, while demanding the EUC, Council, and member states *“to preserve the achievements of the partnership”*.<sup>40</sup>

As the European Union has so far refrained from taking a political stance on Western Sahara for strategic reasons, it is unlikely that the Commission’s pending assessment of the latest CJEU ruling will be any different. Furthermore, it is plausible to assume that Morocco, in the long term, is more interested in maintaining the status quo of de-facto occupation, rather than having to make far-reaching concessions to the Frente Polisario in case of an autonomy agreement.<sup>41</sup> The question posed by the UN representative for Western Sahara, Staffan de Mistura, as to exactly how Morocco plans to implement the autonomy plan remains open to the future.<sup>42</sup> Until then, the human rights situation of the refugees along the Spanish-Moroccan land border will remain volatile. While recent news about dozens of drowned refugees along the Western African Route to the Canary Islands received attention from

36 Court of Justice of the European Union, “Press Release No. 170/24,” October 4, 2024, <https://curia.europa.eu/jcms/upload/docs/application/pdf/2024-10/cp240170en.pdf>.

37 European Union External Action Service, *Morocco: Joint Statement by President von der Leyen and High Representative/Vice-President Borrell on the European Court of Justice Judgements Relating to Morocco*, October 4, 2024, [https://www.eeas.europa.eu/eeas/morocco-joint-statement-president-von-der-leyen-and-high-representativevice-president-borrell\\_en](https://www.eeas.europa.eu/eeas/morocco-joint-statement-president-von-der-leyen-and-high-representativevice-president-borrell_en).

38 See for instance: Antonio Tajani, *Post on X (formerly Twitter)*, October 5, 2024, [https://x.com/Antonio\\_Tajani/status/1842556390046417023](https://x.com/Antonio_Tajani/status/1842556390046417023).

39 Emmanuel Macron, “Déclaration Relative au ‘Partenariat d’Exception Renforcé’ Entre le Royaume du Maroc et la République Française,” October 28, 2024, <https://www.elysee.fr/emmanuel-macron/2024/10/28/declaration-relative-au-partenariat-dexception-renforce-entre-le-royaume-du-maroc-et-la-republique-francaise>.

40 Kingdom of Morocco Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates, *Statement*, October 4, 2024. <https://diplomatie.ma/en/statement-42>.

41 Hugh Lovatt and Jacob Mundy, “Free to Choose: A New Plan for Peace in Western Sahara,” *European Council on Foreign Relations*, May 26, 2021, <https://ecfr.eu/publication/free-to-choose-a-new-plan-for-peace-in-western-sahara/>.

42 Reuters, “UN Envoy Proposes Western Sahara Partition Plan,” *Reuters*, October 17, 2024, <https://www.reuters.com/world/africa/un-envoy-proposes-western-sahara-partition-plan-2024-10-17/>.



international media,<sup>43</sup> another tragedy is that the Sahrawis, themselves being refugees for fifty years, are largely silenced in international diplomatic efforts to solve the Western Sahara conflict.

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<sup>43</sup> Ximena Borrazas and Antonio Sempere, "Migrants Increasingly Drawn to Spain's Canary Islands," *Deutsche Welle*, April 9, 2024, <https://www.dw.com/en/migrants-increasingly-drawn-to-spains-canary-islands/a-70089753>.



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# THOMAS KIKIS

## REMOVING TRADE BARRIERS: THREATS AND OPPORTUNITIES OF THE EU-MERCOSUR AGREEMENT

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### Introduction

**A**fter 25 years of negotiations, the European Commission reached an agreement on the terms of a deal between the European Union (EU) and Mercosur that would significantly facilitate trade between these two markets, eliminating certain tariff and non-tariff barriers.<sup>2</sup> Given the production and trade activities of European and Mercosur countries, it is expected that the volume of exports of industrial goods and services to the South American states and that of agricultural products to Europe will increase.<sup>3</sup>

Mercosur is a customs Union that follows the integration path of the European Union. Its members share the same tariffs for products coming from other parts of the world, while their markets form a larger single market.<sup>4</sup> At this stage, four

countries are crucial to the agreement: Argentina, Brazil, Paraguay, and Uruguay.<sup>5</sup> Additionally, Bolivia and Venezuela are Member States of Mercosur. However, the former is subject to exceptions regarding the rules of the Single Market, since it only became a member of this block in 2023, while the latter has been suspended from the Single Market since 2017.<sup>6</sup>

### EU-Mercosur Agreement in Detail

Despite the celebrations of Ursula von der Leyen, European farmers have protested against this agreement, while certain Member States have opposed it for several reasons.<sup>7</sup> It is important to acknowledge what is at stake and examine whether this agreement is favorable or not for Europe. Product prices and the agricultural sector of the EU could be severely affected. This is very important since agriculture is a crucial area for EU policy-making, given that the

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- 2 Anna Brunetti, Jonathan Packroff, and Thomas Moller-Nielsen, "EU Seals Long-Stalled Mercosur Trade Deal," *Euractiv* (EURACTIV, December 6, 2024), <https://www.euractiv.com/section/economy-jobs/news/eu-seals-long-stalled-mercotur-trade-deal/>.
- 3 *Ibid.*
- 4 Mercosur, "MERCOSUR Countries - MERCOSUR," *MERCOSUR*, 2018, <https://www.mercosur.int/en/about-mercotur/mercotur-countries/>.
- 5 *Ibid.*
- 6 Julian Dieguez, "Suspensión de Venezuela En El MERCOSUR - MERCOSUR," *MERCOSUR*, January 17, 2019, <https://www.mercosur.int/suspension-de-venezuela-en-el-mercotur/>.
- 7 Brunetti, Packroff, and Moller-Nielsen, "EU Seals Long-Stalled Mercosur Trade Deal."

Common Agricultural Policy consumes the largest portion of the EU's budget.<sup>8</sup>

In order to evaluate this agreement, it is important to dive into the details of the current trade agreement and the value of trade between these two entities. This agreement would eliminate 91% of tariffs on EU exports to Mercosur and 92% of tariffs on Mercosur countries' exports to the EU.<sup>9</sup> When examining the tariff regime, one particularly striking figure stands out: the 35% tariff of Mercosur countries on car exports.<sup>10</sup> The same duties apply in several cases to clothing products, leather shoes, and textiles.<sup>11</sup> This would, of course, justify the immediate positive reaction of the European Automobile Manufacturers' Association, which issued an announcement welcoming the agreement.<sup>12</sup>

Additional products whose customs duties will be eliminated include: car parts (14% to 18%), machinery (14% to 20%), chemicals (up to 18%), clothing (up to 35%), pharmaceuticals (up to 14%), wine (27%), chocolate (20%), whiskey and other spirits (20% to 35%), biscuits (16% to 18%), canned peaches (55%), and soft drinks (20% to 35%).<sup>13</sup> The EU's exports of both goods and services amount to 68 billion euros per year (45 billion for goods and

23 billion for services), while the value of Mercosur's exports to the EU is as high as 54 billion per year (43 billion for goods and 11 billion for services).<sup>14</sup> This represents a trade surplus of 15% for the EU, and this agreement could possibly increase that imbalance. Considering the production activities of these markets, it is expected that the agreement will lead to an increase in Mercosur's exports of agricultural products. On the other hand, this new agreement will allow European firms to access government procurement markets and sign contracts with the ministries and agencies of Mercosur member countries, expanding their clientele in South America.<sup>15</sup> Furthermore, the elimination of the 35% tariff on car imports could result in increased EU car exports to Latin America. While the value of cars is, of course, incomparable to that of agricultural products, this could still contribute to an increase in the EU's trade surplus.

### Opposing Voices in the Debate

Although this analysis seemingly sets a positive foundation for the new deal, the latest updates raise several questions. Despite the expected positive impact of this agreement on EU exports and the trade balance, several issues arise. Firstly, con-

<sup>8</sup> Simon Hix and Bjørn Høyland, *The Political System of the European Union*, 4th ed., vol. 248–249 (Bloomsbury Publishing, 2022).

<sup>9</sup> European Commission, "Key Elements of the EU-Mercosur Trade Agreement," *European Commission - European Commission*, June 28, 2019, [https://ec.europa.eu/commission/presscorner/detail/en/QANDA\\_19\\_3375](https://ec.europa.eu/commission/presscorner/detail/en/QANDA_19_3375).

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> ACEA, "European Auto Industry Welcomes Conclusion of EU-Mercosur Trade Agreement," *ACEA - European Automobile Manufacturers' Association*, December 6, 2024, <https://www.acea.auto/press-release/acea-welcomes-the-conclusion-of-the-eu-mercotur-trade-agreement/>.

<sup>13</sup> European Commission, "Key Elements of the EU-Mercosur Trade Agreement."

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

sidering this agreement favours the European economy, is it fair to the less developed economies within the Mercosur bloc, or does it reinforce a vicious cycle of poverty in countries where a high percentage of the population lives in poverty? On average, 36% of people in urban and rural areas in Brazil live in poverty, according to World Bank statistics for 2023.<sup>16</sup> In Argentina, this figure was 37% in 2021, while The Guardian reports that this rate may exceed 50% in 2024 due to measures implemented by Milei's government.<sup>17</sup> Poverty rates in Paraguay and Uruguay are significantly lower.<sup>18</sup>

Moreover, farmers argue, along with the European Consumer Organization (BEUC), that this agreement not only poses a threat to European agriculture but also endangers food safety for European consumers.<sup>19</sup> In several sections of the agreement that address standards, the term "International" appears frequently. European Union farmers are required to adhere to a strict set of rules to ensure the highest quality for their products. Mercosur farmers are only required to meet international standards. This

discrepancy creates unfair competition, as EU farmers incur higher costs to comply with stringent rules, making their products more expensive. They contend that, beyond being unfair in terms of competition, this agreement jeopardises the quality of the food consumed by Europeans.

The European Commission asserts that under the Sanitary and Phytosanitary (SPS) chapter of the agreement, high standards for goods will be maintained and that there will be no changes to how the EU adopts and enforces its food safety regulations.<sup>20</sup> Additionally, the Commission defends the agreement against criticisms regarding environmental and social standards, claiming that precautionary clauses are included to ensure respect for food safety, environmental, and labor standards.<sup>21</sup> These include provisions for both parties to uphold the Paris Agreement and the International Labour Organization's fundamental standards, which are embedded in the agreement's text.<sup>22</sup>

Furthermore, the Commission has proposed a 1 billion euro support package

<sup>16</sup> World Bank, "Poverty & Equity Brief: Brazil," *WorldBank.org*, April 2023, [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_BRA.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_BRA.pdf).

<sup>17</sup> *Ibid*; Harriet Barber, "Poverty in Argentina Soars to over 50% as Milei's Austerity Measures Hit Hard," *the Guardian* (The Guardian, September 27, 2024), <https://www.theguardian.com/world/2024/sep/27/poverty-rate-argentina-milei>.

<sup>18</sup> World Bank, "Poverty & Equity Brief Paraguay," *Worldbank.org*, April 2023, [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_PRY.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_PRY.pdf); World Bank, "Poverty & Equity Brief: Uruguay," *Worldbank.org*, April 2023, [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_URY.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_URY.pdf).

<sup>19</sup> COPA COGECA, "Why Is the EU-Mercosur Deal Problematic Both to EU Consumers and Farmers?," *YouTube*, January 17, 2025, <https://www.youtube.com/watch?v=nDBwVJWLeq0>; Copa Cogeca, "EU-Mercosur Agreement – the EU Farming Community Refuses to Pay the Bill," *Copa Cogeca*, December 6, 2024, <https://copa-cogeca.eu/press-releases>.

<sup>20</sup> European Commission, "Key Elements of the EU-Mercosur Trade Agreement."

<sup>21</sup> *Ibid*.

<sup>22</sup> *Ibid*.

for farmers to address potential market disturbances.<sup>23</sup> This measure, similar to the Just Transition Mechanism of the Green Deal,<sup>24</sup> must be evaluated by relevant organizations, agencies, and Member States to determine whether these funds are sufficient to address potential market disruptions.

In addition to their concerns about competition, European farmers have consistently been required to comply with new sets of regulations from the EU, as part of the Union's efforts to transition towards greener production. While this shift is supported by the vast majority of the population, it is not unreasonable to

argue that the burden of this transition has disproportionately fallen on consumers and farmers, while many sectors responsible for higher emissions have remained largely unaffected.

### Overview of the Current Trade Landscape<sup>25</sup>

In the context of EU-Mercosur trade relations, there are several factors that help explain the strong reactions from farmers. Mercosur countries hold a significant share of agricultural imports into the EU. Brazil is the largest source, accounting for 10.9% of European agricultural imports, while collectively Mercosur countries

	Top Countries of Origin of EU Agri-food partners for 2023	Value in Millions	%Share
1	Brazil	17.229	10.9
2	United Kingdom	15.454	9.8
3	Ukraine	11.830	7.5
4	USA	11.744	7.4
5	China	8.334	5.3
6	Türkiye	6.621	4.2
7	Indonesia	5.484	3.5
8	Switzerland	4.852	3.1
9	Argentina	4.648	2.9
10	Ivory Coast	4.040	2.5

Table 1. Top Countries of Origin of EU Agri-food partners for 2023.<sup>27</sup>

<sup>23</sup> Brunetti, Packroff, and Moller-Nielsen, "EU Seals Long-Stalled Mercosur Trade Deal."

<sup>24</sup> Karen Moesker and Udo Pesch, "The Just Transition Fund – Did the European Union Learn from Europe's Past Transition Experiences?," *Energy Research & Social Science* 91 (September 2022): 102750, <https://doi.org/10.1016/j.erss.2022.102750>.

<sup>25</sup> *The positions of EU Member States outlined in this article reflect the situation at the time of writing. Given the evolving nature of the negotiations, certain Member States may alter their stance before the final approval or disapproval of the agreement.*



represent 14.5% of total EU imports of agri-food products.<sup>26</sup>

As imports from Brazil far exceed those of other Mercosur countries in the European market, it is crucial to focus on the trade relations between Brazil and the EU. Brazil's exports to the EU are largely dominated by food and live animals, which account for 28% of the total value of EU imports from Brazil.<sup>28</sup> This raises concerns among European farmers, who fear that the removal of tariffs on Brazilian agricultural products will make their own prices less competitive.

It is also interesting to examine which European countries are the largest importers of Brazilian products. Portugal leads the way, and the country's colonial past, cultural ties, shared language, and geographical proximity make this a predictable outcome. Portugal accounts for nearly 12% of the total value of Brazilian imports into the EU.<sup>29</sup> Spain follows in second place, with approximately 3%, and Italy ranks third with 2.2%.<sup>30</sup>

Furthermore, analysing the trade balance between EU countries and Brazil can yield

interesting insights, to justify the countries' stance on the deal. In 2021, Germany had the largest trade surplus with Brazil, amounting to 5.19 billion euros.<sup>31</sup> Belgium ranked second with a surplus of 1.39 billion euros, followed by France in third place (around 1 billion euros) and Austria in fourth (670 million euros).<sup>32</sup> On the other hand, the countries with the largest trade deficits were the Netherlands, Spain, Portugal, and Poland. The Netherlands had a significant deficit, amounting to 4.22 billion euros.<sup>33</sup> Spain and Portugal were in second and third place, each facing losses of nearly 2 billion euros, yet both have not opposed the deal.<sup>34</sup> In contrast, Poland, with a smaller trade deficit of 457 million euros, has joined the coalition of states planning to oppose the agreement.<sup>35</sup> The Spanish government supports the deal, as its Ministry of Finance, Trade, and Employment is optimistic that removing tariff and non-tariff barriers will create opportunities for the Spanish economy, driving growth and increasing employment.<sup>36</sup> Portugal's support for the agreement stems not only from the close historical ties it maintains with Brazil but also from the growing opportunities for Portuguese companies to act as

26 Directorate-General for Agriculture and Rural Development, "Agri-Food Trade Statistical Factsheet European Union - Brazil," April 15, 2024.

27 *Ibid.*

28 European Commission, "EU Trade Relations with Brazil," *Europa.eu*, 2023, [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/brazil\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/brazil_en).

29 *Ibid.*

30 *Ibid.*

31 *Ibid.*

32 *Ibid.*

33 *Ibid.*

34 *Ibid.*

35 *Ibid.*

36 María C. Latorre, "El Impacto Económico Del Acuerdo UE-Mercosur," edited by Hidemichi Yonezawa and Zoryana Oleksyuk, *Ministry of Finance, Trade and Employment of Spain*, September 8, 2021, [https://comercio.gob.es/es-es/publicaciones-estadisticas/Documents/Impacto\\_EU-MCS\\_VF\\_v4\(corregido\).pdf](https://comercio.gob.es/es-es/publicaciones-estadisticas/Documents/Impacto_EU-MCS_VF_v4(corregido).pdf).

intermediaries between businesses in both markets.<sup>37</sup>

	EU Trade Balance of Goods with Brazil	Surplus/Deficit in Millions
1	Germany	+5.189
2	Belgium	+1.388
3	France	+936
4	Austria	+670
-	-	-
-	-	-
2 4	Poland	-457
2 5	Portugal	-1.838
2 6	Spain	-1.972
2 7	The Netherlands	-4.224

*Table 2. EU Trade Balance of Goods with Brazil.*<sup>38</sup>

### **Consequences Ahead**

Based on the trade data between the EU and Mercosur, it appears that, overall, this deal would be beneficial from a macro-economic perspective. However, concerns remain about the fairness of the deal, despite the EU's assurances that any potential market disruptions will be effectively addressed. While there are undeniable risks for farmers, these risks may not be as severe if trade flows remain stable. A new agreement could undoubtedly alter the balance, volume, and value of imports. Therefore, economic risks seem manage-

able, provided that balances are maintained and the agreement does not lead to a surge in agricultural exports to the European market. However, this cannot be guaranteed, making the concerns of farmers legitimate. The reduction of tariff and non-tariff barriers is likely to create opportunities for South American farmers to export their products at more competitive prices. While food safety is unlikely to be at risk due to the presence of standards, there is a possibility that imported products may be of lower quality compared to European ones, given the stricter standards that European farmers must adhere to. In other words, European farmers have a valid reason to oppose the deal, despite its potential profitability for other sectors, especially when considering the overall regulatory framework, high standards, and policies that farmers are required to follow in the European Union.

Besides the economic benefits for the EU, such as the opportunities service providers and industries can seize through this agreement, the deal also allows the EU to promote its values and encourage Mercosur countries to engage in efforts toward climate protection and the protection of workers' rights. This is achieved by requiring the signatory parties to respect the Paris Agreement and the fundamental standards of the International Labour Organization. Traditionally, the EU has used its trade power to include clauses in trade agreements that address issues such as human rights, environmental

<sup>37</sup> Paulo Lopes, "Can Portugal Be the Gateway to Unlock EU-Mercosur Trade?," *The Portugal News*, December 13, 2024, <https://www.theportugalnews.com/news/2024-12-13/can-portugal-be-the-gateway-to-unlock-eu-mercotur-trade/94245>.

<sup>38</sup> European Commission, "Brazil-EU – International Trade in Goods Statistics," *Europa.Eu*, March 2023, <https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/55158.pdf>.

standards, and democratic values. The EU's large market size and citizens' significant purchasing power make it an attractive opportunity for exporters worldwide. As the EU is not a military power, trade is often its primary tool for conducting foreign policy, alongside diplomacy.<sup>39</sup>

## Politics of Ratification

So, what can be expected next? This agreement must be ratified by the EU, which requires approval from both the European Council and the European Parliament. To be accepted by the Council, 15 member states, representing 65% of the EU's population, must support the deal.<sup>40</sup> Austria, Poland, France, and the Netherlands are the four countries that could potentially oppose it. Belgium was initially expected to join the coalition against the deal, but this now appears unlikely.<sup>41</sup> The trade deficit between the Netherlands and Poland with Brazil helps explain their concerns, as a deal that removes further trade barriers could

exacerbate these deficits. France and Austria, on the other hand, are among the countries with the largest trade surpluses with Brazil. Their opposition stems from concerns about protecting their farmers, who are likely to be more affected by the deal than farmers in other EU member states, primarily because increased beef imports from Brazil are anticipated.<sup>42</sup> Additionally, their objections are based on fears of environmental standards violations, as a rise in beef production could lead to further deforestation.<sup>43</sup>

Will a coalition be able to gather the support needed to prevent the adoption of the Mercosur agreement? It seems unlikely that this coalition can secure the backing of 13 member states, but it could still rally countries representing 35% of the EU's population. With approximately 448 million EU citizens, France would need the backing of states representing a total population of 157 million.<sup>44</sup> As France, the Netherlands, Austria, and Poland together represent around 132 million people,<sup>45</sup> they

39 Simon Hix and Bjørn Høyland, *The Political System of the European Union*, 4th ed., vol. 355-56 (Bloomsbury Publishing, 2022).

40 European Commission, "Brazil-EU – International Trade in Goods Statistics," *Europa.eu*, March 2023, <https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/55158.pdf>.

41 The Brussels Times with Belga, "Belgium Will Not Help France Block the Mercosur Deal," *The Brussels Times*, December 3, 2024, <https://www.brusselstimes.com/1338372/belgium-will-not-help-france-block-the-mercotur-deal>.

42 Michael Baltensperger and Uri Dadush, *The European Union-Mercosur Free Trade Agreement: Prospects and Risks* (Bruegel, 2019).

43 Euractiv, "Austria Vetoes Mercosur Deal Saying It Goes against EU Green Deal," *Euractiv.com*, March 8, 2021, <https://www.euractiv.com/section/economy-jobs/news/austria-vetoes-mercotur-deal-saying-it-goes-against-eu-green-deal/>; Ian Hernandez, "Why France Must Reassess the EU-Mercosur Deal," *European Policy Center* (European Policy Center, November 22, 2024), <https://www.epc.eu/en/publications/Why-France-must-reassess-the-EU-Mercosur-deal~5faa3c>.

44 Eurostat, "Population Change - Demographic Balance and Crude Rates at National Level," November 26, 2024, [https://ec.europa.eu/eurostat/databrowser/view/DEMO\\_GIND\\_custom\\_10293339/bookmark/table?lang=en&bookmarkId=cdf29d2c-8d15-4f2c-96b6-a51f8a389103](https://ec.europa.eu/eurostat/databrowser/view/DEMO_GIND_custom_10293339/bookmark/table?lang=en&bookmarkId=cdf29d2c-8d15-4f2c-96b6-a51f8a389103).

45 European Union, "Austria – EU Country Profile | European Union," 2024, [https://european-union.europa.eu/principles-countries-history/eu-countries/austria\\_en](https://european-union.europa.eu/principles-countries-history/eu-countries/austria_en); European Union, "France – EU Country Profile | European Union," 2024, [https://european-union.europa.eu/principles-countries-history/eu-countries/france\\_en](https://european-union.europa.eu/principles-countries-history/eu-countries/france_en); European Union, "Netherlands – EU Country Profile | European Union," 2024, [https://european-union.europa.eu/principles-countries-history/eu-countries/netherlands\\_en](https://european-union.europa.eu/principles-countries-history/eu-countries/netherlands_en); European Union, "Poland – EU Country Profile | European Union," 2024, [https://european-union.europa.eu/principles-countries-history/eu-countries/poland\\_en](https://european-union.europa.eu/principles-countries-history/eu-countries/poland_en).

would need to gain support from countries representing roughly 25 million citizens. The coalition opposing the agreement would likely need to seek support from smaller states or possibly a larger country like Italy. However, this seems unlikely, given the close ties between Italian Prime Minister Meloni and Argentine President Milei. Since no other countries appear to oppose the agreement, it will be extremely difficult to block it—unless some states are remaining silent for strategic reasons, or if something changes behind the scenes.

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ropa.eu/principles-countries-history/eu-countries/poland\_en; European Union, "Key Facts and Figures | European Union," *European Union*, 2023, [https://european-union.europa.eu/principles-countries-history/facts-and-figures-european-union\\_en](https://european-union.europa.eu/principles-countries-history/facts-and-figures-european-union_en).

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