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TRANSATLANTIC POLICY NETWORK

# THE HOUR OF EUROPE: HERE AT LAST

BY

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## BACKGROUND

Back in 1991, as the former Yugoslavia was disintegrating and descending into armed conflict, the foreign minister of Luxembourg, Jacques Poos, famously proclaimed that this was the “Hour of Europe”. With the Cold War recently ending and the United States engaged in the Gulf in the wake of its crushing defeat of Saddam Hussein, the EU sensed that it was time for Europeans to take responsibility for peace and security on their own continent. After all, the collapse of Soviet power and of communism in Central and Eastern Europe had been attributed largely to the success and popularity of the alternative model of economic integration and pooling of political sovereignty offered by the EU in contrast to the Warsaw Pact and Comecon. So the EU’s magnetic power over its neighbours and ability to wield economic carrots and sticks would enable the bloc to separate warring parties, impose ceasefires and bring the belligerents back to the negotiating table.

As we know, it was not to be. The warring parties of the former Yugoslavia, already committed to the use of force and with everything to gain or to lose on the battlefield, were not going to be held back by the threat of sanctions or inducements to respect European values and the principle of compromise through negotiation at the heart of the EU’s modus operandi. Only military power and the ability to use it would bring them to heel. Yet back in 1991 the EU as an institution had no military planning or command structure or forces at its disposal to either threaten or use the military option. Once more it was left to the United States to impose peace and a political settlement on the European continent. US airstrikes changed the balance of power on the ground in Bosnia, bringing the belligerents to the negotiating table. Although the settlement was formally signed in 1995 in Paris, it was worked out and agreed at an airbase in the American Mid-West and is forever known as the Dayton Peace Agreement. It was NATO not the EU which subsequently sent 60,000 well-armed troops to Bosnia to implement this agreement, and the deterrent effect of this force came from the 20,000 participating US forces, capabilities and US-led command structure which constituted its backbone. The “Hour of Europe” turned into the hour of choice between US leadership or no leadership. In crisis management lectures ever since it has played the role of salutary lesson not to over promise and under deliver, nor to try to solve a crisis with appeals to reason and future promises rather than hard capabilities and a credible strategy in the immediate.

## NATO ENHANCED THROUGH THE UKRAINE CONFLICT

Fast forward to Europe in 2023 and many would argue that little has changed. The war in Ukraine, well into its second year and with no resolution in sight, has once more underlined the crucial role of the United States in Europe’s security. The US has deployed as many additional forces to NATO’s eastern flank as the rest of NATO combined. About half of the forces deployed in central and eastern Europe for the alliance’s exercises on land, sea and air are also American. For instance, in June Germany hosted Air Defender Europe, NATO’s largest air defence and air interoperability exercise since the end of the Cold War. The US alone sent 2000 personnel to this exercise and contributed half of the 250 participating aircraft. Its nuclear capable bombers also conduct regular training flights over Europe to signal Washington’s commitment to NATO’s collective defence and deterrence. NATO’s sub-strategic nuclear deterrent still relies on the US provision of the B61 warhead. The Biden administration has increased the US troop presence in Europe from 60,000 to 100,000 and is building a US army corps headquarters in Poland, at a time when many European allies are struggling to provide a permanent brigade and headquarters to the Baltic States and the Black Sea region. Moreover the US has deployed additional guided missile destroyers to Spain and F35 fighter jets to the United Kingdom.

The war in Ukraine has also demonstrated the indispensable role of the Pentagon's military infrastructure in Europe. It is the US army command in Stuttgart (EUCOM) which is organising the transfer of weapons and equipment to Ukraine donated by the 50+ countries participating in the US led Ukraine Contact Group. This group held its inaugural meeting at the US Ramstein airbase in Germany and, alternating with NATO Headquarters in Brussels, has met there frequently since. Ukrainian soldiers are being trained in tank and infantry fighting vehicle warfare and combined arms operations at the US firing ranges at Hohenfels and Grafenwoehr in Germany. Meanwhile back at Ramstein, where NATO has located its missile defence and space operations centres, giant computer screens are helping Ukrainian commanders to simulate (and thus better plan and execute) complex offensive operations. The United States has not only been in the forefront of NATO's efforts to buttress its military posture on its own eastern flanks but also of the assistance to Ukraine. So far Washington has devoted over $100 billion to this campaign and hardly a week goes by without Biden or Secretary of State, Blinken, or Secretary of Defence, Austin, announcing a further package of support, be it of weapons systems, ammunition or training support. The weapons that Washington has supplied - Stingers, Javelins, armed Switchblade drones, Patriot and Hawk air defence systems, HIMARS and NASAM long range artillery tubes, Bradley and Humvee infantry fighting vehicles and thousands of rounds of artillery shells, rockets and 155 mm ammunition have largely helped Kyiv to avoid defeat and finally launch a few weeks back its much heralded summer offensive.

Wars and crises on the European continent are thus a timely reminder that Europe's security and defence, as well as its capacity to contain if not neutralise its strategic adversaries, remain dependent on the strength of the US commitment and contribution. NATO remains the essential framework for the collective defence of the continent and has been in the lead in reorganising the military posture and new deployments of Europe's armed forces. In addition to four multinational battalions rapidly established in the Baltic States and Poland in the wake of Putin's annexation of Crimea in March, 2014, four additional battalions are now being set up in Romania, Bulgaria, Hungary and Slovakia. The alliance decided at its Madrid Summit last June to increase the size of its rapid response forces from 40,000 to 300,000 and to overhaul its air and missile defence system in Europe, particularly in the light of Russia's clear reliance on indiscriminate long range missile and drone strikes as an instrument of destruction and intimidation. NATO has some Patriot air defence batteries in Europe to protect its airbases but nothing like the quantities that would be required to protect its 500 million citizens. Sweden and Finland also abandoned their long standing policy of non-alignment and were admitted into NATO bringing substantial and modern land, air and maritime forces into the alliance as well as giving it much greater force projection capabilities across the Baltic Sea and the High North.

The upcoming NATO Summit in Vilnius in July will see the approval of standing defence plans for NATO territory which will allocate detailed roles to each ally's armed forces and serve as the basis and benchmark for NATO's future force generation. A new Arctic Command is to be established to better plan for the defence of the lines of communication across the northern Atlantic. The war in Ukraine has revealed the inadequacies of NATO's stocks of equipment and ammunition with very few allies meeting their commitment to hold 30 days of supplies. Germany, for instance, has today only 20,000 155mm artillery shells in its stocks against a NATO requirement of 230,000. That is why the alliance has made the approval of a Defence Production Action Plan into one of the centrepieces of the Vilnius Summit. At its recent meeting of Defence Ministers, 20 CEOs of the major defence companies were invited to exchange views with the ministers for the first time. The purpose of this Action Plan is to aggregate demand leading to larger and thus more economically advantageous contracts as well as to encourage industry to work on more interoperable and fewer systems. Europe still has 178 different major weapons systems compared to 36 for the US. The war in Ukraine has revealed the alliance's continued problems with too many non-interoperable weapons, particularly in air defence and artillery. As fast as NATO planners push new agreements on standardisation, nations buy new equipment with few multinational procurements and little coordination. This only recreates the interoperability challenges. NATO multinational battalions operating in the Eastern Europe also continue to have communications problems.

The Ukraine war has undoubtedly given the alliance a new spring in its step after the transatlantic tensions that surrounded NATO's chaotic withdrawal from Afghanistan in August, 2021 and the humiliation of the Taliban's immediate return to power. The Biden administration's recommitment to the alliance's Article 5 collective defence pledge has provided the reassurance that allies needed to invest in the NATO structures and lean forward in supporting Ukraine to stand up to Russia. It is the US willingness to transfer to Ukraine M1 Abrams tanks, Patriot air defence systems or to start training on F16 fighter jets which has persuaded European allies such as Germany to cross the line in providing their own premier weapon systems. All this activity has demonstrated that NATO remains the primary organisation for collective defence and large scale, semi-permanent military endeavours. Last year the alliance held 3 summits and the momentum of transatlantic political consultations has reached an unprecedented level. Yet this does not mean that NATO's horizons are free of clouds. Only seven out of 31 allies are currently meeting the defence spending target of 2% of GDP. The number was 11 just a year ago. The gap between the Eastern European allies, seeing defence as an existential priority, reintroducing conscription in some cases and spending well above 2% of their GDPs on defence, and Western European allies struggling to go beyond 1.5% and with a much less urgent threat perception is widening. This will not make it easy to achieve consensus in Vilnius on an even more ambitious defence spending target which would make 2% the minimum rather than the maximum acceptable budget commitment. At the same time, there are inevitable tensions between the Eastern European allies who want every square metre of their territory to be defended (understandable given the massive destruction of Ukraine by Russia) and NATO commanders who point to the need for more strategic reserves and flexibility. As one has pointed out, if eight brigades are deployed in a row along NATO's eastern frontiers, seven will be in the wrong place if Russia attacks.

So political imperatives have to be balanced with sound military strategy as they had to be with forward defence during the Cold War. The major European allies still have to demonstrate to NATO that they can meet their commitments to supply fully equipped armoured divisions to collective defence, especially at a time when army numbers have been shrinking and large quantities of expensive military equipment have been transferred to Ukraine which has to be replaced urgently. Moreover the ability of the United States to reinforce Europe massively in crisis or wartime (which was the old Cold War strategy) is now in doubt as Washington looks to station more ships, aircraft and marine expeditionary units in the Indo-Pacific. This means that a much larger share of reinforcement, of forward conventional defence and of the maritime and air patrolling of the Atlantic approaches will now fall on European shoulders. The same could apply to critical infrastructure too. such as the protection of undersea internet and communications cables, pipelines, energy rigs and platforms and ports, roads and railways. By giving each ally specific military tasks and objectives, the NATO standing defence plans will make it harder for certain allies to hide behind or free ride on the efforts of others. Finally Turkey and Hungary have been holding up the entry of Sweden into the alliance to score political points with domestic nationalist audiences; actions that seem frankly perverse at a time when the alliance's unity and credibility have been needed as rarely before.

This said, with NATO back to core business, this is the moment when we may have thought that the EU would be content to take a back seat on defence, leave military support to Ukraine and restarting industrial production lines to NATO and focus instead on the areas and tasks that the alliance was not (or no longer) occupying, such as Africa, the wider Middle East or resilience in the face of shocks and disruptions (whether natural or intentional) on the home front. After all the practice in the past has been for the two big institutions of Brussels to define their relationship by seeking to fill the gaps left by the other rather than to jointly manage challenges or crises. Yet what is interesting in the situation that we see today is that this is not happening. The EU's Defence Union, to complement the earlier Security Union, is proceeding apace at the same time as NATO demands more troops, capabilities and commitments from its own members. Now that Finland and (hopefully soon) Sweden are joining the alliance, the number of allies who are also EU members has jumped from 21 to 23. This means that a larger number of European countries are today subject to the planning processes, demands and ambition levels of both organisations simultaneously.

## A GROWING EU DIMENSION

Paradoxically the EU has been helping Ukraine more than NATO, if we look just at the role of institutions. Whereas NATO has a Support Fund for Kyiv which provides help in areas such as cyber defence, logistics, defence management and procurement with the goal of capitalising the Fund at €500 million by the time of the Vilnius Summit, the EU has been drawing on its new European Peace Facility. Although this fund was initially set up to train and equip armies in Africa, it has proven to be a flexible, off budget instrument to purchase on behalf of the EU member states weapons and ammunition for Ukraine as well as to finance the training of 30,000 Ukrainian soldiers in Germany and Poland. EU countries that transfer their weapons stocks to Ukraine or which buy those weapons on international markets can obtain compensation for two thirds of the cost from the European Peace Facility. Beginning at €5.6 billion, the fund has been topped up with a further €3 billion once already and will no doubt be increased again as EU countries pledge their support for Ukraine for "as long as it takes". The EU has allocated €2 billion alone for the purchase of 155 mm ammunition for Kyiv, half from existing stockpiles and half through new defence production. A further €500 million has gone to reopening defence production lines by encouraging companies to buy new machine tools and to hire specialist technicians and workers. Here the need for speed, as Ukraine needs these supplies now not in 3 years time, has to be balanced with the need to use all this spending to strengthen the EU's defence and technology industrial base. This has led to frictions between France, wanting to keep the spending within the EU, and Germany and others, seeking supplies in Asia or North America. Nonetheless common funding of weapons, particularly to deliver to a war zone, is a significant step forward for the EU, as is the granting of state and Community finance to European defence companies. A real Rubicon would be crossed if EU member states would allow the Commission to issue bonds or raise mutual debt on the financial markets to fund the reopening of defence production lines and award major long term contracts for new equipment. This is modelled on the EU's Next Generation Europe Fund to help member states to recover and rebuild after the Covid pandemic. Common financing is the best way to aggregate demand and aggregate supply in the same process as the EU moves to what EU Commissioner Thierry Breton has called putting Europe on an "economic war footing". Failing such a bold initiative there is a risk that national contracts and procurement plans will be too piecemeal and too short term to induce industry to make the investments for a significant ramp up of production and equipment repairs and maintenance.

Yet what is also novel and striking for long standing observers of European defence is the way that Europeans have been spontaneously forming capability groups below the EU level but which contribute to a more efficient and cost-effective European defence effort. Now that Finland and Sweden are integrating into NATO, the Scandinavians are setting up a common air defence arrangement with joint radars and air space monitoring and common air patrols and alert protocols. Germany and Poland are setting up a joint maintenance facility for Leopard 2 tanks in Poland. Denmark and the Netherlands are jointly purchasing Leopard 2 tanks for Ukraine whereas Norway and Denmark are jointly procuring 9000 artillery shells for the M109 howitzer which they have supplied to Kyiv. Germany has opened its state defence contracts to participation by other EU member states. The Netherlands, Norway, Poland and Romania have been leading on the training of F16 pilots. These ad hoc groupings and clusters extend beyond the EU too. For instance, Norway and the Netherlands have combined forces to procure air defence missiles. These various initiatives are not only knitting the EU countries more closely together by fostering a greater multinational approach (before the Ukraine war less than one quarter of defence contracts went beyond national borders) but also integrating the defence industries of other European states such as the UK or Norway, and building bridges with US and Canadian defence industry as well. If these various groupings and clusters can be maintained beyond the immediate crisis of the war in Ukraine, they can greatly increase Europe's future defence capabilities more in proportion to the higher levels of European defence spending (plus €120 billion over the 2014 baseline levels and not including the extra €100 billion that Chancellor Scholz has promised as part of Germany's Zeitenwende).

These flexible groups also build on earlier regional and mission-specific undertakings such as the UK-led Joint Expeditionary Force with the Scandinavians, the Northern Group, the Anglo-French Lancaster House Treaty with its various joint capabilities' programmes, the Visegrád Group, the Bucharest 10 and the French-led European Intervention Initiative which brings together European countries to pool expertise on operations in Africa. Yet the challenge of flexible groups is that they can also accentuate different European approaches and cultures. For instance, Germany has proposed a European Sky Shield to integrate the continent's missile defence systems and tracking radars. France has held in Paris a meeting of countries sceptical of the German proposal because it involves non-European systems such as US or Israeli missile defences available off the shelf. Paris would prefer investing in European technologies as a means of fostering EU "strategic autonomy" even if this puts the whole scheme on a longer timeframe. The danger is of a bifurcation of Europe's future defence investments between rival programmes and visions, as we have seen in the aerospace sector with the competition between the Typhoon Eurofighter and the Rafale and Gripen, or between the Franco-German FCAS 6th generation fighter jet (joined by Spain and Belgium) and the Tempest programme led by the UK and Italy, with Sweden now joining and where the UK has been seeking technology and financing from Japan.

Both the Covid crisis and the war in Ukraine have also made European leaders more mindful of the need for societal and economic resilience. Here again the response of the EU institutions has been impressive. A joint task force has been established with NATO for the protection of undersea pipelines and cables. The EU has given itself a range of new tools to reduce its dependency on foreign suppliers and risky, easily disrupted supply chains. The Commission has just produced a Communication on Economic Strategy which does not mention China by name but where the spectre of Beijing is manifest in the aim of preserving critical European supply chains and the benefits of globalisation while "de-risking" from existing vulnerabilities and not falling into new ones (for instance in hydrogen production). The Digital Services Act will help the EU to fight disinformation and propaganda and put more responsibility on the tech companies to monitor and take down harmful or hateful content. Cybersecurity has been reinforced through a Cyber Security Act and the creation of EU technical incident response teams as well as security standards for critical infrastructure protection and major companies. An Anti-Coercion Instrument is designed to enable the EU to push back against economic bullying and unfair trade restrictions by outside powers. Rules on direct foreign investment are designed to limit the capacity of states like China to gain majority stakes in innovative European companies or in ports and IT networks. Since Putin invaded Ukraine the EU has worked with its member states to diversify its energy supply, import more LNG gas from the United States and Qatar and build more connectors to friendly partners like Norway, now the bloc's largest gas supplier. Recent major discoveries of rare earth minerals in northern Sweden and Portugal offer the prospect of reducing reliance on China, currently responsible for 90% of global rare earths production. The advantage of the EU's resilience agenda is that it appeals to multiple constituencies and thus attracts multi-layered support from the security community, the environmental and green circular economy lobby and those focused on the modernisation of Europe's industry and physical and digital infrastructure.

Yet the "hour of Europe" may have struck above all in the impact that the war in Ukraine has had on our concept of what constitutes Europe. The EU is committed to integrate 12 candidate countries stretching to the Caucasus and to the south deep into the Balkans. The EU is becoming commensurate with practically the entirety of Europe. How quickly and successfully this most challenging and ambitious process of enlargement thus far can be done and whether the EU will have to re-invent its institutions to become a union of 40 states over a vast geographic area are all open questions. Macron's European Political Community, which has held two summits thus far, can help to fill the gap in the meantime by addressing transcontinental strategic issues like energy and migration. Yet in the short term, and notwithstanding the enormous US contribution to Ukraine's defence, Europe will have to take the responsibility for Ukraine's survival as a democratic, western oriented state and its future integration into the Euro-Atlantic structures. As membership in NATO for Ukraine is not possible while the war is going on, and perhaps for some time thereafter, the Europeans cannot rely on the US to provide Kyiv with security guarantees all by itself. The UK, France, Germany and perhaps also Italy and Poland will need to provide them as well. It is also clear that Europe will need to organise a long term train and equip programme for the Ukrainian armed forces including armour, air defence and modern aircraft as part of any peace agreement with Russia. This train and equip programme will need to be an extension of NATO's own defence planning cycle and of its capability projects so that full interoperability between NATO and Ukraine is maintained throughout, and both military force structures evolve In lockstep. The alliance will no doubt need to establish a training command in Ukraine and encourage defence companies to set up production lines there as part of joint ventures with Ukrainian firms. Ukraine should certainly be integrated into the alliance's future Europe wide air and missile defence system and NATO ships should be stationed on a rotational basis in Ukraine's Black Sea ports.

Yet beyond the defence aspect, the EU will be at the forefront of international efforts to rebuild Ukraine after the war. The World Bank and the European Commission have estimated that this will cost at least $411 billion but with the destruction still ongoing this bill will easily exceed $1 trillion or more by the war's end. The US has contributed budgetary aid to Kyiv as well as weapons. At the London Conference on Ukraine's Reconstruction on 21/22 June, Secretary of State Blinken pledged $1.5 billion for initial infrastructure repair and rebuilding projects. Ukraine has requested $6 billion in immediate financing. EU Commission President, von der Leyen said that the EU was planning to devote €55 billion to Ukraine's reconstruction over the next five years although it would be seeking strict conditionality regarding anti-corruption measures and proper project screening and evaluation. The EU is also looking at establishing an investment insurance scheme to encourage private companies to invest in Ukraine particularly while the war is continuing. Together with the United States, the EU is also examining the possibility of confiscating Russian state assets (for instance the $300 billion of reserves of the Russian National Bank outside the country) to finance Ukrainian reconstruction. The legal obstacles here, and the precedent setting complications as well as risk of Russian retaliation against western assets in Russia, are however formidable.

All these many developments, however positive and encouraging for both the EU and NATO give rise to a number of questions and challenges that the transatlantic allies need to confront as they prepare for a possible US-EU Summit this autumn and the 75th anniversary NATO Summit next April.

## CHALLENGES AHEAD FOR BOTH EU AND NATO

**The first** concerns the war in Ukraine. If the Ukrainian summer offensive, although yet to play itself out, ends in failure or only limited territorial gain, how do the allies plan for a durable stalemate? Do they encourage Kyiv to plan more costly offensives, accept a new frozen conflict on the ground or try to negotiate with Ukraine and Russia to achieve the most politically and economically viable Ukrainian state possible? What will security guarantees look like for Ukraine and are they seen as an alternative to NATO membership or a short, transitory bridge to it? What would be the conditions for lifting all or some of the Ukraine related sanctions against Russia and which sanctions should the allies and their democratic partners worldwide maintain against the Putin regime to constrain its ability to reconstitute Russia's military machine? Of course, in the immediate and while the full package of sanctions is being imposed on Russia, the challenge is to maximise their impact and effectiveness to set Russia back militarily and make its military reconstitution as difficult as possible.

**A second challenge** concerns the increasing overlap between NATO and the EU. This is reflected in both their regional focus on the European neighbourhood (Ukraine, Moldova, Georgia and the Western Balkans) and their involvement in the same security and defence tasks (resilience, military capability development and industrial production). The overlap is reflected in the third joint EU-NATO Declaration that was issued last January. To the extent that overlap obliges the two Brussels institutions to pool their resources and work more closely together, it is naturally to be welcomed. Yet it also will inevitably create issues of duplication, priority setting and leader/follower relationships. For instance, the NATO Secretary General, Jens Stoltenberg, has reminded EU defence ministers (who mostly wear a NATO hat too) that if they want to aggregate supply as well as demand in the bulk purchasing of weapons, spare parts maintenance contracts and ammunition, they should use the NATO Supply and Procurement Agency (NSPA) based in Luxembourg. It has an expert staff and decades of experience of doing precisely this (for instance in F16 life cycle management, air defence missiles and quality control). Yet the EU has turned to its much smaller European Defence Agency (EDA) which has a track record in project development but not complex procurement or weapons management. How will NATO's new Defence Industry Action Plan be coordinated with the defence industry and space investments being proposed by EU Commissioner Breton and his staff in DG DEFIS as well as Director Jiří Šedivý and his team at the EDA? How will the EU's ambition to set up its own military cyber command be coordinated with the CyCon cyber operations structure that already exists in NATO's Allied Command Operations in Mons? How can the EU's Defence Fund of €8 billion be harmonised with NATO's new Project DIANA, innovation incubators on both sides of the Atlantic and its recently established Innovation Fund of €1 billion now located in The Netherlands? At a time when Europeans are preparing to spend a lot more money on defence procurement and restocking their military supplies, NATO and the EU need urgently to harmonise their efforts, ensure full transparency at the earliest planning stages and keep bureaucracy to a minimum. A common set of capabilities requirements and investment priorities as part of a single defence planning process needs to be the starting point. More joint meetings between EU and NATO military and civilian defence planners will help too.

**A third challenge** is to integrate the US and European defence and technology industrial base through more defence trade across the Atlantic and more joint research and development programmes. The "two way street" in defence trade is a long standing issue in NATO and it has long been hindered by protectionism on both sides of the Atlantic as well as legal and security limitations on technology sharing and export restrictions. ITAR, the US mechanism to regulate technology transfer and defence trade, has long been a hurdle to US-European joint ventures and has pushed Europe into the role of sub-contractor or having to set up wholly separate companies in the US in order to do business. Yet today capabilities are coming increasingly from the civilian innovation sector not covered by ITAR and from venture capital investment as much as through state funding. The US will think quite logically that the best way for Europeans to acquire capabilities quickly and realise the benefits of standardisation is to buy off the shelf US equipment. The 10 European countries buying the F35 bears this argument out. Yet as we have seen with the Franco-German divergence over the European Sky Shield, France and other EU states will want to use much of their new defence investments to support and develop the European Defence and Technology Industrial Base as part of the longer term goal of EU strategic autonomy.

This does not mean a break with the US, as President Macron talks increasingly of EU strategic autonomy as representing a sturdy European pillar of the alliance while providing at the same time an insurance policy for Europe in the event of a future US disengagement. The sturdy European pillar is a win/win to the extent that it offers Washington less reason to criticise its European allies for free riding in the way that US Secretary of Defense, Robert Gates, did in his post-Libya speech in Brussels in 2011. The best way for the US to develop its defence markets in Europe while supporting greater European self-reliance is to commit to creating a transatlantic defence and technology industrial base. There will be myriad difficulties in achieving such a goal, from the need to defend “national champions” and protect jobs to arguments over dependency risks, sovereignty and freedom to export or to exploit technology. But given NATO’s need to rearm and develop mass, as well as to regain its technological edge over Russia (and potentially China), this would be a worthy objective for the transatlantic policy agenda. After all, the US cannot take on Russia and China as strategic adversaries all by itself. It needs allies and so needs to devise programmes that lock those allies in.

**A final challenge** is to institute a transatlantic dialogue on shaping the broader international environment to enhance deterrence and make the transatlantic community more resilient against future shocks and aggressions. Putin’s invasion of Ukraine shows that dictators living in bubbles, over-confident in their military capabilities, under-estimating their victims and able to mobilise their societies behind them are not easily deterred. Even when the allies release intelligence to take away the element of surprise and threaten major sanctions in response. The problem here is that the value systems of the authoritarians are not the same as ours, hence the mistake of believing that what deters us in the Western democracies will also deter them. They can impose on and expect greater levels of loss and sacrifice from their populations. The greater the loss, the more valuable the objective. Dictators place less emphasis on economics compared to ideology. Moreover understanding how the Russian economy and financial system interacts with the global economy so that pressure points and vulnerabilities can be better identified and exploited has been a real headache for western policymakers. With future sanctions against other aggressors in mind, a transatlantic dialogue on closing sanctions loopholes and learning the lessons of Russia/Ukraine would be timely. The Ukraine war has also shown how much of the Global South does not share the West’s interpretation of events nor is much influenced by its narratives or its priority to the preservation of the rules based international order. Yet India, China, South Africa, Brazil or Indonesia represent a good bulk of the global population. Denmark has recently held a high level meeting between high level security officials from the NATO countries and from the Global South to try to understand how the disconnects revealed by the Ukraine war have arisen. What is clear is that a single war in a precise location can quickly disrupt global supply chains, food and energy production, financial flows and trade. Perceptions of self-interest diverge and the Global South does not automatically follow where the West leads. Nor is it motivated by a dichotomy of democracies versus authoritarians. This said, China, Indonesia, Brazil and a group of African countries and the African Union have attempted to mediate in Ukraine, not being prepared to delegate their interests to the Western powers that they often view as co-belligerents. So perhaps the biggest challenge of all for the transatlantic community is to see how it can interact better with the Global South, not to produce an unrealistic alignment of values and political stances but at least a system that responds in a more unified way to aggression and bullying, isolates the disrupters, and which protects the international economy and global supply chains more robustly. The Global South is not a homogeneous bloc, as votes to condemn Russia's in the UN General Assembly and Human Rights Council have underscored. India is part of the US-led QUAD as well as the Shanghai Cooperation Organisation and the BRICS. Yet this will be long and difficult transatlantic engagement effort and its next big challenge will be to deter China from attacking Taiwan. But Ukraine has shown that political deterrence - the perception of the West's strength and resolve and its ability to marshal an effective international coalition-is even more important in the eyes of dictators than economic or even military responses. A particular concern is the erosion of nuclear deterrence as arms control agreements and verification and transparency measures are terminated and states such as Russia, China, Iran and North Korea invest heavily in modernising their nuclear capabilities with little clarity regarding their doctrines and intentions. Russia's willingness to gesticulate with nuclear threats is reckless but also a sign that the taboo against nuclear use that has lasted since Hiroshima and Nagasaki is breaking down. Russia is convinced that its nuclear weapons still deter us but is it still deterred by NATO and US nuclear deterrence and signalling? A transatlantic dialogue on how to prevent nuclear proliferation and re-establish nuclear deterrence globally has to be at the top of the agenda. At the same time, a US/Europe consultation on China or the transatlantic division of labour between the Atlantic and the Indo-Pacific needs to be placed in the wider framework of how the West can gain greater global influence and leverage.

## CONCLUSION

In conclusion, the Hour of Europe (if the EU is able to sustain it) will automatically be the Hour of the Transatlantic Relationship too. Provided that Washington spots the opportunity and is able to build upon it. The EU is finally on the move. This is not the time to question its purpose or to hold it back. As long as EU strategic autonomy means more European responsibility and practical burden sharing the US should support it, and persuade its other non-EU allies, for instance the UK post-Brexit, to get behind it too.

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