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CYPRUS CENTER FOR EUROPEAN AND INTERNATIONAL AFFAIRS
University of Nicosia

1993-2025 THIRTY-TWO YEARS OF POLICY FORMULATION AND ANALYSIS

THE EU AT A CRITICAL JUNCTURE



*Andreas Theophanous
President of the Cyprus Center for European and
International Affairs*

The EU is perhaps facing the most critical challenges since its creation. Certainly, it has to make major choices which will eventually determine its future path. These include vital economic, political and security issues.

I divide the historic path of the EU into three parts. First, from the 1950's until the end of the Cold War and the reunification of Germany. Second, from the Treaty of Maastricht in 1992 until the introduction of the Euro. Third, from the beginning of the 21st century until today. In the first part the objectives of the EEC/EC were met: these revolved around reconciliation, peace, economic development, prosperity and the containment of the Soviet Union which eventually dissolved. At the same time the EEC/EC began to modestly project itself as a world player. The second part was marked by the major objective of economic and monetary integration following the Treaty of Maastricht. The record was rather mixed. More specifically, as the process of economic integration progressed there were serious incidents of social disintegration in several countries. For example, the welfare state was seriously affected. In the third part, which is still not over, the EU has been facing multiple challenges, and its record has not been satisfactory. There could have been better ways to address the Eurocrisis and the COVID-19 Pandemic. And when Europe and the world expected to move on in the future with some optimism, there was a new major crisis – the Russian invasion of Ukraine on February 24, 2022. I would say that with a strong European leadership the war could have been avoided.

Be that as it may the EU has to address critical challenges today; and in order to do so it has to make choices. It is essential to have in mind that the existing socioeconomic paradigm of the EU has not been delivering satisfactory results. Economic growth in the EU has been much lower than that of the US and China. Indeed, the EU has been facing very low growth rates which have been accompanied by high prices for some time now. Stagflation seems to have reappeared and may haunt the European economies in the years to come.

Furthermore, inequality has been growing. And the younger generations face multiple challenges, including high housing costs. Europe today has on average higher energy prices than the US, China, India and Japan. Consequently, Europe is facing the risk of deindustrialization.

Europe has to reconsider its economic model. It also has to reassess its objectives for the Green Transition/ Green Development. Even before the Russian invasion of Ukraine and the sanctions, several experts expressed the view that the Green Transition as envisioned and planned entailed a huge socioeconomic cost. President Trump of the US has already dismissed it altogether. The EU cannot ignore this issue, and it has to readjust its objectives.

We cannot also ignore the existing socioeconomic and political differences between the North and South and West and East Europe. There are different economic structures, social norms and political priorities. In addition, there seems to be polarization within most member states.

The EU has to work in ways to regain its credibility as well as its *raison d'être*. For example, if one compares the stance of the EU in the cases of Ukraine and Cyprus it can be observed that there have been double standards. Such an approach cannot be sustained indefinitely.

The EU should also rethink foreign policy and security challenges. Inevitably, it has to build a new equilibrium in its relations with the US. The Euro-Atlantic Partnership was instrumental for European security and prosperity in the past. There is no reason why this cannot continue to be the case despite the current turbulence.

Obviously, the Trump administration has different perspectives and positions than former President Biden on multiple issues. Trump considers China to be the major antagonistic power of the US. Consequently, in addition to trying to modify the rules of the game in relation to international trade, Trump would not like to see Russia close to China. So, there seems to be a *rapprochement* between the US and Russia. The EU cannot ignore this development. And irrespective of the US stance it is essential to keep in mind that geography does not change. A new European security architecture should also entail an agreement involving the US and Russia (like in the past). Furthermore, while the EU can become a major conventional military power, it cannot become a nuclear power. This should be kept in mind as well, while trying to formulate a common foreign and security policy.

At this stage the EU considers that Turkey should play an important role in its security architecture. But one cannot disregard the fact that Turkey occupies 37% of the Republic of Cyprus, a member state of the EU, while, at the same time, it threatens Greece. These issues cannot be overlooked. In

addition, the government of Turkey is blocking the project of the Great Sea Interconnector power grid, which would connect the electricity networks of Cyprus with Greece and the EU. The position of Turkey in this regard is violating the norms of international law and puts in question its reliability as a partner of the EU.

Besides that, the serious democratic deficits in Turkey, with which we are reminded again after the arrest of the opposition's presidential candidate, the Mayor of Istanbul (also known as Constantinople) Ekrem Imamoglu (and many others), have caused widespread discussions about the possibility of Turkish eligibility for the European grants for its military industry and its participation in the EU Preparedness 2030 program.

In sum, the EU has to reconsider its socioeconomic paradigm, define its security challenges and follow up accordingly. In addition, it is important to pay attention to its own value system and reduce the gap between the rhetoric and the reality. Last but not least, the EU must further encourage its own institutions as well as all member states to advance both in theory and practice the principle of solidarity.

EUROPE AND THE EAST-MED: THE ISRAEL-PALESTINIAN CONFLICT IN PERSPECTIVE



*Harris Georgiades
Chairman of the Standing Committee on Foreign and
European Affairs of the Cyprus House of Representatives,
Chairman of the Clerides Institute, and a former Minister
of Finance of the Republic of Cyprus*

October 7th 2023 will be a day that will remain in infamy. The brutal terror attacks of Hamas have led to pain and hardship for both the Israeli and Palestinian people, with the latter now facing a humanitarian crisis of unprecedented proportions. The Middle East has been thrown into turmoil, leading to disruptions of maritime routes, political instability, renewed migration pressures and heightened concerns for global security.

For the EU, this was painful reminder that the East Med and the Middle East will either be a region of cooperation and shared opportunities, or a region from which major risks to its own security and prosperity will emanate.

These attacks, however, should not have come as a surprise. Hamas and Hezbollah had been gaining strength for years and their intentions were clear. They had constructed a vast underground network of tunnels, paid in part by European and international aid that was supposed to serve other needs. Their missile launch sites were placed next to hospitals and schools funded by UNWRA. They were able to move funds freely through the banking systems of countries which are considered friends and allies of the West, including Turkey. The presence of Hezbollah in Lebanon had rendered it a failed state, a fait shared also with Libya, Yemen, and Syria, while Hamas has been steadily eroding the position of the Palestinian Authority.

What is even more concerning is the fact that October 7th was not an isolated incident, but part of a broader trend which sees both state and non-state actors being ready to use force in a direct challenge to the international order, which for too long we have been taking for granted. Let us not forget, that the Hamas attack came just a few months after Putin launched his own attack against Ukraine, believing he could wipe the country off the map.

In all these cases, the EU may have erred, inadvertently allowing autocrats and extremists to believe that it is no longer able or willing to stand up for its values and interests. Putin may have been led to believe that Europe was too weak and preoccupied to stand in his way. Hamas and other Islamic

fundamentalists may have been led to believe that Western indulgence would allow them a free hand. Similarly, Erdogan may have been led to believe that Europe needs him, more than he needs Europe.

These failures highlight exactly why the EU can no longer remain an economic giant but a geopolitical and military dwarf, including when it comes to the East Med. The messages from across the Atlantic after the re-election of Donald Trump, should dispel any doubts and add a sense urgency, leaving no scope for European complacency.

This means that the EU must become a much more coherent and effective foreign policy actor, with enhanced security and defense capabilities of its own. The EU needs to become much more engaged in the East Med and the Middle East, supporting moderate powers, facilitating the normalization of relations - including through a revival of the Abraham Accords process - and taking a firm stance against forces that directly or indirectly are destabilizing the region. It should also increase the provision of aid ensuring, however, that this is conditional on reforms in education, so that hatred is excluded and reconciliation is encouraged.

Undoubtedly, when it comes to permanent solutions and long-lasting peace in the region, much depends on Israel. It is understood that Israel needs a restored sense of security and deterrence. Israel's survival over the years has been dependent on an effective deterrence. But at the same time, it should be equally clear that the military solution alone, will not work. Israel must also win the peace. It must find the strength not only to defend itself against its enemies, but also to create the conditions that will allow it to talk to its enemies. It was Moshe Dayan, this hardened Israeli military leader, who said that "if you want to make peace, you don't talk to your friends, you talk to your enemies."

The two-state solution is the only solution. But it goes without saying that no such solution can be achieved if Hamas and Hezbollah continue to call the shots. No two-state solution can be accepted if it does not contain a full, unreserved and genuine recognition of Israel's right to exist, as a homeland for the Jewish people, alongside an independent Palestinian state.

A European vision for the region should include a stable and safe Israel, with a vibrant economy and a free society, which will continue to be a strategic partner for Europe, including Cyprus, its immediate European neighbor. But it should also include a free, independent, democratic Palestinian state, in Gaza and the West Bank, that will be able to care for the prosperity of its people, under conditions of safety, peace, and moderation.

For now, this may seem more of an aspiration than a real prospect. But it is a prospect that the EU should strive for. Not so much out of an idealist zeal, but as a dictate of realism. It is through the same lens that the EU should review its relations with Turkey, ensuring that these are based on a set of conditions that will encourage, among others, the democratic transformation of the country, good relations with its neighbors and abandonment of revisionist aspirations which further add to the instability of the region. Indeed, the truly pragmatic and realist approach, that serves European core interests and European security, is the one which puts indulgence and indifference aside.

THE SHOCK MUST SERVE AS A WAKE-UP CALL



Chrisis Pantelides
Member of the Parliament, Democratic Party

"The safety of the US security umbrella freed up defence budgets to spend on other priorities. In a world of stable geopolitics, we had no reason to be concerned about rising dependencies on countries we expected to remain our friends. But the foundations on which we built are now being shaken".
(Mario Draghi, "The future of European competitiveness", September 2024)

A few years ago, it would have been difficult for anyone to predict that, by 2025, the planet would be caught in the turbulence it currently finds itself in.

Many—especially within the European Union and its institutions—had come to believe in recent years that the only remaining threats were health-related, fiscal, monetary, or banking.

The violation of borders was considered by some to be either unlikely or, even worse, a minor offense—unlike the violation of fiscal rules, which was regarded as a political crime. Meanwhile, defence spending was replaced by extensive regulations that reduced the European Union's competitiveness and popularity.

Unfortunately, at the dawn of 2025, the situation is fluid and unprecedented: For the first time in 75 years of close collaboration, the United States of America and the (evolved and expanded) European Union find themselves in public confrontation, with a Cold War-like atmosphere beginning to emerge between them. The former Cold War rivals—the United States and Russia—now seem to communicate more easily and the western super-power appears to prioritize its relationship with Russia, even at the expense of its longstanding allies.

Revisionism is becoming a pillar of foreign policy for powerful nations. While Cyprus and Greece are already familiar with this threat—due to the Turkish occupation of Cyprus and Turkey's expansionism and disputes over dozens of Aegean islands—and while Ukraine is fighting and paying a heavy price to defend its territorial integrity, other countries are now learning the meaning

of “revisionism”, either because they had forgotten it or because they never knew it existed. I am referring to Greenland, which hears Donald Trump saying he will acquire it “one way or another” (sic), to Canada, which also heard Trump express interest in making it part of the United States, and to Panama, which has once again come under United States’ scrutiny, after decades.

Adding to the instability in our region is the collapse of the Assad regime and the uncertain future of Syrian territory, Israel’s war against terrorist organizations Hamas, Hezbollah, and the Houthis, and Lebanon’s efforts to rebuild.

On top of these geopolitical and expansionist crises—once considered unlikely—a trade war over tariffs is emerging, instigated by the United States, which will impact global trade, negatively.

The “shockwave” of all these events and developments should serve as a wake-up call for the European Union as a whole, as well as for each of its 27 member states, separately.

What we have achieved—making the European Union the best place on the planet to live—is now at risk. Nothing should be taken for granted, and nothing is unshakable. We must safeguard and protect what we have, and we must reclaim what we have lost.

The European Union must recognize that, to survive, it must break free from the shell of its bureaucracy, regulations, and political naivety. It must assert itself as a strong geopolitical actor on the international stage—one capable of protecting its 450 million citizens, preserving their high standard of living, and defending the principles and values upon which it was built.

The formula is threefold and demanding:

- A) Strong and competitive economy that can rival the flexibility of China’s and Russia’s authoritarian institutions while funding all other political objectives. As Mario Draghi notes in his report on the European competitiveness: *“We have also left our Single Market fragmented for decades, which has a cascading effect on our competitiveness. It drives high-growth companies overseas, in turn reducing the pool of projects to be financed and hindering the development of Europe’s capital markets”*.
- B) Common, strong, and autonomous defence, capable of protecting the entire European territory and creating a secure living space on the planet. Mario Draghi puts it clearly: *“Peace is the first and foremost objective of Europe. But physical security threats are rising, and we*

must prepare. The EU is collectively the world's second largest military spender, but it is not reflected in the strength of our defence industrial capacity".

- C) Resilient social cohesion, which is essential for combating populism, demagoguery, and the hybrid warfare of online disinformation. As Mario Draghi suggests: *"If Europe cannot become more productive, we will be forced to choose. We will not be able to become, at once, a leader in new technologies, a beacon of climate responsibility and an independent player on the world stage. We will not be able to finance our social model. We will have to scale back some, if not all, of our ambitions".*

There is a long path ahead...

BENCHMARK SHIFTING AND BURDEN SHARING: TRUMP'S FOREIGN POLICY TOWARDS EUROPE



Courtney Flynn Martino
Assistant Director, Transatlantic Relations
Bertelsmann Foundation

By his own admission, U.S. President Donald Trump is no friend to Europe. In Trump's first term, the Euro-Atlantic relationship, the backbone of the postwar global order, was largely reduced to complaints over European free-riding in NATO and frustration with his inability to negotiate bilateral trade deals with EU members. On the first issue, Trump had a point. When he took office in 2016, just [four](#) European countries met NATO's funding guideline of 2% of GDP spent on defense. In 2024, that number rose to [21](#) countries, with both Poland and Estonia outspending the U.S. by share of GDP. On the second matter, it is less about not understanding that the EU governs trade policy for member states, and more of an ongoing disdain for the overall model. Trump's antipathy was made clear after unveiling [20%](#) tariffs on European goods in April, following [remarks](#) that the European Union "was formed in order to screw the United States".

This reasoning exemplifies a broad consensus throughout the Trump Administration that Europe is not America's indispensable ally, but rather a collection of liberal-minded pacifists who are taking advantage of the United States in the markets and on the battlefield. That is why, instead of applauding the Europeans for investing in NATO, Trump called for increasing the benchmark to [5%](#) of GDP—a target the U.S. itself will likely never reach. When it comes to trade, U.S. tariffs will only shrink the trade deficit if the EU does not impose retaliatory tariffs, which it has clearly [indicated](#) it is willing to do. Although tariffs were paused for 90 days within a week of their announcement, it is to see how far various parties will go to make a deal that benefits the U.S., rather than a commitment to mutual prosperity.

The earliest signal of the current Trump Administration's approach to Europe was Vice President J.D. Vance's speech at the Munich Security Conference just weeks after inauguration. In a room of long-time allies, Vance lobbed accusations of [censorship](#) and a lack of free speech in Europe, which he claimed have contributed to weak democracies and timid defense policies in societies destabilized by mass migration. Vance's characterization was amplified following a [chat](#) among Trump national security officials in March,

which was made public after it was inadvertently shared with a reporter. Discussing Houthi targets in Yemen, the Vice President believed European cargo ships would be the primary beneficiaries of the strike, and he lamented the idea of “bailing out Europe again”. Secretary of Defense Pete Hegseth professed his “loathing of European free-loading”, while National Security Advisor Mike Waltz joined in on the chastising. Although Trump was not part of that group chat, the convictions of his inner circle align with a shared view of Europeans as freeloaders looking to exploit the U.S. security guarantee. Against this backdrop, finding opportunities for transatlantic cooperation over the next four years will be extremely difficult.

There are, however, two positive takeaways for Europeans seeking to understand Trump’s foreign policy blueprint. The first is that Trump will let personal relationships dictate political outcomes. While Trump will not support the transatlantic relationship on the basis of shared values or even trade relations, he is open to changing course for those who appeal to him on a personal level. UK Prime Minister Keir Starmer pursued an agenda of flattery underlined with continued support for Ukraine when he visited Washington in February, prompting Trump to announce that the two leaders get along “[famously](#)”.

An unannounced visit by Finnish President Alexander Stubb in March to Trump’s Florida Mar-a-Lago resort began with a round of golf and ended with a glowing [post](#) on Truth Social about the importance of U.S.-Finnish relations. It is likely no coincidence that Stubbs’ visit occurred days after a visit by Ukrainian President Volodymyr Zelensky to Helsinki, as the conversation over 18 holes centered on security guarantees for Ukraine. Starmer and Stubb have created a model for other European leaders to follow: set aside moral victories in the hope of pragmatic policy gains when it comes to the Americans.

The other opportunity that Trump’s foreign policy creates is a strengthening of intra-European ties. Whether that is renewed cooperation between France and Germany, or a willingness to [embrace](#) the UK post-Brexit, European countries should not succumb to Trump’s bilateral “divide and conquer” approach. This does not mean that national diplomacy is not the right vehicle—indeed, Trump would prefer not to deal with the EU and Commission President Ursula von der Leyen. Instead, Trump’s dismal view of the European collective needs to be countered with policy alignment across member states, the same priorities echoed over and over as national leaders visit Washington (or Florida).

Henry Kissinger has famously (and [incorrectly](#)) been credited with asking “Who do I call if I want to speak to Europe?”, a criticism of fragmented structures and disparity within the Continent. To successfully navigate

Trump's foreign policy towards Europe, it will not matter so much who is on the other end of the line, so long as they are all delivering the same message.

THE PRICE OF PROTECTIONISM: TRUMP'S 2025 TARIFF REGIME AND EUROPE'S STRATEGIC DILEMMA



Nicolas Kyriakides
Lecturer, University of Nicosia



Evie Theocharous
Policy Officer, Zenox Public Affairs

The return of Donald J. Trump to the US presidency in 2025 has brought with it a revival of aggressive economic nationalism. Central to this revival is a sweeping tariff regime aimed at reasserting American dominance in global trade. While it seems that the main target was Chinese goods, the policy directly challenges the European Union, whose prosperity and political cohesion rely heavily on open trade. These tariffs pose multidimensional challenges to Europe—economic, institutional, and geopolitical. The measures not only disrupt transatlantic economic ties but also accelerate the EU's drive for greater strategic autonomy in a world increasingly characterised by transactional politics and the erosion of multilateral norms.

The global trading system, long underpinned by U.S. leadership and multilateral institutions like the World Trade Organisation (WTO), has entered a period of turbulence. The reinstatement of Donald Trump as President of the United States in 2025 has revived a populist, protectionist approach to international trade. Citing the need to defend American industry and combat unfair foreign practices, the Trump administration has implemented tariffs that reverberate far beyond U.S. borders.

While these policies are framed as domestic economic strategies, they have significant international implications. For Europe, they represent not only an economic challenge but a strategic dilemma. How can the EU defend its interests in a global order where its principal ally acts unilaterally and outside the norms of multilateral governance?

At the heart of the challenge is the economic fallout for Europe's major exporting industries. The EU, and particularly Germany, has long relied on the U.S. as a key export market. In 2024, the EU exported over €531.6 billion in goods to the U.S., including automobiles, machinery, pharmaceuticals, and luxury goods. The introduction of a 25% tariff on imported automobiles alone is a targeted blow to Europe's automotive industry, one of its largest and most politically sensitive sectors.

Germany, Europe's industrial powerhouse, stands particularly exposed. Brands like BMW, Mercedes-Benz, and Volkswagen depend on the U.S. for a significant portion of their sales. Plants across southern Germany—home to tens of thousands of high-skill manufacturing jobs—face rising costs and supply chain disruptions. Beyond the automotive sector, the 10% across-the-board import tariff affects a wide swath of European exports, from high-end electronics to specialty food and wine.

These tariffs also send shockwaves through investment and production planning. European firms with U.S.-based operations are caught between shifting regulations and uncertain market conditions. The increased volatility undermines investor confidence, affects capital flows, and may prompt firms to delay or cancel cross-border investments.

Compounding the problem is the global knock-on effect. In response to U.S. protectionism, China and other economies have retaliated, distorting global supply chains. European firms that rely on intermediate goods from Asia or North America are now faced with higher input costs and logistical delays, exacerbating inflationary pressures across the continent.

Institutional and Legal Responses

Europe has not remained passive. At the institutional level, the European Commission has launched formal challenges to the U.S. tariffs at the WTO, asserting that they violate fundamental rules regarding nondiscrimination and unjustified trade restrictions. Yet the EU's faith in the multilateral system has been tested. The WTO's Appellate Body has remained in limbo due to U.S. blockage of new appointments, undermining its authority to resolve disputes. Legal victories under these circumstances offer little practical recourse.

The EU has also considered retaliatory tariffs of its own, particularly on politically sensitive U.S. exports. However, this tit-for-tat strategy carries its own risks, especially given Europe's internal divisions and its vulnerability to a broader trade war. While France has pushed for a stronger stance, export-reliant economies like Germany prefer a diplomatic approach.

In parallel, the EU is accelerating efforts to reduce dependency on U.S. markets. The European Commission has proposed measures to bolster domestic production of critical goods—from semiconductors to clean energy components—as part of its broader “Open Strategic Autonomy” agenda. Investments in cross-border infrastructure, innovation funding, and digital sovereignty are being framed not just as economic initiatives but as tools of geopolitical resilience.

Strategic Implications

The Trump tariffs do not merely reflect a shift in U.S. trade policy; they signify a broader reorientation of U.S. global strategy. Under Trump, the U.S. is moving away from its traditional leadership role in global governance, instead pursuing a transactional approach based on bilateral leverage and economic coercion. This is fundamentally at odds with the EU’s normative identity (and the United States’ before Trump) as a promoter of rules-based international order.

For Europe, this represents a strategic rupture. The transatlantic alliance, while still formally intact through NATO and shared cultural ties, is being redefined. Economic nationalism in the U.S. pushes Europe to rethink its place in the global order. Already, there are signs of strategic realignment. Europe is strengthening economic ties with Asia—particularly Japan, South Korea, and India—and renewing its engagement with the Global South.

China, too, sees an opportunity in the transatlantic fissure. It has increased its diplomatic and commercial overtures to European capitals, offering market access and investment in infrastructure under the Belt and Road Initiative. While EU leaders remain wary of Chinese influence, particularly regarding data security and political values, the lure of a stable trading partner amid American unpredictability is not easily dismissed.

At the same time, internal pressures are growing within the EU. Populist movements, particularly in Central and Southern Europe, exploit the narrative of U.S. betrayal and the EU’s perceived weakness. These voices advocate for protectionism and greater national sovereignty, undermining the EU’s cohesion and collective economic strategy.

Long-Term Outlook and Policy Recommendations

Trump’s tariffs, while ostensibly short-term economic tools, may have lasting structural effects. They mark a shift toward a multipolar, interest-driven global economy. For the EU, the challenge is to adapt without compromising its foundational values. It is argued that the EU must ensure that responses to external threats do not exacerbate internal divides and expand

partnerships through agreements with emerging economies, reinforcing economic resilience through diversification. Furthermore, Europe must take a leading role in reforming the WTO and other multilateral institutions, pushing for more inclusive and enforceable frameworks. Additionally, investments in digital infrastructure and critical industries will be crucial to reducing vulnerability to foreign economic shocks.

President Trump's 2025 tariff regime poses a profound challenge to the European Union, not only in economic terms but as a test of its strategic identity and political cohesion. In a world drifting away from cooperative multilateralism toward competitive bilateralism, Europe must act decisively to protect its interests and values. The road ahead requires not just policy adaptation but a bold rethinking of Europe's global role—one that balances open engagement with resilient autonomy in an increasingly unstable world. After all, if the U.S. return to reason after Trump, that will be good news. Otherwise, the EU will be prepared.

EUROPEAN SECURITY AND DEFENCE AND THE INVOLVEMENT OF NON-EU COUNTRIES



Kyriakos Revelas
Former EU official, Brussels

Three years after the Russian invasion in Ukraine, international efforts to end the war and work towards peace intensified under US President Trump, though his promise for a quick solution did not materialise. When ongoing talks yield results, and due to lack of trust among the parties, guarantees securing the deal will be needed. Since the US will not commit own troops, Europeans and others will be called upon to contribute. France and the UK have taken the initiative, also trying to secure that Europeans will be part of the deal, and invited several countries to a series of meetings to prepare a future deployment. Were Russia not to accept NATO countries as part of this force, alternative scenarios could be considered.

Institutional anchoring of this force is an open question. In the EU decisions in foreign and security policy require unanimity; Hungary did not agree supporting a deal on Ukraine at the European Council meeting of 6 March. Also, not all member states would participate in an upcoming deployment (an observer mission / reassurance force once a ceasefire has been agreed). For NATO the main question concerns the US; while they have excluded committing own troops, it is not clear whether they would provide protection for NATO members' troops and whether they would supply intelligence and other support to the deployment. Under these circumstances, an ad hoc grouping (a coalition of the willing) may be the only realistic solution for upholding a peace deal. Non-EU NATO members (Canada, Iceland, Norway, Turkey) as well as Pacific partners (Australia, New Zealand, Japan South Korea) have been invited by France and the UK to preparatory meetings on these plans.

In parallel, Trump's hostile attitude towards the EU and NATO, including threats that the US would incorporate Canada and Greenland (part of Denmark) to serve the US national interest, made Europeans realise beyond any doubt that the US security guarantee of NATO (Article 5) has no value. The urgency of the situation created by the combination of the Putin and Trump factors, led the Europeans take bold decisions for stepping up efforts for their own security. Despite their simultaneous occurrence, an important

difference between the two developments concerns the time horizon; security guarantees for a peace deal in Ukraine is an immediate requirement, whereas strengthening European security and defence, without relying on the US, is a long-term endeavour. There is, nevertheless, an intimate link in the sense that, by accompanying a peace deal in Ukraine, the Europeans will take on responsibility for their own security as any recurrence of violence would directly affect security on the continent.

The urgency combined with uncertainty due to a situation in flux and erratic US movements may be leading to confusion in both the official talks and the public debate. To clarify what is at stake, three distinct questions should be examined with respect to institutional anchoring and the involvement of non-EU countries: Security deployment in Ukraine; European security and defence; European security architecture.

Security deployment in Ukraine

A series of preparatory meetings have been held in Paris and London with high-level political and military participation, including a conference in Paris on 27 March on building peace in Ukraine. In the meanwhile, Russian attacks on Ukraine have intensified, despite a short ceasefire over Easter; another 3-day ceasefire has been announced by Putin around 8 May. Lack of clarity on US-Russian and US-Ukrainian talks and their possible outcome persists at the time of writing. While the force to be deployed in Ukraine will depend on the peace deal, not all countries present in the preparatory meetings are expected to have a substantial participation in the deployment. The credibility of the force will depend on the configuration, size and rules of engagement, which should be commensurate with the task.

In addition to France and the UK, among the countries expected to be part of this force are non-EU NATO members Canada, Norway and Turkey (Momtaz).

Turkey having the second largest army in NATO, extensive combat experience through its involvement in various theatres (Iraq, Syria, Libya, Nagorno Karabakh) and a developed defence industry can make an important contribution in troops and equipment. Turkey has contributed to a number of CSDP (Common Security and Defence Policy) operations and missions. However, considering Turkey a 'like-minded' country is questionable taking into account its "regression in human rights and the rule of law" and the fact that "Ankara's alignment with the EU's foreign, security, and defence policies has decreased to approximately 5%" (Global Relations Forum). Ankara's inclusion poses both a moral issue (democratic backsliding, degradation of the rule of law) and a strategic risk (given its ambivalent relationship with Russia); unless Turkey accepts a global package (including political conditions and improved relations with the EU), its interaction with the coalition of the willing should be limited to individual countries' purchases of Turkish-made

armaments outside EU funding (Pierini, Siccardi). Turkey with its authoritarian and illiberal regime does not qualify for a wider European political and security alliance (Youngs). “As long as Ankara continues its lucrative dealings with Moscow, it is unlikely to be embraced as a reliable partner in Europe’s evolving security architecture.” (Meinardus)

European security and defence

Fully aware of the security consequences of major US policy changes, their disengagement from NATO obligations and even threats to European territory, EU member states and institutions have taken bold initiatives, initially focused on funding of defence. The European Commission proposed on 4 March a 5-points plan for the financing of additional investment in defence capabilities of up to 800 billion euro for the next four years, agreed by the European Council on 6 March. After the 23 February election Germany changed its policy of limiting public debt and lifted the ‘debt brake’, thus paving the way for substantial borrowing to modernise and upgrade the Bundeswehr. Most member states announced increases in defence spending, with 20 already spending 2% of GDP or more, the EU average being 1.9%; collectively, the EU countries spent 326 billion euro in 2024, an increase by over 30% in four years; defence spending more than doubled since 2014.

The Commission and the High Representative presented on 19 March a White Paper for European Defence - “Readiness 2030”. The White Paper stresses the need to invest in EU collective defence and ensure that it has a strong European defence posture by 2030; the EU needs to be able to effectively counter even the most extreme military contingencies such as an armed aggression and take into consideration the security and defence interests of all member states. Building a Defence Union will ensure peace on the continent through unity and strength. The European Council of 20 March called for an acceleration of work to ramp up EU defence readiness within the next five years; it invited the co-legislators (Council and Parliament) to swiftly take work forward on the Commission proposals and called starting urgently the implementation of the actions identified in its conclusions of 6 March 2025.

The White Paper identifies investment needs in seven priority areas (air and missile defence; artillery systems; ammunition and missiles; drones and counter-drone systems; military mobility; AI, quantum, cyber and electronic warfare; strategic enablers). It further highlights the “collaborative dividend” and fixes a 35% target for collaborative projects in different formats. A central section refers to a strong and innovative defence industry in Europe, including the Competitiveness Compass recommendation to introduce a European preference; the EU should support the European defence industry through aggregate demand for joint procurement, by reducing dependencies and ensuring security of supply, through an EU-wide market for defence

equipment, and by supporting skills and disruptive innovation. The White Paper includes the 5-point plan on financing: a new instrument SAFE (Security Action for Europe) of borrowed funds of 150 billion euro for common procurement; use of the national escape clause of the Stability and Growth Pact allowing additional borrowing of up to 1.5% GDP amounting over 4 years to 650 billion euro; use existing EU instruments such as cohesion funds for defence investment; financing by the European Investment Bank; and mobilising private capital. Next steps for the way forward are outlined, including a legislative proposal for simplification by June 2025 (Defence Omnibus).

The White Paper elaborates on military support for Ukraine under a ‘porcupine strategy’. The section on international partnerships stresses the need for cooperation to address security challenges.¹ In the field of capability development and innovation an open architecture combined with variable geometry will allow the participation of like-minded partners in cooperative defence projects and initiatives; work on a case-by-case basis should allow reducing excessive dependencies. EU representatives have informed non-EU NATO members about the defence funding plans. Conscious of industrial links with non-EU partners, the programme SAFE will be open to countries with whom the Union has entered a Security and Defence Partnership (currently Norway, Japan, South Korea, Albania, North Macedonia, Moldova). 65% of the capabilities funded through SAFE are to be procured from the EU defence market; for the remaining 35% companies from other countries can also bid. This (relative) EU preference for equipment produced in the EU defence market and funded through SAFE does not only reflect the fact that any cost for the EU budget will be borne by European taxpayers; it is also the political expression of the common destiny binding the EU community, as highlighted in the Niinistö Report.² To the extent that non-EU countries share this strong bond to the EU community, fully sharing its values and interests, there can be ways for them being closely linked to current and future steps of defence integration.

Financing defence capabilities is an important aspect of moving towards a Defence Union which includes the following elements: a) regulatory framework of the internal market and external trade (both EU competences); b) EU budget and borrowing capacity; c) European defence technological industrial base (EDTIB), including industrial cooperation with third countries; d) crisis management, stabilisation and peacekeeping operations as well as

¹ “Türkiye is a candidate country for accession to the EU and a longstanding partner in the field of Common Security and Defence Policy. The EU will continue to engage constructively to develop a mutually beneficial partnership in all areas of common interest based on an equal commitment on Türkiye’s side to advance on a path of cooperation on all issues of importance to the EU, in line with the European Council conclusions of April 2024.”

² “The territorial integrity and political independence of every Member State are inextricably linked. If the security of one Member State is breached or its sovereignty violated, this directly concerns the other 26 and the Union as a whole. We share a single security.”

capacity building in third countries (traditional CSDP); e) common defence within the EU framework, exemplified by the mutual assistance clause (article 42.7 TEU) and the solidarity clause (article 222 TFEU); f) common deterrence, possibly including nuclear deterrence. While there can be links with non-EU countries in some of these areas, in particular on industrial cooperation and traditional CSDP operations, the areas of common defence and deterrence seem out of question as they presuppose a shared perception of threats and political willingness to confront them together by developing common strategies and a common strategic culture.

European security architecture

The broader issue of a new European security architecture, after the war in Ukraine has ended, is where the question of non-EU members is most pertinent. Future security arrangements may take different forms. From today's perspective much will depend, in addition to progress in the EU defence integration, on the US and Russia and their future relations as the major nuclear powers. The EU evolution into a Defence Union will determine the agency and autonomy of the Europeans with respect to security and the role they will play in future security arrangements. Depending on the US stance, various scenarios are possible. The Asian pivot and Euro-Atlantic disengagement will entail a reform of NATO, with a major element being the constitution of a European pillar, which would bring about a more balanced relationship within the alliance. The composition of this European pillar, the Defence Union, is not entirely clear; since four EU member states are not NATO members, would there be opt outs? What would be the place of the UK, Norway, Turkey and Canada in such a two-pillar alliance? In the (unlikely) scenario that the US leaves NATO altogether, the other countries (EU and non-EU members) could continue forming an alliance, albeit in a very different form. Furthermore, a new European security architecture will inevitably raise the question of the place of Russia; would it be a security order with, without or against Russia? What about the place of Ukraine, Moldova, Georgia, Armenia or Belarus?

The European security order, which collapsed with the Russian invasion of Ukraine, has consisted of a number of security organisations and their founding documents as well as arms control and disarmament agreements. The EU, NATO and the Organisation for Security and Cooperation in Europe (OSCE) have been the principal organisations. The OSCE is a collective security organisation embracing 57 countries (all European countries, the US, Canada, Russia and the former Soviet Republics). A child of the détente in the cold war period, it has been accompanying political and economic reforms and the conflicts in the aftermath of the dissolution of the Soviet Union and Yugoslavia. It is within this framework that the major arms control and disarmament treaties were elaborated and monitored. OSCE's main advantage has been that it offered a forum for dialogue even in difficult times,

not least drawing on its normative foundation (principles and norms enshrined in the 1975 Helsinki Final Act, the 1990 Charter of Paris and subsequent documents). However, most of the arms control treaties have been abandoned in recent years by Russia and/or the US and the OSCE almost paralysed since February 2022.

A new forum, the European Political Community (EPC) was established in 2022 following an initiative of French President Macron as a reaction to the Russian invasion of Ukraine. EPC is a meeting of leaders of all European countries, including the South Caucasus countries (Georgia, Armenia, Azerbaijan); being primarily a forum gathered to express disapproval of the illegal invasion of Ukraine it excludes Russia and Belarus; the US and Canada are not part of EPC. So far five meetings have been held: Prague October 2022, Bulboaca, Moldova June 2023, Granada October 2023, Oxfordshire July 2024, Budapest November 2024; further meetings are planned in 2025 in Albania (May) and in Denmark. These are informal meetings, not based on common principles or objectives; the meetings held so far have not even produced a Communiqué. It can, thus, be considered as a reduced format of OSCE ('OSCE minus'), with fewer members and without its normative base and long history. The EPC could, nevertheless, become a more solid political forum for continent-wide European security dialogue, prefiguring a security order, provided principles and norms are agreed for inter-state relations, possibly also for dealing with non-state actors and hybrid threats ('EPC plus').

To sum up, the involvement of non-EU countries in European security and defence crucially depend on the issue at hand. The discussion about a security deployment in Ukraine remains speculative as long as the content of a peace deal is not known; uncertainty may last longer than hoped for. Progress on European security and defence depends on decisions within the EU; the path towards self-reliance has been clearly traced but implementation will remain a challenge. Closer security cooperation with the UK (also Norway and Canada) is in the interest of all involved; there seems to be consensus within the EU for structured cooperation with the UK; the upcoming EU-UK Summit on 19 May may lead to a security pact. The situation is different with respect to Turkey; not only Greece and Cyprus have reservations as Turkish revisionism constitutes an open threat to their national security; other member states as well would be reluctant when it comes to conceive common defence with a country characterised by an authoritarian regime, nationalist-imperialist ambitions and an unstable foreign policy. As long as Turkey's EU accession is not a realistic option, a special partnership has been proposed, but without clear ideas about what it may entail; as regards defence industry the picture is somewhat different as defence companies in some member states have developed links with Turkish counterparts. The future European security architecture depends on whether it is conceptualised with, without or even against Russia; with or without continuous US engagement; revitalising the OSCE would be easier if Russia returns to commonly accepted principles

and norms; the EPC can be an alternative as long as Russia is not willing to cooperate, but it should be an EPC plus.

In any case, a minimum of common rules is required for any move towards European security and defence to be effective and sustainable. Otherwise, there is the risk of loosening what holds the EU together and any coalition of the willing would be doomed to failure. For example, a security deployment in Ukraine by a coalition of the willing should be inspired by the Framework Participation Agreements (FPA) concluded with some 20 non-EU countries for their participation in CSDP operations and missions. Defence industrial cooperation with non-EU partners could be based on rules adapted from those in force in the common market. When it comes to European security architecture, common norms and principles based on the UN Charter and OSCE documents should be their foundation.

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EUROPE STUCK BETWEEN A CIRCUS AND A HORROR SHOW



*Nicholas Karides
Director of the Institute for Mass Media, Universitas
Foundation*

The former German chancellor Angela Merkel was caricatured as Adolf Hitler in the Greek gutter media in 2015 for her tightrope role in steadying the Eurozone and keeping the collapsing Greek economy within it. It was the same year in which she controversially allowed a million refugees into Germany advocating for a more humane European migration policy.

Merkel had told Germans “We can manage this” and to a large degree they did, until the whole thing collided with lurking populism always ready to trigger and then amplify discontent.

A year later Americans elected a caricature for president and Merkel endured Donald Trump’s tantrums beginning with his withdrawal from the Paris Agreement on Climate Change. It was a personal blow for her not just because of the damage to years of painstaking work but because as Helmut Kohl’s minister for the environment, she had convened the very first UN Climate Change Conference in 1995 in Berlin.

There would then be the awkward moment in 2018 when Trump refused to shake hands with her at the White House: “Instead of stoically enduring the scene, I whispered to him that we should shake hands... As soon as the words left my mouth, I shook my head at myself. How could I forget that Trump knew precisely what he was doing... He wanted to create conversation fodder through his behavior, while I had acted as though I were having a discussion with someone completely normal.”

Merkel was used to bullies. Trump refusing a handshake was nothing compared to how uncomfortable she was made to feel in 2007 when Vladimir Putin allowed his large Labrador into their meeting after his staff had been specifically warned that she was afraid of dogs.

The tactical similarities between Trump and Putin begin to make sense if you go by Merkel’s description of the US president in her recent autobiography: “[Trump] was really fascinated by the Russian president. ... I received the

distinct impression he was captivated by politicians with autocratic and dictatorial traits.”

Fast forward to February this year and to the humiliation suffered by Volodimir Zelenskyy in the White House and one begins to understand that Trump’s show was put on to impress Putin.

Just four years after Merkel’s departure from the scene Europe is squeezed between these two petty tyrants. A corrupt and capricious one to its West and a poisonous, paranoid one to its East.

To make things worse, it is now a Europe maligned by the absence of real leadership and weakened by the absence of Britain. More ominously, it is a Europe infected by puny Trump-Putin clones, a racket spreading disorder and deceit bolstered by an orchestrated disinformation network with Putin as the silent grand master and Trump as the loud jester.

Russia has no tradition or practical experience of democracy. Scholars have even argued, unfairly if one contemplates the heroism of Boris Nemtsov and Alexei Navalny, that its people prefer the authority of supreme rulers. At the other end, Trump’s betrayal of Ukraine, the suspension of international humanitarian aid and his contemptible treatment of allies means that the United States no longer stands for the old American virtues and the liberal order it once claimed it defended.

The decline had been obvious. The Obama interlude slowed but did not reverse it. Biden paused the slide but, in the end, was swept by it. From as far back as Kissinger’s well disguised ruthlessness to Hegseth’s recent poorly disguised incompetence we knew the US stood for a free world only in name and by selective execution.

What we did not know was how deeply eroded its own democratic structures had become. What we could not expect was the Republican Party’s total collapse exposing the greed of its backers and the ignorance and vulnerability of its supporters. Nothing, however, could have prepared us for the weak reflexes of resistance by the Democratic Party, the media and universities – though not all journalists and not all academics.

So what is Europe to do? Caught between the collapse of institutional order in Washington and a malicious enemy in Moscow, it cannot avoid redefining, even re-inventing itself.

This doesn’t mean that it must forfeit its credentials of moderation, consensus, and multilateralism. But it does mean admitting to the ruinous complacency of its security reliance on the US and finding the moral courage to stand up to him and endure the economic pain that will follow.

It means member states boosting defense by taxing their rich while reversing economic policies that have led voters down populist traps and extreme political choices. It means supporting its youth through better housing policies and re-investing in social services that attend to the needs of humans, not to the demands of markets and public-private-partnership sell outs. It means toughening up on large online platforms and their algorithmic darkness, addressing the inequalities brought by financialization and the blind adulation of big-tech. And, once and for all, stop obsessing over the metric artificiality of growth as the sole arbiter of progress.

Believing in the European project does not mean that you do not recognize the faults that afflict it like its slow complex and self-consuming bureaucracy. But Europe is complicated because sustaining peace and prosperity is a complicated task. Simple, ephemeral and, in the end, dangerous 'solutions' are for simpletons like Trump and dictators like Putin. Merkel knew that better than anyone but at the time she played along because of cheap Russian gas and cheap US security. Things have now changed. Post-Ukraine and post-US meltdown there's an urgency that didn't exist when Merkel was around.

The European project may have started as a 'common market' and evolved into an economic community but now its member states can only survive if they rally their citizenry to believe in a new, tougher single European polity. It may seem counterintuitive but by knocking it out of its comfort zone Trump and Putin have actually done Europe a favour.

MAGA: CAN TRUMP DEFEND THE DOLLAR?



Vassilis K. Fouskas
Professor of international relations at the University of East London
Author of "The Melanoma of Cyprus" (in Greek, Epikentro, 2024) and, with William D.E. Mallinson, "Cyprus 1974. Anatomy of an Invasion" (Routledge, 2025)

In a Bolshevik-style start up and in conditions of, *mutatis mutandis*, civil war, Team Trump Two (TTT) began dismantling the bi-partisan state apparatus built over decades, which includes redundancies in administrative personnel – especially those who are not on board with the Make America Great Again (MAGA) project – and a shake-up of the health system, a truly conservative radicalisation of the American polity in order to strengthen the executive arm of the government. Cuts in healthcare and food stamps exceed \$1 trillion. America's contributions to international organisations are either reduced or America is set to withdraw altogether from them, the clearest example is the WHO (World Health Organisation). On Trump's Executive Order setting up DOGE, Elon Mask's entirely new department in the administration, we read that the objective, albeit temporary, is to carry out spending cuts and to modernise federal technology and software, while maximising governmental efficiency and productivity. What comes hand in glove with this is the eradication of unnecessary and unproductive regulations imposed by the lib-left administrations of Obama and Biden on Wall Street. When Team Trump One (TTO) signed the flagship Tax Cuts and Jobs Act into law in December 2017, the entire Wall Street rallied behind his administration. During the years of TTO, the Dow Jones Industrial Average, S & P 500 and Nasdaq Composite soared by 57%, 70% and 142% respectively. No accident that the vast majority of Wall Street financial operators, such as colossal hedge fund companies Ackman, Bessent, and Blackstone, had endorsed and sponsored TTT well before the November 2024 election.

Trump's Team considers the so-called "green transition" and "green energy" as mock exercises sacrificing billions, if not trillions, of dollars on the altar of nonsensical "progressive" ideology. There is no substance in "green transition" projects; the substance is in the real stuff: oil, gas and other hydrocarbons. Thus, it is no accident the choice of Riyadh as locus of negotiations between Russian and American emissaries to sort out the mess created by Biden's lib-left neo-imperialism in Ukraine. Russia can no longer be excluded from the architecture of the European security, unless if "the Europeans wish to take on Russia by themselves" initiating a World War Three

– this is what Trump said publicly to the British PM, Keir Starmer: “You think you can take on Russia by yourselves?”

At the heart of those processes lies the issue of dollar dominance in global currency markets and international trade and investments, that is, the ability of the American executive and the Fed to determine its price and gyrations domestically and globally. Today all Wall Street investors are hoping for a repeat performance of the dollar in global bond and currency markets, yet this is not happening. Trump’s tariff policy disallows so. The issue is deeper.

Last year’s data from the IMF’s Currency Composition of Official Foreign Exchange Reserves (COFER), pointed to an ongoing gradual decline in the dollar’s share of allocated foreign reserves, yet no other competitor currency (the euro, yen or the British sterling) made any serious advances. But some substantial advances were made by China’s renminbi, South Korea’s won and even cryptocurrencies. The Chinese state advanced policies that promote the internationalisation of renminbi, including the establishment of a cross-border payment system, while piloting a central bank digital currency. Thus, Barry Eichengreen et al. warned in an IMF-sponsored report published on 11 June 2024, that the Chinese renminbi’s market share gains match a quarter of the decline of the dollar’s share. This is significant especially if one takes into account that China still maintains capital controls, a fact that saps the ability of the renminbi to take off in global capitalist market conditions.

Trump’s tariffs and hesitations, coupled with geopolitical risks over Ukraine and the Middle East, increase the uncertainty factor for the investors. In the past, various crises used to push the investors to rush to invest securely in dollars guaranteed by the military power of the American state. Today this is not the case. The dollar has increasingly become a cause of fear for the investors. Since mid-January 2025 – its peak – the greenback has fallen by over 9% against a basket of major currencies, and almost half of this fall had happened since 1st of April. Trump goes back and forth with the tariffs and, clearly, he uses them as a geopolitical tool to make separate deals, the chief enemy being China. But this all seems to undermine the faith of the investors. Some big foreign assets managers are dumping the dollar. The depth of the dollar-bonds market is nearly \$30tn and is much bigger than the stock market. Thus, Trump, under pressure by bondholders and asset managers had to back down with his tariff policy but the uncertainty in the markets remains robust. For the time being, no one knows if Trump’s geopolitical gamble to strengthen the dollar via a new set of international and domestic policies will succeed.

STRATEGIC AUTONOMY: STILL A MIRAGE?

Matthieu Grandpierron
Associate professor of international relations, head of
political science department, Catholic University of
Vendée (ICES)

In 2025, Europe finds itself squeezed between two global giants whose competition shapes every dimension of international affairs. As the United States and China harden their rivalry the EU faces a narrowing set of options. Even before Trump announced an aggressive set of measures and tariffs, European countries were facing an uneasy situation. Meanwhile, vulnerabilities in strategic sectors persist. China controls approximately 70% of global rare earth production and remains the world's dominant supplier of critical minerals for green technologies. Despite EU efforts to secure alternative supply chains through partnerships with Australia and Canada, dependence on Chinese processing remains a significant strategic risk.

Despite attempts to decouple its economy and find alternative solutions, China remains the EU's largest trading partner for goods. In 2024, total EU-China trade in goods reached approximately €856 billion, with the EU running a growing deficit of around €282 billion. While European exports — luxury goods, industrial machinery, automotive components — are significant, they are dwarfed by the volume of Chinese exports entering Europe. In a sector made a top priority by the EU Commission — green energy — China controls over 75% of global solar panel manufacturing capacity and dominates the battery supply chain crucial for Europe's green transition. Over 80% of rare earth elements and magnets used in European industries are sourced from China. Furthermore, Chinese companies retain ownership stakes in key European infrastructure assets, including ports like Piraeus and Zeebrugge, energy facilities, and emerging tech sectors. Although Brussels has tightened investment screening, fragmented enforcement across member states leaves persistent vulnerabilities. On the health front, European vulnerabilities showed by the Covid crisis remain very visible. Over 50% of pharmaceutical active ingredients used in European medicine manufacturing are sourced from China. As such, Europe is caught in a strategic paradox: the more urgent the call to "de-risk," the greater the economic costs involved. Navigating this dependency without fracturing internal cohesion or sacrificing competitiveness will be a defining challenge for the Union.

The situation is getting more tensed. In addition to tariffs, the U.S. imposed further restrictions on high-end semiconductor exports to China, pushing the global tech system closer to bifurcation. European firms are increasingly caught in the middle. Dutch company ASML, the world leader in advanced chip manufacturing equipment, remains a flashpoint. Under quiet but intense American pressure, the Dutch government extended export restrictions on ASML's deep ultraviolet machines in an attempt to limit China's access even to older semiconductor technologies. As a response, European governments are pouring investment into their own semiconductor capacities. The EU Chips Act, passed in 2023, aims to double Europe's share of global chip production to 20% by 2030 — a goal widely seen as ambitious but necessary. Yet dependencies are hard to unwind. European industries in AI, cloud computing, and 5G remain entangled with Chinese technology suppliers, raising complex dilemmas between economic pragmatism and strategic caution. The question is: can Europe keep investing into its independence and try to catch up with China and the U.S. while keeping its financial support to Ukraine? The geopolitical situation is the other frontline opened by Trump's administration.

And yet, Europe is again caught up in its contradictions. Indeed, NATO's Vilnius Summit in 2023 and its follow-up discussions in 2024 reaffirmed China as a "systemic challenge," with growing attention paid to cybersecurity, hybrid threats, and China's naval reach. Several European states, such as France, have enhanced their Indo-Pacific strategies, emphasizing military cooperation with Japan, India, and Australia. Naval deployments in the South China Sea — once symbolic — have become more frequent and substantial, signaling a shift from rhetorical alignment to operational engagement. While Northern and Western Europe increasingly view China through a security lens, parts of Central and Eastern Europe prioritize economic ties, such as Hungary, which signed a major new investment agreement with China covering transport infrastructure and green energy, despite rising EU scrutiny. The risk is not only external polarization but internal fragmentation — weakening the EU's ability to act cohesively on the world stage.

In 2025, Europe's margin for maneuver is shrinking fast. Strategic patience, once the default option, is no longer sustainable in a world where the rules are being rewritten by force and coercion. The risk that Europe is facing since Trump return to power is no longer political friction, but functional incoherence: an EU unable to generate coherent policies precisely when great-power competition demands unity. The time for hedging has passed. Europe's strategic future is being decided now, and frustratingly, probably without the Europeans consent.

A UNION OF VALUES? SOME CONSIDERATIONS ON ART. 2 TEU STARTING FROM THE CASE C-769/22, COMMISSION V. HUNGARY*



Anna Parrilli
PhD, Research Grant Holder in Comparative Public Law at the University of Bologna (Italy)

In the past decade, the EU has developed a toolbox to safeguard, within its Member States, the values enshrined in Art. 2 TEU, particularly regarding the rule of law. The principal instruments used to address the “rule of law crisis” are, as is well-known, the ECJ case law on judicial independence; the infringement procedure; the principle of non-regression, the Conditionality Regulation, and the annual Rule of Law reports. In the conditionality case against Hungary, the ECJ declared that values in Art. 2 TEU constitute the “very identity of the European Union”.¹ In 2022, for the first time, in C-769/22 *European Commission v. Hungary*, concerning the Hungarian anti-LGBTQ+ legislation, the Commission’s claims were based on a violation by Hungary of Art. 2 TEU on an autonomous ground. Starting from the pending case C-769/22, this article aims to provide an overview of some significant challenges regarding the judicialization of Art. 2 TEU as a standalone provision before the ECJ.

The Hungarian Law LXXIX of 2021

On 15th June 2021, the Hungarian Parliament approved Law LXXIX of 2021 on “adopting stricter measures against persons convicted of paedophilia and amending certain laws for the protection of children”. The Law prohibits minors from accessing content, advertisements, and media services that share information on gender identities that do not match the sex assigned at birth, homosexuality, and sex reassignment. In so doing, the Law directly restricts the right of expression, severely impacting media freedom, independence, and pluralism. Furthermore, the Law is part of an extensive legislative package that discriminates against LGBTQ+ people.

* This article pertains to the activities of the PRIN 2022 (2022E8XCBX) Swinging Peripheries And Centers in Europe (SPACE): Comparative Legal Dimensions of Territory (PI: Sabrina Ragone).

¹ C-156/21, *Hungary v. European Parliament and Council of the European Union*, 16 February 2022, §§ 127 and 232.

On 15th July 2021, the EU Commission started an infringement procedure ex Art. 258 TEU against Hungary for the violation of several EU law provisions.² On 27 April 2022, the EU activated the conditionality mechanism against the State, accused of infringing upon the rule of law through government-controlled media, and the legislative measures regarding LGBTQ+ rights, migration, and NGOs. Unsatisfied with the State's response, the Commission referred the case to the ECJ (*Case C-769/22*), accusing Hungary of breaking EU law and defying the values enshrined in Art. 2 TEU.

Invoking art. 2 TEU to uncover systemic violations

The ECJ's involvement in protecting the values proclaimed in Art. 2 TEU is not a novelty. So far, judicial independence and the right to a fair trial have been key elements through which the EU judges have safeguarded the rule of law in the Member States. In *Case C-769/22*, however, the Commission explicitly mentioned the infringement of the EU values, including human dignity, democracy, the rule of law, and the protection of fundamental human rights as a self-standing ground. The upcoming judgment in *Case C-769/22* could play a key role regarding the justiciability and direct effects of Art. 2 TEU, as well as the use of the infringement proceedings to tackle these violations, particularly in the ongoing rule of law crisis.

In the judgments on conditionality against Poland and Hungary³, the ECJ clarified that the values contained in Art. 2 TEU are "the very identity of the [EU] as a common legal order".⁴ In the two decisions, the Court dismissed the following argument put forward by those two Member States: in the framework of budgetary obligation, they argue, the concept of the rule of law is too vague, which, in turn, violates the principle of legal certainty. In contrast, the ECJ claimed that the rule of law is part of the European States' constitutional traditions so that the States can delimit and "concretise" the content of the principle.

In case *C-769/22*, Hungary was accused of violating EU Law provisions on the respect for private and family life, personal data protection, freedom of expression and information, and non-discrimination. The novelty of the case

² Articles 2, 3(1), 6a(1), and 9(1)(c)(ii) of Directive 2010/13/EU on audiovisual media services, Article 3(2) of Directive 2000/31/EC on electronic commerce, Articles 16 and 19 of Directive 2006/123/EC on services in the internal market, Article 10 of Regulation (EU) 2016/679 on general data protection, Article 56 TFEU, Articles 1, 7, 8(2), 11 and 21 of the Charter of Fundamental Rights of the European Union, and Article 2 TEU.

³ *Case C-156/21, Hungary v. Parliament and Council*; *C-157/21, Poland v. Parliament*, 16 February 2022.

⁴ *Hungary v. Parliament and Council*, EU:C:2022:97, pp. 127 and 232, and *Poland v. Parliament and Council*, EU:C:2022:98, pp. 145 and 264. See further, L.S. Rossi, "Concretised", "Flanked" or "Standalone"? Some reflections on the Application of Article 2 TEU, in *European Papers – A Journal on Law and Integration*, 10, 1, 2025, pp. 1-24.

is that, for the first time, Art. 2 TEU on the values of the EU was mentioned as a freestanding ground for action by the Commission. Some States criticised this choice, arguing that relying on Art. 2 TEU as a self-standing provision would exceed the scope and competence of the Union.⁵ However, in the words of Rossi, “it is only by referring to the comprehensive framework of Article 2 TEU that all the single Hungarian measures violating different EU norms are revealed as parts of a unique deliberate strategy against a vulnerable group. It is precisely because they belong to the same design, whose over-all aim challenges the values of Article 2 TEU, that even apparently innocent or low-intensity measures represent serious threats to those values”.⁶

Whilst, in the case at hand, it is unlikely that the ECJ will use Art. 2 TEU alone, the forthcoming Hungarian judgment provide the ECJ and the legal doctrine a concrete occasion to discuss the justiciability and direct effects of the EU values, the challenges of such a choice in terms of interpretation of the Treaties, procedure and results, as well as the possible implications for the European integration process. These topics are particularly relevant due to the current rule of law crisis and considering the (existing or perceived) cleavages between the “centre” and the “periphery” of the Union with regard to the interpretation of the meaning and the scope of the EU values listed in art. 2 TEU.

Art. 2 TEU as a stand-alone provision: challenges and opportunities

As stated by the doctrine, there are three potential ways in which Art. 2 TEU can be applied: 1) “concretised” or 2) “flanked” by other provisions; or 3) “standalone”.⁷ Indeed, the ECJ case law shows that Art. 2 TEU has so far been applied alongside specific provisions of EU law, particularly Art.19 TEU and Art. 47 of the CFR, serving the purposes of “mutual amplification”.⁸ The Commission’s decision to insert an autonomous reference to Art. 2 in *Case C-769/22* fuels the debate about its justiciability and the use of the infringement proceedings (art. 258 TFEU) to tackle the violation of the values enshrined in such provision. *The challenges raised by granting Art. 2 TEU an autonomous ground for action are numerous and cannot be discussed here in detail. However, it would be useful to provide their overview to grasp the complexity of the matters at stake.*

⁵ M. Bonelli and M. Claes, *Crossing the Rubicon? The Commission’s Use of Article 2 TEU in the Infringement Action on LGBTIQ+ Rights in Hungary*, 30, in *Maastricht Journal of European and Comparative Law*, 2023 p. 3.

⁶ See L.S. Rossi, “Concretised”, “Flanked” or “Standalone”?, cit., p. 22.

⁷ L.S. Rossi, “Concretised”, “Flanked” or “Standalone”?, cit.

⁸ A. von Bogdandy and L. Dimitrios Spieker, *Countering the Judicial Silencing of Critics: Article 2 TEU Values, Reverse Solange, and the Responsibilities of National Judges*, in *European Constitutional Law Review* 15(3), 2019, pp. 391–426.

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As already mentioned, in the pending Hungarian case, some States argued that calling solely upon the infringement of Art. 2 TEU on a self-standing basis would exceed the scope of EU law and the competence of the Union. Moreover, it is uncertain whether calling for the infringement of Art. 2 as a freestanding provision would bring concrete advantages in terms of protection of EU values, or rather would it only cause the ECJ extensive interpretation challenges. Finally, it is unclear how to assess a violation of Art. 2 TEU, i.e., the test to apply, and the limits to the potentially far-reaching effects of the justiciability of the European values on the Member States.⁹

This last question is linked to the debate on the delimitation and definition of the content of Art. 2 TEU and its possible interpretations. In this respect, some authors raised the concern that defining at the EU level the values enshrined in Art. 2 TEU could potentially be detrimental to constitutional autonomy and contrast with constitutional identities of the Member States within the framework of the integration process.¹⁰ However, with regard to the rule of law, a “European rule of law” has already been defined in the Rule of Law Conditionality Regulation 2020/2092. The discussion on the content of the values of the Union is particularly interesting, as it touches upon the efforts of building a common European (constitutional) identity to complete the path from the economic community to a “community of values”.¹¹

While the Eastern enlargement has been generally considered a success¹², one cannot ignore the consequences of the accession of States with different political and legal traditions.¹³ The values which define the constitutional identity of the Union are placed in a dynamic relationship with the constitutional traditions of the Member States, their constitutional and national identities.¹⁴ The EU experienced a gradual convergence of new Member States, which differed in history, culture, and legal traditions. However, the idea of “convergence” implies a path from the “periphery” to

⁹ L. Kaiser, A. Spieker, L. Dimitrios, *European Society Strikes Back: The Member States Embrace Article 2 TEU in Commission v. Hungary*, *VerfBlog*, 2024/11/26, <https://verfassungsblog.de/european-society-strikes-back/>.

DOI: [10.59704/00f6c17a50fc172c](https://doi.org/10.59704/00f6c17a50fc172c).

¹⁰ S. Ragone, *Constitutional identities and traditions: a conundrum for comparative lawyers*, *R. de Dir. Adm. Const. | Belo Horizonte*, ano 22, n. 89, jul./set. 2022, p. 11-36.

¹¹ G. Pitruzzella, *L'Unione europea come "comunità di valori" e la forza costituzionale del valore dello "stato di diritto"*, in *Federalismi*, 28, 2021, p. iv.

¹² F. Emmert, S. Petrović, *The Past, Present, and Future of EU Enlargement*, in *Fordham International Law Journal*, 37:5, 2014, pp. 1349-1419.

¹³ I. Damjanovski, C. Hillion, D. Preshova, *Uniformity and Differentiation in the Fundamentals of EU Membership: The EU Rule of Law Acquis in the Pre- and Post-Accession Contexts*, in *EUIdea Research Paper No. 4*, 31 May 2020, pp. 1-3.

32.

¹⁴ S. Ragone, *Constitutional identities and traditions*, cit.; A. von Bodgandy, S. Schill, *Overcoming absolute primacy: Respect for national identity under the Lisbon Treaty*, *Common Market Law Review*, 48, p. 1432, 2011.

the “centre”: a process of joining the “EU club” through progressive efforts to bridge the gaps and cleavages.¹⁵ One might ask whether this process is one-way, or rather, it implies mutual learning, with the “new countries” contributing to the building of European identity through their own political and legal heritage, including their specific interpretation of Art. 2 TEU, and to what extent this interaction is possible.¹⁶

It is worth noting that, while some countries called for the protection of the national constitutional traditions and their national identities, the Commission’s plea was supported by 15 Member States, governments, the European Parliament, and civil society organizations, affirming that the Hungarian legislation affects the very essence of *European society*.¹⁷ One can ask whether this emerging concept – the European society – could serve as a bridge to building a common understanding of the values protected in Art. 2 TEU and, on a broader scale, to transform the nature of the cleavages between the EU’s “centre” and the “peripheries”: from a conflictual relationship to a dialectical interaction. In this respect, the constitutional courts’ jurisprudence of the Member State could serve as “a powerful tool to bridge the gap between domestic constitutional identities and the identity of the EU, to emphasize axiological similarities and convergence, especially in times in which the Union is struggling to reinstate its values”.¹⁸

Conclusions

Whilst it is unlikely that the ECJ will rely solely on Art. 2 TEU in the forthcoming decision in the Hungarian cases, the Commission’s proposal is reviving the debate on the constitutional identity of the EU and its dialogue with the Member States’ constitutional orders¹⁹, as well as the toolbox to tackle the rule of law crisis. Awaiting the ECJ’s decision, on March 18, 2025, the Hungarian Parliament passed new legislation with the stated purpose of

¹⁵ In this respect, Romania is a paradigmatic example, as the countries required post-accession monitoring to stimulate convergence towards the EU standards in terms of anticorruption measures, the independence of the judiciary and the rule of law. On this topic, G. Pridham, *Romania and EU Membership in Comparative Perspective: A Post-Accession Compliance Problem? – The Case of Political Conditionality*, in *Perspectives on European Politics and Society*, 8, 2, 2007, pp. 168-188.

¹⁶ A. Śledzińska-Simon, P. Bárd, *The Telos and the Anatomy of the Rule of Law in EU – Infringement Procedures*, in *Hague Journal on the Rule of Law*, 11, 2019, pp. 439-445.

¹⁷ On the concept of European society in the context of EU integration process, A. von Bodagandy, *The Emergence of European Society through Public Law, A Hegelian and Anti-Schmittian Approach*, Oxford, OUP, 2024.

¹⁸ S. Ragone, *Constitutional identities and traditions*, cit., p. 32.

¹⁹ On this topic, among others, R. Toniatti, *Sovereignty Lost, Constitutional Identity Regained*, in A. Saiz Arnaiz and C. Alcobarro Llivinia (eds), *National Constitutional Identity and European Integration*, Cambridge: Intersentia, 2013, pp. 49-74, G. Van der Schyff, *Member States of the European Union, Constitutions and Identity*, in C. Calliess, G. Van der Schyff (Coord.), *Constitutional Identity in a Europe of Multilevel Constitutionalism*. Cambridge, Cambridge University Press, 2019.

protecting children from assemblies that promote homosexuality. The amendment imposes severe limitations on freedom of assembly, and it also violates LGBTQ+ rights and fundamental values of the EU, such as the rule of law and democracy. President Orbán openly affirmed that the law is a direct challenge to the EU and will likely bring new development in the EU’s long-lasting “rule of law” crisis.

TRUMP AND THE IDEOLOGICAL RECKONING OF THE EU



Yiannos Katsourides
Associate Professor of Comparative Politics
Coordinator – PhD Programme International Relations and
European Studies
Department of Politics and Governance
School of Law

As the European Union (EU) finds itself increasingly encircled by crises -from war on its borders to democratic backsliding within- the shadow of a figure who is not even European continues to loom large: Donald J. Trump. With President Trump beginning his second term in office, the EU finds itself not merely in a moment of crisis but facing an ideological reckoning. The transatlantic bond, long seen as a cornerstone of the liberal international order, now shows signs of significant strain and uncertainty. Trump's return to power has deepened the rupture he initiated during his first term, and in his first hundred days back in office, he has wasted no time in reaffirming his disdain for multilateralism and global governance based on western 'shared norms and values'. For decades, Brussels operated on the assumption that these 'values' were not merely policy preferences; they were the direction of history and articles of faith, institutionalized in treaties and embedded in the self-image of the European project.

Yet what is truly unsettling for Brussels is not just the policy reversals or the tariffs, it is the exposure of a deeper vulnerability. Trump is not simply trying to change the rules of the game; rather, his actions have raised questions about whether the game itself was grounded in liberal assumptions that are no longer uncontested. What we are witnessing is not the decline of cooperation, but the unmasking of a system that cloaked market domination and geopolitical hierarchy in the language of unity, democracy, and peace. Trump is not merely challenging policies; he is destabilizing the ideological foundation upon which much of the EU's global posture had long rested. Trump's America broke with that consensus.

In his second term's early days, Trump has moved aggressively to consolidate a transactional model of international relations. The United States has once again imposed tariffs on European goods, withdrawn from environmental and regulatory forums, and demanded increased defense spending from NATO allies while hinting at further disengagement. Washington turns into a transactional actor uninterested in alliances except where measurable profit is involved. These moves are not shocking, they are consistent. But consistency does not blunt their impact. For the EU, they strike at the core of

its self-image: a union founded on law, interdependence, and the idea that liberal capitalism could be humanized through rules, cooperation, and institutions.

Trump's America takes a different stance. He approaches global affairs not as a site of mutual benefit, but as a battlefield of national interest. Trade, for him, is not about comparative advantage, it is about winning. Alliances are not built on trust, but on leverage. And values, when invoked, serve only as instruments of domestic political mobilization, not international orientation.

This approach has not only left European leaders scrambling; it has pulled the ideological rug out from under them. For decades, EU elites have relied on a framework that conflated liberalism with progress, globalization with peace, and American leadership with stability. That framework has now collapsed. Trump has made explicit what had always been latent: that the liberal international order was never neutral or benevolent. It was, and remains, a class project, one that served capital accumulation, Western dominance, and a particular historical bloc whose legitimacy is now rapidly eroding.

The EU's own contradictions are now harder to hide. The bloc has long claimed moral superiority, offering soft power instead of hard coercion, regulation instead of domination. Yet its trade policies, austerity regimes, and handling of migration have often revealed a different reality: one in which liberal values serve as a veneer for economic liberalization and technocratic rule. Trump's crudeness doesn't break the rules; it breaks the illusion that there were rules beyond power. The ideological disorientation in Brussels seems acute. The narratives of European power (normative, soft, post-sovereign) are difficult to sustain in a world where raw power is once again the currency of international politics.

His re-election has emboldened similar forces across Europe. Far-right parties, sovereigntist movements, and anti-establishment actors no longer position themselves on the fringes; they speak the language of power that Trump normalized. In doing so, they expose the fragility of the European center, whose response to this authoritarian drift has been tepid at best. Calls for 'strategic autonomy' ring hollow when they remain tethered to market dogma and military dependency on Washington.

Trump's effect on the EU is therefore not merely diplomatic, it is existential. He has unmasked the ideological crisis of a continent that has mistaken institutional permanence for political legitimacy. The EU cannot face this moment by clinging to a past order that no longer exists. Nor can it respond with superficial reforms that leave untouched the structural inequalities embedded in its economic and governance models. Trump exposed the EU's overreliance on moral narratives that presupposed a like-minded global audience. His disdain for diplomacy, norms, and multilateralism challenges

the EU not just as an institution but as an idea. For years, European officials operated on the belief that history was on their side. That integration, interdependence, and international cooperation were the inevitable trajectory. Trump demonstrated, with brutal clarity, that this was not a law of nature but a political choice, and one that others were increasingly unwilling to make.

Trump has not merely disrupted the transatlantic alliance. He has revealed it for what it is: an alliance of convenience rooted in historical domination, now unraveling under the weight of its own contradictions. The EU stands exposed, not just by Trump's provocations but by its inability to articulate a project that genuinely speaks to the needs of its people.

Where does this leave Europe? In a moment of strategic reckoning. The ideological rug has been pulled out from under Brussels. The question is not how to get it back, but whether Europe can stand without it, and whether it can imagine a different floor altogether. What remains to be seen is whether the EU can find its footing on new ground, or whether it will continue to stumble in a world that no longer plays by the rules it once helped write.

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Cyprus Center for European and International Affairs (CCEIA)
University of Nicosia

Makedonitissis 46, CY-2417, Engomi, Cyprus

P.O. Box 2405, CY-1700 Nicosia, Cyprus

T: +357 22841600 F: +357 22357964

E: cceia@unic.ac.cy

W: <http://cceia.unic.ac.cy> www.emgr.unic.ac.cy

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