





CENTER OF
ANALYSIS OF
INTERNATIONAL
RELATIONS

ANALYSIS

The European Union in a Changing World Order: New Strategic and Diplomatic Ambitions

Huseyn Sultanli

 Mirza İbrahimov 8, Baku, AZ1005, Azerbaijan

 (+994 12) 596-82-39, (+994 12) 596-82-41

 E-mail: www.aircenter.az, info@aircenter.az

MARCH 2026

The European Union in a Changing World Order: New Strategic and Diplomatic Ambitions

Key takeaways

- The outbreak of war in Ukraine and President Trump's peculiar position on the state of the transatlantic alliance have **forced** the European Union (EU) to reconsider its position on the international stage.
- Despite an initial period of manageable tension, the U.S.-EU relationship quickly deteriorated, leaving the EU with no choice but to pursue long overdue **strategic autonomy** in its external relations.
- In response, the EU has focused on two broad dimensions: reforms in its **defence and security sector** but also the revitalization of its relations with the rest of the world through multi-layered **diplomatic efforts**.
- Through closer ties with several partners to its **East** (including in the South Caucasus and Central Asia) and a bid for **leadership in regional connectivity**, the EU is hoping to adapt its foreign policy strategy in line with its changing relationship with the United States.
- The success of this newest push for strategic actorness will be determined by Brussels' ability to mitigate **member state discrepancies** and leave behind a set of **institutional limitations** that have historically deprived its actions of strategic weight.

Introduction

The ongoing fragmentation of the international order is influencing actors across several different power categories. When one considers the system's most influential centers of power, it is primarily the United States and China that come to mind. With many political analysts now assuming that this systemic rivalry will dominate international affairs in the decades to come, one interesting question arises. What about the system's other 'influential' actors which may also be considered as a centre of power? What role will belong to them, and how is the current global state of disorder influencing them? Among these is the European Union, not least because of its status as the world's largest free trade bloc but also, by nominal GDP, the world's second largest economy.

Traditionally, discussions on the EU's role in the world have been motivated by the inactivity or passive activity which its foreign service has been recognized for. Despite possessing considerable economic resources, the EU has for many years operated

under the American security umbrella, which effectively formed a crucial part of the transatlantic alliance. This allowed it to sideline defence and security in its list of foreign policy objectives, pursuing progress in other sectors as well as developing a normative agenda which later proved to be ineffective. However, the scrutiny of the EU's actorness has recently escalated to a point at which its shortcomings as an actor can no longer be ignored. By first assessing the factors behind this development, this analysis will assess the immediate steps taken by the EU in response. The focus on reforms in **defence and security** but also multi-layered **diplomatic work** on clarifying its position in international affairs has dominated the EU's agenda. Both directions deserve considerable attention, not least because of the influence a 'new-look' EU may have on regions around the world, including the South Caucasus.

A fracture with major implications

In recent years, several factors have highlighted the EU's inability to act as a cohesive and strategic actor. First, the war between Russia and Ukraine initiated a highly uncomfortable internal discussion on the state of European security, with the vast majority of EU members acknowledging that without support from Washington, the European Union is incapable of defending the European continent from an external attack. Despite initially bringing the vast majority of member states closer together, it actually served as a source of fragmentation in the years to follow. A **'core' group of states** was decisive in its support for Ukraine, arguing that upholding Kyiv's territorial integrity is crucial for the survival of international legal norms but also preventing a precedent whereby a powerful state can invade territory without facing any meaningful resistance. In fact, since the war began, the EU dedicated significant resources in support of Ukraine's defence of its territorial integrity, providing Kyiv with comprehensive financial but also military packages.

However, this approach was not echoed unanimously across Europe, and more specifically, throughout the European Union. Some member states but also influential political actors in the 'core' group continue to advocate for less comprehensive support to Ukraine, arguing instead that the priority should remain the sustainability of the 'European economy' and each country's national interests. Such internal disagreements, which by now have gained additional layers (there are even some disputes within the 'core'), form a crucial part of a broader operational crisis which often prevents the EU from acting swiftly and in one voice. Consensus, even when reached, tends to be fragile, with the provision of support or any other decision leading to disagreement and then requiring substantial negotiation and

compromise. Over time, as it became apparent that Ukraine would require the continuation of and even more sophisticated military and financial support, work on overcoming this structural issue became a priority.

Another factor that has pushed the EU into a state of strategic recalibration has come from within the transatlantic alliance, of which it is a core part. The alteration of the U.S.'s position in this historic framework provoked an internal reconfiguration which, to this day, threatens to change how one perceives European or transatlantic security. This is directly related to the second Trump Administration, which since taking office in January 2025 has implemented a series of policy visions with direct implications for the European Union. Concerned with the disproportionate nature of American 'contribution' to traditional alliances, including the transatlantic relationship, the Trump Administration, both in rhetoric and practice, urgently signaled to its European partners that previous arrangements were unattainable. By pursuing a firm tone on the Ukraine war, the United States effectively intervened between the two sides, leaving its European partners on the sidelines. Moreover, in a fashion consistent with the first Administration, specific emphasis was placed on the importance of European states raising defence spending. On this occasion, given the intensity with which this pledge was made, the repercussions were almost immediate as NATO allies, at a summit in The Hague in June 2025, committed to spending [5%](#) of their GDP annually on "core defence requirements".

Until this point, the relationship appeared to be in a state of 'manageable tension'. However, several factors intensified the situation, once again urging a reconsideration of the state of the alliance. This specifically concerns the ongoing dispute over the management of the Ukraine war, with some European countries, most notably the UK, France and Germany, but also officials in Brussels, pushing for an even tougher stance on Russia. Moreover, EU officials are insisting that no negotiations format, such as the recently established trilateral format between Russia, Ukraine and the United States, can afford to exclude European representatives. This inevitably clashes with the Trump Administration's vision, which is confident in its ability to mediate between the two sides and has a successful track record in conflict mediation. The second factor is the issue of Greenland, which provoked an unprecedented verbal confrontation between the two sides of the Atlantic. Concerned primarily by national security calculations, the Trump Administration's belief that the interests of the United States must adequately be respected in the Arctic raised all kinds of alarms in European capitals. This led to a series of statements which evidenced the growing transatlantic fracture, with officials in Brussels labelling the Trump Administration as ['too unpredictable'](#) and an

actor that is difficult to 'call an ally'. Among the most passionate critics of the Trump Administration's vision was Denmark itself but also members of the European 'core', including the United Kingdom, where Prime Minister Keir Starmer adopted an unusually uncompromising stance on the U.S. President's position.

Forced into action

Recent 'US-Europe' discrepancies are not limited to the instances listed so far, as there have been several other cases in which the positions of the two sides have proven contradictory. However, the conclusion one can draw from the Ukraine and Greenland examples is two-fold: there has been a fundamental and ongoing shift in the nature of the transatlantic alliance; and the European Union has been pressured to intensify its long overdue pursuit of strategic actorness. The first conclusion and its validity was recently confirmed at the 2026 Munich Security Conference, where U.S. Secretary of State Marco Rubio [confirmed](#) that Europe 'surviving' was now a European, rather than collective, responsibility. It is the second conclusion, given how it has or may influence the EU's widespread relationships with various regions, including the South Caucasus, that requires special consideration. To address this issue, the following section will rely on reforms in the defence and security sector as an example of tangible steps taken by the EU to address capability limitations. Then, by focusing on the EU's efforts to clarify its position in the international system, work on upgrading several of its existing relationships will be assessed.

Defence and security

Europe's self-acknowledged inability to decisively influence events in Ukraine and the realization that it has been downgraded in the priorities of the U.S. administration's foreign policy portfolio has generated a tangible response. Although its eventual impact will be monitored with time, it is undeniable that EU leadership has mobilized vast resources in the defence sector. This does *not* imply that the EU has emerged as an autonomous actor in the sphere or is already influencing events on the ground. Instead, it is simply working in that direction, with several new initiatives aimed at facilitating consensus between member states but also making 'shared' military resources more easily accessible. Among a long list of such programs is the Readiness 2030 Plan, first announced in March 2025 as 'ReArm Europe'. Through this program, member states plan to mobilize [€800 billion](#) dedicated to defence spending, of which €150 billion is meant for the launch of SAFE (Security Action for Europe), a 'long-

maturity' loan instrument to help countries invest in specific defence areas. In a broader push to minimize what the Commission itself acknowledges to be a capabilities gap, a package of 'flagship initiatives' such as the "[European Drone Defence Initiative](#)" was introduced to boost the ability of member states to 'deter' but also respond in times of external attack. Moreover, since January 2025, several steps have been taken to improve member state collaboration in the defence industry sphere as well as boost the scope of ongoing investments. For example, in May 2025, another series of projects (11) were launched under the Permanent Structured Cooperation (PESCO), reaching the total number of active projects to [75](#). In December 2025, the European Commission also approved the European Defence Industry Programme (EDIP), a fresh instrument designed to specifically support collaborative industrial projects between states which aim to boost the [production capacity](#) of 'critical defence products'. In addition to signalling a clear desire to invest in long-term production capacity, these initiatives also point to the more complex target of establishing 'sovereignty' in the defence sector. By creating the necessary financial and technical conditions for member states to collaborate on defence, the EU is attempting to address several clear capability gaps which were previously not recognized.

As with any institutional push for change, the presence of sustained political will is essential. In the EU's case, the defence and security sector differs from other areas of cooperation in that reaching consensus among member states, albeit sometimes fragile, is generally more straightforward. Unlike with Ukraine, where the degree of support is a major topic of contention, member states tend to agree that 'Europe' must be more sovereign in its defence capabilities. Led by the European Commission, a clear and coordinated effort to activate several levers of investment into the European industrial base has been implemented. In addition to boosting long-term production capacity, the EU has also attempted to increase the interoperability of the defence systems of its member states, increasing this way its overall combat readiness. Here, two specific initiatives stand out. First, the European Defence Agency, which is responsible for coordinating member state activity within the Common Defence and Security Policy, is currently exploring the creation of a [mechanism](#) which would facilitate the sharing of information between member states. A dedicated platform labelled the European Defence Artificial Intelligence Data Space (DAIDS), which is expected to be operational by 2030, would help reform existing practices based on several different providers and ensure a more secure transfer of information. Most importantly, the project emphasizes the **importance of not relying on American technology** for the transfer of vital defence-related information, another step towards achieving digital sovereignty in this sphere. The

use of artificial intelligence is also taken into consideration, enabling European partners to 'speed up' their decision-making both in times of crisis but also on a regular basis.

The second proposal which reflects the EU's desire to raise the interoperability of its defence sector is known as "[Military Schengen](#)". Introduced by a European Commission proposal as part of the EU's broader Military Mobility Scheme, the proposed framework envisions a response system whereby member states are able to secure assistance from each other without dealing with administrative and bureaucratic hurdles. Essentially, by simplifying border procedures, troops and vital military equipment can be [transferred](#) in as little as three days during 'peace time' and six hours in 'emergencies'. Moreover, under existing plans, a 'solidarity pool' will be established which will allow states to free up excess equipment for partners to rely upon in times of urgent need. To be coordinated by a representative from each member state, the plans are ambitious and reflect an appreciation of the need for a European rapid deployment capability. However, as with any large-scale military reform, it requires substantial investment, with swift implementation and early results essential. Plans introduced under the Military Mobility scheme would require investments worth [€100 billion](#). As of today, however, only €17 billion has been allocated to military mobility upgrades in the next budget.

The EU's recent push for actorness in defence and security consists of an unseen degree of financial and institutional commitment, with a clear emphasis on both expanding the scope of capabilities but also boosting direct collaboration and dependence between member states. However, unveiled plans require considerable but also consistent financing, which will prove to be the ultimate challenge going forward. In this light, it will be the EU's ability to navigate member state consensus in a constantly changing geopolitical environment that will determine the success of the mentioned programs. Although defence and security are just one layer of the EU's operations, success in this area is essential if the EU is to fulfil its aspiration of becoming truly "sovereign" in its external relations. Given the depth of its intelligence and security relationship with the United States, its role in these areas cannot, as of today, be viewed in isolation from Washington. If the EU wishes to develop real autonomy, this reality must change.

In search of a geopolitical identity

Progress in the defence and security sector carries particular importance for the European Union because it is the sector that is most often associated with the EU's

lack of strategic autonomy and actorness. Labelled as its Achilles heel, reform and tangible steps in this area will determine the extent to which the EU has turned a page. As demonstrated, there is a clear correlation between the Trump Administration's firm rhetoric and actions since January 2025 and the introduction of new initiatives by Brussels. **However, although it is reforms in the military sector that have received special attention, this sharpening of rhetoric and action is visible on several other levels.** This primarily concerns the EU's relationship with different international actors, which, for the most part, confirm the EU's willingness to take bolder and more independent steps. This applies to both relationships between member states within the EU but also the EU's institutional and diplomatic relationships with actors worldwide.

Internal dynamics

Since the Trump Administration adopted its firm course of confronting its 'traditional allies' for disproportionately benefitting from their relationships with the United States, the EU's political nucleus has reemerged. Although several 'minilateral' cooperation frameworks exist given the variety of the member states, there are two specific formats which must be mentioned. First, the E3 group, which consists of Germany, France and the United Kingdom. Although the United Kingdom has formally left the European Union, its engagement with key member states has continued, with the Labour government making it clear that closer UK-EU integration is a key foreign policy priority. In their own ways, all three countries of the E3 group have actively campaigned for a more independent Europe, with increasing support for Ukraine as the key priority. Through the 'Coalition of the Willing' but also on a bilateral basis, the three states have met on separate occasions to discuss prospects for strengthening military and economic cooperation. One such example is the Summit on European Digital Sovereignty held in Berlin on 18 November 2025, with France and Germany leading the way by launching a [joint taskforce](#) on European digital sovereignty. Moreover, bilateral summits, such as the France-UK and Germany-UK summits, have produced tangible outcomes, including agreements on mutual assistance, the joint development of military equipment and industrial collaboration.

However, such cooperation is not limited to just three states. Most recently, plans were announced for an extended version of a leadership group to become operational, this time including only EU members. More specifically, it was reported that Germany is leading a push to operationalize the ['E6' group](#), consisting of

Germany, France, Poland, Spain, Italy and the Netherlands. These states represent the EU's largest economies, which is why a proposal has been made to convert the grouping into something which resembles a European "decision-making headquarters". According to draft plans, EU membership would essentially split into two categories, with the E6 adopting 'fast track' decisions which do not require traditional EU-wide voting. The logic behind the idea is that large-scale projects would avoid the 'slow consensus' procedures which characterizes the EU's decision-making system. Apart from improving internal cohesion, this framework is expected to grant the EU the ability to make immediate and complex decisions without having to engage in the administrative hurdles which so often reduces its competitiveness in practice.

This idea aligns directly with the words of the EU's 'core leaders', who, in repeated fashion, emphasize the importance of building independence in foreign policy endeavours. In consecutive speeches at the 2026 European Industry Summit and the 2026 Munich Security Conference, German Chancellor Friedrich Merz emphasized the EU's lack of competitiveness as its major limitation. He stressed that the bloc's economic growth has simply been insufficient, pointing to the EU's average annual growth rate of 1% in comparison to China's [8%](#). He stressed that member states spend too much time planning and discussing, rather than implementing, something which continues to hurt the EU's role in the world. He also stressed the EU's untapped 'military, political and technological' potential, noting that even though the European economy is [considerably stronger](#) than the Russian one (in GDP terms), this has failed to materialize into reality. In this light, with the international system returning to an era of 'great power competition', Germany, but also all other European countries, must take matters such as economic growth, defence and security into their own hands and show responsibility. This, however, requires leadership that is decisive, bold, and able to withstand the transactional nature of the current international system. The emergence of new leadership and cooperation ideas within the EU is therefore a logical consequence, especially as key European leaders transition away from their strategy of calling just for unity and solidarity to also emphasizing the need for urgent action and extremely difficult decisions.

External relations

As part of its broader push for a clear identity, the EU faces the additional challenge of defining its role in the evolving international order. Its alliance with the United States remains intact, with Marco Rubio making it clear during his [speech](#) at the 2026

Munich Security Conference that the US has no plans to disentangle from Europe, highlighting deep civilizational bonds and centuries of shared history. However, it is equally clear that the relationship could no longer continue in its traditional form, with the Secretary of State reinforcing the importance of a strong Europe that plays an active role in ensuring its own 'survival'. As demonstrated above, this challenge appears to have resonated with prominent European figures, with the German Chancellor's thorough detailing of Europe's responsibilities underlining the complexity of the situation. In the current era, European partners can no longer rely on the United States, which is why numerous calls for new alliance networks have already been made.

In his recent Munich speech, German Chancellor Friedrich Merz listed a series of actors whom he believes will have a crucial role to play in the next period of international relations. Among them are Canada, Japan, Türkiye, Brazil and India, all of which are states which can be placed in the 'middle power' category. According to Merz, enhanced cooperation and closer ties among these states will be essential to ensure that their interests are adequately represented, that they are not caught up in the collateral damage of great power competition and that they have direct agency in shaping their own futures. A similar idea was voiced, albeit in different circumstances, by Turkish Foreign Minister Hakan Fidan, who urged powers outside the great power dynamic to come together and establish their own '[centre of gravity](#)'. This, according to Fidan, would enable such powers to stay true to their national interests, avoid excessive approximation with a particular superpower and also play an active role in defending their own interests. In the EU's case, with the American security umbrella no longer in place, pursuing new and enhanced relationships with other actors in similar situations is now a strategic necessity. Similarly, global leadership in specific areas would resemble a symbolically important starting point.

The power of connectivity

As the EU navigates its changing relationship with the US, its pursuit of strategic autonomy depends just as much on demonstrating leadership and influencing positive change as it does on pursuing overdue behind-the-scenes reforms. Here, regional interconnectivity presents Brussels with a unique opportunity. Although reforms in defence and security are equally important, this area provides the EU with a fresh opportunity to establish itself in parts of the world which are not necessarily subject to intense great power competition. By looking **eastward**, political leadership

in Brussels has an opportunity to prove itself as capable of positively influencing economic processes in different regions, without engaging in politically motivated activity. The development of the Middle Corridor is of particular significance, with major increases in transit activity expected through the route over the following years. Along with this, the emergence of the Greater Caspian region as a zone of economic cooperation is bound to further increase the Middle Corridor's importance.

The European Union has indeed been active vis-à-vis its Eastern partnerships. Here, connectivity has been the unifying factor, with the EU expressing clear interest in boosting cooperation with Türkiye, the South Caucasus and Central Asia by introducing the [“Cross-Regional Connectivity Agenda”](#). It is Brussels' hope that, by working together with regional actors, it can lead the way on modernizing transport and digital infrastructure. The announcement of the agenda was shortly followed by a comprehensive [meta study](#), which identified priority areas for the EU to invest into. With Azerbaijan, for example, the sides announced plans to deepen cooperation under the Global Gateway program, with a [feasibility study](#) for the Nakhchivan railway project expected to bring the two closer together over economic cooperation. With the South Caucasus in a period of transition where Azerbaijan and Armenia are determined to restore economic ties, the European Union faces a unique opportunity to contribute to lasting peace through financial investment in critical infrastructure. Marta Kos, the EU's Commissioner for Enlargement, [stated](#) that the EU recognizes the need for fresh investment, with some infrastructure on trade routes linking Europe with Central Asia 'outdated' and requiring 'upgrading'. This is reflected in the meta study, which makes several [recommendations](#), including the alignment of border rules, the establishment of public-private bodies to manage the large volume of investments required and the importance of work to ensure that corridors are technologically advanced to ensure resilience and an adherence to international standards.

A successful EU participation in a regional project, such as the Nakhchivan railway, would send an important message about Brussels' desire to influence positive change on the ground. Taking into consideration the increase of U.S. engagement, with works on the Trump Route for International Peace and Prosperity fully underway, efficient and purely cooperation-oriented EU engagement would only enhance regional interconnectivity and speed up interregional integration between Europe, the Black Sea, the South Caucasus and Central Asia. Within the last year, considerable work has been done on formalizing the EU's interest in neighbouring regions. A Black Sea Strategy was unveiled in May 2025, relations with Azerbaijan have experienced a much-needed reset, economic cooperation with Central Asian countries is

becoming increasingly institutionalized, and a vision uniting all these regions has been presented. The challenge now, however, is to demonstrate leadership by supporting positive rhetoric with transformative results that contribute to a broad region which faces a unique opportunity to consolidate long-lasting stability through economic mechanisms.

There is, however, an important caveat. The EU's institutional and structural limitations mentioned in this analysis remain, with member states still possessing the power to redirect the bloc's agenda in a specific direction. Therefore, in addition to ensuring that a series of its relationships, which have either stagnated or suffered from an excessively political approach, are adequately renewed, Brussels must improve its approach to politically sensitive regions. **Here, the South Caucasus stands out as a leading example.** Over the years, EU policy in the region has failed to drive positive change, often exacerbating an already complex situation. This stemmed from its unbalanced approach to regional actors, with political support mechanisms and economic resources directed disproportionately towards Armenia. The approach to Baku, on the other hand, was stigmatizing, portraying the country as a hostile actor **despite** the decades-long occupation of its territory by Armenia that it had to endure. This disparity is easily detectable on the material side, with Armenia continuing to benefit from substantial amounts of financial and military assistance (primarily through the European Peace Facility), significantly outweighing the support provided to Azerbaijan. The support offered to Yerevan is recurring, all-encompassing and future-oriented, whereas in Baku's case, emphasis is usually made on specific projects which are considerably more limited in scope. This one-sided dynamic is equally visible in the political dimension. This was reinforced as recently as December 2025, when a Strategic Agenda presented by the EU and Armenia inexplicably referred to separatist individuals detained in Azerbaijan as "prisoners". Moreover, the document contained no reference to the ongoing normalization process, raising questions about the EU's partiality as an external actor. Considering the EU's highly principled and resolute stance on Ukraine and its territorial integrity, such political legitimization of separatist activity once again evidences double standards in the approach to Azerbaijan.

Notwithstanding this regrettable episode, the EU has shown signs of renewing its approach to Baku and rectifying its errors. With connectivity now central to the EU's global plans and the South Caucasus positioned at the heart of the Middle Corridor, Azerbaijan is simply not a country the EU can afford to ignore or disregard. Emerging as a regional leader in more than one dimension, the EU must ensure it treats the country's interests with greater sensitivity and does not let the policies of individual

member states jeopardize a peace process with Armenia that has proven most effective when 'left alone' to local actors. In addition to upholding relations with a country that has proven to be a reliable partner for the European continent, the EU has a chance to correct previous mistakes and prove that it can approach a region and its actors fairly, consistently and through an emphasis on a specific factor (connectivity) that contributes to the entrenchment of durable stability in the region.

Conclusion

This analysis has identified two crucial areas where the EU's performance in the years to come will serve as a definitive litmus test. Having acknowledged the need for a new approach to ensure, in the words of Marco Rubio, its survival, 'Europe' has proceeded to take action. Multiple reforms in its defence and security show a desire to build at least a degree of sovereignty from the United States in this increasingly vital area. On the diplomatic front, the EU is showing greater enthusiasm in renewing some of its relationships and is also aspiring for leadership in regional interconnectivity, an area destined to play a crucial role in the next era of international affairs.

As a result, several conclusions can be drawn. A series of external shocks with direct implications for European security forced the EU to start taking matters into its own hands. In addition to filling gaps in areas where its agency was limited, the EU has actively pursued new cooperation frameworks with existing but also new partners. Having come to terms with the fact that its model of external relations was insufficient and unfit for contemporary international affairs, the EU has taken concrete steps in response. The degree of its success on these and several other tracks will determine whether it can succeed in fulfilling what is internally recognized to be its new foreign policy objective: achieving 'strategic independence' from its powerful transatlantic ally.

Author: Huseyn Sultanli, Advisor at the Center of Analysis of International Relations (AIR Center)