Centre for Geopolitics and
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DEFENCE AND SECURITY

THE EUROPE AGENDA

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ABOUT THIS SERIES

Britain faces a transformed world: unreliable allies, emerging security threats, and increased pressure on living standards and the climate. In this context, the driving questions for relations with its European neighbours cannot be those of the past, but how the UK can act strategically — identifying opportunities for partnerships and building effective coalitions to advance British goals on growth, security, the climate transition, and shared values.

This note is part of a series by IPPR examining each of these terrains in turn, building on the 2025 reset as a starting point.

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INTRODUCTION

Over the past decade, the UK and the countries of the EU have experienced very similar, and deeply troubling, security challenges as a result of the military threat from Russia, disengagement and hostility from the United States, and the possibility of economic coercion from China.

The UK's 2025 National Security Strategy (NSS) specifies a clear way forward (Cabinet Office 2025), indicating a need for what it calls a "rebalancing" of Euro-Atlantic order, involving closer integration, interoperability and defence industrial compatibility between the UK and its allies in Europe. This deeper integration also has value from the perspective of many European countries. The UK brings with it military, industrial and diplomatic abilities that a number of European states seek to enfold within their security arrangements.

As well as direct benefits, greater defence and security integration offer a fruitful way for the UK to deepen its relationship with Europe, at a time when trade and regulatory cooperation remain subject to political and bureaucratic constraints. In this period of geopolitical chaos, stronger defence and security collaboration can help make the UK safer, and could also underpin a valuable geopolitical realignment.

THE EUROPEAN CONTEXT

The director of the European Council on Foreign Relations Mark Leonard points out that European integration "has moved from being a peace project to a war project" (Leonard 2026). This has been driven by several factors, but primarily the Russian invasion of Ukraine, which poses the greatest threat to the continent's security since the second world war.

It has led to a realignment of priorities at both the level of the European Union and among many of its largest member states. It is estimated that, in 2025, defence spending as a proportion of the bloc's GDP rose above 2 per cent for the first time, compared to the pre-invasion baseline of 1.3–1.4 per cent (European Council 2026).

This reprioritisation has generated a great deal of innovation in European structures and finances. The most ambitious example of this is Security Action for Europe (SAFE), a €150 billion off-budget borrowing instrument that is meant to finance joint defence procurement across member states (European Council 2025). This will be the largest collective defence financing mechanism in the bloc's history. SAFE allows the EU to issue debt held in common to finance long-maturity loans to member states; those funds would then be spent on coordinated arms purchases, with rules requiring that the bulk of components originate within Europe. It has also launched multiple other off- and on-budget mechanisms to enable arms purchases by Ukraine. One such, the European Peace Facility (with a financial ceiling of €17 billion) was suspended due to a veto by Hungary's then prime minister, Viktor Orbán, and has been partially replaced by loans financed by the interest on frozen Russian assets (Bilquin 2025). The European Defence Fund, which has been allocated €7.3 billion from the bloc's budget, is meant to support arms purchases by member states.

Financial changes alone are insufficient. Given the pressure being applied to existing structures of cooperation, innovation must be extended to institutions as well. New forms of collective defence that do not depend entirely on the goodwill of less enthusiastic partners – whether in North America or in parts of the continent – will be necessary. Pointing in this direction are the EU's expanding Permanent Structured Cooperation (PESCO) framework – which supports ambitious defence projects – and proposals for a European Defence Mechanism to enable cooperation with non-EU nations. However, the pace and ambition of institutional

reform has not yet matched the scale of the threat, and the UK's ability to propose and support new institutional forms will be an advantage.

The EU's efforts to modernise and strengthen European security have faced several roadblocks.

- First, given its institutional inertia, shifting financing from traditional destinations (such as the agricultural budget) to security is not straightforward. EU financing is locked into the Multiannual Financial Framework (MFF), which is only due to be renegotiated in 2027. A July 2025 draft for the 2028–2034 period from the European Commission suggested cutting funds for the Common Agricultural Policy by almost 40 per cent in real terms for new investment into defence and space (European Commission 2025). However, it was met with protests from farmers' groups and threats of a veto by major groupings in the European Parliament (Genovese and Soler 2025).
- Second, internal cohesion is also hard to achieve, given that several EU member states, including Hungary and Slovakia, are not willing participants in a rearmament project. Slovakian prime minister Robert Fico has demanded, for example, that a large proportion of any additional spending be allocated to dual-use infrastructure, including roads and bridges.
- Third, several EU member states do not have particularly large defence industrial complexes; those that do – France, in particular – have not been receptive to joint mechanisms that do not disproportionately benefit their own manufacturers. This has created a significant barrier to the defence industrial compatibility required for a credible European security architecture.

THE UK'S CAPABILITIES

As a NATO member and close US ally with a major defence industry, nuclear capability and one of the largest military budgets in Europe, the UK is a vital defence partner for the EU.

The UK has been one of the staunchest allies of Ukraine, committing a total of up to £21.8 billion in support (FCDO 2025). More importantly, it has been viewed in Europe as being swifter in its response than other powers. The UK has demonstrated leadership since the invasion by: being among the first to supply next-generation anti-tank weapons like NLAWs; ensuring over 30,000 Ukrainian troops received UK-led Operation Interflex training; convening a broad 'coalition of the willing' that provided important security guarantees to Kyiv.

This convening power has been extended, following the retreat of the US. The UK co-chairs the Ukraine Defence Contact Group (also known as the Ramstein format), which coordinates over 50 nations' military aid without going through EU or US vetoes. It is also a framework nation in the Joint Expeditionary Force, which addresses threats in the High North, and it participates in the informal 'Group of Five' largest European defence spenders.

At the 2025 reset summit, the UK and the EU announced a new Security and Defence Partnership, allowing for structured dialogue and consultation on security, defence and foreign policy matters (FCDO and MoD 2025). Nonetheless, this has been criticised as lacking in ambition and falling short of a genuine strategic partnership (Whitman 2025).

The Security and Defence Partnership was meant to pave the way for UK participation in SAFE. Under SAFE, the value of third country components must be capped at 35 per cent of the cost of the final product (European Council 2025). A deal would raise this threshold and therefore allow greater UK involvement.

However, talks over UK participation in SAFE collapsed due to a disagreement over the scale of UK financial contributions to the programme (Martill 2026).

PRIORITIES FOR ACTION

The future of UK defence cooperation with Europe is too important for it to stall now. There are a number of opportunities to enhance integration and interoperability across two distinct registers: immediate operational necessity and long-term institutional realignment, including with partners willing to move faster than the bloc as a whole.

First, there are practical ways to collaborate and create trust that both build on the reset and fit in with British and European priorities of the moment. The UK could sign a Framework Participation Agreement (FPA) to participate in Common Security and Defence Policy (CSDP) missions and operations. This could allow, for instance, the UK to participate in the EU's military assistance mission in Ukraine (EUMAM Ukraine), which offers training to the Ukrainian army. The UK could also agree an administrative arrangement with the European Defence Agency (EDA) and request to be invited to participate in more PESCO projects. This would be a direct route to strengthening the interoperability the NSS explicitly demands.

Alongside this, the UK could seek to collaborate with the EU on efforts to bolster the European defence technology industrial base. This represents a crucial bridge between practical supply and strategic deepening: integrating defence supply chains would bind UK and European security interests closely together, and represent the NSS's objective of defence industrial compatibility in practice. While the negotiations over SAFE failed, the UK should engage constructively with the EU on future defence procurement funding instruments in order to secure maximum participation. There are reports that the EU is considering a second round of SAFE (Gray 2025). With a longer lead-in time to discuss the UK's financial contributions, a future compromise between the UK and the EU should be possible.

A PATH FORWARD

The UK should also look beyond these technical proposals with the EU and display greater ambition in identifying paths to its security goals. It can, in particular, take a leadership role in discussions over a new defence architecture for Europe, in light of Russia's war on Ukraine and US equivocation over NATO. It could focus on shaping arrangements that are more flexible and responsive than traditional EU structures.

This could involve Europe's key security actors – including the Group of Five – working together to formalise a new European defence alliance. Over time, this architecture could be made more flexible still, perhaps incorporating an outer ring of non-EU partners, creating a coalition defined by capability and commitment. This alliance could involve joint commitments to defend European security and to ramp up defence spending, with a view towards long-term independence from US military capabilities – and represent the structural integration required to rebalance the Euro-Atlantic order, as the NSS suggests.

Over time, such an alliance could formalise a new defence procurement agency, involving a coalition of member states that are ready and willing to fully integrate their defence procurement efforts. For instance, the think tank Bruegel has proposed a European Defence Mechanism, which would create a single market for defence, manage joint defence procurement and own a set of 'strategic enablers' (such as satellite systems) (Wolff et al 2025). The new agency would be responsible for procuring defence equipment in a number of agreed

areas which member states would no longer procure independently. Crucially, the UK would seek to join as a full member.

There are, however, risks and challenges related to these proposals. On the domestic front, there could be concerns over the costs involved and accusations that the UK is participating in a supranational military institution or 'EU army'. At the European level, there may be doubts about further integration on security matters and a reluctance to work too closely with the UK given its status as a non-member state. These doubts may, however, be outweighed by the necessity of closer collaboration on defence and security in the face of Russian aggression. Globally, a new European defence alliance could be seen as a rival rather than a complement to NATO. Europeans have been careful to not further alienate the US or take any action that might expedite American withdrawal from European affairs. Moreover, it might further antagonise Russia, potentially complicating efforts to secure a peace deal for Ukraine.

There are particular risks associated with the idea of a new European defence procurement agency, as outlined above. The UK government may be reluctant to delegate responsibility for such a sensitive area of procurement to a European body and, for strategic and political reasons, may prefer to reserve the right to prioritise British firms for defence contracts. The exact balance between the security benefits of participation and the need for strategic autonomy will therefore need to be considered carefully.

However, as compared to other domains, defence and security remains the one location where internal European concerns about UK involvement are less likely to be maintained over time, especially if the transatlantic alliance weakens.

The House of Commons Defence Committee has argued that the UK government "should assess where the UK can lead in terms of replacing US capabilities in the event of them being withdrawn and establishing how it can best support EU capability development programmes... thereby increasing the crossover between NATO and EU capability development" (House of Commons Defence Committee 2025). The official reply from the Ministry of Defence stressed that it is crucial that any new initiatives are designed to complement NATO's role (House of Commons Defence Committee 2026). While this is the practical and politic approach, it is nevertheless true that the UK's capacities will become more vital for European security if NATO loses cohesion.

For the sake of both Europe and Britain, the UK government must seek to expand its role in European security from partner to leader. As well as strengthening our security, this is also the most direct way that the UK could give substance to a broader geopolitical pivot to Europe.

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