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Europe's summer of humiliation

America knew the EU was weak. The rest of the world knows it now

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Ursula von der Leyen meets Donald Trump. To placate the US president's instincts, Europe has had to bow down and pay up, no fewer than three times © Andrew Harnik/Getty Images

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Europe entered the summer with the prospect of a transatlantic divorce looming as the futures of Ukraine, Nato and trade remained up in the air. With their beach holidays beckoning, European leaders may now be taking a sigh of relief. The US president who called Nato obsolete, promised to end the war in Ukraine in 24 hours and declared the EU a foe, has instead taken their side — for now.

But to placate Donald Trump's instincts, Europe has had to bow down and pay up, no fewer than three times. First for Nato, pledging hundreds of billions to additional defence and security spending. Then for Ukraine, committing to paying the US for weapons Ukraine needs. And this week for trade, allowing the US to unilaterally multiply tariffs even as Europe promises more than \$1.3tn in purchases of American energy and weaponry, and in investments on US soil.

European negotiators can point out that US tariffs for many other countries are higher still, that European product and safety standards remain in place, that US energy is a desirable alternative to Russian energy, that weapons purchases are already booked under Nato plans, that European investments into the US economy happen anyway and that the headline figures of EU purchases are aspirational. Europe may be paying an acceptable price for trade stability, provided Trump does not change his mind and the remaining grey areas, including steel and pharmaceuticals, are spared punitive tariffs.

But Europe cannot hide from the fact that the Trump administration has bullied it into submission. The leading multilateral free trade block in the world has failed to stand up for trade. European Commission president Ursula von der Leyen was even reduced to painting Europe as the villain, parroting the false Trump narrative of zero-sum trade.

European countries together lack the economic strength, the military power and the shared worldview to collectively stand up for common values and interests. Europe cannot conduct a trade war with the US because it is divided. It cannot afford one because it is weak. It cannot play the art of the Trump trade deal, mixing geopolitics, hard power and ego, into the technocratic process for which the EU is designed. America knew this. The rest of the world knows it now. Europe's relief is born in impotence and made of humiliation.

Psychologically, will this forced appeasement finally push Europe to take itself seriously as a geopolitical power, or will it instead entrench European division and dependence? The signs are not very promising. European countries are committed to spending more on defence and security, but incentivising common national procurement is the most European it gets. In the meantime, three and a half years into a war of invasion, Europe is still incapable of producing the critical weapons for Ukraine.

Deepening the European internal market as a gravitational geopolitical force in energy, defence, communications and finance has been powerfully advocated in influential reports but is gaining little political traction. Addressing industrial decline is increasingly bringing back the past of national state support, bypassing European market integration. Mobilising more common European funds, perhaps the easiest way forward, is still a taboo, as recent discussions on the next EU budget have once again demonstrated.

The single biggest European development of the year is the re-emergence of Germany as a military actor, with a five-year plan to spend more than €600bn on defence and security. But tellingly, the Merz government embraces a “Made for Germany” philosophy, forgoing the opportunity to put a new Germany at the heart of a coalition that could form the bedrock of a future European defence union.

In the same vein, the recent Lancaster House Agreement between the UK and France is a bilateral “*entente industrielle*” of old, enabling both countries to occupy a position of national strength in a Europe of security and defence, but not a building block for a bigger proto-European project.

Jean Monnet said that “Europe will be forged in crises and will be the sum of the solutions adopted for those crises”. His fellow EU founding father, Paul-Henri Spaak, on the other hand, observed that “there are only two types of states in Europe: small states, and small states that have not yet realised that they are small”. If Europe’s humiliation is to end, its leading nations must remember Spaak and relearn Monnet.

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