


Trump 2.0: transatlantic security, the European response, and the implications for Spain and Portugal

Federico Steinberg | Prince of Asturias Distinguished Visiting Professor; Georgetown University's School of Foreign Service; Senior Fellow, Elcano Royal Institute | @Steinbergf 

Bruno Cardoso Reis | Deputy Director of the ISCTE-IUL Center for International Studies (Portugal); visiting professor, Georgetown University.

Theme

The Trump Administration is dramatically transforming the transatlantic security alliance. This has profound implications for Europe.

Summary

The Trump 2.0 presidency's aversion to multilateral cooperation, the EU and even NATO is radically reshaping the transatlantic security alliance. While previous US presidents have called for a more balanced distribution of the financial burden for North Atlantic security, we argue that the current moment represents a fundamental shift. This paper examines the measures the EU must undertake to enhance its strategic autonomy and effectively deter Russia, and analyses the implications of this transformation for Spain and Portugal.

Analysis

1. Introduction

President Donald Trump has made his scepticism towards binding alliances in general –and the historic US alliance with Europe in particular– abundantly clear. He has often emphasised that he sees the EU as a 'foe' and recently said that it was created to '[screw the US](#)'. Towards NATO, he has been only slightly less hostile, having argued it was 'obsolete' and often claiming that other members are not '[paying their bills](#)'. The European response has been strikingly sanguine, often marked by a degree of denial regarding the true implications of these views under a Trump 2.0 Administration, one that, unlike in 2017, is likely to be composed of loyalists committed to fully implementing his vision. Although US calls for a rebalancing of NATO's burden-sharing are not new, we argue that the current situation represents a fundamental departure from past episodes. In the following pages, we examine the reasons for this shift, explore potential future scenarios, and outline the steps that Europeans, particularly countries in Southern Europe, should consider in response.

2. This time it's different

Many Europeans still appear to be in denial about the possibility that the robust US security guarantee, which has served as the cornerstone of the Atlantic Alliance since 1949, may now be seriously at risk. This reluctance is understandable, as tensions among allies with divergent histories and geopolitical perspectives are a normal feature of any alliance. This time, however, the situation is fundamentally different, for several key reasons. First, we now see a fundamental disagreement between most. There is a growing divergence between European governments and the US President in terms of threat perception, most notably regarding whether Russia constitutes the primary threat, despite the Kremlin having launched the first war of conquest in Europe since 1945, in clear violation of multiple international agreements and public assurances, and amid repeated threats from the Putin regime to target European capitals with nuclear weapons. Significantly, Russia –alongside its satellite Belarus– was the only country excluded by President Trump from his global ‘reciprocal tariffs’. Secondly, for the first time since, at least, the Second World War, key figures in the current Administration and the governing Republican Party seem to show an unprecedented ideologically-driven hostility to governments led by mainstream parties in Europe. The so-called paleo-conservative wing of Trumpism goes as far as to show open ideological sympathy for an autocrat like Putin as a paragon of strength, power and traditional values, as illustrated by the [notorious friendly conversation between Tucker Carlson and Vladimir Putin](#) and by the vote on the UN General Assembly of 24 February about the war in Ukraine, in which the US aligned with Russia and North Korea and not with its traditional European allies.

Furthermore, the more radical populist ‘woke’ wing of the Democratic Party is probably not far from an ideologically driven hostility to Western solidarity. And among Republican and Democratic foreign policy elites –the two parties that have alternated in control of the US presidency and congress since the 1850s– there is an increasingly [influential geostrategic school](#) of thought that argues for at least managed US retrenchment and a pivot to Asia-Pacific. Some even advocate a form of pure, unqualified isolationism. This ignores the risks of creating strategic vacuums, leading to more wars between rival powers to fill them, negatively impacting US interests, or the fact that this will reduce US global influence and might create strong incentives for nuclear proliferation with countries like Poland or Japan concluding that they need to develop their nuclear arsenals. But the point is, it is not just the right-wing populists who may drive the US away from Europe. Regardless of the possible endurance of Trumpism, Europeans have to face the fact that the extreme political polarisation of the US and the overcorrection to past strategic mistakes is putting an end to a bipartisan consensus regarding some key US foreign policy priorities that endured since 1941. Europeans cannot afford to be in denial about these fundamental changes, or the fact that they may well mean the end of the US security guarantee for Europe. The question should then be what Europeans might do to best deal with this novel challenge. This will require, most urgently, providing sufficient military aid to Ukraine so that it can continue to defend itself. At the same time, Europe will have to work on a robust and credible conventional and nuclear deterrent against future aggression by a revisionist nuclear power like Russia. All of this must be acknowledged without overlooking the significant threats and vulnerabilities along NATO’s southern flank, or the growing likelihood that the Atlantic, the Mediterranean and the Arctic will become increasingly contested maritime domains.

3. No happy endings?

The only certainty surrounding a Trump 2.0 presidency is a state of permanent uncertainty, punctuated by recurring obsessions: closing borders to both goods and people, projecting quick victories for media consumption, testing the limits of presidential power, and displaying a mix of condescension and hostility towards Europe and its institutions. As such, this ongoing US political experiment is unlikely to end well, unless a pragmatic instinct for survival prevails, prompting substantial course corrections and strategic compromises.

A worst-case scenario remains within the realm of possibility, involving a combination of the following elements: deepening polarisation, political dysfunction and even a constitutional crisis in the US; severe economic volatility and disruption of global supply chains, including those involving critical raw materials, potentially accompanied by a recession; a chaotic retrenchment of the US military presence abroad; the appeasement of autocratic, revisionist powers, leading to the normalisation and potential proliferation of wars of conquest; the collapse of foreign aid and a large-scale withdrawal from multilateral institutions; the emergence of multiple failed states following the Haiti model; and a surge in both civil and interstate conflicts, particularly in Asia. To this, we may have to add active US efforts to divide and rule in Europe by actively interfering to favour fringe parties that are hostile to the EU in the model of [Vice-President J.D. Vance's unprecedented speech in the Munich Security Conference in February 2025](#). And last, but not least, the possibility of the US appeasing Russia at the cost of Ukraine and of Europe, hollowing out NATO, and trying to do the same with the EU. The best-case scenario seems to be that not all these things come to pass, but can anyone guarantee that none of them will?

The high and dangerous stakes involved present not only a major risk, but also an unwelcome –yet real– opportunity for Europe to consolidate and emerge as a more coherent strategic actor on the global stage. The first Trump presidency served as an external ‘federaliser’ for the EU; similarly, a second term could catalyse further integration. This process must begin, above all, [in the realm of defence](#), decisively abandoning the illusion that the EU is merely a soft, normative, civilian and economic power in global affairs. That said, a significant challenge remains: Europe is not a state, and the collective action problems this entails are considerable. Frequent and genuinely democratic elections across the 27 member states create a constant potential for shifts in leadership, policy priorities and the balance of power within the European Council, the principal decision-making body in such matters within the EU.

The EU, with these 27 member States and the Brussels institutions, is, in [Jacques Delors' words](#), a UPO: an Unidentified Political Object, with both confederal and federal features. And although some public opinion polls show support for such a scenario, it remains unlikely that the EU will soon evolve into a ‘[United States of Europe](#)’, a fully federalised entity with its own substantial resources, a significantly expanded budget and a European military modelled on the US example.

A better coordination of European efforts, namely on defence, does not require, however, reproducing exactly US Federalism. A European version of a Hamiltonian grand bargain is a crucial precondition for a significantly stronger more credible Europe, and Southern

European leaders should argue strongly for it. At the same time, more focused subregional groupings within Europe seem ideal to come up with new ideas and new formats through so-called 'enhanced cooperation initiatives'. If they prove workable and effective, they can then be scaled up. On defence, this could and should allow bringing in relevant and willing countries from outside of the EU, like the UK, Norway, Switzerland and Iceland. On defence, smaller minilateral subregional groupings that share more of their strategic culture, interests and threats could develop into regional military command structures, more rapidly and effectively join efforts, and thus help to solve the collective action problem and disputes over continental leadership. Similar groupings are already possible and should be sped up and more adequately financed around the development of specific weapons systems as Permanent Structured Cooperation within the European Defence Agency framework.

One crucial aspect of early US history offers valuable lessons for the EU: deep political integration can be catalysed by external threats, and defence spending should be, at least in part, financed at the federal level. [The Draghi Report](#), in fact, proposes joint EU borrowing as a more efficient alternative to fragmented national debt issuance to support increased defence expenditures. A collective approach would enhance resource allocation, generate economies of scale, lower procurement costs and facilitate compliance with NATO's budgetary targets. Given that defence is a European public good, there is a compelling argument for financing it at the EU level, either through jointly issued European debt guaranteed by member states, or via new EU-level taxes. Notably, some Northern and Eastern European countries that have historically resisted debt mutualisation –long championed by Southern member states– now appear more receptive to shared defence spending, in light of the heightened threat from Russia. This shift represents a rare and timely opportunity to introduce so-called 'defence Eurobonds', one that Europe should not squander. These bonds could attract additional private sector investment, fuel innovation and, as seen in the US defence industry, facilitate civilian applications for military technologies while stimulating economic growth and higher levels of productivity. They would not replace national debt issuance, but could become, over time, a primary financing mechanism for the European defence industry in an integrated system.

4. Risks and opportunities for (Southern) Europe

Most Southern European countries are part of the 'hateful eight': Croatia, Portugal, Italy, Spain and Slovenia are part of the total of eight Member States of NATO not meeting the target for 2024 of 2% of GDP invested in Defence, together with Belgium, Luxembourg and Canada. We should not be in denial about the risk of being named and shamed about this, not least at the NATO summit of June 2025 in The Hague. What should Europe do about it?

Southern European countries should spend more on defence. But they should also make clear that if they have not done more in the past, it is not because they are bad allies. It is, in fact, because they have been asked in the past by other EU countries, notably by Germany, to give absolute priority to adjusting their public finances. After the global impact of [the US financial crisis of 2008](#) dramatically intensified fiscal and debt difficulties in the eurozone, Southern European countries were forced to lower public debt and cut

public expenditure, including on defence. Greece is exceptional, now spending more than 3% of GDP on defence and being praised for this. However, for years [Greece was publicly criticised for spending excessively](#), including on defence –a critique that largely ignored its geostrategic position in the volatile Eastern Mediterranean–. Meanwhile, countries like Portugal and Spain, once praised for their efforts to reduce budget deficits and achieve sustained economic growth, are now being criticised for their limited capacity to increase defence spending as a percentage of GDP, difficulties that stem, in no small part, from those very same fiscal and economic policies.

A second factor that warrants honest acknowledgment is the role of geostrategic realities and public perceptions of threat, which in turn shape electoral priorities. These considerations are central to the Trump Administration's stated rationale for its policy decisions, and they are by no means unique to the US. In the European context, countries such as Portugal and Spain are geographically as distant from the Russian threat as any nation on the continent. This spatial separation inevitably influences both public opinion and national priorities regarding defence and security.

The Portuguese and Spanish Atlantic archipelagos are significantly closer to the US and Africa than to Russia. Consequently, people in Portugal or Spain, as in the US, do not feel particularly threatened by Russia. We are well aware that there is a real risk of a grey-zone warfare of Russian threats, like sabotage or even assassination. Arguably, there were a couple of examples of this already, in Spain if not in Portugal, namely one targeting the former Russian [pilot Maxim Kuzminov who had refused to fight in Putin's war](#). But most of these took place in Eastern and Central Europe. Still, Spain and Portugal should not be complacent or risk becoming the weaker link. The Atlantic, the Mediterranean and the Sahel are increasingly contested spaces in which Russia is increasingly present and hostile. Again, this means that Southern Europeans must spend more and better on their defence. But it also means that, as the governments in Madrid and Lisbon have argued, member states should be able to include spending on intelligence, on counterterrorism and counterespionage, on cybersecurity and security of critical infrastructures in their defence expenditure accountability within NATO. This also means that Southern Europe, especially the Iberian Peninsula, should take into account its geostrategic reality that points not to investment in massive heavy armoured divisions but give priority to sea-air-land capabilities, mobile forces and mobile defensive assets. The war in Ukraine also underscores the need to draw lessons about the growing role of emerging disruptive technologies –such as air, sea and land drones– as well as the broader importance of coastal and aerial defences, military robotics and artificial intelligence. At the same time, the conflict has reaffirmed the enduring relevance of traditional defence measures, including fortified defensive lines and large strategic reserves of ammunition.

Southern Europeans, like other Europeans, value alliances and the principle of solidarity within them. This is a legitimate and important reason to increase defence spending. However, the democratic appeal of such solidarity has its limits, particularly when the expectation is to significantly raise defence investment, potentially even doubling it, in exchange for relatively little from our Northern European allies and increasingly less –or perhaps nothing at all– from the US in terms of security guarantees or military presence.

To the US we should make clear that we can and may have to continue for some time to buy some US weapons, but this requires guarantees that the US will remain a reliable ally with an effective troop presence as a valuable, low-cost deterrent in Europe. Who would believe that Article 5 of the Washington Treaty still means something for the US if the Trump Administration shows itself unwilling to risk a single soldier in Europe? Europe should not expect lasting compromises from President Trump, but it can and should seek short-term agreements while it works to strengthen its [strategic autonomy](#). If the US wishes to continue selling weapons to European countries, it must be willing to offer at least minimal security guarantees and refrain from a full withdrawal of its troops from the continent. After all, even Putin's Russia provides basic security assurances, troop presence and diplomatic support to its primary arms clients. These guarantees should include, at a minimum, a halt to coercive behaviour towards NATO members –such as previous attempts to pressure Denmark over Greenland– and similar threats against other allies. Additionally, a basic commitment not to abandon Ukraine is essential. If the US were to cease supplying weapons, ammunition or spare parts to Ukraine –the country that currently allocates the highest share of its GDP to defence– in an effort to appease Russia, what confidence could other European allies targeted by the Kremlin have in continued US support?

For Northern and Eastern Europeans, the central message from Southern Europe should be one of recognition: that the budgetary constraints they now seek to ease have long been a source of contention. Southern European countries have, for over a decade, called for flexibility in the EU's rigid fiscal rules. It is encouraging that there is now, finally, a broader consensus to make them more flexible. However, this shift comes late and, more importantly, falls short of what the current situation demands. If those countries most directly threatened by Russia expect solidarity and a sense of urgency from the rest of Europe, they must also demonstrate those qualities –at the European level–. As previously argued, what is needed are real, [permanent Eurobonds to finance defence, technological innovation and the green transition](#), not a continued reliance on uncoordinated national debt issuance, which only exacerbates existing debt burdens and incurs higher borrowing costs.

History demonstrates that credible, jointly issued public debt is a vital instrument in times of war, particularly in prolonged conflicts. This was a decisive British advantage over France during the struggles for hegemony in the 18th and 19th centuries. If today's security emergency is indeed real –as we believe it is– then concrete action, not just rhetoric, is required. Should Northern and Eastern European countries genuinely value solidarity, they can express it in ways that matter most to Southern Europeans, particularly through fiscal instruments that support common defence efforts. If additional resources are needed to sustain this endeavour, we must be prepared to think 'outside the box'. A bold step in this direction –such as issuing joint European debt– would signal cohesion, resolve and strategic seriousness, while also attracting investors eager to diversify away from overreliance on the US and thus increasing the international role of the euro.

Conclusions

In sum, individual European states are too small to shape the global agenda, to effectively assist Ukraine, contain Russia or respond to a more adversarial US or China. Even if the Baltic States were to spend 10% of their GDP –or, in an extreme case, emulate Ukraine’s defence spending of 37% of GDP in 2024– it would likely still fall short of effectively deterring Russian aggression. More than ever, there is a pressing need for better coordination and integration of efforts to achieve scale. Collectively, European NATO members already spend around US\$480 billion annually on defence –second only to the US–. However, this figure is, to a large extent, a notional rather than effective sum, as it fails to capitalise on specialisation, interoperability and economies of scale.

Within this context, the current transatlantic crisis may serve as an opportunity for Europe. The EU remains the most institutionalised, democratically legitimised, prosperous and deeply integrated regional grouping in the world. However, it must significantly improve –and do so swiftly– particularly in the defence realm, across its industrial, logistical and operational dimensions. Europe cannot credibly lament that Trump’s US fails to grasp or prioritise the fact that we are engaged in an existential confrontation with an axis of autocracies determined to reimpose the logic of ‘might makes right’, while simultaneously failing to act accordingly.