



EU Weaknesses and Strengths in an Increasingly Unstable World

Dr David Rees. February 2026

The Brussels Effect

- 450 million people
- One of the top 3 trading blocs in the world
- The Euro is the second world reserve currency
- Largest trading partner for 80 countries
- China and the US adopt EU norms and regulations
- The EU is slow but durable
- The EU grows by voluntary attraction

Militarily

- Reliant on the US.
- Recent aggression by the US is pushing the EU towards increased defence spending but with greater industrial autonomy (this takes time!)
- Foreign Policy and Security require unanimous decision making
- ESA (European Space Agency), AirBus defence Galileo and EGNOS satellite navigation technology

Energy and Industry

- Dependency
 - Rare earths and batteries
 - Semiconductors
 - Defence equipment
 - Fossil fuels (gas and oil)
 - External and Internal Competition
 - EU Competition policy

Politically

- The EU is right-wing neoliberal and has prioritised big business over social welfare
- EU citizens don't see the benefit and are moving / voting towards nationalist, even anti-EU political parties
- Move from Solidarity to Predatory model
- Different economic models and objectives
- Difficult to leave the EU and the Euro
- Lack of Macroeconomic and Fiscal harmonisation

Summary

The economic threats from China, the geopolitical and trade threats from the USA, the breakdown of 'rule by law' NATO, UN, WTO, IMF, WB, and the military threat from Russia on the EU border, clearly show that the EU is running behind, and is slow to readjust to these threats. But, the EU is so big that it can't be ignored.

This pressure on the EU will hopefully lead it to become more autonomous and efficient (and perhaps, less naive) in the future. I'm hopeful – but the race towards a 'war economy' should be slow and organised, ideally with a new non-militarised NATO membership on Russia 's border – which is what started the Russia/Ukraine conflict. See [Ukraine Conflict](#) (DR) and [Jeffrey Sachs' speech](#) to the EU Parliament.