

Tanks But No Tanks: The Future of European Defense

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<https://www.youtube.com/watch?v=Yx20HPTSMI4&list=PL7fuyfNu8jfP8TWSJzPCsyScNGwbW6xbQ&index=7>

Speakers

- Baiba Braže, Minister of Foreign Affairs, Latvia
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- Julie Smith, President, Clarion Strategies; Former U.S. Permanent Representative to NATO
- **Moderator:** Shashank Joshi, The Economist

Joshi

Good afternoon, everyone. Thank you so much for joining us. I understand not every panel at this forum will be chaired by The Economist, but the best ones probably are. I'm also very grateful to the Institute for giving to start this forum, start this discussion, three Europeans, one honorary European a chance to discuss this topic, because it isn't always clear where European defense right now stands in US thinking, but I think it's a subject we should get onto. And whether that statement that we just heard from Nick Burns that Europe is our ally forever, whether that's still something we all can repeat in confidence, whether we can all believe in confidence. And I hope we discuss that. I just want to begin with a couple of very quick reflections. I was at the NATO Summit like several of you, like many of you in the room just a few weeks ago in The Hague, and before the Summit, I spoke to a senior European diplomat in NATO who said the Americans only want to talk about 5%, 5% of spending on defense. The Europeans want to talk about the reasons for 5%: Russia, Ukraine, and some other things. And I thought that summed it up very nicely indeed. But I also thought that the outcome of the Summit revealed a certain tension that I'll get the panelists to reflect on, which is at once a pretty momentous outcome, 5% target, really, 3.5% percent of GDP on defense, plus 1.5% on various other fluff, including infrastructure, but rounds up to a nice number, but on a timeline for 2035. and we heard from Mark Rutte, who Nick mentioned, that the Russian threat to Europe could become extremely serious within five years, given the pace of the current build up, and that discrepancy hangs over European security today. And the final reflection I have is the contrast between the mood that many of us heard in Munich. Julie, I saw you there, Wolfgang, you were there. I'm sure many of you were also there. A sense of trauma, a sense of panic, a sense of real uncertainty, following the interventions by Pete Hegseth, the Vice President JD Vance, and then, of course, Donald Trump opening talks with Russia, and the NATO Summit, where there was a sense of phlegmatic acceptance, a sense of business-like getting on with things, a sense, also that perhaps the worst case hadn't materialized, that actually Trump came out of that summit, relatively positive about NATO, and in the last couple of days, more positive noises about Ukraine. So with those sort of three scene setters in mind, Baiba, I'd like to turn to

you first. You're a serving Foreign Minister. You represent a country with excellent intelligence services. I think you're also, you're also a reservist with a personal stake in European defense,

Braže

Member of National Guard.

Joshi

Member of the National Guard, not just, not just a sort of Minister overlooking this from on high. How acute is the Russian threat to Europe today? Is it something that can unfold on 10 years? Is it Mark Rutte's five years? Is it the figure we hear from the head of the German armed forces that could manifest by the end of the decade? What is it?

Braže

I don't think there's one answer, the one word, if you ask me, what is the Russian threat like? It's manageable, but it does require action. It does require leadership. It does require the strength that we basically cover under 5% it's about strength. And when we look at what is the Russian threat, I think it's important to know actually Russia's warfare doctrine, and very often we only think about what we are seeing in Ukraine after 2022 but what was happening before and before 2014 was also warfare, and that was part of Russia's doctrine. It was preps, it was cyber, it was info ops, it was corruption, it was influence gaining, it was everything. It's part of the warfare. And that's happening already. So you cannot separate that conventional, non-conventional parts from each other. And I think understanding that for, not only Europeans, when we speak about Europeans, we include Turkey, we include Norway, we include basically everyone in Europe, it's not just EU. It's happening in the US. It's happening in Canada. We all know that, and understanding that wholesome threat is very important, that the preps testing involves strength, but basically for us, it's three lines of effort that still matter. One is making ourselves strong. So whether it's 5% for us, some of us, it will be more, because external border of the EU and NATO, it's not just abstract 1.5%. We are all very ready at 4% purely militarily. So strengthening civil border. You know, the border guards and so on, so forth, customs, but also militarily, ISR, everything. It involves everything. It involves a lot of resources. It doesn't come back to the economy always. That's an issue. You need the GDP to have those 5%. So the economy actually matters. That's why all the trade disputes actually don't help anybody in that respect. And then, of course, we need very clearly to weaken Russia. That's the cheapest way to sort of delaying Russia's threats that could become more conventional, and strengthening Ukraine. That's a short term, medium term issue. And strengthening Ukraine, it's great what President Trump has been doing with regard to coming to see decision making that yes, Putin is just bluffing his way through and trying to delay any sort of decision making in Washington or elsewhere, but in the same time also clearly recognizing that there is not a single indication in Russia that they want peace, nothing, not one little bit. Some of the sort of more hidden questions in the questionnaires that are still being done in Russia do show change of attitude with regard to concerns, with regard to the attitude of possible peace with Ukraine, and so on, so forth. But in power structure, no change. Politics, military, economy, private sector, religion, media, everything about the war. And so we cannot expect that threat diminishing, whether that's unconventional on nuclear or subconventional part in the Russian warfare doctrine. So

threat is real, it's there, and it's manageable, but it requires strength and clear commitment to weaken Russia - sanctions and so on so forth.

Joshi

So deterrence holds. Deterrence can hold. And the view expressed by Secretary General Røtté that if you don't spend 5% start learning Russian, that may be a slightly unhelpful view in your framing,

Braže

Secretary General is different from Secretary General before,

Joshi

Certainly, certainly more effusive in his text messages.

Braže

And he, you know, he expresses himself differently, just like US presidents do and but again, speaking about where we are with the US, it's pretty straightforward. I mean, all the US administrations have said to nations in Europe who are not spending on defense, because you can say Europeans, because we are Europeans, more than 5%

Joshi

We'll come back to Europe and your defense.

Braže

But those messages wake people up and the way President Trump spell it out, yes, it's very sometimes different, but at the same time, both in his first administration and today, it does bring results. It does bring results.

Joshi

Thórdís, can I turn to you, given your involvement in Ukraine and your prior experience as well, it is clear that whilst we've avoided the worst case of a complete cut off of us, weapons of critical munitions of Patriot interceptors, we've avoided that it seems we're in a sort of still a new world where Europe is expected to pay for US weapons Europe has to take, as in conventional defense, so too on Ukraine, Europe is expected to stand up. So the question I want to ask you is, do you feel Europeans have a strategy? Is the aim simply to keep Ukraine Armed to a sufficient degree to survive, or is there something beyond this. Is there an end state that you think Europeans have in mind that they are aiming to with this?

Gylfadóttir

Well, I mean, first I would say, I think most of us realize now that the war in Ukraine is literally a test of everything we stand for. And I actually agree with the diplomat that, you know, put in one sentence about the 5% and then you know, what are we ready to defend? I hear the statements. I know that the defense spending has increased. But I also know the only reason we still have the time because we always say we need more time. Europe needs more time. You know, we

need more time to find the money to increase production and all of that. The only reason we have that time is because of the fighting spirit of Ukrainians. So, you know, I hear the statements, but we are not doing enough. We are not doing it fast enough, and we say that we're in it for as long as it takes me personally, I'm getting very tired of that line, because for as long as it takes, what does that mean that? I mean, I would say that that connects with your question. I would say that we should be in it for Ukraine to win, for Russia to lose, and to send a very strong signal to other autocrats that are thinking about something similar. And in that regard, I think it's extremely important that, because I have had conversations with people from from the US, where they've said, "You know, we can't be supporting Ukraine as much because we have to worry about China." And I said, "Well, you do see how that connects?" And some people say, "No, it doesn't. It doesn't. We have to focus on China, and we can't do what we should be doing with regards to Ukraine," and I think that's a fundamental misunderstanding. So, you know, we're not doing it enough. We're not doing it fast enough. And the only reason we still have time and things have not gotten worse in other countries in Europe is because of Ukraine. So instead of, you know, they always say, thank you. I can say for myself, and I think we should all rethink that, and it should be us thanking them, and not the other way around.

Joshi

I imagine there are a great number of Europeans who wholeheartedly agree by by many of people, many of those in your region, but there are also great many who would not, and would say that realistically, the end state is going to be a the arming Ukraine to achieve a imperfect diplomatic solution in which we will give up many unpleasant and unpalatable things. That is the consensus in Europe, is it not?

Gylfadóttir

Yeah, but I mean, again, I think we also have to understand what they are fighting for. Ukrainians are not only fighting for their internationally recognized territories. They are fighting for, you know, a change in how the society operates. They are fighting for a society that they've already made a decision, that they have become and will continue on that path. So for them, it's not about the it's not only about the territory. It's about what kind of society they want to have. So yes, there might be, you know, let's say there was a cease fire, there would be some sort of peace negotiations. However, that will turn out. The main thing is, will they be able to pursue what they want, which is to become a member of European Union and also NATO. And I actually think that, you know, worst case scenario for Europe would end up being, we would be calling them, asking them to join NATO. Because if you would have to call a friend in time of a, you know, very difficult conflict or crisis or war, I think many, many European countries would actually want to call the Ukrainian friends because they know how to fight the Russians.

Joshi

Wolfgang, I appreciate your views on that. But also, more broadly, I'd like to put a broader hypothesis to you and you can tell me if you agree or disagree, which is that the sense is now Europe has bought itself for some time. It's in the midst of, you know, the title of our panelist, "Tanks, but no tanks," I think that would have been completely fair as a title many previous years. Maybe it's a little bit less fair this year when, certainly your country is in the midst of a

huge tanks, tank-buying spree that puts, you know, many other countries to shame on the sheer scale of the armor it's procuring, as well as many other capabilities. But the view is that Europe has avoided the risk of a disorderly, chaotic US retreat, but it now has a number of years, but perhaps less than it thinks, to stand on its own feet to build a European defense, but we can't do it in under seven or eight years. This is a task of a decade. Is that how you think? Is that how you saw it in office? Is that how it's a fair way to see it? And you know, is that a reasonable strategy to proceed?

Schmidt

Yeah, that is what is agreed upon, or was agreed upon at the NATO Summit and beforehand at the with the NATO Secretary of Defense so that we have 10 to 15 years, but obviously we try to speed up our defense spending.

Joshi

Fifteen is optimistic. Wolfgang.

Schmidt

Yeah, I'm a member of the working group of "Optimists in Politics," and I continue to be that. Actually now money is not the constraining factor, it's industry capacity, and sometimes I had a feeling it's industry by name only. It's like craftsman like building very beautiful and very expensive weapons and we need to get to speed. And so what we need to do, as one of the countries that produces quite a lot of good stuff, like IRST for air defense, we need more countries to buy so that the company that produces that would ramp up production. And the same goes true for ammunition. And then we also need, and our defense secretary just did an interview with the FT, also urging industry to ramp up production and not awaiting that you have a guaranteed 10 year contract where we guarantee you, from the very beginning, that we're going to buy half of the production, a little bit of capitalistic risk appetite, and I think it's nearly a risk free environment at the moment, given the 3.5% for defense spending. And what we decided, the new government decided is that now we got rid of our debt, break for defense, we gonna speed up coming to the 3.5%. So we said we're going to reach that in 2029 which is an incredible increase in defense spending. But yes, it is complicated, and we really need to turn everything, because the system got very complacent as well, both on the industrial side, but also, like our procurement, the tenders, as you all know, we have 130 different weapon systems in Europe. Meanwhile, the US has 30, because there's a lot of competition between European companies, then we need a fair share if we do join European, like, fighter jets. I negotiated personally several times with our friends in France, because, like everybody's obviously protecting also their own industry, and that kind of thinking we need to overcome. And then I'm optimistic.

Joshi

And just very briefly, also on Ukraine, because it's no secret that Germany was among the countries that was somewhat more skeptical on the NATO question. I mean...

Schmidt

Yeah, but at the same time, and people tend to forget that when there's so much euphoria, we were by far the second largest provider of military aid to Ukraine in the world, and by far the largest in Europe. Had Great Britain done the same we've been doing, they would have doubled, actually, their support to Ukraine and people somehow forget that we didn't talk too much. So our PR department was not as good as others, but actually our production was pretty good in our delivery unit. I think that the problem is, and everybody applauds, and we all want Ukraine to win, but the real question is the one that you ask and that is so difficult to even discuss in broader public, and that's the tough discussions we are having with the Ukrainian friends. What is realistic in confronting a nuclear power so is the idea to win back Crimea a realistic one? Probably most of us think it is... it would be great, but it's not so realistic. And so the question, when we tell them, "You have to win," especially in the beginning, don't we put too much pressure also on poor President Zelensky, also internally, because he will, and he did it now he will have to sell tough decisions to his people, and that's not easy, so I think it's a very complicated issue, but definitely we have to help them to withstand this Russian aggression. And obviously, like international law, like, us as human beings, as freedom loving people, we would like them to win back all the territory. And at the same time, I think the approach that President Zelensky took in the last month is probably a more realistic one. Nevertheless, we don't know how to end that, and so I'm less optimistic on the joint strategy that we have here. And my feeling very often now that I'm out of office, is and my frustration is that we didn't discuss these questions honestly most of the times.

Joshi

Thórdís did you want to quickly say something before I turn to...

Gylfadóttir

Just because, you know, not, you know, I'm not talking on behalf of anyone in Ukraine, but I, but I just think again, because of if we understand what they're fighting for, I would assume that for them, the primary thing is to have the possibility to be the society that they want, which which is free, prosperous, you know, without corruption, protects human rights and is allowed to be a part of, you know, European Union and other alliances that they want. You know, so I don't think that it's not, you know, either you have the 100% of the former international recognized territory, or there's nothing. It's the fundamental thing is that they are allowed to have to build up a society that they're fighting for.

Joshi

Julie, can I turn to you, because a lot of these issues and web particularly, in particular, whether we have that 10 to 15 years to do, this depends on choices made by the United States. I saw you in February at Munich, and I quoted you in a piece I did, I wrote, and I think you said to me, "The lights are blinking red on the risk of at that time," we didn't quite know what was happening and what might happen on us decisions in Europe, when I now talk to US officials, the mood is actually that they feel there won't be dramatic changes to false posture in Europe. They're quite relaxed. They think troop numbers will remain broadly stable. Of course, there will be some reductions, but there will be a fairly orderly, calm process, not the sort of hints of what we've

seen in South Korea, or you know, with sort of rapid reviews of posturing in unexpected ways. Are we being complacent?

Smith

No, not necessarily. I mean, in truth, we don't know what the result of the global posture review is going to be. I certainly don't know what's going on behind closed doors. But there are certain scenarios that do give me pause. And I think if you look at the 20,000 additional US troops that were put into Eastern Europe when the war started, there is a risk that those troops come out quickly. And there's two scenarios of how Europe responds to that. On the one hand, Europe could say, "All right, the US needs to focus elsewhere. Roger that, and we're going to fill the gap. We're going to do more in Eastern Europe and enhance deterrence so that Moscow understands that they cannot touch NATO territory." That would be a delight. There's another scenario, however, where Europeans, some Europeans, say to themselves, "Huh? The US feels comfortable leaving Eastern Europe right now. That may signal that they don't see the Russian threat to be as acute as it was when they sent those troops in in the first place, therefore, we too could withdraw or reduce some of our troop presence in Eastern Europe." But that's just the Eastern European piece. There's a bigger question, and that is, will the Trump administration be comfortable with drawing troops that are based in Germany and Italy, and there you really then have a dilemma for the NATO alliance, because despite the increase in spending and the really fantastic summit that we just had, and we should feel good about what just happened at the NATO Summit, great result. But as we have also noted this evening, it will take time for Europe to spend those resources in a way that it could make up for any gaps in any of those three locations, particularly as it relates to the enablers, things like lift, air-to-air refueling, missile defense. There's a long list. ISR in particular. Where Europe is not in a position today to fill those gaps if it's so desired. So my understanding is that NATO, Secretary General Mark Rutte, has assurance from President Trump that it will be an orderly withdrawal. It will be slow and steady. Whatever the outcome ultimately is, allies will be consulted. I hope that's how it unfolds. But I think based on what we've seen over the last couple of months, I think it's understandable for all of us to question whether or not it will unfold as planned.

Joshi

I'm going to come back to you in just a second. Judy, but by the first when you look at those two possible European responses to the vacuum that's left, or the gap that's left, a reinforcement of Eastern Europe, a sense that we'll do more to deter in the way that you said at the beginning, or a sense that actually sort of standing back a little bit with these threats, not that acute. What are you hearing when you talk? I'm not asking you to name individual countries, but what mood are you getting out of your allies and partners on this listen?

Braže

There hasn't been a single message that US is going to leave Europe. I mean, that's not the way the discussions take place. That's not how the discussion goes about. We have to be very aware that those capabilities that US has in Europe not always are useful elsewhere. If it's about threats in the Indo-Pacific from China, that's actually quite different. We need more air and air time forces. Again, I'm not going to go into details, but the military side really knows when they

talk about it and what is needed what is not. The same with the Middle East. We saw what was happening when the situation was brewing there. Very much of US posture was related, actually to what they had in southern Europe and Central Europe, and those 20,000 forces and President Biden's decisions were greatly appreciated, quick, efficient, fast. They are training. They are not sitting in the barracks or something. They are actually doing very efficient training. And those that posture changes like now we had the big BALTOPS exercise. It was entirely different from what we had had before, different troops, different speed, different capabilities involved. And that's what the allies in Europe are doing. We are developing the biggest single military range, brigade size, maneuvering with electronic warfare, life bombing, night flights, everything, you know, drones, everything.

Joshi

The sort of thing you started to do in Britain.

Braže

Yes, where it's difficult to do elsewhere, and that is in accordance with the US requirements, and that is what interests the US forces. So we are in pretty good sort of relationship in terms of discussing and talking about it. But then, of course, the Posture Review matters, because threats are threats. And Nick was just talking about where we are with China, and you didn't mention the nuclear you didn't mention the conventional forces that China has a space and so on so forth. And that's real. It's there. So we just have to be aware that it's all there. China is not explaining why it has done so. There is no real dialogue ongoing on that in substance. So not even not picking up phones when it matters. But why the nuclear, why such capabilities are being developed? And that's something that it's not only the US that realizes China is enabling Russia's war in Ukraine. Russia would already have lost the war if not.

Joshi

I'm glad you raised China and I wanted to connect the conversation to where Nick left off, which is just Judy to you for a moment, the UK has an aircraft carrier strike group in the Pacific right now. Germany has sent frigates in the last 18 months, the Italians have sent naval assets. There's a lot of European interest in involvement. It is reported that Elbridge Colby, the Pentagon's policy chief, told the British that he doesn't want them there. We don't want you there. You are diluting your effort in Europe. Stay in your lane. Very different message to the one that Biden administration delivered, which was, there is utility in your presence, in an intermittent, moderate presence. How do you weigh this? Do you think there is a risk that Europe could dilute what are relatively scarce naval assets, for example, in the Pacific, when it really should be focusing on the high north, the Med, these theaters that are quite severely contested.

Smith

Well, it's more than just sending a frigate into the South China Sea. I mean, what we did at NATO through the last administration was to bring our Indo-Pacific partners closer to the NATO alliance. They were frequently coming through the front door of the Alliance to brief allies on how they tackle things like cybersecurity attacks. I mean, in many ways, our friends in the

Indo-Pacific face challenges from China that mirror how our friends in Europe are facing challenges from Russia and given what Nick Burns just talked about this deepening partnership between Russia and China, we thought it would be fruitful and productive, and it was to bring America's Indo-Pacific allies together with our European allies and it yielded some really interesting results. I would just note, when North Korea sent 11,000 troops to Russia to fight Ukrainians, South Korea came into the Alliance to brief allies on who those forces were, and that was a really interesting, concrete example of the value of Indo-Pacific allies, working with European allies, so above and beyond a ship you know, sailing through the South China Sea and the naval presence, all of that's important, but what's also important is deepening those partnerships and what I fear, and what I do hear from some European friends is that this administration sees less value in that, and I think it would be a tragic mistake to lose sight of one of America's greatest assets, and that is the allies we have across the Pacific, the allies we have across The Atlantic, and our ability to bring them together.

Joshi

Wolfgang, can I turn to you and again ask we've talked about US force posture in Europe and US intentions, but we sort of must circle back to the question that Zannie asked Nick about President Trump in Taiwan, and the equivalent of our panel is very simple. Which is, do you believe that President Trump would meet his Article Five obligations in a serious contingency?

Schmidt

Yes, and we are trying everything to make sure that this will hold also in the next months and years. And I think the NATO Summit showed that he also understands what is at stake. And so yes, I do believe that it will hold.

Joshi

Can you just give us a line of reasoning to justify that conclusion. Well, for points,

Schmidt

It's that he...

Joshi

I admire your optimism.

Schmidt

He's talking a lot about stuff, and then at the end, he's not doing a lot of what he was saying and

Joshi

You're avoiding using a well known acronym, but...

Schmidt

Yes, I know but my ex-wife is Mexican. So I think there is at the end, belief also in the system you might call the "Deep State," that we need allies and obviously it's the final decision of the US President. But it's so interlinked what we see and he probably also felt good at the NATO

Summit, and Mark Rutte made sure that he feels that way, and he she, I think he sees and we've seen that in Trump one, and I know Trump two is different from Trump one, that at the end, he was sticking to what we agreed upon. So that's where my optimism is coming from. But obviously nobody can look into his hat and if we were to think that Article Five is not worth what it is, then we were in deep trouble, but that is why we, on the conventional side, doing everything. And so, for example, to Judy's question, well, Germany is deploying 5000 people, like a brigade to Lithuania.

Joshi

Which no other European, West European...

Schmidt

Yeah, like at the eastern flank in Poland. And, I mean, think about it, German troops in the Baltic that would have been unthinkable of even 20 years ago, and now they are welcome, and that's a good thing. So I think we are living up to the moment. And former chancellor Scholz proposed a European Sky Shield Initiative to protect the whole of Europe, and we develop deep precision strike capabilities to conventionally deter Russia also hopefully in 10 to 15 years, without the help of our American friends, so like better safe than sorry, but Article Five will hold, and the Europeans are doing everything that also in the foreseeable future, the deterrence that we offer is enough against Russia, But the capabilities that that we are lacking are there, and it's that's a clear problem, though, including intelligence.

Joshi

Baiba, you're nodding along.

Bražė

Absolutely, I agree on President Trump. The meeting itself was very good. The Hague meeting also the substance and forum. And the leaders were very open to each other, and it was very constructive, which is what matters, when you are with allies, you don't want just to do sort of pre-recorded, well known texts. And just like it was with President Biden, you remember Julie, when there was some pretty free discussions around the table and leaders, you know, running across to each other to explain what they meant, and then arguing with each other. So that's what you do when you are with allies and friends, and you can be pretty straightforward, but on the capabilities and Europe, I mean institutionally, the EU actually has done a lot and also fast for the EU, because its organization very much around the unanimity on CSDP, CFSP, which is a common foreign security policy and defense policy. And what has been achieved is that the EU will be funding through 800 billion program to re-arm Europe, the same capability gap that had been identified in the NATO defense plans. So essentially, Europe is putting its money where the needs are, and that is something that we did not expect to see happening so fast. Now, of course, it relates to what Wolfgang was saying, but we all know it's the fragmentation of the industry. It's a standardization. We have American Howitzers, you know, we will be building grain metal factory. We actually need those 155 missions to fit the American howitzers. And it's pretty straightforward. It's NATO standard, one of the standards. But, you know, there's a problem. So it's about that adjustment and the reality that it's not about standards on

papers, but the reality there. And the third point is actually the talent, because what you saw was the Ukrainian operation taking out 70 billion worth Russian operation, strategic, yeah, Putin ... the spiders web, exactly... It was about the talent, the knowledge, the ability to innovate, prepare, but it was the use of very simple, very straightforward capability. It was off the shelf drones. It was not something that it was, you know, billions worth equipment. So the talents that we have in Europe, in our country, it needs to be freed. It needs to be freed. And that is, of course, something that, again, relates to regulation, and that is the strength of Europe, strength of EU, but also a weakness. So that is something that through the whole process, needs to be just sort of opened up and freed. And I think we are getting there. From what I'm seeing in Latvia, with our with our drone industry, with our quant industry, and so on and so forth. Why do Latvia produces 20% of world's algorithms in quant? Because of talent, because of the people, because we have enabled them, because there is a team doing that, and so on and so forth. So we do have that, and putting it together within the alliance, and not forgetting that when we talk about Crimea or the south of Ukraine, Turkey has said, we will never accept it as legally Russian. We will never do that. They have a strategic interest in the north coast of Black Sea not being Russian forever. And it's just again we keep forgetting when we talk about Europe, said, there is a geopolitical player that is that is very strong, and when Italy speaks about Libya and the concerns they have for Libya, we know how we need to work together with quite a number of other actors to actually address that threat. And that's, you know, not only migration, but all those purposes.

Joshi

So we approach the end of our conversation. Thórdís can I come back to you, just to get a sense of whether this really is an inflection point in Europe, how serious this moment is. I talked about German rearmament on an incredible scale, just incredible. And then cultural steps, like the deployment to Lithuania, not to mention sort of, you know, many other things, like the assistance to provide long range strike help Ukraine build long range strike capabilities. More countries also, in its way, undergoing a serious debate around the question of a standing army, the question of an intelligence service, which also speaks to the same really powerful current of change in Europe. Can you just give us a sense from that sort of high north, Northern, Mid Atlantic perspective. How does it feel to you? And does this feel? Does it feel different this time?

Gylfadóttir

It really does. And I think there's not like one specific thing. It's just when you look at all that is happening, and what they have in common is that, you know, often, when I come to and sit in a panel like this, the moderator, which you have not done, and I thank you for that. "Say, you know, and please be optimistic. You know. Please, you know, be hopeful and end on a happy note," and I'm like, "But why?" Like, why should I be... why should I end on a happy note and being optimistic? I'm a very up, you know, I am in the category as well of being optimistic. And I'm, you know, I'm grateful for being alive, and I see the beautiful things, and I want to be optimistic, but if you just look at what is happening in the world, you know, I'm just not that optimistic. I'm sorry. But what I can say is that, you know, if people would ask me, "Do you believe we have what it takes?" Definitely. "Do you believe that Europe can, you know, really show and lead by courage, confidence, speed up production? Do you believe that Europe can

be competitive, that we have an amazing, you know, talent pool that we can do all these things?" I mean, we all talk about the natural resources, and they are limited. The resource that is most important, one, is very unlimited, and that is just the human, you know, resource. But what does the human being need for that? It needs to be free. And so the inter... you know, the individual rights and these values, is what, what it's all about and that is the same for Ukraine. And that's, that's, you know, also what Putin is most afraid of. He's not afraid whether he will be, you know, fought back with the territory that he gained. He's afraid whether Ukraine will be able to pursue what it wants. That's what he's afraid of. And so I would hope that Europe, with North America and then other allies as well, that we are ready to defend what is most important for each and every human being Ukraine is showing us that they are ready to do so. We know that we have what it takes. But do we? Will we do it? You know, in the time we have? I don't know. I mean, I truly hope so. I come from a, you know, my generation was promised that the things that we're seeing would never happen again, and then they did. So you know, I try to be optimistic. I know we can, but if, whether we will, I hope so.

Bražė

And I will also conclude not on a very sort of positive basis, actually, what I think was, what I started is this some subconventional trend. It's cheaper to take countries over from within, preparing the grounds and taking over the leadership at the highest possible level and get them do what they want, and that way splitting EU or NATO or whatever, and that is, I think, the way we should look at it, and should be aware that this is what's happening.

Joshi

Thank you, Baiba for reminding us it's not just a conventional defense, and thank you all for a very stimulating panel in your thoughts, thanks to our wonderful panel.