As NATO Rearms, Europe Must Not Abandon Development

Signe Marie Cold-Ravnkilde

(Senior Researcher at the Danish Institute for International Studies, DIIS, specializing in Sahel security, conflict and migration governance)

Christine Nissen

(Senior analyst at Think Europe and an associate researcher at European council for foreign relations (ECFR), specializing in EU defence and security)

Jay Singh

(Recently retired senior U.S. diplomat who has served as Head of USAID missions in various countries as well as Charge d' Affairs. He also serves as the Senior Advisor to the RIEAS in Greece)

Publication date: 3 August 2026

Introduction

At NATO's summit, leaders are debating how to counter geopolitical rivals. Yet the most consequential strategic concession may already be underway. The rollback of USAID is reducing Western influence across Africa, Asia and fragile states just as China and Russia expand their diplomatic, economic and security footprints.

The transatlantic order that underpinned European security for decades can no longer be taken for granted. As Washington retreats from development and diplomacy, Europe faces a strategic choice of whether to fill the vacuum or accept a diminished role in shaping stability beyond its borders.

Europe's response to the new security reality has been largely inward looking with higher defence budgets, reinvented conscription models, debates about nuclear posture and industrial dependency. Yet, this inward turn stands without a common strategic doctrine for what those capabilities are meant to achieve or how they are to be used collectively.

The more Europe is compelled to focus on its own security, dependencies and vulnerabilities, the greater the danger that it loses sight of the vacuum opening beyond its borders, where the architecture of stabilisation the West helped build is now fragmenting. Europe cannot afford to arrive too late to the crises that will define its security for the next generation.

The external vacuum: who fills the space?

For decades, development assistance strengthened Western influence by supporting health systems, conflict prevention and diplomatic relationships in fragile states.The dismantling of USAID and the broader retreat of US development engagement have created a strategic vacuum that will be felt most acutely in regions where American assistance has long underpinned fragile stability spanning from the Sahel to the Horn of Africa to Central Asia.

The consequences are already visible. Africa for instance is witnessing democratic backsliding and growing insecurity especially in the Sahel. After a decade of interventions- military training missions, development programmes, border management initiatives, counter-terrorism partnerships- Europe appears to have little left to offer in much of the region. Its missions have either been closed, severely restricted or been expelled. Its partners have turned elsewhere while its ideals of good governance, conditionality and rules-based order have lost their punch.

This threatens Europe more than the United States given Europe’s proximity to the Sahel. Europe is still struggling on how to handle the continued influx of refugees and clandestine immigration from the Sahel and Middle East. An additional increase of illegal migrants could threaten Europe’s fragile immigration system and provide additional fuel to increasingly hostile and populist far-right movements - dynamics that Russia is increasingly capable of exploiting as are the far-right proponents in the U.S. By abandoning the Sahel, Europe risks replicating the very isolationist logic it criticizes in Washington. Europe, as the world's largest collective donor and the partner most directly affected by instability in its neighbourhood, cannot respond by simply doing more of the same with a larger budget or focusing only on military expenditures.

After USAID: Why Europe needs a new language - and a new strategy

The dismantling of USAID removes a key pillar of the architecture of global stability that Europe has long relied upon and largely taken for granted. Development assistance, for all its limitations, served critical functions in terms of sustaining fragile health systems, underwriting conflict prevention, maintaining diplomatic presence in regions where Europe's own engagement was thin. Those functions have not disappeared. The need has intensified but the model is broken.

Does this American push to end assistance mean that development is dead. We argue, yes, at least in its current form. The muted international response to USAID's dismantling revealed how far the traditional aid model had lost political legitimacy among many partner governments. So what is needed is not a scaling up of existing models but a shift from the language of aid and assistance to the language of investment, mutual benefit and long-term strategic partnership.

Where Europe has spoken the language of aid and conditionality, China, Japan and others have spoken the language of investment and mutual benefit and achieved greater economic and political traction as a result. China's 15th Five Year Plan makes the first ever explicit mention of soft power and civilisational influence - a playbook Europe once wrote and has now abandoned. Japan deploys the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC) as strategic instruments to open new markets and secure supply chains while blending public finance with private sector engagement in ways that create durable economic relationships. Europe has the institutional architecture to do the same. But it lacks strategic intent and political will to deploy it.

Europe must develop a collective strategy built around three mutually reinforcing dimensions: defence and security, development as a long-term strategic investment, and diplomacy as a requisite for durable relationship building. For too long these have operated as separate policy tracks with separate budgets and institutional homes producing fragmented engagement that sends contradictory signals to partners. Rebalancing means shifting budgetary logic. Military infrastructure is necessary but insufficient. Investment in partner economies, not as charity but as strategic interest, is critically essential for European security.

Three strategic pivots - simultaneous, not sequential

Lead on health, climate and disaster risk reduction

Investments in global health infrastructure have demonstrated dramatic positive impacts on political stability and carry mutually beneficial economic returns for European pharmaceutical and health-services sectors. Similarly, climate finance and disaster risk reduction represent areas combining high political legitimacy with genuine development impact and opportunities for European green technology exports. These are not soft alternatives to hard security. Fragile health systems, climate shocks and natural disasters are among the most reliable drivers of instability, displacement and conflict. Europe should own this space over others.

Engage China clear-eyed

The dominant European narrative on China, overwhelmingly negative and increasingly confrontational, is becoming strategically counterproductive. China holds significant shares of European debt, dominates critical mineral supply chains, and is explicitly investing in European markets while deploying a coherent civilisational narrative that Europe currently lacks. This does not call for fear or naivety. But the binary of China-as-threat forecloses precisely the pragmatic engagement that European interests require. Where Chinese investment opens markets and builds infrastructure, Europe should seek complementarity and collaboration rather than confrontation — while ensuring that its own engagement offers something China cannot: genuine partnership, institutional predictability and respect for local agency.

Rebuild partnerships in Africa and the Sahel — on new terms

Europe should reengage in Africa on fundamentally different terms. This means shifting from conditionality to complementarity and meeting African partners where they are rather than where Europe would like them to be. It means prioritising economic investment over security sector reform, building market relationships alongside stability partnerships, and accepting that African governments will pursue multi-alignment rather than exclusive partnerships. The EU's relative predictability and sustained institutional presence remains an asset in some contexts; it is already becoming a partner of choice precisely because the United States has withdrawn.

Europe must take a long-term perspective and draw in Nordic states and the United Kingdom as co-investors in emerging African markets, developing economic statecraft tools to penetrate these markets, secure critical supply chains and open new avenues for trade and investment. The strategic logic is clear: supporting the rebuilding and economic development of partner countries in the Global South in contextualized ways that are genuinely beneficial to their citizens is not charity. It is the very foundation of durable partnership and in Europe's direct interest. Addressing the structural conditions that drive instability and irregular migration requires exactly the kind of long-term investment logic that Europe has so far failed to sustain.

Conclusion:

Europe is not simply facing a foreign policy challenge, but an existential choice about what kind of actor it wants to be — and at what cost. The pressure of the current inward turn is real and the temptation understandable: rearm, retrench, focus on the immediate threats at hand and deal with the rest of the world later. But sequencing is not a viable strategy.

The lesson of USAID's dismantling is not that Europe should replace American aid. It is that security cannot be built through defence spending alone. If NATO allies are serious about stability, they must invest not only in deterrence but also in the economic and diplomatic partnerships that prevent crises from emerging in the first place.

Europe's most valuable long-term asset is not its military capacity, though it matters. It is its demonstrated model of prosperity, stability and cooperation among former adversaries. That model has global resonance precisely because it was built from the wreckage of a catastrophe. In an increadingly fragmented world, it remains worth defending but, importantly, also worth offering to the world.

That offer requires honesty. Europe cannot export democratic governance while hollowing it out at home. A genuinely new language of investment, mutual benefit, complementarity and respect for agency is not just strategically viable. With the U.S. isolating itself and using transactional diplomacy, Europe has been given an opportunity to reframe its future by engaging proactively in global affairs.

The question is whether Europe has the political courage to meet it.