NOVI Backgrounder Series, Paper 4

Europe's Predicament

Harmattan Risk

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This is wide-ranging exploration, and following the initial report, NOVI decided to add a brief table of contents as a navigational aid.

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NOVI HQ:

Your prior reports mentioned incohesion in the West and the European component of this dynamic. We've been analysing Earth news transmissions. It seems that Europe is in a very precarious situation. It is facing economic decline and threats, and it seems to be too weak to secure its future. Can you fill in the blanks, without getting into the weeds? We are inundated with current reporting. What we don't have is a clear explanation of Europe's situation, the main variables involved and where things might go.

NOVI Field Team:

We do have some findings ready, but first, what angle should we take? Are we looking at this from the perspective of Europe's role in the bigger picture of global change? Or do we home in on Europe specifically, and if so from whose point of view?

NOVI HQ:

Let's look at it from the perspective of a European citizen, business leader or intelligence official who is worried about European autonomy, prosperity, and liberal-democratic values. That gives us a solid object to the exercise. In addition, our calculations indicate that a strong, stable, values-based Europe is good for the overall investment climate on Earth. As one of the last cogs in the rules-based order, it helps to moderate volatility and improve global governance if only through its soft power influence. So, what's good for the concerned European citizen, business leader or intelligence official is good for us, and by extension what's bad in their perspective would be risk factors from ours.

NOVI Field Team:

Alright. Let's say the question is broadly: What pressures is Europe facing, what can it do (or cannot do) about them, and what might happen to Europe?

First, we will sketch **Europe's threat context**. Then we'll loop back and take a closer look at Russia, since it's Europe's principal external threat. After that, we'll turn to Europe specifically. We'll try to see why got into such a dire predicament, how it's trying to cope with the pressures it's facing, and what its future might hold. We're assuming that the archives are more or less up to date, so we're going to focus on the bigger picture and not the fine print.

NOVI HQ:

We're swimming in data, so that works for us. We're all ears.

NOVI Field Team:

To begin with the first threat, or challenge to be more accurate, Europe is facing severe **competitive pressure from the US and China**. By global standards, Europe has a strong industrial base, but it is not very dynamic and neither the EU nor member state governments have tried very hard to improve dynamism. Meanwhile, the US and China have both been ramping up industrial policy, enabling innovation and seeking to secure critical natural resources. Europe has fallen far behind in the technologies and products that will underpin growth and resilience in an era of AI, automation and green tech. Unless Europe catches up, it could become highly dependent on the US and China for critical goods and knowhow.

Dependence is problematic. Both the US and China both have a very me-first attitude to international economic relations. They are also in an intense rivalry with each other, including in economic terms: both want to be the most influential manufacturing power. Between reliance on the US for critical IT, and on China for critical components, Europe could be caught between two great powers with little concept of win-win, and who would use their leverage to compel European compliance with their own plans and ambitions. We should note two accompanying downsides to dependence: Europe would lose out on the prosperity that critical sectors promise, and Europe's defence sector would lose out on cutting edge technological capabilities (even allies do not give their best tech to each other, and in any case the US is not exactly an ally anymore, as we will discuss later).

Next, Europe is facing **pressure from Russia**. As a political actor, Russia is well armed, paranoid, hyper-nationalist, and expansionist at least with respect to the territories of the old USSR. It is facing economic decline partly from a longstanding dependence on fossil fuels and its own form of "Dutch disease", and more recently because of severe economic distortions caused by its war in Ukraine. Russia has a hostile attitude to Europe, for several reasons.

First, Putin's regime has long seen European democracy as a threat: European countries are a stark contrast to Russia in terms of living standards and governance, and they are in close proximity to Russia and Russian people. Putin is also aware that while Russia has a strong military, Russia is weaker than the West and even than Europe alone when considering all forms of power. Although it is difficult to differentiate between genuine geostrategic concerns and crowd-rousing rhetoric, Putin claims that the West, and Europe specifically, are hostile to Russia and that NATO's eastward expansion was part of a plot to hem in Russia and weaken it. Finally, because of economic malaise, Putin has increasingly pegged his legitimacy on militant nationalism, and that means that Russia needs enemies and it needs to be seen as acting against them. Europe is a convenient target.

For all of the above reasons, Russia has been putting serious pressure on Europe. Prior to the Ukraine War and stretching back over a decade, its tactics have included cyberattacks, embarrassing European governments by committing high-profile assassinations of regime opponents in Europe, disinformation aimed at subverting faith in European democracy and the EU, and trying to influence European elections and political debates in favour of pro-Russian candidates and positions. Alongside, Russia has provided practical, moral and financial support to European hard-right and hard-left populist parties, and has employed its intelligence services to form influential connections in such parties which Russia then manipulates. Although Russia is opportunistic in its political targeting, it has mainly focused on the hard right because that is the direction towards which oppositional politics in Europe has been drifting.

We need a brief clarification here. On the right, there is a spectrum and political scientists have nuanced classification systems which we will not apply because it would take some time to explain them. Thus, in common sense terms, some hard-right (or far-right) parties are only just “hard”, focusing on national sovereignty and conservative social values, while others are more radical, drifting closer to a kind of populist, revolutionary fascism akin to previous European fascist movements. In general, when we talk about the hard right, we mean the more radical type, but not so radical as to be openly racist or Nazi. The type we are referring to seeks electoral power, and hence tries to appear electable to a range of voters broadly sympathetic to their ideals. For example, the National Rally (RN) in France is hard-right but has somewhat walked back from radical positions to avoid alienating would-be voters. The Alternative for Germany (AfD), by contrast, retains a more radical edge because this has electable appeal in its political context.

To pick up where we left off, for their own part, many European hard-right parties see a natural ally in Putin, partly because of his own ethno-nationalist tendencies and partly because his strongman style of rule is emblematic of how the hard right would like to govern. As a result of this affective bond and Russian assistance / manipulation, Europe’s hard-right parties often support Russia’s agenda and oppose efforts to safeguard Europe from Russian meddling. There are distinctions between parties, but a degree of pro-Russian orientation is pervasive. The rise of nationalist populism and the hard right in Europe has a number of interrelated causes, but Russian activity has been a factor. Within about 12 years, the movement has gone from niche to mainstream. The centre in Europe, which stands by liberal-democratic values and European cohesion, is holding but cracks are deepening.

NOVI HQ:

What does Russia want? To what end has it been using these hybrid war and subversive tactics?

NOVI Field Team:

This is a nuanced question and we will come back it when we directly examine Russia. But to briefly address the question, simply nullifying any possible threat from Europe is one aim. Russia would see a strong, stable, liberal-democratic Europe as a threat. It would not see a weak, manipulable, divided Europe as a threat, particularly when pro-Russian politicians hold sway in much of the continent. Russia's economic problems create additional objectives. If Russia had enough political influence in Europe, it could slow or halt Europe's green energy transition (this is actually part of the platform of many hard-right parties) and compel Europe to buy Russian fossil fuels at Russia's preferred price. It would also have access to European financial markets and manufacturing assets, and could benefit from cheap loans, imports and technology transfers that would help it to mitigate its economic decline. If it had enough control it could even simply tax Europe, effectively applying a protection racket.

Russia's international and regional aims tend to be quite flexible to accord with changing strategic dynamics and constraints. For example, if it thought it would face little risk in trying, perhaps Russia would like to make Europe like the USSR's Eastern Bloc, partly independent but subservient and supportive, acting as a lesser partner somewhat as Belarus currently does. If it thought that it could not achieve this without taking intolerable risks, then reclaiming parts of the old USSR that are now within the EU and NATO would be an aim. If that seemed unfeasible, then simply turning Europe into a divided, nervous wreck and rendering it incapable of cohesive planning and action might have to do. At any point on the spectrum, from full dominance to ongoing subversion, the next greater ambition is not necessarily closed off, it is merely shelved for the time when conditions seem more propitious. Thus, the broad aims that we sketched just earlier are only indicative of Russia's preferred end state, and aims can vary over time.

Because there is an adaptive spectrum of Russian goals, what Russia seeks within a medium-term horizon, say around five or six years, actually depends as much on Europe as it does on the Kremlin. Europe's capability and will to preserve its strategic autonomy are significant variables in Russian thinking. As noted earlier, so far Europe looks like a soft target and there has been relatively little coordinated pushback, so Russia is probably thinking in somewhat maximalist terms. The Trump administration's emerging policy on Europe is likely feeding into the current Russian orientation, as we will examine later.

This is a good point to discuss the **Ukraine War**, because it is an extension and intensification of the threat from Russia, and a huge challenge for Europe.

Ukraine's 2014 Maidan uprising against a Kremlin-backed government was a turning point for Russia. Russia had wanted Ukraine to sit alongside Belarus as a buffer between European democratic influence and the Russian population, and as a loyal client state extending Russia's political influence westward. Ukraine's turn toward Europe did the reverse, and Putin saw it as both tremendously frustrating and threatening. That year, Russia initiated its shadow war in Ukraine, seizing Crimea and launching a "civil war" in the east. It was probably around that time when Putin and Russian military planners first floated the notion of seizing all of Ukraine, or at least Kiev, from which it could have exerted control over the whole country. In 2022, Russia tried to do that, but the conflict quickly became a grinding war of attrition.

The history of the war would be instructive but it is beyond our remit here, so we will fast forward to the current situation. The Trump administration in the US is trying to find an end to the war, but its efforts have been hasty and any deal it achieves is unlikely to create a stable, enduring peace. Even with Europe's financial help, Ukraine knows that it cannot risk losing US support, which includes critical intelligence. Thus, Ukraine would need to abide by what Trump ultimately imposes. On the other side, Putin is a master at playing to Trump's ego and also to Trump's admiration for the Russian leader's strongman style. If Russia accepts a deal, it is likely to routinely test and prod US and Western limits as it continues to try to eventually turn Ukraine into an appendage. Thus, a US-backed deal, which is the only serious one on offer, would not do much more than end the fighting for a while. It will not change Russia's long-term aims or weaken its resolve.

If a deal falls through and fighting continues, what ultimately plays out depends very much on the US. We can imagine what might happen if Trump became frustrated and simply disengaged. Despite the December 2025 loan agreement, Europe as a whole has little stomach for the high-risk, persistent, and expensive effort that preventing Ukraine's defeat would require. Ukraine might have two years at the outside before its war effort starts to shrivel. Russia is in roughly the same situation. Between oil and gas revenues and "military Keynesianism" (using military spending to drive economic activity and growth), the economy has held together, but Russia too is running out of time. China might directly support

Russia if there was a chance of Russia's regime collapsing, but otherwise it would be hesitant to risk Western trade relations.

There is a balance of exhaustion, then, but without the US involved, Russia could probably hold out longer. It mainly relies on oil sales to finance the war, and even with the effect of sanctions and price fluctuations, the demand for oil seems more consistent and durable than European resolve. The authoritarian Russian regime can impose high economic pain tolerance at home and also get recruits far more easily than Ukraine can. Finally, if it starts to feel like it might actually lose, Russia could wave the nuclear card which, without the US on board, could seem quite credible to Ukraine's European backers. Thus, without US engagement, it is quite plausible that within about two years, Russia would be able to obtain a peace deal that would make Ukraine much weaker and very exposed to Russian influence.

A US-sponsored deal falling through and the US continuing to support Ukraine is possible but not especially plausible. If the US saw Ukrainian intransigence as responsible for the failure of a deal, the US would probably no longer support Ukraine. If it saw Russia as the culprit, it would mean Russia made a colossal miscalculation. That would not be its first, but it is unlikely given the extensive interaction between US and Russian officials lately – Russia has an increasingly clear sense of how far it could go before it alienates Trump's administration and it knows which buttons to press. In any case, Trump is coming under pressure to focus on US domestic economic issues (Ironically, given this pressure, just a short time ago the US took control in Venezuela – Trump seems to prefer international intrigue over the unglamourous, hard work of domestic socio-economic issues, but this will likely change as the next congressional elections approach). If getting a deal looks like an endless quagmire, he could be inclined to wash his hands of the whole Ukraine situation.

The Ukraine War is critically relevant to Europe. Had Trump continued Biden's support for Ukraine, Russia would have stared economic disaster in the face and would have known that the nuclear card had lost traction. It would have had to accept a peace agreement that limited the prospects of future adventurism, at least for a while, and it would have been compelled to focus on its own domestic economic malaise – that would have kept Russia tied up for some time. Now, the war's outcomes range from disturbing to full blown bad. There is no clear pathway to even temporary Russian quiescence. Even a semblance of Russian victory, along with reasonable doubt about Western resolve, will embolden Russia to keep up the pressure on Ukraine, and on Europe. The Kremlin might also be tempted to create or exacerbate conflict in order to keep its military employed and remote from Russia's centre. Hundreds of thousands of combat veterans coming home to unemployment is a dangerous prospect. Recall the

Wagner Group rebellion in 2023. Many Western observers worry that the Baltic states could be next in line for a Russian power play. Whether or not that occurs, the threat of it, plus continued ramped-up hybrid warfare, would combine to further fray nerves, and cohesion, in Europe.

Would Russia's dire economic situation compel it to partly focus on its own affairs even if it came out on top in a Ukraine deal? It might, but just as likely it would find another way to keep its forces employed, not just to avoid a risky demobilisation but also to avoid the arduous, equally risky task of demilitarising the economy. Combined with that, Russia would likely seek to extort some kind of payoff from Europe, perhaps framed as "reconstruction" funding, in exchange for refraining from threatening and disruptive behaviour. If extortion worked, it would mark a major step in the evolution of the Russia-Europe relationship, away from European autonomy and closer to a form of Russian hegemony.

NOVI HQ:

So the Ukraine War, which could have been an opportunity for the West to reassert itself and erode the Russian threat, seems to have been a benefit to Russia even if it failed in its original war aims.

NOVI Field Team:

In a way, yes, because of a change in US orientation under Trump. Ultimately, if the US is not willing to support Ukraine until Russia faces the risk of collapse, and if the US would be unwilling to send a clear and credible message to Russia to abstain from attacks on Europe, then in purely geostrategic terms Russia would hold better cards as a result of this war than it did before. It might not have won as originally intended, but the war would have forwarded Russia's long-term goals. There are two "ifs" about the US in what we just said, and unfortunately for Europe both conditions are plausible.

However, we cannot underestimate the damage that the war has done to Russia's economy. It was unsound before the war and now it is a house of cards. It is similar in structure to the old USSR's economy in the 1980s – the military gets but it hardly gives back. Other sectors are being hollowed out, even oil and gas because of a shortage of Western parts and technological knowhow that foreign oil and oil services firms used to bring. War casualties and a brain drain have, and will, hurt productivity. We go back to the earlier question, about whether or not this will compel Russia to calm down on the international front to address its economic problems. It would be a monumental challenge and very risky. The regime would struggle to handle necessary reforms even if it wanted to undertake them – the Russian political system, as we will see later, is not conducive to coordinated, complex policy implementation. Putin will be looking very hard at how he can turn military power and intimidation into wealth, because that would be a lot more straightforward, and it would sustain the nationalist ardour that has helped to keep socio-economic frustration in check. Putin and his inner circle have a lot to lose – if Russia's economy collapses, they would be vulnerable not just to social unrest, but intra-elite scheming and the possibility of violent regime change.

NOVI HQ:

As you mentioned earlier, Russia's options will at least partly depend on Europe's own commitment and action. Is there anything else to mention with respect to external threats before we move on?

NOVI Field Team:

There is one more that we need to consider. This is the **Trump administration's attitude to Europe**. Even during Obama's first term, the US was becoming painfully aware of the need to address the challenge from China, and by extension the need for Europe to take more responsibility for European security. But Trump's current administration has a much starker view. The US now openly accepts that if it tries to hold sway everywhere, it will spread itself too thin, incurring big costs over far-flung issues that have little to do with its own prosperity and security. It needs to be selective and prioritise its own interests, and Europe is looking increasingly expendable. It is, in the US administration's view, losing its bond with the US because of rampant immigration from very foreign cultures, and European leaders seem to be willing to sell out their own nations in the name of vague globalist ideals. It is becoming an unreliable ally, and the US wonders why it should incur cost and risk by defending Europe when it is unwilling to defend itself.

The US has also indicated that spheres of influence might be not just tolerable, but also sensible. Thus, China would hold sway in its region, presumably as long as it respected international maritime rights and US trade access; the US would be the dominant player in the Americas; and as for Europe…? There is a valid concern that the Trump administration thinks that Russia would be the natural hegemon there. This seems to jive with the US' apparent catering to Russian interests in negotiations on Ukraine. Some commentators see Trump as trying to set Russia up as a regional power with which he can do lucrative business without all the ethical and regulatory hang-ups of Europe's current, mainstream political class.

That would be bad news for Europe, but it seems to contradict another piece of bad news. The Trump administration's *2025 National Security Strategy* suggests that the US will support patriotic (i.e. hard-right) European movements and parties in their struggle to safeguard European culture and values. If enough European "patriots" gained power, then Europe would be a worthy ally again. Would the US then help Europe if it faced Russian pressure, or would that problem be obviated by everyone agreeing to Russian hegemony, since many hard-right parties admire Putin's leadership style? There are holes in the 2025 strategy, and it is not necessarily going to directly translate into policy, but that does mean that the administration is unserious.

The US strategy is disturbing for Europeans because it suggests that the US will do things that would undermine European security and stability. It is doubly disturbing because, despite some internal inconsistencies, from a purely US-first point of view, the strategy has a certain cold logic. It holds that the US needs to start making hard choices, and Europe's security is not a core US national interest once shared values are removed from the picture. Russia has been an American problem mainly because of the challenge it poses to Europe. If the US stepped back and let nature takes its course, it could make deals with all sides no matter what their political orientation, without worrying about who was in charge in Europe as long as the US itself remained secure. European defence thinkers are rightfully concerned that the new US strategy strongly implies a retraction of the US nuclear umbrella. If the US clearly signalled that, then Russia would have the option of nuclear blackmail.

The US foreign and defence bureaucracy has considerable inertia, including some deliberate drag from old-school Westerners; Trump and his team are easily distracted; and Trump himself might not even be aware of what exactly is in the 2025 strategy paper. Thus, how long it might take for this new US orientation to go into effect at an operational level, and to what degree it does, are uncertain. However, political rhetoric alone, whether spoken or written, is a form of policy implementation, since it signals intentions which others start acting on, first by testing, then, depending on reactions, with more confidence. Thus, even if the Trump administration's strategy gets tied up at the nuts and bolts level, it will still be a factor in European security.

NOVI HQ:

Do you really think the US would be just as secure without a stable, independent Europe as an ally?

NOVI Field Team:

Obviously, it is the Trump administration's perspective that matters, but for our part, we do not think so. Imagine the logical end point of the current, stated US orientation towards Europe, assuming current

European capabilities and attitudes. Most of the continent would become like Belarus in terms of its subservient relationship to Russia (many European countries would remain wealthier than Belarus depending on Russian decisions about wealth transfers). Russia would have access to new technologies, defence manufacturing, wealth and manpower which, combined with its current capabilities, could eventually make it the strongest military power in the world. It would control access to the European market, still one of the world's largest and most lucrative. Once that much more powerful, would Russia abide by the US notion of spheres of influence? Would the Middle East be next, in order to gain control over vital trade links and hydrocarbons supplies? If the Trump administration ruled Europe, with its geostrategic centrality, it would probably not refrain from further expansion, so why would Russia?

Then there are Russia's ties to China. That relationship, as we will see, is transactional, but what holds it together is shared hostility to perceived Western hegemony and US supremacy. Trump might feel that the US needs to accept a degree of multipolarity, but in his view, the US can and should remain the single most powerful kid on the block. A stronger Russia, a Europe that has no strategic link to the US anymore, and continued Chinese and Russian cooperation against US dominance together paint a worrying picture from a US standpoint. It would retain its Asian allies, but overall would be weakened.

There is an irony in the Trumpian view. It sees no merit to the Western-backed, rules-based international order, believing that might makes right and that patterns in international relations will naturally take shape according to relative power. But it has its own concept of rules. For example, spheres of influence are appropriate, each player would abide by the deals it makes, and would not intrude on others' turf. The US seems to assume that other powers see it the same way. However, without clear rules of interaction (the rules-based order which Trump disavows), Russia and China will write their own scripts and there is no guarantee that these will align with the US' strategic concept. Indeed, knowing the US outlook, they would be inclined to do the unexpected. And in this respect the US is underestimating Russia, much as the whole West has done for most of the post-Cold War period.

On a deeper note, the US administration's view of Russia is not wholly rational, or just based on intelligence and strategic calculation. There is some affection for the Putin regime and for the Russia which Putin has shaped. It is macho and mainly white, there are few immigrants watering down traditional culture, Russian traditional institutions like the Orthodox Church back the regime and help safeguard against non-Russian influences and values, and Putin himself is somewhere between a strongman and a philosopher king. These and other attributes, whether real or ascribed, are what make Russia appealing to much of the hard right in Europe too. This view that somehow Russia shares their own values obscures critical distinctions between each side's national interest. Indeed, it is ironic: in the Trumpian perspective, values do not matter in international relations, only interests, yet a sense of shared values with Putin shapes the administration's attitude on critical strategic questions in the Eurasia region. One has to wonder: if Xi Jinping and Chinese were white and wore cowboy hats, and Russians looked different and had the more foreign culture, but all else was the same, how different would the current US strategic orientation be?

The question of whiteness is controversial among Earth's political observers, but consider that one of the reasons the administration gave for seeing Europe as a questionable ally was immigration. One interpretation could be: the US concern is that many immigrants are Muslim, and that over time an increasing number of Muslims will be in influential positions in Europe. They might sway European foreign and security policy to the advantage of their original Muslim homelands (from where terrorist threats have originated). But the administration explicitly refers to immigration's effect on European traditional culture, which, prior to modern immigration, was mainly practiced by white-skinned peoples. Trump and the hard right in general deny that they are racist. In some cases, it could be that skin colour indicates a probability of differentness, not intrinsic immorality or inferiority: with its tribal instincts the hard right prefers to associate with likeminded groups, and hence feels safer with people of the same colour. We do not have a very good picture of the latest sociological debates on the distinction, or relationship, between tribalism and racism and will conclude that strand of discussion there. It is worthy food for thought, though.

The main point is that Russia gets a free pass to some degree because it symbolises things, very likely including Putin's apparent defence of white, macho culture, that the administration admires. This a serious blinker in strategic thinking. Again, it is not our opinion that matters, but your question opened up some instructive extrapolation.

NOVI HQ:

There's a lot to unpack in there, and it would be interesting to see some deeper analyses based on the variables we've discussed so far. We'll leave that for another time, though.

Now that we've covered the main external threats, you were going to discuss **Russia**. You've already covered some relevant attributes, but we'd like to get a sense of why, or how, Russia ended up being the way it is. By that, I mean as opposed to some hypothetical, but plausible, alternatives. For example, it would not be a stretch to imagine that once things calmed down after the USSR's dissolution, Russia leveraged the peace dividend, using oil money to fund the civilianisation of its sophisticated defence technological base, and developing trade and innovation ties far and wide. Instead, the political system seems to be hard-wired for paranoia, predation and scheming. That's purely an impression, not an assessment. We'll leave that to you, but keep it top-level.

NOVI Field Team:

This is a complex question but we will try to address it in broad strokes. Your impression, by the way, seems to be broadly accurate.

By the time Putin assumed the presidency in 2000, the power structure in Russia was a hybrid of a weak state and influential oligarch networks. Putin, an ex-KGB officer and head of the domestic intelligence service, or FSB, under Yeltsin, reined in the oligarchs but he still needed a way to exert his rule. Institutions were too weak to effectively carry out orders and policy. He consolidated his own personal network, at the heart of which were ex-KGB *siloviki*, or strongmen, as his first line of operators. In turn they relied on their own networks, reaching out regionally and through key ministries and business sectors. Despite some past efforts to improve institutional capacity, that power structure persists. It is akin to the feudal system and also much like a mafia organisation. Power clans, the major network nodes, get their own fiefdoms and they can take a cut from what goes on there, or use it as they see fit, as long as they also implement presidential orders and remain loyal. When policy and diktats contradict power clan interests, there is room for negotiation and Putin might even provide compensation for problems incurred, but outright disloyalty can be ruinous if not fatal.

From the perspective of the entire country and its development potential, there are several problems with this form of regime. First, it prioritises network stability, not innovative policy. The network is expected to be loyal, but not unconditionally and Putin cannot rule through fear alone. The regime needs to consider the interests of key nodes in the network. These interests are usually permutations of money and power in the clans' own fiefdoms. The result is a distortion of policy and an inability to design and execute complex, long-term development plans. That is all the more the case given that clans compete for power and status, and different clans control different institutions. Coordination is poor, except in rare cases where Putin decides to personally take charge and force coordination, such as in war and defence planning (although that suffers too). The regime structure also siphons public funds, which largely derive from hydrocarbons and other resource exports. Clans need to get something in exchange for loyalty – wealth is important and it does not come from salaries. Corruption is, in a sense, institutionalised, and as in any case where it is pervasive, a country's development potential suffers. Finally, the lack of a solid institutional framework, including a weak rule of law, is unattractive to foreign investors. Foreign banks and companies saw Russia as a hot new frontier following the Cold War and then again after Putin appeared to bring stability, but the hype eventually gave way to increasing concerns about political risk in the country, even well before the Ukraine War.

The power structure is not conducive to national growth and innovation, yet the country is desperate for them. Russia inherited many of the economic problems of the old USSR, including antiquated manufacturing and infrastructure, lack of modern management and meritocracy, and an overreliance on oil exports and consequently a lack of diversification. While the country has modernised over the last two decades, at least in the wealthier metropolitan areas, the economy remains very unsophisticated (its *Economic Complexity Index* ranking, which one can construe as a measure of innovation and resilience, has been declining for the last two decades, a pattern that is quite unique even among poor developing countries, failed states aside). The economy is vulnerable to external economic shocks, changes in oil and gas prices, and indeed to the whole transition to green energy, which is already eating some demand for fossil fuels. Defence sales have helped, but over the years Russia has handed over much key technology to China and it became a direct competitor for "Russian" weapon systems. Consider this picture against schemes like sending Wagner Group to prop up African strongmen in order to gain control over small-scale gold mines to augment Russian state revenues and line power clan pockets.

Despite suffering the tendency, common in strongman regimes, for officials to avoid telling the leader bad news, Putin no doubt understands Russia's problems. But reforms are impossible without reforming the power structure, and that risks collapsing the structure before something can replace it. This is not just because of the potential for dangerous infighting in a political shakeup, but because reform needs a degree of political liberalisation and after being voiceless for years, no one knows how Russians would react if they finally had access to uncensored information and a voice. Thus, the regime is trapped in a mode that is incapable of chaperoning critically needed changes.

Another important inheritance from the USSR was a formidable stockpile of nuclear weapons and at least the foundations of a large military and defence industrial base, in addition to a massive intelligence apparatus. All of that suffered during the chaotic 1990s, but there was much to build on and Putin initiated modernisation once he was firmly established in power. Russia did have a peace dividend following the end of the Cold War, but it was relatively brief, and especially from 2008 defence spending rapidly increased. Consider weak government capacity leading to unappealing economic prospects, and a lack of reform options because of a rigid and fragile power structure. Then add in tremendous coercive capacity, and we can see how coercion, from threats to subversion to hybrid war and direct military action, become a significant lever of Russian foreign policy. It is one of the few levers that it has, and it is a big one.

Now we turn to the question, why is the Russian regime so hostile to the West and to Europe? We already discussed some reasons for its animousity to Europe. The West more broadly is regarded as the principal culprit behind the USSR's fall. This is partly accurate, because it was a Cold *War* and both sides were out to weaken each other. The regime also sees a Western hand in the very poor decision to apply "shock treatment" privatisation in the early 1990s. There is some truth to this too – some Western advisors were gung ho about Russia's turn to capitalism and very naïve about the obstacles. But they did not draft plans or make decisions. Finally, the regime at least says that it is afraid that NATO's and the EU's eastward expansion were, and are, aimed at eventually eroding Russia's autonomy and keeping it weak. But the best evidence of Western attitudes to Russia prior to the Ukraine War was Europe's willing dependence on Russian hydrocarbons, repeated Western efforts to engage with the Russian regime and economy, and the West practically ignoring hostile Russian antics and rhetoric.

Some observers claim that there is an-built, or hard-wired, wariness of Western Europe in the Russian political psyche, and indeed a suspicion of any country or bloc that borders Russia, for the simple reason that Russia is quite invadable from a geographic perspective and has endured past incursions. This seems rather specious in the modern context, at least as applied to the West. China would be a more likely territorial threat, yet Putin is handing over access to Russia's Far East in exchange for economic assistance. Whatever the regime really believes about the West's intentions, we can say with confidence that it certainly does fear Western liberal-democratic values and the potential for dissent in Russia to coalesce around pro-democracy sentiment. The regime would feel much safer with a weak and divided West, and a global erosion of the standing of Western political values. In any case, the West is an enemy.

As we mentioned in passing earlier, the West is also a target of convenience in the regime's effort to prevent frustration and dissent. After Putin got a grip following the chaotic Yeltsin period, Russian living standards dramatically improved and many Russians are still grateful for being pulled out of a lurch to poverty. Putin's popularity and legitimacy still ride the initial turnaround he managed to achieve. But for many years before the Ukraine War, stagnant social mobility, corruption and weak public services had been taking a toll on public patience. Ostentatious and severe inequality, partly a consequence of the power structure, made things worse.

Without a clear pathway to reform, the regime ramped up repression, clamping down on dissent within and even beyond Russia. Fear has its limits, though. The regime manages to pass much dissatisfaction onto regional governments, but a more important tool has been spurring militant nationalism, almost invariably against the West, and then sharing the story of Putin's heroic and cunning struggle against enemies. Combined with bombastic propaganda and disinformation that become too overwhelming for people to filter, this tactic has been effective in staving off widespread frustration with the regime, but as noted earlier, it relies on perpetual tension. Thus, whether or not the West is really out to get Russia is somewhat immaterial. The regime relies on that narrative and therefore acts on it.

Finally, it is probably already evident why the Russian regime is paranoid, but it is worth making that explicit, since paranoia drives aggressive behaviour. If you were Putin, you would be worried about: power clan collusion to displace you, since there are no institutional checks on power grabs and leadership is a lucrative prize; the economy becoming incapable of sustaining the regime's coercive capabilities and leaving it with few meaningful power levers; socio-economic malaise and frustration transforming into dissent on a massive scale; and the fact that there is no Plan B or retirement option after being Russia's president in the current system.

Putin's personality has been the subject of much armchair analysis, and the consensus seems to be that he is somewhat paranoid by nature and became much more so after having been in and then at the pinnacle of a very dog-eat-dog political structure, as have many others within the regime. Additionally, Putin has unusually high self esteem and the prospect of a fall from grace would seem horrific. Paranoia can make people imagine threats, and exaggerate the ones that objectively exist. This leads to threat-countering behaviour out of proportion to the actual challenges faced. Putin has other traits which are germane to Russia's aggressive international behaviour, such as a propensity for severe vindictiveness, but paranoia does a reasonable job of explaining the regime's apparently insatiable appetite for scheming and intimidation tactics.

That was not exactly a concise answer to your question of why Russia is the way it is, but we can try to summarise. As a political actor, Russia is predatory and oriented towards scheming and tension despite having the option of living in peace without sacrificing its security, because:

- Its power structure is incapable of the deep reforms that would put Russia on a trajectory of innovative growth and prosperity, leaving it heavily dependent on hydrocarbons exports, the value of which will decline in sync with the uptake of sustainable energy – this leads to desperation and defensiveness;

- Lacking levers of power deriving from economic and related soft power influence, the regime's principal lever is coercion drawing on the country's sizeable military and intelligence assets – this leads to coercion being the default foreign policy tool;
- Russia has an innate hostility to the West including and especially Europe, and it is a target of convenience for the regime as it pushes the story of the regime's righteous struggle against hostile foreign forces;
- Putin and the regime suffer a degree of paranoia, and this exacerbates threat perceptions and the sense of desperation in dealing with perceived threats.

This is not exactly a mathematical equation, but if we relate these points, we can get a sense of why Russia seems to be perpetually inclined to injurious and predatory behaviour. It is very much between a rock and a hard place, and its reaction to the situation is to try to control its external environment by force. Compare this with China's reaction to its own conundrums, as we explored in the third NOVI report. China has a far-reaching, multi-stranded plan aimed at simultaneously boosting prosperity and security, and rather than only relying on coercion it combines a mix of levers including soft power. Both Russia and China started from a low point, and China's was actually much worse just after the Mao period. The key difference between the two countries is that China is far more institutionalised with a more effective policy design and implementation apparatus, and has carefully built up diverse capabilities over time. By contrast, Russia, despite its vast resource wealth, has remained a fragile state and its regime has been unable to transcend a rudimentary, even primitive, mode of governance. Consequently, it has far fewer options and levers of power.

NOVI HQ:

Speaking of China, it must be a factor in Russian thinking and behaviour, given the affinity between the two countries' regimes. Before moving on to Europe, could you provide us with a sense of **how China figures into Russian aims for Europe**?

NOVI Field Team:

The two regimes are hostile towards the West, for somewhat different reasons. We have looked at Russia's. China's are similar in some ways, although a larger part of its anti-Western orientation is based on a realistic reading of divergent visions and national interests. While Russia needs an enemy, China does not necessarily want one, but the West is standing in its way. As well, for China, Europe is a potential market and the US is the main adversary. For Russia, Europe is the main target and while the US is an enemy, under Trump the US might actually present some opportunities. The differences between Russian and Chinese threat perceptions will likely grow over time and become more significant. For the time being, their shared hostility to the West and desire to weaken it are the main, and perhaps only, significant bases of the close relationship between the two countries.

The two sides have collaborated to varying degrees in defence research, military exercises, intelligence, and in the information / disinformation and cyberwarfare space. Even before the Ukraine War, they both maintained links to Iran, a useful distraction of Western attention. North Korea is similarly useful to both, although China, widely seen as able to influence Pyongyang, has become increasingly embarrassed by its association with the North Korean anachronism. Since the Ukraine War began, China buys Russian oil and resources to help fund Russia's war, and ships dual use (civil-military) products to Russia. It has provided rhetorical and moral support to Russia, and has made some tentative peace overtures which favoured Russia's preferences.

In the context of the apparent "bromance" between the two leaders and the rhetoric around their countries' rock solid friendship, the above points seem somewhat tepid. Based on their messaging, one would expect the two sides to have joined forces and undertaken close strategic coordination against the West. They have not formed an alliance, and the relationship actually has some cracks in it which could widen in the future.

We mentioned one in the report on China. China is interested in maintaining access to Western markets, and is wary of Russian moves that could harm Western market performance or, through association, harm China's standing as a trade partner to the West. Supporting Russia through thick and thin is not on the Chinese agenda, as the Ukraine War has clearly illustrated. China has refrained from selling arms to Russia for its war effort in Ukraine, limiting its material support to dual use goods, in order to avoid Western sanctions that would constrain trade. A more pointed example is the recent reduction in China's purchases of Russian oil as a result of US sanctions on two major Russian oil companies. Russia desperately needs oil revenues, but the Chinese Communist Party (CCP) is unwilling to mandate purchases because of the potential effect of secondary sanctions. Simply, China is not going to dig Russia out of a hole of its own making, or perhaps in almost any scenario, if it means serious trade friction. The only exception might be if the Putin regime risked being replaced by an ardent pro-Westerner, but that is a remote possibility.

China's concern about the effect of Russian behaviour on trade access and healthy markets has implications for its perception of Russian designs on Europe. Instability and high defence spending (which would not be used for Chinese products) in Europe are not desirable from a commercial perspective. If Russia did gain a high degree of control over some or all of Europe, China would not benefit. It would likely lead to economic fragility and a depressed European market, and Russia would be the gatekeeper, whereas China has direct access now.

The two sides have divergent interests elsewhere too. For example, they both want to extend influence in Central Asian and despite some public cooperation have different aims and approaches. In Africa too there is no coordination between their efforts to gain resource access. Russia's approach, which includes subversion and supporting coups, rebellions and coup leaders, is destabilising. China seeks access through conventional loans, foreign direct investment and commercial relations, and Chinese companies prefer stable, safe environments.

Perhaps the biggest issue in the relationship is its inequality and China's temptation to use it. Except for nuclear weapons, China's power far exceeds Russia's. Prior to the Ukraine War, China used its economic leverage to acquire Russian defence technology, eroding one of Russia's few levers in the relationship. Especially with the Ukraine War in progress, Russia is critically reliant on Chinese support and its bargaining power is negligible. China buys Russian oil at bargain market prices without offering a shred more despite Russia's dire need for the revenues.

China has also used its advantage to negotiate greater access to Russia's Far East, (part of which was Chinese until the mid-1800s). An apparently genuine, leaked Russian intelligence report acquired by the *New York Times* in 2025 alleged that China has been using its presence there to seed its influence beyond just agreed projects, and expressed concern that China seeks a degree of de facto sovereignty in the region. It would not be surprising if that were a Chinese aspiration – it would provide China with contiguous terrain rich in resources, including water, that it needs. It would also give China more access to the Arctic, soon to be a major shipping route as global warming progresses (China has declared itself a "near-Arctic state", to Russia's chagrin). Despite concerns about Chinese meddling, Russia puts few constraints on China's access – Russia needs to sustain the relationship and Chinese investment is the fastest way for Russia to convert the Far East's resources into revenue.

Some defence commentators in Russia see China as a long-term threat, and this is probably accurate depending on the time horizon. China's first loyalty is to its own future, and its long-term, as opposed to bromance-political, interests only converge with Russia's on the question of the West. Underneath that shared obsession, the two countries have very different interests in a number of regions, a long shared border and a history of confrontation, and very distinct philosophies about governance, international behaviour and how to get what they want. The power imbalance between the two countries will grow much larger once the economic damage from the Ukraine War finally takes its toll on Russia, and China will probably try to exploit it. As an aside, the US is tentatively hoping to exploit any emerging split to peel Russia away and leave China on its own in the US-China contest. That is a specious hope for the foreseeable future – Russia trusts China far more despite its suspicions, and Russia would not place a big bet on subsequent US administrations sharing Trump's views.

China, then, has its own dynamics with Europe but it is not directly relevant to Europe-Russia tensions. China might become more relevant in the future, although not for the reason one might expect. If the US leaves Europe to face Russian designs alone, and Europe is unprepared, it might feel like it has little choice but to seek a close partnership with China. That would be suboptimal compared to the future Europe foresaw in better times, but it would be the lesser of two evils by far. If Europe chose that path, China would try to keep Europe free of Russia's clutches so that it remained a viable, accessible market. Other than that somewhat outside possibility, though, the China factor is far less important to the Europe-Russia equation than the US.

NOVI HQ:

The limits of Russia-China relations are surprising, given the well publicised "bromance". I wonder what the two leaders say about each other behind closed doors. Anyway, you were going talk about **Europe**, specifically why it seemed to paint itself into a corner and its potential ability to respond to its challenges.

NOVI Field Team:

This could be an extensive discussion in its own right, so we will keep this as concise as possible. First, a brief recap of the threats Europe faces would be useful, because we took a couple of detours along the way. These are:

- US and Chinese competition in innovation and manufacturing, with the risk of Europe becoming dependent and vulnerable to pressure, poorer, and lagging in defence technology;
- Independent of the Ukraine War, Russian subversion, hybrid warfare, and support for pro-Russian hard-right parties, ultimately aimed at weakening Europe to the point to which Russia gains de facto hegemony;
- The Ukraine War, and a high probability that it leads to even more aggressive Russian behaviour towards Europe in the future;
- Current US attitudes to Europe – the Trump administration sees Europe as an unworthy ally, and consequently could support the European hard right and / or retract security guarantees, both of which would increase the risk of Russian influence or control.

Together these threaten Europe's prosperity, strategic autonomy, security and even sovereignty. The aggregate challenge is medium-term: in well under a decade, if Europe's response is ineffective, it could suffer significant effects.

We can now address **how Europe ended up in this situation**, and in the process elucidate the factors that constrain Europe's capability to safeguard its future. Note that when we discuss "Europe" in the following, it can be assumed that there are important national distinctions and we are generalising towards a mainstream or average European tendency.

Longstanding complacency and lag: Most European countries welcomed the post-Cold War peace dividend without concern for hidden or latent challenges, and easily latched onto the very durable notion that security was no longer an issue. On an economic level, while Europe always had a stronger social welfare system than the US, like the US, it adopted a neoliberal orientation which portrayed a loss of manufacturing and increasing financialisation as natural and beneficial. Unlike the US, Europe was very slow to later recognise the risks associated with a weak manufacturing and innovation base. In addition, European governments often support declining legacy industrial firms to control unemployment, while its regulatory and financial environments are relatively inconducive to consolidation and to innovative start ups. Furthermore, in many ways Europe is not yet a single financial or commercial arena. Barriers and differing regulations between states inhibit economies of scale and access to finance. Thus, Europe has an undynamic business environment compared to the US, China, and many emerging markets, and has done little to improve dynamism.

The free rider problem: Most European countries are in the EU and NATO. These entities pool the continent's influence and mean that an individual European country has some sense of security and representation in great power affairs, or safety in the herd. In many cases, that means that a country does not feel like it has to contribute much to collective power, and that it can focus on its own problems and domestic economy – others in the bloc are handling the hard problems, and the US is there as a backstop. When that attitude becomes pervasive across the continent, the nett result is that the bloc itself cannot fulfil its mandated mission. It also means that the US is left holding the bag – the less Europeans commit to their own security, the more important US coverage becomes, the more the US gets annoyed, and the greater the consequence for Europe if the US decides to reduce its role or disengage.

The EU's stability orientation and unanimity problem: The EU was never intended to have a security or crisis management role, and while its scope and mandate have evolved, it remains oriented to stability maintenance in both economics and foreign affairs. It was not designed to handle the kinds of pressures Europe is facing. It could have become so, but it heavily relies on the unanimous agreement of member states to undertake strategic, international decisions and to make significant reforms to itself. That makes it vulnerable to spoilers, both national governments who prefer not to acknowledge problems because they are fixated on political and economic problems at home, and countries run by pro-Russian parties such Hungary or the Slovak Republic. The EU has used alternatives to unanimity and is exploring new approaches, including coalitions of member states acting on specific issues on the bloc's behalf, but reform will be arduous because the potential avenues to it still rely on unanimous consent.

Fragile coalitions and domestic politics as primary: All European states, except the UK which officially left the bloc in 2016, use a proportional representation electoral system, and hence usually have coalition governments. In the context of increasing political polarisation, coalitions are often fractious and fragile, leading to underwhelming policy formulation. Maintaining a ruling coalition can be all absorbing for elected politicians, and they commit a significant portion of their time and thought to domestic politics. This combines with the aforementioned complacency and free rider problems to put security issues and significant regional threats on the back burner. When we aggregate the effect of this this national tendency across Europe, the result at the European level is procrastination on serious threats.

The hard right effect: The rise of hard right nationalist populism in Europe is a complex phenomenon, but it can be traced to socio-economic frustration related to a slowdown in growth and cutbacks in social services, concerns about high immigration, and the harnessing of these by adroit populist politicians.

Hard-right parties currently lead in four states (Italy is one, but its ruling party has become less radical since the Russian invasion of Ukraine), and have legislative seats in most of them. Many European countries have a tacit agreement among mainstream parties not to accept the hard right as coalition partners, but with the hard right's popularity increasing this tactic is starting to look undemocratic and could strengthen the hard right's appeal. More pointedly, European centrist parties are drifting to the right in order to prevent voter desertion to hard-right parties. This will likely shift European countries away from shared values and towards narrow national interests, thereby making it even more difficult for Europe as a whole to mobilise against external threats.

The wild card of hard-right electoral successes: When the EU or centrist European leaders talk about strengthening Europe, and think tanks make prescriptions to the same effect, they often omit the elephant in the room. As it currently stands, the hard right has a reasonable chance of attaining leadership in France, Germany and the UK (the UK has not been "European" since 2016 but it is still relevant to European issues) within a short span of years. They might gain elsewhere too. That injects a very big "if" into discussions of what Europe might or should do, because where the hard right gets power, it is sure to seek very different aims. Specifically, as noted earlier, the pro-Russian tendency, shared by the hard-right contenders in the aforementioned countries, would reduce commitment to European strategic autonomy with respect to Russia specifically. Thus, it is very difficult for Europe to plan ahead – it simply does not know if it will be the same Europe by the time major decisions are on the table.

Add these up, and we have a Europe that walked into its predicament with its eyes shut or gaze averted, and which faces serious obstacles to successfully dealing with it. This is not meant as a criticism or judgement. Europe is unique among global powers in being multiple and very distinct countries, and that naturally creates some incohesion. It is remarkable that they have pulled together as much as they have, especially given that much of the integrative process occurred over a time when the continent felt relatively secure. But what they have achieved so far is still inadequate to the task that lies ahead if Europe is to avoid the full effects of the challenges it faces.

NOVI HQ:

So, **what is Europe doing about its situation**? Can it prevent decline and steer away from the prospect of Russian domination?

NOVI Field Team:

The EU and a number of member state governments are acutely aware of their challenges and there are a number of relatively recent initiatives which should help to build strength and resilience, if they are implemented with commitment and follow-through.

In 2023, the European Commission tasked a study to diagnose the bloc's principal economic challenges (these are germane to defence capabilities as well) and indicate priority changes. The report, *The Future of European Competitiveness*, came out in September 2024, and was endorsed by all member states. While its reception has been varied, it is noteworthy for its clarity and urgency. It led to a number of specific initiatives and there has been some progress. However, the report's authors have been disappointed by the pace of implementation. As they recently reiterated, change is long overdue and any drag in implementation worsens the risks. Nonetheless, for Europe, the report and subsequent programmes represent a dramatic shift from incrementalism to strategic thinking around industrial policies that coordinate prosperity and security. At the very least, Europe is no longer sitting still.

On the level of defence and security there has also been progress. The Ukraine War prompted two new additions to NATO, namely Sweden and Finland. Both countries have strong civil defence and a high degree of civil-military coordination by European standards. Finland in particular has robust and pragmatic capabilities, both on the ground and with respect to societal resilience against Russian subversion and hybrid war. Criticism from Trump during his first term led to higher European defence spending commitments, and the Ukraine War gave planned budgets another significant boost. Budgets will likely increase further because of the current Trump administration's new stance on Europe. Along with higher spending, in 2025, the EU approved several related initiatives to boost and coordinate defence innovation, manufacturing and procurement. These should significantly improve performance and coordination in each area.

As for force coordination, NATO will likely remain the principal strategic and operational instrument for the foreseeable future. There are debates about the eventual creation of an EU military. However, there is no substitute for NATO in the medium term. This raises questions about the US role within it, given the US' attitude towards Europe. There is no particular concern about the US potentially becoming a fifth column or disruptor within NATO, but if the US is indeed disinterested in European security, US participation is ambiguous. European NATO members have been quietly planning for the contingency of US withdrawal or token membership. There are different views on how well NATO would function without US involvement, a reduction in firepower aside. Nonetheless, there is some consensus that although US muscle would be sorely missed, a European NATO would work. In addition, given recent US ambivalence, its withdrawal could actually sharpen NATO's mission and better align it with European priorities – Russia being the main one.

Related to improvements in Europe's own defence capabilities is its access to lessons learned by Ukrainian forces in the war with Russia. The war has upended many assumptions about the Russian military and modern warfare, and has generated unforeseen defence innovations. Whether or not the EU succeeds in getting Ukraine on track for eventual membership, it will have a close ally and a willing teacher in Ukraine.

Finally, the EU is trying to tackle the challenge of the requirement for unanimity. Although qualified majority voting is used for a range of EU initiatives, unanimity is still required for Common Foreign and Security Policy decisions. This means that decisions in areas such as defence diplomacy, EU-level foreign defence deployments and international sanctions are exposed to vetoes by pro-Russian EU governments and other spoilers. Unanimity also applies to police coordination, a fundamental component of internal security, and to EU enlargement, which is critical diplomatic lever. More importantly, though, unanimity is actually needed for changes that would end the need for it. Centrist European governments and the European Commission are exploring avenues for reform, for example changing the rules so that a decision can only be vetoed if four member states vote against it, not just one as it currently stands. Meanwhile, there is a growing acceptance that "coalitions of the willing", or EU and allied states that join forces to expediently act on urgent issues, will be a necessary stopgap. Their decisions and actions could be coordinated with the European Commission, but being based on bilateral agreements they are not exposed to the veto.

Europe has made considerable progress in the relatively short time since it really faced up to its predicament, but there is **one tough challenge ahead, and two looming, potential barriers** to European resilience.

The tough challenge is getting European citizens on board with planned reforms. Economic reform will not be particularly contentious to domestic audiences. Achieving the necessary defence capabilities might be. From the left there is concern about Europe becoming a military power, both in terms of the character of the continent and the likely effect of defence budgets on social welfare. For many on the right, a stronger Europe equates to an erosion of national sovereignty. There will be some pushback on member state governments from both sides. There is also the question of getting more people into national militaries. Governments are exploring ideas around national service and building up part-time reserve forces, on the Swedish, Swiss or Finnish models, but it will take very blunt messaging and broad public consensus on the threats Europe faces to make such changes palatable. Obtaining and sustaining clear public support for defence initiatives will be critical to member states' political commitment, given the proclivity of coalition governments to divide when facing politically risky decisions.

Obtaining citizens' acceptance of the changes will be more challenging, and hence political will more shaky, in countries more remote from Russia. For the average Spaniard, for example, the Russian threat seems far away and abstract. It is likely that Europe will end up moving at different speeds. Those close to Russia and those which have seen more Russian harassment (drones, sabotage, false flag operations…) will likely lead while others lag. This is not even considering the few governments which are sympathetic to Putin.

Now we consider potential barriers or showstoppers. We mentioned one earlier. If the hard right gained power in a number of influential European countries, and we include the UK in here not least because it has nuclear weapons and is a NATO member, it would have very deleterious effects on European strategic autonomy and security (We remind you that our perspective is that of a European citizen, business leader or intelligence official who values a democratic, free Europe, not a hard right European who admires Putin's leadership style). An influential network of ruling hard-right parties would be a gift to Russia in terms of undermining European cohesion and steering policy towards Russia's interests.

The hard right's rise to power is plausible. The only sure way to prevent it would be to outlaw pro-Russian parties, perhaps using national security laws, but this would be highly controversial and could radicalise hard-right supporters. Short of that, clear messaging and education about Europe's challenges and the Russian threat (which should be self-evident given airport closures from drone intrusions, cyberattacks and other flagrant activity), with reference to Russia's political meddling in Europe, along with positive messaging about what the EU is doing to secure Europe's future, could help to prevent the far right's rise. Thus far, such messaging has been scant, but several polls indicate that a majority of Europeans, including youth, would welcome greater integration and security coordination if they made Europe stronger and safer. It remains to be seen which characteristic prevails, the political centre's sense of urgency, or its inertia and risk aversion when it comes to domestic politics. If political leaders are unwilling to take a public stand, the chance of the hard right prevailing in key states increases, and if that occurred then discussions around European strategic autonomy and resilience would be largely irrelevant.

The second potential barrier is **nuclear weapons**. The US withdrawing from, or taking a minor role in, NATO, is not a disaster for Europe. However, if US withdrawal also meant the retraction of the nuclear deterrent, it could be. We will not get into the details of the nuclear balance – suffice to say, French and British nuclear capabilities are dwarfed by Russia's, and in the event of a nuclear exchange, Russia would dominate every rung of the escalation ladder. All command & control and political questions aside, just having a capability to destroy most major Russian cities would inject a seed of doubt into Russian thinking about first nuclear use, but on the whole, the current European deterrent is not credible. Thus, if the US retracted the nuclear umbrella, Russia would have the option of nuclear blackmail as a means of achieving dominance over Europe. If the risks seemed tolerable, Russia would probably use the option.

Will the US withdraw nuclear cover? Showing the Soviets that the Western alliance was unitary in its resolve used to be one reason for US nuclear top cover in Europe, but there were other reasons which are still relevant now. One was to prevent nuclear proliferation. If Europe felt like it had to develop its own arsenal, or even just if its cover were withdrawn, then Korea, Japan and other US allies would likely seek nuclear weapons. Then other states would feel less secure and try to obtain their own nuclear weapons. It could end up as a nuclear free-for-all, making the world more dangerous for everyone, the US included. Additionally, US allies would question US resolve and potentially start cutting deals with American enemies, thereby weakening the US' global position. Both of these rationales still make sense, or at least they would to experienced US defence planners.

Among a sizeable tranche of defence analysts and observers, there are some very sanguine assumptions about the durability of these rationales in the current US political context. The thinking goes: under the Trump administration's theatrical exterior, there is still serious strategic thinking, and bluster and threats are foreign policy tools, not necessarily actual intentions. Trump would never really throw Europe under a bus, and what he is trying to do is get Europe off its butt so the US can be more agile elsewhere, particularly in the contest with China. This makes sense, but the counter-argument does too – Trump's notion of spheres of influence, his disdain for the European political mainstream, his soft spot for Putin, and his America First position already weaken the credibility of the extended nuclear deterrent. The US might not say that the nuclear umbrella has been retracted, because it is strategically useful to maintain some ambiguity, but in effect it already has been because its only real utility is through its credibility. And now, it seems very unlikely that the US would risk its own skin to respond to Russian first use in Europe.

It is likely that the Trump administration does not clearly know its own position. A scenario is that the US makes it seem like it would not defend Europe, partly by mistake or overdoing the rhetoric, then Russia initiates a pretext for conflict, for example it needs to rescue Russian-speakers from persecution in a Baltic country. Then it ramps up threats, ultimately waving the nuclear stick. This would focus minds in the US administration – Europe could blow up or become a Russian province. And then Trump would make a phone call and explain that he never said the US nuclear umbrella had been retracted, so what are you doing, buddy? Then everyone would know where the US really stood. This scenario is not implausible, but it not particularly reassuring either – Europe cannot trust in it given the stakes.

Another consideration is whether or not Russia would ever use a nuclear weapon in the absence of direct and serious threats to Russia itself, even if the US nuclear umbrella looked safely retracted. This is irrespective of stated doctrine, since that has changed since the Ukraine War started, and it is deliberately more vague than previous renditions. Again, there are remarkably certain and rosy views on this question: no, of course Russia would not, because it cannot be sure that the US would sit still, China would be upset, France or the UK might go insane and strike back and / or with their nuclear weapons on high alert, mistakes could happen. In addition, Russia would face global opprobrium and sanctions. The counterpoint: Russia uses a nuclear weapon as a display of resolve and force, Europe caves in, Russia calls the shots in Europe, the US does not respond because it soon becomes a *fait accompli*, and life goes on for everyone else because the world is very accustomed to seemingly crazy things happening (partly because there is no rules-based international order anymore). The debate is very similar to the one that went on in the period leading up to Russia's attempted invasion of Ukraine, which of course did happen.

Both the sanguine arguments and the counter-arguments have been making the rounds in European political and defence circles. Many politicians accept the rosier perspectives or would prefer not to even discuss the question because of the unpredictable effect on polls, while defence planners and a number of European governments take the risks seriously. The EU, more specifically the European Commission, itself has shirked the question, offering platitudes about its commitment to non-proliferation. Under the radar perhaps serious discussions on the problem are happening, but as yet there is no coordinated EU-level (or EU-UK-level) debate.

This is not the place for policy recommendations, but we can at least consider some options that Europe might be able to take with respect to the Russian nuclear threat, since some of these might actually gain traction if the bloc's sense of shared urgency increases.

First, there is no reason to desist from building up conventional capabilities just because Russia might play the nuclear card. Waving the stick is one thing, but using a nuclear weapon would be dangerous and it would not be an easy decision for Russia. It would be much simpler to use conventional force and subversion to get what it wants, if it could. Without strong conventional capabilities, Europe would widen Russia's options and increase the risk of conflict. Additionally, if a war occurred, a well armed Europe would be better placed to buy time to seek international pressure on Russia to desist from going nuclear later in the conflict, while still holding off an attack. Finally, conventional forces themselves can contain strong deterrent potential, for example long-range strike capabilities which could seriously damage Russia's oil and defence-related infrastructure, leaving it weaker in the future. Thus, even if there are no easy answers to the nuclear question, conventional force capacity is still strategically very relevant.

Europe could turn current nuclear forces into a coordinated deterrent capacity. The UK would need to negotiate technical control over its missile force, which is of US origin and still dependent on US support for upgrades and maintenance, but a full transition to UK control is feasible. France could put its nuclear deterrent under NATO control (as the UK's already is). It might even be possible to gain US acquiescence to turn over its nuclear weapons in Europe, about 100 air-launched warheads. Additional warheads made in France could be distributed throughout willing NATO countries. It is very unlikely that Germany or another non-nuclear European country would try to acquire its own bomb, and starting up a new nuclear programme would be highly visible and present an easy target to Russia. But a distributed nuclear force of several hundred deployed weapons and the means to deliver them would instil greater caution into Russian calculations. A European-NATO nuclear deterrent might seem surreal now, given political divisions on the nuclear question, the number of "ifs" involved, and the potential disruption of the initiative by new hard-right governments. But Europe is facing existential pressures by itself for the first time since World War Two, and it would be premature to write off the possibility.

Another, perhaps complementary, form of deterrent would be capable of seriously injuring Russia but safer to use and ethically less problematic. This would be an offensive cyberwarfare capability designed to debilitate Russia in the event of Russia's first nuclear use. There could be graduated responses to provide strategic flexibility, perhaps with early cyberattacks actually targeting command & control to delay or thwart an initial Russian nuclear attack. It might not seem like a cyberattack is on par with a nuclear counter-strike, but in terms of practical, as opposed to psychological, effect, it could be just as severe. This option too probably seems somewhat “out there” for Europe as we know it. Again, given the predicament it is in, we cannot discount that will and commitment might accrue, and it might be easier to obtain agreement for this option given the less horrific character of the weapon involved. On a technical level, Europe, or European NATO, certainly has the requisite foundational knowhow.

The tough challenge of obtaining citizens’ approval and the two looming barriers are not insurmountable. It depends on political will, first and foremost. There is a possibility that a coalition of the willing might take the lead, or forge ahead with its own plans while the EU lags. Regardless, we can expect to see some fundamental changes in Europe. Whether or not they are in time to prevent a degree of irreparable decline and loss of autonomy is another question.

NOVI HQ:

On that note, do you have a sense how things might play out, in terms of what could happen to Europe and whether or not, or to what degree, it can manage its predicament?

NOVI Field Team:

There a number of moving pieces and their critical inflection points have different time horizons. For example, the Ukraine War could dramatically change in even a few months and will almost certainly see significant changes within 18 months to two years. By contrast, we wouldn’t know if Europe’s economic reforms can meet great power competitive pressure for a several years. So, what timeframe did you have in mind, or should we divide this up into scenarios addressing smaller parts of the wider question?

NOVI HQ:

We can imagine a more complex scenario exercise using a correlation matrix and a number of change pathways, but that would take some time. So why don’t you just give us the **“back of the envelope” scenarios** for now and we can try something nuanced if we need to. And let’s try a medium-term time horizon.

NOVI Field Team:

Okay, then. We’ll set the baseline question as: how could much better or worse might Europe’s autonomy and security, as a liberal-democratic bloc, be within roughly five to seven years, give or take.

We will not explicitly refer to each variable in our storylines, but just for some idea of relevant change drivers, these include:

- Progress on economic reform and industrial policy in relation to US and Chinese competitive pressure (this links to defence capabilities, since defence is a strand in industrial policy);
- The Ukraine War and Russian pressure;
- The performance of the hard right in key European states – again we include the UK here, and the main, although not the only, countries to look at in this respect are the UK, France and Germany, since they are facing a rising hard right and are each key to European defence;
- The US stance on European security and NATO, and how directly the *2025 National Security Strategy* translates into US policy (and how much of it could stick through electoral changes or shifting US domestic political imperatives);
- Progress in European defence initiatives, including the defence component of industrial policy;
- The urgency and commitment among member state governments and the EU, irrespective of progress on specific initiatives, since this has been a lynchpin variable so far and even in the absence of the hard right's performance, complacency, domestic political division and political distractions at home will be a major factor going ahead.

There are no doubt more, but for the sake of simplicity we will not list every possible influence.

For a back-of-the-envelope take on the question, we will use two directions of change, from good to bad, and two degrees of change in each direction, moderate and significant. That gives us four basic stories to come up with: good, okay-ish, bad, and disastrous. When we tell a story, it will be only one plausible plotline from potentially many possible permutations. The objective is to get a sense of the range and character of potential change, not to posit every possible way it might happen. We can leave that to your computers if we decide to do a more detailed analysis later. We will start at the negative end and work our way towards the more positive side of the spectrum.

<u>Disastrous scenario</u>

What would Europe be like?

Europe is dominated by Russia. The EU has been replaced by the Council of Eurasian Friendship chaired by Moscow. Member states are led by elected governments, but the Council screens electoral contenders for "loyalty to Greater Eurasia" and only loyal parties are allowed to run. The European green energy transition has been reversed – Europe now uses Russian oil and gas for most of its energy needs.

The Council's "levelling up" tax redistributes wealth from richer to poorer states, ostensibly until GDP per capita is equalised throughout the bloc, but many Europeans are skeptical that the tax will end once Russia has caught up with wealthier states. Another imposition is the Stronger Eurasia tax – since Europeans benefit from Russian protection and its management of Europe's defence sector, it is only reasonable that Europeans help with the costs. The Friendship Council controls all trade relations beyond the bloc.

How did it get there?

European support for Ukraine proves to be inadequate. The peace deal with Russia includes severe concessions and Ukraine retains only limited autonomy. The US made it clear that it was leaving Europe to look after its own security. Despite apparent US disengagement, the J.D. Vance clan in the US administration, tacitly supported by a largely disinterested Trump, initiates an intensive programme to support "patriotic" European parties. It also convinces Trump to cast significant doubt on extended nuclear deterrence. Now that Ukraine is safely neutralised, Russia sets its sights firmly on Europe.

With Europe weakened by Ukraine's defeat and its own increasing political fracturing, Russia contrives a pretext and attacks the Baltics. European forces hold off the attack until Russia uses two small-scale nuclear strikes and the threat of more unless Europe accepts Russian terms. There is outcry from around the world but no one is willing to help Europe for fear of becoming a Russian target, and the US is ambivalent. Following Europe's initial submission, Russia offers the opportunity to join the Friendship Council. Countries with hard right and / or particularly weak and divided governments readily get on board. The holdouts receive a nuclear ultimatum and reluctantly join the new bloc. Russia dismantles the governments of the holdout states and appoints pro-Russian parties to lead, and with FSB (Russian domestic intelligence) support, they enforce citizens' loyalty to the Friendship Council. 18 months after the initial Russian attack, much of the world has started trading with Europe again, negotiating access through the Friendship Council.

<u>Bad scenario</u>

What would Europe look like?

Europe is increasingly divided between countries led by pro-Russian parties, pro-EU member states who continue to dither on security, states who seek stronger joint defence, and complacent southwestern European states. Russian influence is high, and kills the prospect of EU-wide commitment to a strong European NATO. A number of European governments start to seek side deals with Russia in order to safeguard their own security, or, in the case of pro-Russian hard-right governments, to gain support in entrenching their domestic rule and dismantling democratic checks and balances. Europe is too divided to coordinate on economic reforms, and the continent is headed for enduring second-tier economic status and middling prosperity.

How did it get there?

The Ukraine War ends to Russia's advantage, although Ukraine retains strategic autonomy and defence forces. Russia ramps up hybrid war and subversive pressure against Europe. The Trump administration provides covert funding to "patriotic" European parties, which amplifies the effect of Russian manipulation. Europe as a whole is unprepared for the more acute hard-right challenge and increasing Russian pressure. The bloc splits between those who seek to go into crisis management mode and tackle the threats, and others who feel that some kind of accommodation with Russia is safer, for example backtracking on green energy and restarting large-scale Russian oil and gas purchases, and rescinding remaining sanctions.

Europe's east, in conjunction with Ukraine, the Nordic countries and a few other European states, form a coalition of the willing, complicating Russia's plans for the Baltics and delaying its decision to launch an attack. The US becomes concerned about potential Russian nuclear use, and states that while Europe is responsible for its own security, the US would "…discourage anyone from thinking about using WMDs". Russian efforts thus emphasise destabilisation, disunity, and support for pro-Russian parties. The continent is effectively shielded by the Russia-facing coalition of the willing, but behind it Europe becomes too divided to undertake coordinated defence and economic reforms. Over time, depending on electoral outcomes in European states, the membership and strength of the coalition of the willing ebbs and flows, and Russia watches for a window of opportunity. Russia is anxious about the costs of keeping its forces on high readiness, but with most global sanctions lifted, its hydrocarbons exports are once again buying increments of economic breathing space. The prospect of war makes foreign investors nervous and foreign direct investment into Europe slumps, further reducing its capability to improve long-term economic performance.

<u>Okay-ish scenario</u>

What would Europe look like?

EU defence and defence-industrial reforms proceed, even though France has come under hard right rule and refuses further participation. The Trump administration lost interest in Ukraine. A non-US NATO coalition of the willing kept Ukraine in the fight for longer than expected, until Russia's economy began to show serious cracks that monetary policy could not paper over. There has been no formal ceasefire in Ukraine but shooting has become rare after both sides resorted to holding in place. Although a major European state has elected a hard right government, the hard right has not made significant progress elsewhere. Uncertainties abound, but Europe has at least proven that it can endure manifested risks and adapt to change. Preventing Ukraine's defeat has been a boon to European confidence.

How did it get there?

The National Rally (RN) wins France's 2027 elections, and is able to form a majority. However, it only managed to win by attenuating its more radical positions, and while it is not a participant in many EU initiatives, it does not routinely veto them. In any case, vetoes are becoming less useful as coalitions of the willing coordinate with the European Commission on more complex and strategic initiatives. Meanwhile, in the US, the Republican Party saw losses in the 2026 congressional elections, and Trump's administration is now too distracted by domestic challenges to dabble in European politics. Indeed, the poor domestic economic performance of Trump's administration has dampened Europeans' enthusiasm for their own hard right which, while still influential, has limited prospects of more national electoral wins for the foreseeable future.

Although Europe has had to resort to a coalition of the willing to support Ukraine, rather than uniting on the use of Russian funds, at the same time the Russian economy has been degrading and Russia is unable to sustain previous military budgets. Despite France's inaction on European policy, defence industrial reforms have made headway and most European NATO states are close to or at their promised military spending. Russian hybrid warfare has actually intensified with the stalemate in Ukraine, but European intelligence agencies assess that an attack on an EU or NATO country is now a remote prospect for the foreseeable future. Russia is too economically fragile. Nuclear blackmail is not a safe option, because Trump, while somewhat ambiguous about the nuclear umbrella, has warned that the US "…might do anything, we might be really upset, who knows? No one would want to find that out the hard way".

<u>Good scenario</u>

What would Europe look like?

Europe's industrial and defence initiatives are proceeding. A European NATO takes shape, and improvements in defence coordination mean that Europe could get a credible counter-invasion force into action in weeks. A ceasefire in Ukraine has allowed the country to harden its defences, and it is closely working with NATO on a joint defensive strategy. European economic reforms have been made some tangible progress, and a number of new ventures are challenging US and Chinese dominance in a few niche sectors. The US is facing domestic challenges and any notion of taking a role in Europe's political evolution is forgotten. Russia has been deterred by increasing European defence capabilities, and Europe is becoming much better at dealing with hybrid attacks. Indeed, for the first time, Europe retaliated against a Russian drone incursion, using a cyberattack targeting Russian oil and gas logistics, a move met with rancorous Kremlin rhetoric. Europe's hard right continues to challenge the centre, but its support is ebbing in key states because of visible progress in security and economic reforms – the EU and European governments are getting better at communicating their achievements.

How did it get there?

The two main antagonists in the equation, Russia and to a far lesser degree the US, have been compelled to focus more on the domestic economic front. Russia agreed to a ceasefire backed by Europe but endorsed by Trump, who took credit for having made a ceasefire possible (Europe did not contradict him because if it helps Trump to look good, it gives him a vested interest in the ceasefire's maintenance). Battle lines in Ukraine are still manned by skeletal and monitoring forces but are inactive. Even though Ukraine had to give up land occupied by Russia, the ceasefire and the preceding European support for Ukraine have been a tremendous boost to European confidence.

The US retains only a minor observer role in NATO, which has become a European-led alliance. A coalition of the willing leads on NATO defence initiatives, and there is an increasingly robust, cross-European defence industrial ecosystem. The US remains somewhat ambiguous about the nuclear umbrella, but France and the UK are in discussion with NATO about the medium-term options for at least nascent nuclear deterrence. In addition, a coalition of the willing has committed their military and communications intelligence agencies to fully coordinate on cyber defence and deterrence. The first use of cyber retaliation, while kept out of the news for the most part, boosts confidence and, more importantly, leads to a reduction in Russian activity.

The hard right still presses the centre, but mainstream politicians, emboldened by Europe's progress, are increasingly willing to make the case for joint European initiatives to increase resilience, in addition to clearly explaining the risk that the hard right poses to these initiatives. Europe has shown that it can stand up for itself, and having responded to a wake up call, its power starts to grow while Russia and the

US begin to face the effects of overreach and excessive emphasis on foreign adventurism at the cost of dealing with problems at home.

NOVI HQ:

Now that you've presented a few stories, what could really matter in the medium-term has become clearer. The next stage of the Ukraine War, and Europe's role in getting it there, is critical not just in terms of security but in terms of self-confidence. Any joint progress on resilience also helps to boost public acceptance of new areas of integration and reduces support for the hard right. You also noted Trump's political fortunes at home, as well as the state of Russia's economy and how long it can hold up. It seems that coalitions of the willing might be indispensable to accelerating change. On the downside, you allude to dithering, division, and what seems like an almost self-inflicted vulnerability to external political manipulation. It seems that the most significant factor for Europe is actually its own political will.

NOVI Field Team:

We agree, **political will** is paramount. Europe is intact and more or less okay right now, no external agent is really in a position to make it do anything that is not in its interests, and it has a lot to build on and the means to build. But there is an oppressive sense of defeatism, as though European leaders accept that the bloc will never be able to surmount its character as a collection of separate countries, each with their own microcosmic dramas that absorb attention and will.

In terms of confidence, Europe has not done itself many favours lately. There was an occasion to forge confidence when faced with the decision of using Russia's assets to fund Ukraine. That moment was lost, partly (we stress partly, but significantly) because the Belgian government and Euroclear actually received direct threats from Russia and were scared. Very recently, since the US took over Venezuela, Trump's administration is riding high and has reiterated its intention to take Greenland. Rather than collectively saying that Europe stood together, that the US was acting immorally and criminally, and that Europe would make any takeover very difficult, its messaging has been fragmented and much of it tepid. Europe could make it difficult. The US could take bases in Greenland, but northern European forces are experts in arctic warfare, which specialises in setting up conditions that make the cold the primary weapon. But it does not appear that Europe is even contemplating trying to deter potential US aggression. There are a number of other examples, but the response to Russian hybrid warfare is significant. European leaders talk about it and denounce it, but they have yet to show to Russia that there is any cost in doing it. Meanwhile, the hard right presses on against a political centre that has not clearly shown why it is the better, more capable, safer alternative.

The EU and member state government systems both work well in stable times. They both heavily rely on consensus between myriad competing perspectives. That helps to gain legitimacy for the institutions themselves – they might not be conducive to achieving big things, but they prevent bigger players and parties from imposing dramatic changes that might hurt smaller ones. They are fair, in that sense. But when big things are essential for the joint national interest, they fall short because of this orientation to incrementalism. Systemic tendencies are certainly not absolute constraints. There could be agreement between actors that it is time to put minor differences aside, accept some difficult trade offs and tackle shared, existential challenges. But they are conditioned to inertia. They had decades of never having to challenge this tendency because of US security cover and the US acting as the ultimate guarantor of the rules-based international system. Even Trump's first term, which he promised to try repeat, was not a wake up call, when it clearly signalled the end of an era regardless of whether or not he returned.

There is an irony about some Western partners which in the past have appeared to the West and to Europe as abrasive, uncooperative, or out for themselves. They appeared to be working against collective interests, yet whether knowingly or just by dint of healthy suspicion, they were ahead of the game in terms of preparing for a messy world in which anything, or anyone, you relied on might change or disappear. Saudi Arabia is an example. Once quite a firm Western ally, since 2017 it has become a middle power in its own right with a nimble and pragmatic foreign policy. Turkey is an even better example because it is a longtime NATO member. It has the second largest military in NATO after the US, has largely pursued its own foreign and defence policy for years now, and is forging diplomatic, military and commercial ties throughout Central Asia, Africa and other parts of the Global South. It maintains decent relations with China while seeking to avoid trade dependence and it even keeps a window open to Russia, whom it does not trust but whom it knows is important. It has a vibrant defence industry.

Turkey's government has its issues and shortcomings, but as an international actor it never chose the path of complacency, secure in the NATO herd and in US cover. It has had a healthy suspicion of strategic assumptions and even partners, and has maintained a capability to face serious threats. Turkey's European partners found it to be rather too independent-minded and even disagreeable at times. Yet now, it looks far better prepared for turbulent times than most, if not all, European countries. Of course Turkey is one country, which simplifies things, but even so, as a NATO member it had the option of at least a degree of complacency. It chose not to take it. Europe needs its own version of this grit, and has for a long time. It has not challenged assumptions and is unprepared now that assumptions are crumbling.

As we noted in the section on what Europe is doing about its predicament, it has made considerable progress in becoming more resilient, but only when weighed against its proclivity to inertia and lowest common denominator outcomes. When weighed against the threats, a “good” pace would be full throttle, not just beating one’s previous mediocre times.

NOVI HQ:

That’s rather harsh, but given that Europe is in this predicament when it could have stayed ahead of the game, it’s not an unreasonable judgement. So, our final question: can Europe and its member states forge a new collective mindset in time to avert a “disastrous” or “bad” future?

NOVI Field Team:

If we were gamblers, we would not bet on it. But we’re not gamblers, and we sense that what makes Europe so unique and valuable in the world also contains the roots of its ability to adapt and rise to its challenges. We hope we’re right. A world without a values-based, diverse and democratic Europe exercising its moral persuasion, rules-based rationality, and soft power would be much harder for us as foreign direct investors. We might even have to rethink Mars – there’s no one there, but after getting a better sense of what’s happening on Earth…

NOVI HQ:

You’re kidding, say it for the record.

NOVI Field Team:

We’re kidding. For the record.