



QUINCY INSTITUTE  
FOR RESPONSIBLE  
STATECRAFT

# European Hedging as a Diplomatic Opportunity for the United States

**APRIL 2025 | QUINCY BRIEF NO. 73**

**Naman Karl-Thomas Habtom**

Visiting Researcher

University of Luxembourg

# Executive Summary

With the onset of multipolarity in the world and growing disagreement between the U.S. and Europe, the U.S. should expect a declining foreign policy alignment with Europe. Rather than bemoan this development, the U.S. should recognize it as a strategic opportunity. Selective hedging by European countries — reducing their dependency on the United States and cultivating stronger relations with other major powers — would facilitate a diplomacy-led, restraint-based U.S. foreign policy and help the U.S. navigate a multipolar world order.

For years, Europe has stood as a de facto vassal of the United States, a continent dependent on American military might and comprising countries largely lacking foreign policy independence. Such self-subordination has had negative consequences for Europe and the United States alike. It has weakened Europe's overall global standing, which in turn means that the U.S. has been able to draw less advantage from its European alliance. This has unintentionally reduced U.S. diplomatic heft in engaging with adversaries.

But a considerable U.S.–European schism has recently emerged. The Trump administration's decided break from the transatlantic status quo has engendered strong disagreements over Ukraine, European security policy more broadly, and international trade. With the combined weakening of political, military, and economic links across the Atlantic, Europe is more likely to hedge moving forward.

Strategic hedging — a posture already adopted by many countries in the Global South — would allow European countries to pursue an independent foreign policy, bolstering their international relevance. This reorientation would be diplomatically advantageous to the United States, as hedgers in Europe could serve as friendly interlocutors for American engagement with rival nations. European hedging could provide a conduit for

constructive U.S. diplomacy, while discouraging zero-sum thinking and the disintegration of the global order into hostile blocs.

The U.S. must recognize that a vassalized European continent is both unsustainable and antithetical to a restrained foreign policy vision. While retaining friendly ties with European countries, the United States should now actively promote selective hedging, paving the way for long-term European independence and peaceful multipolarity.

## **Current situation and significance**

### **European vassalization and declining global relevance**

Since 1945, the transatlantic relationship has primarily been characterized by U.S. military dominance, accompanied by foreign policy primacy. U.S. preeminence in security matters was further reinforced by the creation of NATO, where it acts as the central node; without it, the West suffers from decisionmaking and operational paralysis. The immensity of the Pentagon budget, along with the world's largest arms sector and U.S. troop presence in Europe, further cemented the centrality of the United States in both the post-Second World War and the post-Cold War European security systems.

U.S. indispensability, enabled by European self-subordination, has turned military power into foreign policy influence. Greater European foreign policy alignment with the United States, often framed as convergence, has resulted in the European Union's de facto vassalization.<sup>1</sup>

For a long time, defaulting to the United States removed independent European leverage in its global engagements, outside the area of trade. Growing hostility toward Russia and, to a lesser extent, China has resulted in policymakers in Beijing and Moscow

---

<sup>1</sup> Eric Meyers and William Alan Reinsch, "The Push for U.S.-E.U. Convergence on Economic Security Policy," Center for Strategic and International Studies, July 7, 2023, <https://www.csis.org/analysis/push-us-eu-convergence-economic-security-policy>; Jeremy Shapiro and Jana Puglierin, "The Art of Vassalisation: How Russia's War on Ukraine Has Transformed Transatlantic Relations," European Council on Foreign Relations, November 7, 2023, <https://ecfr.eu/publication/the-art-of-vassalisation-how-russias-war-on-ukraine-has-transformed-transatlantic-relations/>.

increasingly disregarding their European counterparts as mere U.S. proxies lacking any substantive sovereignty — once again, with the exception of trade and economics.<sup>2</sup> Similarly, Washington has come to expect the E.U. to toe the line. As a result, despite its economic and demographic significance, the E.U. is ignored by both its transatlantic ally and its adversaries.

The rigidity created by a lack of hedging creates a near-permanent paralysis in the ability of European states to adjust their responses to world affairs independently of the United States, either individually or through a coordinated effort. Between the 1990s and the 2010s, this shortcoming could be largely offset by Europe's relative importance in the world, especially economically. However, that is no longer the case. The E.U.'s share of global exports fell to 13.7 percent in 2022 from 16.3 percent in 2016 — a decline that signals Europe's reduced economic influence compared to rising powers.<sup>3</sup> The E.U. is now consistently falling further behind both the United States and China.

In the security domain, independent European force projection has so far been practically nonexistent as more alternative actors emerge. France, the E.U.'s largest military power, has lost its influence in the Sahel after having been kicked out, with other Western deployments to the region also being cut short.<sup>4</sup> French, and by extension European, hegemonic presence in the area has fundamentally been displaced not because of Russian entry but rather because Sahelian states now view Western states as less vital to their security needs.<sup>5</sup> As Western political and economic influence

---

<sup>2</sup> Yakov M. Rabkin, "Europe: A Spectre of Irrelevance," *Russia in Global Affairs*, February 17, 2025, <https://eng.globalaffairs.ru/articles/europe-irrelevance-rabkin/>; Justyna Szczudlik, "What Does China Think About Central and Eastern Europe?" *China Observers in Central and Eastern Europe*, May 19, 2022, <https://chinaobservers.eu/what-does-china-think-about-central-and-eastern-europe/>.

<sup>3</sup> Jorge Valero, "Europe's Share of Global Exports Is Shrinking," *Bloomberg*, April 9, 2024, <https://www.bloomberg.com/news/newsletters/2024-04-09/supply-chain-latest-europe-s-business-worry-about-competitiveness>.

<sup>4</sup> Christophe Châtelot, "How France Was Driven Out of the Sahel," *Le Monde*, September 5, 2023, [https://www.lemonde.fr/en/france/article/2023/09/05/how-france-was-driven-out-of-the-sahel\\_6124522\\_7.html](https://www.lemonde.fr/en/france/article/2023/09/05/how-france-was-driven-out-of-the-sahel_6124522_7.html); "E.U. to Close Mali Military Training Mission," *Reuters*, May 8, 2024, <https://www.reuters.com/world/africa/eu-close-mali-military-training-mission-2024-05-08/>.

<sup>5</sup> Naman Karl-Thomas Habtom and Julian Waller, "Guardianship and Resentment in Precarious Civil-Military Relations," *The Strategy Bridge*, December 7, 2023, <https://thestrategybridge.org/the-bridge/2023/12/7/guardianship-and-resentment-in-precarious-civil-military-relations>.

wanes, it is Europe that suffers the most, as the United States is still able to ensure its own military and financial dominance within its own alliance system.

The consequences of a hedging-free approach have been largely negative for Europe. Amid a deteriorating security situation on the Continent, there has been a continued slide into global irrelevance, severe economic fallout from a misguided sanctions policy that will be difficult to reverse, and continued vassalization vis-à-vis the United States. As *Politico*'s chief Europe correspondent Matthew Karnitschnig has written, "Across an array of global flashpoints, from Nagorno–Karabakh to Kosovo to Israel, Europe has been relegated to the role of a well-meaning NGO, whose humanitarian contributions are welcomed, but is otherwise ignored."<sup>6</sup> This trajectory weakens Europe as it enters into a "multi-nodal" world.<sup>7</sup>

Vassalization, both as externally caused by the United States and internally driven by European policymaking elites, has eroded Europe's capacity to engage challenges on its own, whether emanating from the East or the West. The Trump administration's apathy, if not negativity, toward the European Union may encourage some officials to pursue greater autonomy based in realism, but vassalization has already significantly atrophied European foreign policy realism.

## Implications for the United States

A subordinate Europe may initially appear to be in the United States' strategic interest as the Continent serves as an extension of U.S. foreign and security policy. However, since the imbalance contributes to Europe's declining relevance, it also unintentionally undercuts U.S. diplomatic heft in the long term. By enabling greater diplomatic flexibility to European states, including when disagreeing, the United States is able to simultaneously elevate Europe's relative global influence, which in turn can strengthen the United States' foreign policy when there is genuine transatlantic agreement on

---

<sup>6</sup> Matthew Karnitschnig, "Europe's Power Outage: How Israel-Hamas War Exposed E.U.'s Irrelevance," *Politico*, October 12, 2023, <https://www.politico.eu/article/israel-hamas-war-europe-eu-power-irrelevance/>.

<sup>7</sup> "Multi-nodal" because the international order is three-dimensional rather than two-dimensional. See Chas Freeman, "Surviving the World Order to Come," Chas W. Freeman, Jr., July 10, 2024, <https://chasfreeman.net/surviving-the-world-order-to-come/>.

particular issues. This is increasingly accepted by some in U.S. policymaking circles, such as Vice President JD Vance, who observed that “it’s not in Europe’s interest, and it’s not in America’s interest, for Europe to be a permanent security vassal of the United States.”<sup>8</sup>

A vassalized Europe limits the number of potential mediators that the United States can rely on to deescalate tensions with an adversary. With fewer viable options, the United States ends up in a weaker position when a mediating state can extract greater demands in exchange for diplomatic assistance. The more dependent the United States grows on just a handful of states for such diplomatic services, the more it complicates bilateral relations with non-European hedging states. Compartmentalizing distinct issues is vital for the United States but less feasible with a diplomatically irrelevant Europe.

As U.S. and European policymakers increasingly diverge on several major issues, the United States would be well served if it embraced a more diplomatically independent and prominent Europe. Complementarity, instead of subordination, could prevent unnecessary future confrontations in some areas while strengthening cooperation in others during a period of more uncertainty in great power relations.

## The hedging majority

Multipolarity has led states — especially in the Global South — to pursue a multivector foreign policy that seeks to reduce dependency on a single ally and instead cultivate relations with all major actors.<sup>9</sup> U.S. allies such as Turkey and Israel have maintained economic, diplomatic, and military links with Russia and China despite their close relations with Washington.

---

<sup>8</sup> Sohrab Ahmari, “JD Vance: My Message to Europe: America Doesn’t Want a Vassal Continent,” *UnHerd*, April 15, 2025, <https://unherd.com/2025/04/jd-vance-my-message-to-europe/>.

<sup>9</sup> Hakim Ben Hammouda, “Multi-Alignment and De-Risking: The Global South Response to World Fragmentation,” Institut français des relations internationales, October 31, 2024, <https://www.ifri.org/en/papers/multi-alignment-and-de-risking-global-south-response-world-fragmentation>.

Europe remains the only major region to resist the global turn toward multipolar diplomacy. Smaller and more vulnerable states, such as the Gulf monarchies, have managed to hedge effectively.<sup>10</sup> Even in light of the second Trump administration's relatively high lack of interest in transatlantic security guarantees, European states individually and the European Union as a whole have continued to display an aversion toward hedging.

A willingness to engage Russia and China on equal terms has been characterized as "appeasement" by opponents (i.e., the bulk of the E.U.'s foreign policy elite) of either a hedging approach or a multivector foreign policy. While the underlying motivations for disagreeing views complicate the assessment of European attitudes toward engagement, with Lithuania on one end of the spectrum and Spain and Hungary on the other when it comes to China, the European Union and NATO's E.U. members have increasingly converged in recent years toward a more hedging-averse attitude.<sup>11</sup>

However, what Europe refuses to do is already a global mainstream. In nine months, Vietnam, with its "bamboo" diplomacy, was able to separately host then-U.S. President Joe Biden, Chinese President Xi Jinping, and Russian President Vladimir Putin.<sup>12</sup> Currently, no E.U. member can replicate this diplomatic trifecta. The closest has been Hungary's Prime Minister Viktor Orbán traveling to Putin and Xi as well as to then-former

---

<sup>10</sup> Danielle Pletka, "The Qatarization of the Middle East," *Foreign Policy*, May 4, 2022, <https://foreignpolicy.com/2022/05/04/arab-gulf-countries-iran-us-relations-qatar/>.

<sup>11</sup> Pepijn Bergsen and Valdonė Šniukaitė, "Central and Eastern Europe Become Hawkish on China," Chatham House, September 16, 2022, <https://www.chathamhouse.org/2022/09/central-and-eastern-europe-become-hawkish-china>; Henry Foy, Laura Dubois, Barney Jopson, and Joe Leahy, "Spain Calls for E.U. to Forge China Policy Without U.S.," *Financial Times*, February 24, 2025, <https://www.ft.com/content/65abc8b2-d290-490c-b143-3f98e116124e>.

<sup>12</sup> Bamboo diplomacy refers to Vietnam's "firm but flexible" style of foreign policy, much like the bamboo plant. See Nguyen Khac Giang, "Bamboo in the Wind: Vietnam's Quest for Neutrality," in *Neutrality After 1989: New Paths in the Post-Cold War World*, ed. Naman Karl-Thomas Habtom (Bristol: E-International Relations, 2024), 80–93; A. Anantha Lakshmi, "Vietnam's 'Bamboo Diplomacy' Triumphs with Visits from Biden, Xi and Now Putin," *Financial Times*, June 20, 2024, <https://www.ft.com/content/2066b843-9140-47ba-a71d-63444b436822>.

President Donald Trump, only to be met with a barrage of criticism from fellow E.U. leaders and officials.<sup>13</sup>

Meanwhile, the United States has demonstrated a limited willingness, albeit inconsistently, to rely on the diplomatic cachet of hedging states. The United States' restraint vis-à-vis Saudi Arabia as Riyadh actively sought to deepen ties with both Russia and China, including post-February 2022<sup>14</sup> under the Biden administration, paved the way for the new Trump administration to benefit from Saudi diplomacy as the Kingdom hosted U.S.–Russia and U.S.–Ukraine talks.<sup>15</sup> Hedging enabled a U.S. foreign policy course correction.

Even though the United States is partly responsible for Europe's conformity to American unipolarity, U.S. Secretary of State Marco Rubio has himself signaled a greater understanding of the emerging multipolar world than many European "Atlanticists," arguing that: "eventually you were going to reach back to a point where you had a multipolar world, multi-great powers in different parts of the planet. We face that now with China and to some extent Russia, and then you have rogue states like Iran and North Korea you have to deal with."<sup>16</sup>

## The emerging U.S.–European schism

The second Trump administration's differing priorities and approaches to international affairs from the majority of its European partners have triggered the emergence of increasingly independent European foreign and security policies. Worsening transatlantic relations over the Russia–Ukraine War have the potential to generate the

---

<sup>13</sup> "After Moscow, Hungary's Orbán Makes Surprise Visit to Beijing," *euronews*, July 8, 2024, <https://www.euronews.com/my-europe/2024/07/08/hungarian-prime-minister-viktor-orban-makes-surprise-visit-to-china>; "Orban's Meeting with Putin on Ukraine Peace Deal Is 'Appeasement', E.U. Leaders Say," *France 24*, July 5, 2024, <https://www.france24.com/en/europe/20240705-hungary-s-orban-arrives-in-moscow-on-peace-mission-without-eu-mandate>.

<sup>14</sup> Russia's full-scale invasion of Ukraine occurred in February 2022.

<sup>15</sup> David Ottaway, "New Saudi Doctrine of 'Positive Neutrality' Pays Off," *Wilson Center*, February 26, 2025, <https://www.wilsoncenter.org/article/new-saudi-doctrine-positive-neutrality-pays>.

<sup>16</sup> "Atlanticist" refers to those who support strong ties between the U.S. and Europe. "Secretary Marco Rubio with Megyn Kelly of The Megyn Kelly Show," U.S. Department of State, January 30, 2025, <https://www.state.gov/secretary-marco-rubio-with-megyn-kelly-of-the-megyn-kelly-show/>.



impetus necessary for hedging. While in the context of Eastern Europe it is the United States that is arguably hedging by engaging the Russian Federation, a widening chasm may open the way toward European states embracing diverging foreign policy positions on other issues in the future. As transatlantic disagreements become more frequent, selective hedging by Europeans can become more normalized.

The deterioration in transatlantic ties in February and March 2025 offers a glimpse of how positions between Europe and the United States could diverge. The episode began with U.S. President Trump's phone call with Russia's President Putin, followed by U.S. Defense Secretary Pete Hegseth's ruling out NATO membership for Ukraine and expressing skepticism of Kyiv's ability to recover its pre-2014 territory.<sup>17</sup> This culminated with the clash between President Trump and Ukrainian President Volodymyr Zelenskyy in the Oval Office on February 28 and the subsequent European drive for increased military expenditures, suggesting a latent will for pushback against Washington's policies.<sup>18</sup>

These disagreements have subsequently been compounded on a variety of related issues, including sanction relief for Russia, Danish sovereignty over Greenland, and the use of tariffs.<sup>19</sup> Concerns about continued U.S. military commitments in Europe have also led to European leaders increasingly exploring independent security and economic arrangements, such as increased deficit spending on armed forces and pan-European

---

<sup>17</sup> Maggie Haberman, Zolan Kanno-Youngs, and Anton Troianovski, "Trump Says Call With Putin Is Beginning of Ukraine Peace Negotiations," *New York Times*, February 12, 2025, <https://www.nytimes.com/2025/02/12/us/politics/trump-putin-call-russia-ukraine-war.html>; "Opening Remarks by Secretary of Defense Pete Hegseth at Ukraine Defense Contact Group," U.S. Department of Defense, February 12, 2025, <https://www.defense.gov/News/Speeches/Speech/Article/4064113/opening-remarks-by-secretary-of-defense-pete-hegseth-at-ukraine-defense-contact/>.

<sup>18</sup> Peter Baker, "Trump Berates Zelensky in Fiery Exchange at the White House," *New York Times*, February 28, 2025, <https://www.nytimes.com/2025/02/28/us/politics/trump-zelensky-us-ukraine-russia.html>; "Commission Unveils the White Paper for European Defence and the Rearm Europe Plan/Readiness 2030," European Commission, March 19, 2025, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_793](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_793).

<sup>19</sup> Henry Foy, Christopher Miller, and Max Seddon, "E.U. Rejects Russian Ceasefire Demand for Sanctions Relief," *Financial Times*, March 26, 2025, <https://www.ft.com/content/f5fee89e-be92-4ca3-9e3c-01078b8a2b64>; Jacopo Barigazzi, "E.U. Leaders Deflect Trump on Greenland and on Tariffs," *Politico*, February 4, 2025, <https://www.politico.eu/article/europe-leaders-us-donald-trump-greenland-affairs-buying-trade-war-china-mexico-military-force/>.

arms procurement.<sup>20</sup> The use of retaliatory tariffs, discussions of a continental nuclear-sharing policy, and the development of a homegrown arms industry are just a few symptoms of an increasingly widening gap between the United States and its European allies.<sup>21</sup>

President Trump's April 2, 2025, tariffs on the European Union, resulting in the imposition of a 20 percent tariff on imports from the E.U. (at the time of writing, half of this is temporarily paused), has also shaken European confidence in transatlantic ties.<sup>22</sup> In particular, the threatened application of economic measures against erstwhile allies at rates higher than other countries has created resentment. The European Union was founded as — and fundamentally remains — an economic union. E.U. responses, such as the adoption of protectionist measures and the diversification of trade partners, could also increasingly untether Europe from the United States.

Efforts to undermine Europe's economic standing, along with broader concerns about unpredictability and instability in transatlantic economic ties, make hedging a more appealing route. Europe's current vulnerabilities to external shocks are in large part due to the lack of hedging since the end of the Cold War. The growing gap between U.S. and E.U. policymakers is no longer restricted merely to a particular domain but now extends across foreign, security, and economic policies.

It remains to be seen how durable the current rhetorical pushback and retaliatory measures will be and whether they will translate into concrete policy changes over the medium and long term. Paradoxically, the predominance of Russia hawks in the E.U.'s policymaking circles could reaffirm E.U. reliance on the United States militarily. Nonetheless, it has begun normalizing the idea of U.S.–Europe divergences on

---

<sup>20</sup> Fenella McGerty, "European Defence Funding: Fiscal Manoeuvres," International Institute for Strategic Studies, March 13, 2025, <https://www.iiss.org/online-analysis/military-balance/2025/03/european-defence-funding-fiscal-manoeuvres/>.

<sup>21</sup> Marion Messmer and Julia Cournoyer, "France Should Join NATO's Nuclear Sharing Arrangements to Strengthen European Deterrence," Chatham House, March 12, 2025, <https://www.chathamhouse.org/2025/03/france-should-join-natos-nuclear-sharing-arrangements-strengthen-european-deterrence>.

<sup>22</sup> Tessa Wong and Kayla Epstein, "Donald Trump's Tariffs on China, E.U. and More, at a Glance," BBC News, April 9, 2025, <https://www.bbc.com/news/articles/c1jxrn19xe2o>.

economic as well as foreign and security policy. While it may be too soon to see European visions for Ukraine take hold on the ground, it nevertheless opens the door toward future disagreements, especially on issues that may be either less high-profile or more peripheral for both the United States and Europe.

The combined weakening of political, military, and economic links across the Atlantic alongside the continued relative rise of the Global South may encourage greater European foreign policy independence. Post–Second World War U.S.–European relations have been grounded in a linkage between these three pillars, with either security or economic concerns motivating European officials to concede to the United States in a bid to maintain the overall relationship. However, with a new cost-benefit analysis at play, the conditions for hedging may soon emerge.

## Potential for greater European foreign policy autonomy

Disagreements over Ukraine, European security policy more broadly, and international trade have raised serious discussions in European capitals about how to reassess their relations with the United States in particular and the world in general. This could lead European states to pursue an increasingly divergent foreign policy from the United States. While this may now begin with a handful of issues, it could grow to be more comprehensive once the shift toward a hedging approach is adopted.

Having curtailed its own leverage vis-à-vis the Europeans by reducing its relative role in European security, Washington may need to recalibrate its expectations in terms of foreign policy alignment from its various European partners and allies, whether on an individual or collective level, to avoid harming its bilateral ties.

Europe's vassalization is the product of decades of policy from both sides of the Atlantic and may take years to be undone if seriously pursued. The prospect of devassalization, however, is made more likely by an increasingly militarily self-sufficient Europe emerging as a result of U.S. pressure for burden-sharing. Rather than anticipating this with a sense of dread, the United States should welcome this as an opportunity. By seizing on new potential diplomatic pathways, the U.S. government can

more effectively engage adversaries through a wider network of friends and partners who incorporate hedging as a means of balancing their foreign relationships.

## Policy objectives

The ability of the United States to pivot in the future or engage foreign adversaries using restraint rather than military force relies in large part on the presence of mediating states or interlocutors. While this can be done through the good offices or diplomatic support of fully nonaligned states, this can be further enabled by relying on selectively hedging allies.

The tacit support or active enabling by the United States of a selective hedging approach by a European ally serves two key functions. First, it creates an additional route through which U.S. diplomacy can be effectively deployed. Second, that the United States demonstrates its willingness to tolerate a dissenting foreign policy position of a European ally would signal American openness to reconsider its own foreign policy instead of a dogmatic adherence to a past policy when engaging adversaries.

The benefits of supporting hedging by otherwise friendly states are both political and economic. Willingness to not economically penalize countries with a differing foreign policy would also engender confidence in the states working with the European hedgers. European compliance with U.S. sanctions against Iran after the U.S. withdrawal from the Joint Comprehensive Plan of Action, or JCPOA, has reduced Iranian confidence not just in Europe but also in the United States. Had the United States prevented only American companies from doing business with Iran while allowing European firms, future U.S. engagement would be seen as more credible. Instead, Iran has doubled down on trade with other sanctioned countries or U.S. adversaries, most notably Russia and China, as well as countries that are too important or powerful for the United States to sanction and therefore have chosen to hedge, such as India.<sup>23</sup>

---

<sup>23</sup> "Iranian Parliament Approves Free Trade Zone with EEU," *IntelliNews*, February 28, 2025, <https://intellinews.com/iranian-parliament-approves-free-trade-zone-with-eeu-369662/?source=kazakhstan>; Jose Caballero, "China's Latest Diplomatic Move Will Extend Its Trade, Energy, Financial and Maritime Power," *The Conversation*, March 24, 2023,

Maintaining hedgers is vital for U.S. foreign policy flexibility given the significant changes that take place between administrations. The presence of U.S.–friendly hedging states provides a stable pathway for course corrections by U.S. diplomats. This enables additional channels for information-sharing between the United States and its adversaries, a critical function to prevent accidental escalation or clashes. Additionally, a proliferation of U.S.–friendly European hedgers would reduce U.S. dependence on a single state.

## Improving relations with European partners

Since the end of the Cold War, European states have largely avoided strategic autonomy, even on niche foreign policy issues, because of the United States' hegemonic influence and the elevation of Atlanticist politicians and policymakers within Europe. As multipolarity continues to develop, some European states will come under increasing pressure, both internally and externally, to evaluate policies in a manner that diverges from Washington, which in turn will likely produce fissures.

Enabling hedging would act as a pressure release instead of creating growing resentment that could manifest itself electorally as anti–Americanism. Hedging would also boost Europe's international relevance, which could indirectly benefit the United States, as the two are likely to have overlapping outlooks even if there are growing differences. The alternative — a perpetually subordinate Europe — may elevate the United States' relative position vis-à-vis European countries but comes at the expense of a more impactful foreign policy when coupled with genuine transatlantic diplomatic partnership.

## Preventing the emergence of isolated blocs

Significant, albeit varying, levels of integration between the United States and Europe across diplomatic, military, and economic axes are contributing to the potential

---

<https://theconversation.com/chinas-latest-diplomatic-move-will-extend-its-trade-energy-financial-and-maritime-power-201923>; "India Inks 10-Year Deal to Operate Iran's Chabahar Port," Reuters, May 13, 2024, <https://www.reuters.com/world/india/india-sign-10-year-pact-with-iran-chabahar-port-management-et-reports-2024-05-13/>.

emergence of a U.S.-led global geopolitical bloc alongside a more Sinocentric economic and technological sphere. While some policymakers view this as desirable, U.S. attempts to limit China's influence in Europe have unintentionally strengthened the Russian-Chinese partnership, which has become deeper across multiple domains ranging from economic to security cooperation.

Nation-states marginalized by the United States with European assistance (e.g., Iran and Venezuela) are disincentivized from integrating economically with Western countries and instead help promote institutions beyond U.S. and European influence. Rather than trying to effect a permanent splitting between China and Europe, U.S. policymakers should abandon zero-sum thinking and instead try to promote a Europe that would inevitably have different perspectives, with some leaning primarily toward the U.S. and others seeking partnerships with both Washington and Beijing.

European hedgers, if indirectly encouraged by the United States, can provide enough motivation for U.S. adversaries to not completely isolate themselves. The limited effectiveness of sanctions combined with the growth of multipolarity makes the total defeat of adversaries less likely. Without incentives for rivals for peaceful coexistence, U.S. foreign policy risks becoming undermined as its reach will increasingly be restricted to its own more proximate sphere of influence.

## Establishing a mechanism for practical measures

Hedging reflects uncertainty over future outcomes. As such, the biggest benefits of European hedging for the United States may not be seen immediately. Absent major geopolitical changes, concrete benefits can still be obtained in the short to medium term. One example is facilitating prisoner exchanges, both by enabling diplomatic contact and by hosting prisoner transfers.

Though narrow in scope, such efforts can serve as vital trust-building exercises between the United States and its adversaries in which European hedgers can play a vital and practical role. Similarly, a willingness to host talks, whether consisting of Track 1.5/2 meetings or contact between official delegations, offers European states a

pragmatic path forward in balancing their relationship with Washington on the one hand and a U.S. adversary on the other.

## **Proposed policy approach**

U.S.-backed European hedging presents a strategic opportunity, but unilateral actions could either backfire or fall short of achieving desired outcomes. The U.S. must balance its support for European autonomy while ensuring that this does not result in negative repercussions for transatlantic relations.

### **U.S. approach: relief and support**

U.S. promotion of selective hedging requires both passive and active measures. The former consists primarily of restraint and the nonpursuit of currently existing policies, while the latter is largely defined by enabling and preparing for hedging itself.

The first step U.S. policymakers should adopt is the selective nonapplication of sanctions. Given the vast use of economic pressure and Washington's predisposition to adopt sanctions as the policy of first resort, expecting a wholesale lifting of sanctions is unrealistic. Individual but durable waivers, however, are far more practical. These can be granted to both states as well as individuals and businesses from hedging states. Depending on the nature of the economic relationship between the European hedging state and the adversarial government, the scope of sanctions waivers can range from being sector-specific (e.g., energy imports/exports or the use of financial services) to covering all trade and cooperation.

To ensure that hedging can remain politically viable and credible, the United States should tailor sanction exemptions to the specific needs of each hedging state. A policy of deference should be adopted toward a foreign government that U.S. policymakers acknowledge should be supported in their hedging efforts. This would cultivate greater trust between Washington and the European hedging state as well as between the

hedging state and the adversarial state, while also enabling the hedging state to be more flexible and dynamic in bilateral engagements.

Waivers are not problem-free. As waivers granted to humanitarian organizations operating in Syria have demonstrated, banks and other firms remain wary of doing business with sanction-adjacent entities or states.<sup>24</sup> Though advocates of sanctions may worry that waivers will provide loopholes and thereby undermine them, it is necessary to weigh the benefits of having a strategically situated partner. This is especially true in an era where sanction circumvention is increasingly doable, as Russia has demonstrated since 2022. In other words, providing waivers to partners is preferable to sanction-busting through more adversarial third parties.

For exemptions to generate the necessary level of benefits, as opposed to being viewed simply as theoretical, Washington may have to offer added assurances to the durability of the waivers. Assurances could include legislative protections, executive restraint, and direct engagement with foreign business communities.

Effective use of waivers can be expected to produce a positive effect elsewhere. An ability to generate positive outcomes while demonstrating American reliability would engender greater confidence in future cases of exemptions, thereby solidifying the value of being a selective hedger that is friendly with the United States.

Washington's varied responses to the vast majority of the world's countries, which refused to impose sanctions on Russia after February 24, 2022, reveals a capacity for strategic flexibility. The lenient approaches toward India and the United Arab Emirates, for example, could be replicated in Europe.

Similar to the nonapplication of sanctions should be the abandonment of efforts to get some countries to withdraw from non-U.S.-led projects or groupings. This is especially beneficial in areas where an American alternative does not exist. Whether it is

---

<sup>24</sup> "Questions and Answers: How Sanctions Affect the Humanitarian Response in Syria," Human Rights Watch, June 22, 2023, <https://www.hrw.org/news/2023/06/22/questions-and-answers-how-sanctions-affect-humanitarian-response-syria>.



telecommunications or railway infrastructure, expecting states to reject existing technologies indefinitely in the hope that an American or European firm may one day generate a comparable product is shortsighted. While legitimate security concerns exist in specific domains, a growing expectation by Washington for European capitals to reject high-quality goods and services from U.S. competitors risks producing resentment coupled with European economic and infrastructural stagnation.

Avoiding public condemnation of hedgers is key to sustaining their role. The United States government has already shown a capacity for selective noncondemnation for non-European hedging. India and the United Arab Emirates' post-2022 cooperation with Russia has received relatively little public criticism from the State Department, suggesting that flexibility is possible.

Noncondemnatory language is vital in preventing rhetorical escalation, which in turn can risk forcing countries to take increasingly antagonistic positions in order to placate domestic audiences. Additionally, U.S. diplomats should pay special attention to the importance that states attach to their reputation. Since February 2025, the Trump administration has shown a willingness to do this toward Russia.<sup>25</sup> This approach could be extended to others who choose to hedge on specific issues instead of fully aligning with the United States.

The State Department can also relocate diplomatic staff to a hedging state to reflect the latter's potential as a node between the United States and Washington's adversary. Relatedly, they can actively request hedging states to either act as mediators or at least to maintain their ties with the adversarial entity in case of future U.S. rapprochement/détente. This can help reassure hedging states that they will not face negative repercussions for their hedging while simultaneously making them predisposed to assisting the United States in pursuing a diplomacy-first foreign policy.

---

<sup>25</sup> James Landale and Patrick Jackson, "U.S. Sides with Russia in U.N. Resolutions on Invasion of Ukraine," BBC News, February 25, 2025, <https://www.bbc.com/news/articles/c7435pnle0go>.

## European approach: diversified hedging

An E.U.–wide hedging strategy would be the most effective, but remains unlikely due to internal disagreements within the European Union. Meanwhile, though hedging by an individual E.U. country would have the potential to produce considerable rewards, such an effort could alienate fellow E.U. states and the European Commission, thereby undermining its longevity. A hybrid option, however, could be implementable and highly effective.

Rather than expecting all 27 countries to adopt the same position on every foreign policy issue, the E.U. can facilitate the establishment of a two-strand approach by allowing members greater flexibility under a shared but adaptable foreign policy framework.

Geography, history, and domestic politics determine how salient issues are to different states, resulting in some E.U. members caring more about a given issue but lacking the power needed to reorient the E.U.'s policies. This can be implemented by allowing greater carve-outs for members in their dealings with third parties while avoiding the risk of a national government using its veto right to paralyze the functioning of the bloc as a whole. Despite this, some countries are likely to oppose hedging, either due to their own national positions or in a bid to ingratiate themselves with the United States.

In the absence of a budget or civil service comparable to those of great powers like the United States, China, or Russia, interested European countries would be better off focusing on creating their own foreign policy niches. Non–E.U. member Norway exemplifies successful niche diplomacy through mediation and hosting, thereby offering a model for other small European states to follow.<sup>26</sup>

---

<sup>26</sup> Anneken Kari Sperr, “Mediation in Norway: Faster, Cheaper and More Friendly,” in *Mediation: Principles and Regulation in Comparative Perspective*, eds. Klaus J. Hopt and Felix Steffek (Oxford: Oxford University Press, 2012), 1137–64.

Given the continued reluctance by the E.U. foreign policy elite to alter their approach toward the Russia–Ukraine War, European countries could still hedge on other issues that are far less ideologically or politically polarizing and salient.

## Past and present precedents

The ability to hedge and strategic alignment with the United States are not necessarily mutually exclusive. When approached thoughtfully, the two can be complementary.

### Gulf hedging

Gulf countries have illustrated throughout the 2010s and 2020s that a willingness to dissent on significant issues while remaining close intelligence and security partners is both possible and invaluable for Washington. The limits of economic sanctions and military might on the part of the United States in achieving its foreign policy goals raises the relative importance of diplomacy, which in turn requires facilitating states.

Saudi Arabia’s ability to host in February 2025 the first high-level bilateral meeting between senior U.S. and Russian officials since the 2022 start of the Russia–Ukraine War demonstrates how hedging can enable diplomacy.<sup>27</sup> The meeting was made possible by Saudi Arabia’s refusal to impose sanctions on the Russian Federation, continued Saudi–Russian cooperation in the global energy market, as well as by developing their own bilateral diplomatic relationship, which includes Saudi Crown Prince Muhammad bin Salman’s hosting of President Putin in December 2023.<sup>28</sup>

This required a willingness by Riyadh to resist U.S. pressure to isolate Russia while Washington, in turn, refrained from punishing the kingdom for its deviation from the Western position on the issue of Russia–Ukraine. At the same time, being sure not to

---

<sup>27</sup> Jon Gambrell, “Saudi Arabia’s Crown Prince Wins Points for Hosting the Russia-U.S. Summit on Ukraine,” Associated Press, February 18, 2025, <https://apnews.com/article/saudi-arabia-us-russia-talks-analysis-mohammed-bin-salman-9a42a3f1e09599f423a693262caa179c>.

<sup>28</sup> Layla Ali, “Russia–Saudi Relations: Two Years Post Ukraine Crisis,” Gulf Research Center, March 17, 2023, <https://www.grc.net/single-commentary/150>; “On December 6, Vladimir Putin Will Pay Working Visits to the United Arab Emirates and the Kingdom of Saudi Arabia,” President of Russia, December 6, 2023, <http://en.kremlin.ru/events/president/news/72913>.

alienate its most important partner, the Saudi government demonstrated the value for Washington of its hedging position by contributing to negotiations on prisoner exchanges between the United States and Russia.

Qatar hosts an estimated 8,000 U.S. military personnel on its soil.<sup>29</sup> This did not prevent Doha from positioning itself as a conflict mediator, including by hosting talks between the U.S. government and representatives of the Taliban during the first Trump administration.<sup>30</sup> Nearby Oman, noted for its long history of what has been termed as “partisan nonintervention” by some observers, has managed to balance its relations with the United States and Iran, such as by facilitating backchannel dialogue between Washington and Tehran that ultimately resulted in the Iran nuclear agreement in 2015.<sup>31</sup> Oman’s ability in April 2025 to host indirect talks between the United States and Iran has benefited U.S. foreign policy by making it more flexible.<sup>32</sup> Notably, all three Arab states are arguably far more dependent on the United States for their security than the majority of European states in NATO. What sets them apart has been their political willingness, along with Washington’s tacit acceptance and eventual support.

## European hedging

The role of Gulf countries in the 2010s and 2020s represents a set of contemporary case studies that suggest the invaluable role of hedging states for a diplomacy-led, restraint-based U.S. foreign policy. However, Middle Eastern states have not been the only ones to play such a role: There is a recent history of European governments playing similar roles. As such, the idea of European states playing a facilitating role between the United States and an adversarial state is not merely a remote hypothetical but history as recent as 2021.

---

<sup>29</sup> Jacob Knutson, “Where U.S. Troops Are Stationed in the Middle East,” *Axios*, October 31, 2023, <https://www.axios.com/2023/10/31/american-troops-middle-east-israel-palestine>.

<sup>30</sup> Roby Barrett, “Qatar and the Al Thani: The Self-Made Critical Ally,” *Manara Magazine*, December 12, 2023, <https://manaramagazine.org/2023/01/qatar-and-the-al-thani/>.

<sup>31</sup> Roby Barrett and Leah Sherwood, “Oman: Partisan Non-Intervention,” in *Neutrality After 1989: New Paths in the Post-Cold War World*, ed. Naman Karl-Thomas Habtom (Bristol: E-International Relations, 2024), 110–33.

<sup>32</sup> Barak Ravid, “Trump Envoy, Iranian Foreign Minister Meet in First Round of Nuclear Talks,” *Axios*, April 12, 2025, <https://www.axios.com/2025/04/12/us-iran-begin-nuclear-talks-begin-oman>.

Historically neutral but firmly Western–oriented European states have benefited U.S. diplomatic efforts by serving as protecting powers, functioning as backchannels, and/or acting as summit hosts.

The benefits of diplomatic hedging often take years to materialize. Sweden demonstrated this when, in 1973, it became the first Western nation to recognize North Korea and subsequently established an embassy – a move followed by the United Kingdom and a reunified Germany only decades later.<sup>33</sup> Since 1995, Sweden's embassy in Pyongyang has acted as a protecting power for the United States, offering consular services and assisting in the release of detained U.S. citizens. Without this European presence, the United States would have to rely solely on China or Russia for diplomatic support, potentially complicating broader geopolitical relations.

U.S.–leaning but ostensibly neutral or nonaligned European countries have also served as host nations to presidential summits. Finland and Switzerland acted as the separate meeting grounds between President Putin and Presidents Trump and Biden.<sup>34</sup> Personal contact between heads of states as well as senior cabinet secretaries/ministers can be vital in building trust.

## Potential future cases

Sweden and Finland's accession to NATO and Switzerland's participation in non–U.N. sanction regimes has reduced the number of potential hedging states by virtue of their neutrality or nonalignment. As a result, an active promotion of selective hedging will be necessary in the short term for the United States to be able to benefit from the presence

---

<sup>33</sup> "Recognition of North Korea Is Announced by Sweden," *New York Times*, April 7, 1973, <https://www.nytimes.com/1973/04/07/archives/recognition-of-north-korea-is-announced-by-sweden.html>; Alexander Pearson, "Which Countries Have Relations with North Korea?" Deutsche Welle, November 30, 2017, <https://www.dw.com/en/which-countries-have-diplomatic-relations-with-north-korea/a-41597549>.

<sup>34</sup> "Remarks by President Trump and President Putin of the Russian Federation in Joint Press Conference," White House, July 16, 2018, <https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-president-putin-russian-federation-joint-press-conference/>; "U.S.–Russia Summit: The Dialogue in Pictures," Eidgenössisches Departement für auswärtige Angelegenheiten EDA, June 17, 2021, <https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2021/06/2021-geneva-summit.html>.

of U.S.–leaning European states with nuanced and flexible diplomatic postures on the international stage.

Fortunately for the United States, several potential avenues can be developed. The motivations and suitability will range, reflecting the particular historical, geographic, economic, and political realities in a given country and its relationship with the United States.

Norway has demonstrated a broad level of outreach in its diplomatic engagements. As the country’s deputy foreign minister has noted:

Engagement is key. We have been prepared, for example, to pursue regular dialogue with the Taliban, the Houthis, and Hamas, as well as other armed groups and states not known for their human rights or international law credentials. Sometimes this has put us at odds with other Western partners. But we believe it is the right path towards a more equitable and peaceful order — Norway is the world’s largest per capita donor to the multilateral system — but also towards greater security at home. It is realpolitik. The influence of non–Western countries is growing. If they ever existed, the days when the West could construct solutions to global challenges and impose them on others are definitively over. Solutions must reflect the world as it is. So, talking to all actors is in our self-interest.

35

Ireland and Spain, given their vocal support for Palestinian statehood and criticism of Israel’s military campaign in Gaza, and Austria, neutral since 1955 and host to organizations like the Organization of the Petroleum Exporting Countries and the International Atomic Energy Agency, are just some examples of otherwise U.S.–friendly European states with specific divergences from the U.S. foreign policy consensus.<sup>36</sup>

---

<sup>35</sup> Andreas Motzfeldt Kravik, “The Norwegian Way: Why Oslo Talks with Everyone and Still Believes in Multilateralism,” European Council on Foreign Relations, February 5, 2025, <https://ecfr.eu/article/the-norwegian-way-why-oslo-talks-with-everyone-and-still-believes-in-multilateralism/>.

<sup>36</sup> James Landale, “Gaza War: Spain, Ireland and Norway Formally Recognise Palestinian State,” BBC News, May 28, 2024, <https://www.bbc.com/news/articles/cl77drw22qjo>; “Austria’s Strategic Neutrality, A

Who future hedgers will be remains to be seen and may not necessarily be easy to predict. As such, Washington must remain agile in acknowledging and respecting selective hedging that may be currently unforeseeable.

The United States should also encourage the European Union to enable some hedging within the supranational organization. As the former Soviet republic Georgia continues to be the subject of U.S. and E.U. sanctions, a pathway for future engagement becomes harder and thereby further cements Tbilisi's relationship with Moscow.<sup>37</sup> By promoting selective hedging, such as by promoting a potential hedging state to cooperate with the Georgian Dream-led government, Georgia's ties with the West can be prevented from being completely severed. Similarly, E.U. antagonism toward Russia risks Serbia, in the absence of any European hedgers, from being squeezed too much between its historical ties with Moscow on the one hand and pressure from the E.U. on the other.<sup>38</sup> However, this will necessitate a paradigm shift within the European Union and cannot solely be the product of the U.S. diplomatic initiatives.

## Conclusion

If the United States government is serious about shifting the burden of European security to the Europeans, it will need to anticipate the possibility of declining foreign policy alignment across the Atlantic. The extent of these divergences between the United States and its European partners may vary depending on individual European governments as well as the particular conditions that arise as a result of timing, geography, and unforeseeable developments.

---

Conversation with the Federal Chancellor Karl Nehammer," Groupe d'études géopolitiques, April 8, 2024, <https://geopolitique.eu/en/2024/04/08/austrias-strategic-neutrality-a-conversation-with-the-federal-chancellor-karl-nehammer/>.

<sup>37</sup> Anatol Lieven, "Stop Treating Georgia as a Creature of the U.S. and the West," *Responsible Statecraft*, July 31, 2024, <https://responsiblestatecraft.org/georgian-elections/>.

<sup>38</sup> Dimitar Bechev, "Hedging Its Bets: Serbia Between Russia and the E.U.," Carnegie Endowment for International Peace, January 19, 2023, <https://carnegieendowment.org/research/2023/01/hedging-its-bets-serbia-between-russia-and-the-eu?center=europe&lang=en>.

Instead of emphasizing short-term benefits that near-complete foreign policy convergence may offer, a more long-term approach should be adopted that acknowledges the potential benefits for the United States of selective hedging by European states. Positive outcomes include a proliferation in potential Western backchannels and mediators for the United States to rely on when engaging adversaries as well as a mechanism to enable future policy course corrections.

Hedging by otherwise U.S.-aligned European partners can always help in preventing multipolarity from turning into a new bloc-based world order. Countries like China, Iran, and Russia can be incentivized into being committed to multilateralism rather than establishing parallel institutions if European countries are able to signal a mixture of foreign policy autonomy coupled with strong relations with the United States. If European countries can become more diplomatically autonomous, they will be able to be more effective U.S. allies than if they were to remain subordinate.

By supporting European states in pursuing independent foreign policies on specific issues, Washington can avoid unnecessary tensions. Forcing an increasingly militarily self-sufficient Europe to choose between dependency or frequent disagreements will only strain relations. Instead, the United States can preserve friendly ties while simultaneously acknowledging both changing international affairs and the evolving role of Europe on the world stage.

A shift away from the post-1945 or post-1989 order that has defined transatlantic relations constitutes a significant opportunity. Instead of resisting multipolarity, U.S. policymakers should combine the benefits of preexisting friendly ties with European states and the positive elements of selective hedging.



## About the author

**Naman Karl-Thomas Habtom** is a foreign and security policy researcher and writer. He recently completed a PhD at the University of Cambridge, where he researched contemporary European military and diplomatic history. Habtom is a visiting researcher at the University of Luxembourg and has previously been a guest researcher at the Swedish Defence University, Stockholm University, and Université libre de Bruxelles. His writings have appeared in *Foreign Policy*, *Bulletin of the Atomic Scientist*, *Lawfare*, *War on the Rocks*, and elsewhere.

## About the Quincy Institute

The Quincy Institute for Responsible Statecraft believes that efforts to maintain unilateral U.S. dominance around the world through coercive force are neither possible nor desirable.

A transpartisan, action-oriented research institution, QI promotes ideas that move U.S. foreign policy away from endless war and towards vigorous diplomacy in pursuit of international peace. We connect and mobilize a network of policy experts and academics who are dedicated to a vision of American foreign policy based on military restraint rather than domination. We help increase and amplify their output, and give them a voice in Washington and in the media.

Since its establishment in 2019, QI has been committed to improving standards for think tank transparency and producing unbiased research. QI's conflict-of-interest policy can be viewed at [www.quincyinst.org/coi/](http://www.quincyinst.org/coi/) and its list of donors at [www.quincyinst.org/about](http://www.quincyinst.org/about).

© 2025 by the Quincy Institute for Responsible Statecraft. All rights reserved.

2000 Pennsylvania Avenue NW  
7th floor  
Washington, DC 20006

+1 202-800-4662  
[info@quincyinst.org](mailto:info@quincyinst.org)  
[www.quincyinst.org](http://www.quincyinst.org)