The European Geopolitical Forum

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Geopolitical Trends

Issues 30 & 31/Winter & Spring 2026

Joining the dots and making sense of the key geopolitical developments in Europe, Eurasia and MENA

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Key points:

Abstract

Issues 30 & 31/Winter & Spring 2026 examine three interconnected shifts reshaping the international order in 2026: the regional consequences of the Iran war, Europe's search for an endgame in Ukraine, and the prospects for managed strategic competition between the United States and China. It argues that the Iran conflict has weakened confidence in U.S.-led security guarantees, encouraged Gulf defence diversification, strengthened Iran's coercive leverage, and accelerated the formation of fluid, issue-based alignments across the Middle East. In Europe, battlefield attrition and stalled diplomacy have made a comprehensive settlement unlikely, increasing the need for a coherent European negotiating strategy focused on a durable ceasefire and a wider continental security framework. At the global level, U.S.–China relations are moving towards guarded coexistence rather than stable partnership: selective economic interdependence, reciprocal military deterrence, crisis management over Taiwan, and competing approaches to Russia will define the emerging balance. Across all three theatres, we find a common trend towards fragmented power, weaker confidence in established security architectures, and greater reliance on flexible coalitions. Stability will therefore depend less on restoring the previous order than on building credible mechanisms for negotiation, deterrence, and risk reduction in an increasingly multipolar system.

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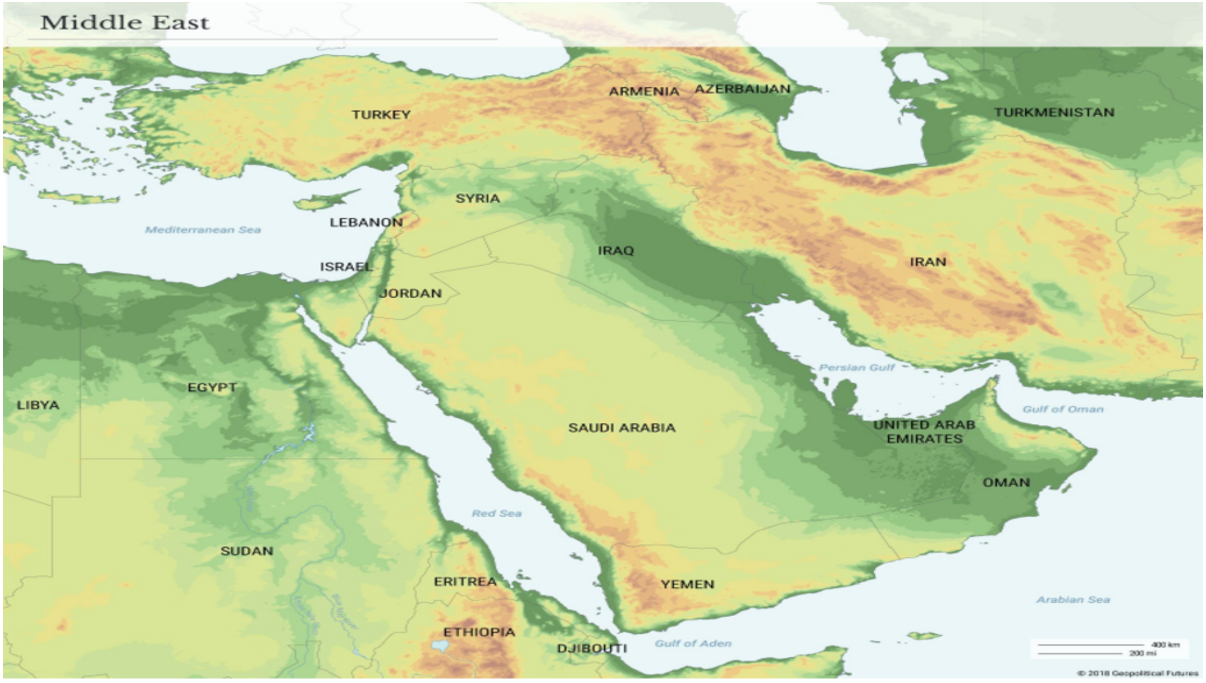

1) New geopolitical trends emerging from the war in Iran.

In our Issue 28, Spring 2025, we noted that Iran might have no meaningful alternative to resuming negotiations with the United States over its nuclear programme. Negotiations had been the only way to prevent further destruction of what remained of its nuclear capabilities, address the continuing socioeconomic crisis, and create the prospect of sanctions relief. Without an agreement that restored international oversight of Iran's nuclear programme in exchange for sanctions relief, a later resumption of the war was not merely possible but likely. This assessment has been confirmed when U.S.-Iranian talks failed, and the war resumed on 28 February 2026.

On that date, the United States and Israel launched coordinated surprise air strikes against Iranian military, missile, nuclear, and government targets. Iran responded with missile and drone attacks on Israel, U.S. military bases, and regional partners across the Gulf, rapidly widening the conflict. On the first day, Supreme Leader A. Khamenei and several other senior Iranian leaders were killed or seriously injured, triggering domestic political upheaval and a leadership transition. Mojtaba Khamenei, the former Supreme Leader's son, was reportedly seriously injured but was subsequently elected Supreme Leader, as the balance of power in Tehran shifted towards hard-line leaders within the Islamic Revolutionary Guard Corps (IRGC). Air, missile, and drone strike continued in the ensuing months, targeting strategic infrastructure, missile capabilities, and maritime security, including in the Strait of Hormuz. Pakistan-led mediation produced temporary ceasefires and an initial agreement, but these repeatedly broke down. The United States and Iran imposed restrictions in the Strait of Hormuz that disrupted shipping to Gulf Arab states and Iran, introduced transit fees, unsettled global energy markets, and increased economic uncertainty across the globe.

On 17 June 2026, the United States and Iran signed an interim political memorandum of understanding intended to halt hostilities after months of conflict. Rather than constituting a comprehensive peace treaty, it established a framework for ending military operations, restoring freedom of navigation through the Strait of Hormuz, and beginning negotiations on Iran's nuclear programme, sanctions, and regional security within 60 days. The memorandum deliberately deferred the most contentious issues, including uranium enrichment, sanctions relief, reconstruction assistance, and long-term Gulf security arrangements. In early July, disputes over implementation—especially shipping lanes in the Strait of Hormuz—along with mutual allegations of violations, attacks on commercial vessels, and renewed strikes caused the ceasefire to collapse and large-scale hostilities to resume.

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The ongoing war in Iran may cause a significant shift in the global and regional balance of power, particularly if Iranian hard-liners continue to favour escalation. President D. Trump's decision to resume the war appears to have reflected, in part, Israeli Prime Minister B. Netanyahu's argument that military action could secure Israel's regional dominance. Yet the conflict's duration, end state, and wider economic consequences remain uncertain. The decision also appears inconsistent with several principles associated with the Colin Powell doctrine, which asks whether a vital national interest is at stake, the mission is clearly defined and attainable, non-military options have been exhausted, sufficient resources are available, an exit plan exists, and domestic and allied support is strong. Of these tests, the administration could plausibly claim a positive answer merely on the use of overwhelming force; the remaining answers are negative or ambiguous. R. Haass identified 13 reasons why the conflict was a questionable war of choice likely to damage U.S. global and regional interests ("A Questionable War of Choice", https://richardhaass.substack.com/).

Against this backdrop, the war is reshaping regional threat perceptions, security partnerships, and diplomatic alignments. Four emerging trends illustrate how Middle Eastern states are adapting to the conflict and to the declining credibility of existing security arrangements.

A. Gulf monarchies may distance themselves from Israel while diversifying their defence and security arrangements beyond the United States.

Prior to this war, many in Washington viewed the Gulf monarchies as holding leverage on Iran in ways short of war. Oman, for example, had long served as a quiet mediator between the U.S. and Iran. Qatar too had maintained channels with Iranian leadership that facilitated negotiations for the release of U.S. hostages in Iran and deconfliction efforts between Washington and Tehran in the region and beyond. Saudi Arabia, while maintaining deep suspicions about the regime in Tehran, had taken tentative steps to rehabilitate its relationship with Iran following years of effort by the U.S., other regional countries, and ultimately China that brokered a reconciliation deal in 2023. And the United Arab Emirates had maintained economic ties with Iran that stretched back decades and served both to tighten sanctions pressure on Tehran and hold out hope of potential economic incentives if the Iranian regime became more cooperative. (https://atlanticcouncil.org)

The outbreak of the US-Israel-Iran war fundamentally, and perhaps irreversibly, altered the geopolitical *status quo* in the Gulf. A long-feared threat—a direct Iranian attack on Gulf Arab states—became a reality. Regardless of how the conflict unfolded, those states now faced a long-term security challenge from an Iran that had demonstrated both the intent and the capability to attack them. They would seek to prevent this more volatile regional environment from becoming the new normal. The war also exposed the vulnerability of critical chokepoints such as the Straits of Hormuz and Bab el-Mandeb, on which much of the Gulf states' trade, crucially including energy, fertiliser and helium exports, depended. Iran's ability to strike valuable targets across the Gulf might also have strengthened Tehran's confidence that it could endure high-intensity confrontation and retaliate effectively, while weakening Gulf monarchies' confidence in the United States' ability to ensure regional security. Iran's confidence in its deterrent posture may therefore have increased, making future crises more volatile. (K. Bokhari, "Arabian Peninsula Security beyond the Iran War", https://geopoliticalfutures.com).

For Gulf leaders, the Iran war has been the latest—and perhaps clearest—evidence that their interests diverge from Israel's. Many believe Prime-minister B. Netanyahu had persuaded the Trump administration to attack Iran, leaving Gulf countries to bear the costs of a war they did not want. For Tehran, however, the issue was not Gulf governments' intentions but their place in a security architecture it viewed as dominated by the U.S. and Israel. As H.A. Hellyer argued, "*The attacks from Iran could be a catalyst for the Gulf states to overcome their discord and create a security architecture of their own. Most Gulf states* (apparently with the exception of the U.A.E.) *will not build their security on a foundation of Israeli dominance because they see Israel as at least as much of a threat as Iran.*" ("The End of the Axis of Abraham"- https//foreignaffairs.org) Gulf states are therefore diversifying their partnerships. In 2024, the UAE formed joint ventures with Turkish drone manufacturers, while Saudi Arabia and Pakistan signed a mutual defence agreement in 2025 (joined in August 2026 by Turkiye as well). They are also seeking alternatives to U.S. military equipment, including Turkish fighter jets, South Korean missile defence systems, Ukrainian drones, Japanese Patriot interceptors, and British low-cost anti-drone missiles. They may continue pursuing economic and technology deals with China and Russia while avoiding breaches of U.S. redlines. In short, the Iran war exposed the limits of the U.S. assumption that Israeli-Gulf security alignment and U.S.-backed normalization would bring stability, leaving the Abraham axis increasingly deadlocked.

B. The war strengthened Iran's hand while exposing U.S. strategic incoherence and regional fragility

Despite warnings from U.S. experts preceding the launch of "*Operation Epic Fury*", president D. Trump and Prime-minister B. Netanyahu had failed to understand that Iran's weakness (inflicted by Israeli attacks in 2024 and the 12-days war in 2025) was a much larger danger than expected. In what it has become a widely quoted essay published by N. Swanson on February 24, 2026, he explained why Iran's fragility only narrowed the space for meaningful compromises at the negotiation table with the U.S. He argued that Iran would now believe that Israel and the U.S. intended to repeatedly strike its ballistic missile program—the foundation of Iranian self-defence—and that it must be more aggressive to forestall the kind of perpetual assault that could topple it altogether. He had warned that "*today's conditions mean that an attack by the United States on Iran could result in unexpectedly deadly retaliation and a much longer and potentially damaging conflict for Washington*". ("Why Iran Will Escalate", https://foreignaffairs.org) The killing of Ayatollah A. Khamenei in the first day of war has offered the perfect institutional conditions to empower the hard-liners from the IRGC who have largely fulfilled Swanson's "*prophecy*".

Indeed, in the first days of war, A. Vaez, the Iran director of the Brussels-based think tank International Crisis Group, noted that "*Iranians want to spread the pain as much as they can, regardless of the cost to themselves and burned relations with their neighbours, hoping to create enough opposition to the war to compel President Trump to back off*. *For the Islamic Republic survival is a victory, even if it is a*

Pyrrhic one." Meanwhile, A. Larijani, secretary of the Iranian National Security Council, warned on social media that Iran, "*unlike the United States, has prepared itself for a long war, including plans for gradual escalation and expansion of the battlefield",* and the New York Times news analysis of March 3, 2026, boasted "*Iran's Strategy: Expand the War, Increase the Cost, Outlast Trump*". (*https://nytimes.com*). Confronted with a truly existential threat, Iran mounted a much more deliberate, decentralized, and effective response than expected, striking not only Israeli territory and U.S. diplomatic and military installations but also civilian targets throughout the Gulf area, including airports, hotels, and energy infrastructure. The newly empowered IRGC employed the *mosaic model of defence* that is command structures which are organized in such a way that if the central command were crippled or unable to communicate, regional commanders were empowered to take actions based on preplanned scenarios. Therefore, the U.S. and Israel powerfully striking the civilian government left the IRGC to continue the war as it saw fit. (G. Friedman- "Geopolitics, War and Iran", https://geopoliticalfutures.com)

In March 2026, in a follow up to his article in February, N. Swanson explained that "*Iran's strategic objective now is to impose such high costs on the United States and the Gulf states that Trump will opt for a cease-fire that includes a restriction on future Israeli actions. In essence, Iran wants to force him to choose between Israel's security interests and the stability of global markets. The bottom line is that the war Trump started has no good ending*". ("How America's War on Iran Backfired"- https://foreignaffairs.org). As we can see, Iranian conditions for a full opening of the Hormuz Strait have proved Swanson's dire assessment on Iran's strategy true.

After more than five months of war, Iran's nuclear and missile capabilities and its regional proxy network remained largely intact. President Trump's objective of regime change had not been achieved, while Tehran had gained bargaining leverage through the Strait of Hormuz blockade and attacks on Gulf infrastructure. Iran therefore emerged from the first phase of the conflict damaged but strategically more resilient: the regime survived, its capacity to threaten regional interests remained substantial, and the costs imposed on its adversaries complicated their war aims. This outcome was the opposite of what President D. Trump and Prime Minister B. Netanyahu had envisaged in February. The endgame also remained unclear as the risk of wider military involvement increased and damage to the regional and global economy deepened.

C. Doubts over U.S. reliability are pushing Israel to adjust its strategy toward Türkiye and Iran

As it has been widely acknowledged for decades, Israel's limited strategic depth leaves it geographically vulnerable and with little time to absorb an initial attack. This constraint has shaped a doctrine of pre-emption and early victory, requiring the Israel Defence Forces to maintain clear superiority over potential adversaries. Israel's nuclear arsenal and U.S. alliance mitigate, but do not eliminate, this vulnerability. According to G. Friedman, Israel's strategic vulnerability also shapes its approach to security threats posed by non-state actors such as Hamas and Hezbollah. From this standpoint, the operations against Hamas in Gaza, the moves to consolidate control over the West Bank, and the effort to push Israel's effective northern security perimeter toward Lebanon's Litani River can be understood as responses driven by Israeli concerns over its limited strategic depth and exposed geopolitical position. Friedman thought that "*Political leaders believe that a relatively small increase in space and force will reduce Israeli vulnerabilities. But there's no guarantee that the IDF will always be the superior military, nor that the U.S. will always be an ally",* irrespective of who might be at the White House. ("Israel's Strategic Problem", https://geopoliticalfutures.com).

Indeed, the U.S. negotiation of the MoU with Iran last June exposed frictions with Israel that reflected deeper divergences in the strategic objectives that had drawn the two allies into the war. Whereas Washington sought to eliminate any viable pathway for Iran to acquire nuclear weapons—while ensuring that the conflict did not undermine broader U.S. efforts to reduce its military burden across Eurasia—Israel pursued the more ambitious goal of regime change. Washington's challenge was to secure an agreement with Iran while also addressing the security concerns of Israel, its closest regional ally. In this sense, U.S.-Israeli tensions surrounding the signing of the MoU were not incidental; they stemmed from the same competing objectives that had shaped the war from the outset.

Even before the Iran war, U.S. attitudes toward Israel had become more critical because of the Gaza conflict and the far-right orientation of Israel's government. Prime-minister Netanyahu's perceived role in encouraging a war that many Americans regard as unnecessary and costly may accelerate that trend among both Democrats and Republicans, increasing the possibility that Washington could reduce its security assistance. Israel therefore has an interest in reaching understandings with other Middle Eastern powers. Yet its role in the Iran war may also delay further normalisation with Arab states. The UAE may maintain or deepen its ties with Israel, whereas other GCC states, including Saudi Arabia and Qatar, are likely to distance themselves and postpone formal relations under the Abraham Accords.

Nevertheless, the looming uncertainty of future U.S. regional policies might force Israel to adjust its regional approach. Before last year's 12-day conflict with Iran, Israel appeared to assume that weakening Tehran and deepening alignment with the Gulf states—especially Saudi Arabia—would be enough to give it leverage over other regional actors. It also hoped that a transformed Iran could eventually become part of the emerging geopolitical architecture of the Greater Middle East. Since then, however, regional dynamics have moved in a different direction. Israel is now searching for a strategy that would allow it to contain, balance, or manage both Türkiye and Iran at the same time. As such, Israel increasingly sees itself as the regional power best placed to shape the future order of the Middle East and Eastern Mediterranean. At the same time, it views Türkiye as a near-existential strategic challenge. Yet Israel also appears aware that it lacks the capacity to contain Türkiye on its own. Its response, therefore, has been to construct a broader, intercontinental coalition capable of balancing Turkish influence across multiple theatres. Consequently, Ankara now faces systematic opposition from an organized, Israel-driven coalition that includes Cyprus, Greece, France, the U.A.E. and, to some extent, India. (R.B. Urcosta, "Who will Run the Middle East?", https://geopoliticalfutures.com)

D. Middle Eastern states are increasingly forming two fluid rival camps.

Türkiye is re-emerging as a key Middle Eastern actor focused on managing regional disorder rather than dominating it, with Syria remaining the principal test of its influence. It has become a consequential middle power whose interests partly align with U.S. objectives in areas where Washington seeks to reduce its role. The war in Iran shook Türkiye's confidence in the strategic autonomy it had pursued for much of the previous decades. Leaders who had presented Türkiye as an autonomous regional power were reminded that Ankara still depended on NATO air defences to intercept Iranian ballistic missiles entering Turkish airspace. The episode underscored NATO's continuing importance to Türkiye's defence architecture and encouraged the government to repair ties with the alliance.

As Turkiye expanded its outreach across the Middle East, Eurasia, and Africa, its pro-Palestinian stance and ties with Hamas have deepened Israeli concerns. Conversely, as A. Aydintashbash has recently noted, of all the relationships shaping Turkiye's regional calculus, none is more consequential—or corrosive—than its rivalry with Israel. What began as a political rupture over Gaza has become a strategic competition spanning Syria, the Eastern Mediterranean, Washington, and the Red Sea–Horn of Africa corridor. Ankara now sees Israel as both a driver of regional instability and a direct challenge to Turkish interests, especially in Syria and the Eastern Mediterranean. The rivalry also extends to Somalia and Somaliland, where Turkish support for Mogadishu and Israeli recognition of Somaliland have drawn both countries into a wider contest for influence. She thought that "*For Turkiye, Israel creates a strategic dilemma. Ankara wants to present itself to the United States as a stabilizing partner as Washington hopes to reduce its regional involvement. But an open-ended rivalry and the risk of confrontation with Israel would make the case far harder to sustain or to operationalize*". ("Turkey's Search for a Middle East Order", https://brookings.edu)

Most recent geopolitical and strategic shifts have driven Middle Eastern states to apparently cluster into two loose and overlapping alignments. One is an Abrahamic coalition anchored by Israel and the UAE, closely aligned with the United States and occasionally joined by Greece and India on military, economic, and energy issues. The other is a Sunni-led grouping involving Saudi Arabia, Türkiye, Pakistan, and Egypt, sometimes described as "*the Big Four*". Türkiye acts as a *de facto* leader because of its technological, economic, and geopolitical weight, but cooperation among all four states remains essential to the grouping's influence. Although these middle powers still depend on Washington for security, they have drawn closer in response to perceived threats from both Iran and Israel's expanding projection of power in Gaza, the West Bank, Syria, Lebanon, and the Horn of Africa. These alignments remain largely fluid: Egypt, Greece, and Israel cooperate on energy through the Eastern Mediterranean Gas Forum, while Saudi Arabia and the UAE continue to coordinate on Iran through the GCC. The broader trend is therefore not the formation of rigid blocs, but the emergence of rival and issue-dependent coalitions organised around changing perceptions of Israel and Iran.

A cohesive Sunni alignment would present Israel with one of its most significant regional challenges in decades by reducing the effectiveness of its traditional reliance on bilateral relationships. The Trump administration could therefore seek to help Türkiye, Saudi Arabia, and other major Arab and Muslim powers reach a workable arrangement with Israel. The Board of Peace may provide one possible forum for placing the Palestinian issue within a more structured diplomatic framework, although its role and effectiveness remain uncertain.

Azerbaijan is also increasingly positioning itself in Middle Eastern geopolitics as both a critical neighbour of Iran and a bridge between the Caucasus and the Arab world—a role Washington sees as important to reshaping regional security. With Russia and Iran weakened and distracted, Baku has gained space to project influence, using its geography and energy leverage to engage on issues from Gaza's Board of Peace to post-conflict Iran. Its close ties with both Turkiye and Israel have also given Azerbaijan a unique role as a potential mediator between key U.S. partners with diverging interests. (K. Bokhari- "Sketches of the Middle East after the Iran War", https://geopoliticalfutures.com)

Ankara has recently advanced a more institutional vision for the region's future. Since the Iran crisis began, Turkish foreign minister H. Fidan has argued that the Middle East would need its own security framework—a regional defence architecture built by Middle Eastern states to reduce reliance on external guarantors and manage shared threats. He has recently sharpened this idea, suggesting that such a framework could eventually include Israel, but only after a political settlement in Palestine. ("Turkey's Search for a Middle East Order", https://brookings.edu) From this perspective, a settlement of the Palestinian issue seems becoming crucial to the future regional order in the Middle East.

In conclusion, the Iran war is weakening U.S. security guarantees, prompting Gulf defence diversification, strengthening Iran's deterrence, forcing Israel to recalibrate towards Türkiye and Iran, and forming two fluid camps: Israel–UAE and Türkiye–Saudi Arabia–Pakistan–Egypt. The emerging outcome is a more fragmented and militarised region, increasingly unlikely to shelter beneath the single roof of U.S.-led security frameworks. It remains too early to determine the ultimate winners and losers, but the struggle to shape a new regional order has clearly begun.

2. Europe's Endgame: Can It Unlock Peace in Ukraine?

On 23 July 2026, Secretary of State M. Rubio and Foreign Minister S. Lavrov met on the sidelines of an ASEAN foreign ministers' gathering in Manila, the highest-level U.S.–Russia contact in months on ending the war in Ukraine. Rubio described the talks as "*good*" and "*frank*" but said that new proposals would be needed after earlier peace initiatives had failed. He added that the proposals previously discussed were "*not acceptable to Ukraine at the time*" and were "*probably less acceptable to them*" now. Lavrov, by contrast, reaffirmed "*Russia's readiness for a political and diplomatic settlement of the conflict*" and said that Moscow remained committed to the proposals advanced at the August 2025 Trump–Putin summit in Anchorage, Alaska. He urged Washington to halt arms supplies to Ukraine and criticised what he called the European allies' "*destabilising policy*" of seeking to inflict a "*strategic defeat*" on Russia (https://www.intellinews.com).
For the past six months, peace talks had been effectively frozen as Russia and Ukraine intensified their attacks and the United States became absorbed in its war with Iran. Although both sides continued to profess openness to negotiations, their expanding drone and missile campaigns made meaningful negotiations increasingly unlikely.

At the E3 summit in London on 8 June 2026, the leaders of France, Germany, and the United Kingdom called for renewed negotiations and presented a five-point set of demands, while also approving agreements to supply Ukraine with additional arms and long-range missiles capable of striking targets deep inside Russia. In response, Foreign Minister S. Lavrov ruled out talks with the E3, arguing that it was not a mediator in the war but a participant.

Ukraine appeared to be waging an increasingly political war, seeking to convert medium- and long-range drone strikes into diplomatic leverage. Continued European engagement therefore remained important, while the U.S. channel remained indispensable. For example, the strikes on St Petersburg during the opening of this year's International Economic Forum were intended to demonstrate Russia's vulnerability to Ukrainian attacks rather than to secure a decisive military advantage (https://www.intellinews.com).

Ukraine has also continued to show a strong capacity to adapt to a prolonged war. Its expanding deep-strike capabilities demonstrated Kyiv's growing ability to project power beyond the frontline but also intensified the wider infrastructure war. The central question was whether this adaptability could offset mounting pressure on manpower and infrastructure resilience, particularly as winter was approaching and the damaged energy system had become an increasingly serious strategic vulnerability. In Donbas, Ukraine has partly compensated for manpower shortages and improved force density through extensive drone use, stronger communications, integrated Intelligence Surveillance and Reconnaissance (ISR), AI-assisted targeting, and expanded fortifications. Even so, Russian forces continued to advance near Kostyantynivka, Lyman, and Kupiansk, suggesting that claims of a decisive shift in momentum on the frontline remained premature. (https://rpolitik.com)

On the other hand, President V. Putin appeared ready to sustain a grinding campaign in the Donbas until Ukraine capitulated on the Kremlin's terms. He has seemed confident that Russian forces could eventually seize the rest of the region and willing to commit the necessary resources. Moscow continued to pursue a strategy of attrition, exploiting its advantages in manpower, missile stockpiles, and industrial capacity to maintain pressure and test Western endurance. It has also employed psychological tactics to underscore Ukraine's vulnerability for political effect, including the bombing of Kyiv's UNESCO-listed Pechersk Lavra monastery complex. (https://www.intellinews.com).

Ukraine's effective "*long-range sanctions*" strategy - using medium- and long-range drone strikes against major Russian energy and commercial infrastructure, as well as the so-called "*shadow fleet*"- has brought the war closer to home for many Russians, causing fuel shortages and disrupting the supply of goods. By early June, the economic strain had become serious enough for senior officials from the Ministry of Finance and the Central Bank to warn President Putin that continued wartime spending was placing growing pressure on the Russian economy.

Seasoned experts' most recent assessments have suggested that Ukrainian long-range drone attacks have placed Putin in a severe strategic bind. "*It's clear that the attacks pose a fundamental threat to Russia's economy and military, and they took place while Russia is attacking Ukraine with drones and has the technical ability to counter drones. If there are not enough anti-drone systems to defend the refineries, then Russia faces a crisis and is searching for a solution*". (G. Friedman- "A Critical Moment for Russia", https://geopoliticalfutures.com).

T. Stanovaya has also warned that Russia faces two opposing forces: Putin's escalating war system, which expands the security apparatus and diverts dwindling resources, and growing demands for realistic geopolitical aims, competent governance, and achievable war goals. She thought that without domestic political change—still a distant prospect—the war may continue for years, and peace talks are likely to fail ("Russia is Approaching a Political Crossroads"- https://carnergieendwoment.org).

The Kremlin also appeared to be reframing the Ukraine conflict. TASS quoted spokesman Dmitry Peskov as saying that Western support for Kyiv had transformed Russia's "*special military operation*" into a "*real war*" backed by Berlin, Paris, The Hague, Oslo, and Washington (G. Friedman, "A Strange Article from Tass", https://geopoliticalfutures.com).

This is why recent analyses increasingly speculate about an imminent escalation by Moscow—either through the involvement of third parties such as Belarus, or the use of non-strategic nuclear weapons against Ukraine, or even a direct NATO–Russia war—amid intensifying hybrid warfare against European states. For example, in their last spring article, S. Charap and H. Haukkala warned that "*With prolonged distrust, ongoing military buildups, minimal communication, a gutted security architecture, and continued Kremlin provocations, there will be no shortage of scenarios in which a small spark could lead to a continental conflagration. The odds of war could grow especially high if the transatlantic alliance frays or even collapses*" ("Europe's Next War- The Rising Risk of NATO-Russia Conflict", https://foreignaffairs.org).

Others saw the war nearing a tipping point for Ukraine. In mid-July 2026, Ben Aris wrote that Zelenskiy could no longer expect major external rescue and, with Patriot interceptors exhausted, faced an exceptionally harsh winter. He argued that

Ukraine's resilience would again be decisive—its "*Battle of Britain moment*." (https://intellinews.com)

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As we have repeatedly argued in previous issues, any European endgame must include a new continental security system capable of addressing the structural geopolitical changes since the end of the Cold War and, over the medium to long term, restoring legally binding commitments to the European order (Geopolitical Trends No. 29, Fall 2025). Other publications have reached similar conclusions. S. Charap and J. Kavanagh, for example, argued that structuring a peace agreement around an exchange of territory for security guarantees has failed because it has not convinced either belligerent that the other is genuinely committed to peace. An eventual deal, they contend, must enable Ukraine to defend itself and deter another invasion while assuring Russia that Ukraine will not become a NATO beachhead and will pursue territorial restoration only by non-military means. Negotiations should therefore establish a basis for stable, if hostile, relations between Russia and Ukraine and, eventually, between Russia and NATO *(*"A Flawed Formula for Peace in Ukraine"*, https://foreignaffairs.org).* S. Biscop similarly observed last winter that the Russo-Ukrainian war was a European war because the security of the EU and NATO's European members was ultimately at stake. Whatever course the conflict took, Europeans might have to carry the principal burden of supporting, and possibly fighting alongside, Ukraine ("A European War", https://egmontinstitute.be). **Devising a genuine European endgame for the war in Ukraine is therefore a major geopolitical imperative.** The practical question is **what Europe can do to unlock a settlement.**

The idea that Europe should open direct discussions with Russia on peace in Ukraine has increasingly come up on the diplomatic agendas. In early June 2026, the ambassadors of France, Germany, and the United Kingdom visited Russia's Foreign Ministry to raise the issue with Russian diplomats. So far, however, there has been no follow-up: neither an acceptable European interlocutor nor an agreed list of negotiable topics have emerged. What, then, could Europe do next?

First, **a new Yalta is out of the question**. As K. Liik argued, the war is more likely to end in a fragile ceasefire, perhaps reached through escalation and brinkmanship, than in a comprehensive, norm-based settlement. With the global balance unsettled and rules in disarray, durable agreements are difficult. Moscow also regards Europe's political mainstream as unable to enforce outdated norms and may expect a better deal if populists gain power in countries such as France and Germany. Although both Ukraine and Russia might benefit from a ceasefire, one does not appear imminent: president Putin has so far rejected any outcome short of Ukraine's capitulation, despite the possibility that a ceasefire could divide Europe and create domestic difficulties for his Ukrainian counterpart. For now, he is therefore more likely to favour either vertical or horizontal escalation. "*For Europe, both options would be a problem. […] Europeans would therefore need to find ways to make a ceasefire last*." ("How Europe Cannot Negotiate a New Yalta with Russia", https://carnegiendowment.org)

Prospective direct Europe–Russia talks should therefore focus on making any ceasefire durable, rather than merely presenting demands that Moscow is known to reject. A genuine Europe-Russia security dialogue must recognise that Ukraine is Europe's partner, but that European interests and negotiating positions are not identical to Kyiv's. For example, while strikes on Russian energy infrastructure and Black Sea shipping may serve Ukraine's current interests, they also create more complex risks for European littoral states that rely on the same infrastructure for much of their non-Russian oil supplies. Repeated Ukrainian strikes on the Kazakh CPC pipeline in Russia, which supplied roughly 60 per cent of Romania's oil consumption, was a case to the point.

Second, A. Moshes offered useful **principles for making direct Europe–Russia talks effective:** Europe should not mistake aspirations for realities by assuming that Ukraine is approaching a major battlefield success or that Russia is nearing economic collapse. It should negotiate as Ukraine's partner, as Moscow already perceives it to be, while avoiding the conflict-averse policies of 2014–2022 that encouraged the Kremlin to believe Europe would eventually abandon Kyiv. Europeans must speak with one voice despite divergent national interests in security and energy, ensure that their actions match their rhetoric, and continue strengthening their defences regardless of whether peace negotiations begin. Finally, Europe must negotiate assertively: it should be prepared both to offer concessions and to make demands, seeking compromise from President Putin without abandoning its own principles ("How to Ensure that Europe–Russia Talks Do Not Fail", https://carnegieendowment.org).

Third, in terms of the substance of discussions, **Europeans should make clear that they will not accept a new security architecture on Moscow's terms**. They should tell president Putin that Europe's rearmament is a response to Russian belligerence and will continue for as long as Russia posed a threat. At the same time, Europe should seek to manage this adversarial relationship not only through deterrence, but also through negotiated frameworks that control and reduce risks, as during the more stable phases of the Cold War. Any serious discussion of the continent's future must be preceded by a ceasefire in Ukraine, whose terms Europe should be ready to explore in partnership with Kyiv and Washington. Europe should also stress that a war with NATO is in nobody's interest, since Russia could not credibly prevail without resorting to nuclear weapons. On this basis, **it should invite the Kremlin to discuss a new continental security architecture**—an objective president Putin has pursued for more than a decade. (A. Gabuev- "How Europe Could Get Putin's Attention", https://foreignaffairs.com)

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In conclusion, U.S.-led negotiations with Russia remain deadlocked, and escalation appears more likely than a ceasefire. Washington alone may possess sufficient leverage to push both sides towards compromise, but President D. Trump's focus on Iran limits his ability to bridge the widening divide between Russia and Ukraine's European backers.

Ukraine may be unable to win outright, but it need not lose on Russia's terms. The war is part of a broader confrontation that no ceasefire can permanently resolve. Sustained negotiations therefore remain the only viable diplomatic course, and Europe may have to compensate for Washington's prioritisation of the Middle East.

Europe should therefore develop its own negotiating strategy rather than merely endorse Kyiv's positions. Having invested heavily in the war, it must define its interests, assess both sides' leverage and vulnerabilities, and be prepared to exert pressure on Moscow as well as Kyiv. Yet despite years of conflict and vast expenditure, Europe still lacks a coherent approach. Its immediate priority should not be a comprehensive peace settlement *per se*, but a common mandate, a recognised diplomatic channel, and a workable agenda for testing whether meaningful negotiations are possible. Alongside the E3 (France, Germany and U.K.), which appears to have taken the lead, Russia's larger Arctic, Baltic, and Black Sea neighbours—including Sweden, Finland, Poland, Romania, and Türkiye—should also be involved.

The war in Ukraine is entering a more dangerous phase: diplomacy is stalled, escalation is accelerating, and Europe can no longer wait for Washington to restart the stalled machinery of peace and drive its gears towards a settlement. As Russia and Ukraine exchange deeper strikes and harden

The Pacific Ocean island chain strategy is key to both China and the United States. From Beijing's perspective, strength in the three chains prevents Washington's encirclement of China. From Washington's perspective, the ability to project maritime force and protect allies from potential military threats is the goal.

their demands, the central question is no longer simply whether peace is possible, but whether Europe can turn its growing stake in the conflict into a credible strategy for ending it.

3. Can the United States and China build a stable new world order?

On 14–15 May 2026, Presidents Donald Trump and Xi Jinping met in Beijing with the primary aim of stabilising U.S.–China relations. They agreed to pursue a "*constructive relationship of strategic stability*" based on regular dialogue, bounded competition, practical cooperation, and dispute management. Both sides presented the meeting as a reset towards predictability rather than a comprehensive settlement of their rivalry. Although mainstream international media expressed disappointment with the limited practical outcomes, the summit appears to have strengthened the fragile trade truce and produced potentially significant commercial commitments. Differing U.S. and Chinese official accounts nevertheless left several details contested or unclear. Overall, the meeting reduced near-term uncertainty without resolving structural disputes over Taiwan, technology, tariffs, market access, and strategic influence. Taiwan remained the sharpest point of contention: invoking the "*Thucydides Trap*"[1], President Xi warned that mishandling the issue could imperil the wider relationship and trigger conflict, while the U.S. public account omitted it. The leaders also planned a follow-up visit by President Xi to Washington in the autumn, potentially to finalise negotiations before key trade arrangements expired. (https://washingtonpost.com)

In Issue No. 27/Winter 2025, we argued that President Trump's re-election could encourage a redistribution of global power centred on a managed U.S.–China–Russia hegemony. At the time, we suggested that under such an arrangement, the

[1] A political theory stating that when a rising power threatens to displace an established ruling power, the structural stress often makes war very likely.

three powers might divide regional influence while continuing to compete for markets, technologies, and critical resources. Since then, President Trump's bold but unpredictable policies and the ongoing wars in Ukraine and Iran have partly eroded Russia's global standing, while the United States and China have begun seeking limited economic and military accommodations. The May 2026 Trump–Xi summit was an initial step in that direction. Against this shifting backdrop, the central question is whether managed U.S.–China strategic competition can provide the basis for a more stable world order.

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Three trends may determine whether U.S.–China competition can support a more stable world order: managing economic interdependence, avoiding military confrontation—especially over Taiwan—and using the Russia factor to reduce rather than intensify great-power rivalry.

A) Managing economic interdependence.

So far, the U.S. proved that it could constrain China's access to selected cutting-edge technologies, but it could not isolate China from the global economy or prevent it from developing alternative capabilities. China also possesses considerable leverage: it can restrict exports of rare earths and other critical minerals essential to U.S. semiconductor production, aerospace systems, advanced weapons, and high-technology industries. Its vast manufacturing base and domestic market give Beijing additional influence over foreign companies that depend on Chinese production and consumers. Yet China cannot exclude the United States from Asia's economic order, or sharply reduce U.S. participation in its own market, without inflicting substantial costs on itself. Beijing still relies on overseas demand, access to U.S. technology and capital, and continued integration with global consumer markets. (Z. Wang, "The G-2 Reality", https://foreignaffairs.com).

Their mutual dependence explains why both ultimately need a deal rather than conflict: for China, to sustain growth and external demand amid structural issues (real estate and debt), and for the United States, to ensure trade stability, manage technological competition, address security concerns and prevent shocks to the global financial system. (V. Herczegh- "What to Expect from Trump-Xi Summit", https://geopoliticalfutures.com)

Such a deal should aim at managed interdependence rather than unrestricted integration or wholesale decoupling. Although bilateral trade has fallen sharply in some areas, the two giant economies remain connected through critical supply chains, finance, technology, and global markets; a disorderly separation would therefore impose substantial costs on both countries, as well as on third economies. The objective should be a bounded economic relationship: selective separation where security genuinely requires it, continued trade where risks are manageable, and institutionalised cooperation where both sides benefit. This would not end strategic rivalry, but it could reduce uncertainty, limit the weaponisation of interdependence, and prevent commercial disputes from escalating into a broader geopolitical crisis.

B) Avoiding military confrontation, including over Taiwan.

In security terms, neither China nor the United States can dominate or contain the other. China's advances have limited America's ability to operate uncontested in the Western Pacific, but U.S. military power, alliances, and technological and financial strengths remain formidable. The result is what Professor Zheng Wang called "*mutual denial of dominance*": each side is strong enough to prevent the other from establishing regional control, but neither can prevail at an acceptable cost. The United States cannot intervene close to China without exposing its forces to serious losses, while China cannot expel U.S. forces or neutralise the American alliance network. This balance makes restraint and crisis management essential, especially over Taiwan. Both sides may believe they can prevent defeat, yet neither can be confident of a quick victory, creating incentives for military build-ups, coercion, and brinkmanship. Deterrence is therefore reciprocal but unstable: the enormous costs may discourage deliberate war while increasing the risk of escalation through miscalculation, accidents, or misplaced confidence. As Professor Wang concluded, "*The region is not shifting from U.S. dominance to Chinese dominance; instead, each side is strong enough only to deny the other's ability to exert control.*" ("The G-2 Reality", https://foreignaffairs.com).

Andrew Davidson similarly argued that China's growing ability to strike regional bases and infrastructure is making U.S. power projection across the Pacific increasingly costly, vulnerable, and unreliable. If current trends persist, he argues, U.S. strategy in the Pacific is likely to move away from the expectation of sustained forward dominance close to China. Washington will not withdraw from the region, but may rely more heavily on submarines, long-range strike capabilities, and dispersed logistics networks extending through Japan, the Philippines, Australia, and the second island chain. Such a posture would also require regional allies to assume a larger share of the defence burden. Despite longstanding historical tensions that have constrained closer security cooperation, Japan and South Korea are already discussing a military logistics-support agreement and have agreed to resume joint naval search-and-rescue exercises after a hiatus of nearly a decade. The objective would be not to control the waters nearest China continuously, but to retain the capacity to prevent Beijing from achieving uncontested regional dominance. ("The Shifting Balance in the Taiwan Strait", https://geopoliticalfutures.com)

Indeed, in July 2026, Japan, Australia, and New Zealand reaffirmed their commitment to deeper defence cooperation at a trilateral meeting held on the sidelines of the NATO summit in Türkiye. At around the same time, the Philippines and Vietnam upgraded their relationship to an enhanced strategic partnership and agreed to establish new mechanisms for maritime coordination, including coast guard cooperation and a direct hotline for managing incidents in the South China Sea. Taken together, these developments provide the clearest indication yet that regional allies and partners are responding to Washington's gradual retrenchment by building a more interconnected security network of their own, rather than accommodating China or ceding regional influence on Beijing.

In addition, the Iran war has stretched U.S. military resources and weakened confidence in Washington's ability to manage simultaneous crises. In the Western Pacific, this might encourage China to test American resolve, while pushing U.S. allies to strengthen their own defences and regional cooperation. At the same time, disruption to Gulf energy supplies has exposed China's dependence on vulnerable maritime routes. Overall, the Iran war has made the U.S.–China military balance more uncertain and increased the importance of allied burden-sharing, resilient logistics, and crisis management.

Regional and global security ultimately depends on Washington and Beijing avoiding military confrontation, especially over Taiwan. The choice is stark: manage the rivalry through sustained dialogue and effective crisis management or risk a crisis whose consequences extend far beyond the Pacific. Continued engagement would also help regional states balance deterrence with diplomacy.

C) Leveraging the Russia factor for global stability.

In past issues, we examined the Russia–China "*partnership without limits*" and its implications for U.S.–China relations. In the Fall 2025 issue we have concluded that the 2025 U.S. National Security Strategy, by prioritising the Western Hemisphere while seeking improved relations with both Russia and China, pointed towards a new world order centred on the United States-China-Russia managed competition. This approach resembles what L.

Goldstein called “*double Kissinger*” diplomacy: the central U.S. security problem is not China–Russia cooperation itself, but the catastrophic risk of escalation with either power. Goldstein therefore recommended limiting U.S. involvement in Ukraine and Taiwan and avoiding new formal defence commitments that would strengthen incentives for a Russia–China quasi-alliance. Towards Russia, this strategy would combine sanctions relief with economic and diplomatic engagement, including in the Arctic and on nuclear arms control, while seeking a settlement in Ukraine that addresses the Kremlin’s stated “*root causes*” of the conflict. Towards China, it would pursue reduced tensions on the Korean Peninsula and in the South China Sea. Goldstein concluded that “*This approach could move world politics away from a messianic struggle between good and evil, or democracy and authoritarianism, and toward a more stable coexistence among the great powers.*” (“Assessing the China-Russia Quasi-Alliance”, https://defp.org)

It is too early to determine whether the “*double Kissinger*” approach is succeeding, although tentative evidence is beginning to emerge. According to bne *IntelliNews*, Beijing may be preparing quietly for a post-Putin Russia by embedding its relationship with Moscow more deeply in institutions and elite networks likely to endure beyond his rule. Citing analysts at the *China-Russia Report*, the publication described a deliberate broadening of Chinese engagement beyond President Vladimir Putin. As J. Webster, a senior fellow at the Atlantic Council and editor of the independent *China-Russia Report*, wrote: “*Vladimir Putin’s recent visit to Beijing adds to the large and growing body of evidence suggesting that Xi Jinping and the CCP are institutionalising ties with Moscow in anticipation of a power transition.*” This evidence indicates that Beijing is making the relationship more resilient to potential political succession, not necessarily that Washington’s strategy is already weakening the partnership. (B. Aris, “Xi Looks Beyond Putin as Beijing Quietly Prepares for Post-Putin Era”, https://intellinews.com).

Meanwhile, E. Zolotova argued that practical Russia-China cooperation is losing momentum. China’s trade with Russia fell to approximately $228 billion in 2025, down from the record reached in 2024 and marking the first annual decline in five years. Besides reversing macro-economic indexes of bilateral trade, Moscow would expect Beijing to provide more active support against Western sanctions and over the war in Ukraine, while China remained wary that a formal political or military alliance could expose it to sanctions and damage relations with more important economic partners in ASEAN, the European Union, and the United States. Because Beijing regards the Russian market as less important than these alternatives, it is likely to accept greater risks only where projects are both strategically valuable and commercially profitable. She concluded that diplomatic rhetoric between Russia and China may continue to intensify—particularly because Moscow benefitted from highlighting the relationship amid its confrontation with the West—even as significant obstacles to deeper cooperation persist and neither government appeared eager to remove them. (“Russo-Chinese Ties Lose Their Luster”, https://geopoliticalfutures.com)

By contrast, B. Aris argued that ties between Beijing and Moscow have deepened. Russia’s diplomatic outreach across Africa, Asia, the Middle East, and Latin America is beginning to yield benefits as cooperation among countries of the Global South expanded—an outcome that also serves Beijing’s interests. Chinese state media have consistently portrayed the partnership with Russia as durable and capable of surviving changes in political leadership. (“Xi Looks Beyond Putin as Beijing Quietly Prepares for Post-Putin Era”, https://intellinews.com).

In short, the Russia factor exerts competing pressures on U.S.–China relations. The “*double Kissinger*” approach seeks to ease tensions with both Russia and China—particularly over Ukraine and

Taiwan—and thereby weaken their incentive to sustain a quasi-alliance. Yet the China–Russia partnership has also become politically deeper and more durable, even as unequal economic interests and Beijing's preference for strategic flexibility limit its scope. Washington and Beijing should therefore treat Russia not as an instrument for dividing spheres of influence, but as a variable to be managed through parallel risk reduction. Otherwise, their competing attempts to leverage Moscow could destabilise the very world order they were seeking to shape.

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Likely outcomes for an uncertain relationship

It is widely recognised that the stability of any emerging world order will depend heavily on the character and evolution of the U.S.–China relationship. Trump–Xi summits therefore generate intense debates, with analysts searching for evidence that supports competing interpretations of the relationship's future.

In January 2026, Ryan Hass outlined "*Three Potential Pathways for U.S.–China Relations under Trump*": a **soft landing**, in which both leaders invest in a lasting improvement in relations; a **hard split**, in which President Trump becomes increasingly disillusioned with China, following a trajectory similar to that of his first administration; and a third scenario in which both sides **buy time while building insulation against one another**, without expecting a durable improvement in bilateral ties. Hass considered the third pathway the most consistent with prevailing trends. As he explained, it assumes neither rapprochement nor major breakthroughs, but rather an adversarial equilibrium captured by President Trump's remark: "*We do everything we can to China, and they do everything they can to us.*" Hass nevertheless acknowledged that changing political or socio-economic conditions could still favour either of the other two pathways. (https://brookings.edu)

G. Friedman offered a more optimistic assessment, arguing that Presidents Trump and Xi could reach an agreement this year covering both economic and military issues. Such an arrangement might establish mechanisms to deepen economic engagement, reduce the risk of military confrontation, and produce an understanding in Taiwan. He deemed such an agreement as "*the beginning of a new global geopolitical system, replacing the one based on the Cold War and the collapse of the European colonial system. How it will look in detail matters greatly, as does the potential Russo-European and U.S.-China ententes*" ("The Week the New Global Reality Showed Itself", https://geopoliticalfutures.com).

V. Herczegh was cautiously optimistic. Despite tariff threats, strategic rivalry, and mutual suspicion, both sides have strong incentives to avoid escalation and preserve room for reconciliation. Core disputes—especially over Taiwan, technology restrictions, and strategic competition—are unlikely to be resolved soon. Nevertheless, she argued that limited agreements on trade, supply chains or regional security could help shape future negotiations and establish a more predictable foundation for relations between the world's two most powerful states. The May 2026 summit's greatest significance may therefore lie not in any single agreement, but in whether it resets the broader trajectory of U.S.–China engagement amid growing global instability ("Previewing the US- China Summit", https://geopoliticalfutures.com).

In conclusion, guarded coexistence is more likely than a stable new order: sustained dialogue, selective cooperation, bounded competition, and periodic crises. Stability requires institutionalised crisis management and acceptance that neither side can dominate. Economic ties will narrow selectively, with restrictions on sensitive technologies and supply chains but continued trade where benefits outweigh risks.

Taiwan will remain the most dangerous flashpoint. Mutual denial of dominance strengthens deterrence but also raises the risk of coercion, miscalculation, and escalation. As sustained U.S. forward dominance becomes harder, regional partners—including Japan, South Korea, Australia, the Philippines, and Vietnam—will deepen defence cooperation.

Russia will remain a key variable. Washington may try to loosen the China–Russia alignment through engagement, while Beijing will continue to value Moscow for energy, critical resources, military cooperation, and diplomatic support against Western influence.

In this context, "*buying time and building insulation*" is likely to remain the dominant strategy. Washington and Beijing may use summits and limited agreements to stabilise trade, maintain communication, and prevent war, even as each strengthens its economy, technological base, and security partnerships for prolonged strategic competition. The rest of the world must therefore help steady the global ship while bracing for the still plausible risk that a regional spark could ignite a far wider conflagration.

About EGF

The European Geopolitical Forum (EGF) was established in early 2010 by several independently minded practitioners of European geopolitics, who saw a certain vacuum in the information flow leading into the European geopolitical discussion. EGF is dedicated, therefore, towards the promotion of an objective, Pan-European geopolitical debate incorporating the views of Wider-European opinion shapers rather than simply those from the mainstream European Union (EU) member states. EGF seeks to elaborate upon European decision makers' and other relevant stakeholders' appreciation of European geopolitics by encouraging and effectively expanding the information flow from east to west, from south to north. In order to achieve these objectives, the European Geopolitical Forum was established as an independent internet-based resource, a web-portal which aims to serve as a knowledge hub on Pan-European geopolitics. EGF's strength is in its unique ability to gather a wide range of affiliated experts, the majority of whom originate from the countries in the EU's external neighbourhood, to examine and debate core issues in the Wider-European geopolitical context. Exchange of positions and interactivity between east and west, south and north, is at the heart of the EGF project. Please visit our website for further information at www.gpf-europe.com.

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