

# Making the U.S.-UK Special Relationship Fit for Purpose

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## *Introduction*

The transatlantic relationship is being recast. The second Trump administration has made clear that the United States wants Europe to handle European security, representing a dramatic shift in U.S. foreign policy on a scale not seen since World War II. While the scope of the transformation of U.S. involvement in Europe remains to be seen, the trajectory of the transatlantic alliance will also dramatically impact the vaunted special relationship between the United States and the United Kingdom. These shifts substantively challenge the status quo of British defense strategy, wedging the United Kingdom between rising expectations for its defense capabilities and mounting resource constraints. As London takes a sober look at its long-term approach through its recent Strategic Defense Review, a refreshed understanding of the special relationship is critical to developing a strategy to maximize U.S.-UK defense cooperation and equip both partners to face the challenges ahead.

This “special relationship”—a phrase coined by Winston Churchill in his famous 1946 “Iron Curtain” [speech](#)—was forged to address crises in European and global security. The deep intelligence, defense, and security working partnership that formed during World War II persists to this day. During the Cold War, military and defense industrial cooperation, especially in the nuclear realm, grew significantly to combat the Soviet threat, as did intelligence cooperation. Since then, the United States and United Kingdom have operated together in the Persian Gulf, the Balkans, Iraq, and Afghanistan. A shared strategic outlook, whether in defeating Nazism, communism, or terrorism, helped forge a close bond.

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Yet the special relationship is not as meaningful as it once was. An honest audit of bilateral ties over the past decade reflects a partnership that has faded in relevance to policymakers, especially in Washington. This is partly because the two countries are no longer fighting side by side in Iraq and Afghanistan—but not entirely. In recent years, the United Kingdom has been consumed with Brexit, become estranged from Europe, suffered sluggish economic growth, and implemented cuts to its military forces. This has made it a less relevant actor in Europe, a less relevant global economic player, and less of a global military presence.

Despite a war raging in Ukraine, Washington has shifted its focus to the Indo-Pacific and the challenge posed by China. Meanwhile, its emphasis on economic security, competition with China, and sanctioning Russia has also meant more coordination and engagement with the European Union given its colossal single market. The United Kingdom's estrangement from the European Union has made it more peripheral to these conversations and less able to play its former role as a transatlantic bridge.

With new governments in both London and Washington, policymakers face a critical opportunity to refresh and strengthen the special relationship and make it fit for purpose. Thus far, UK Prime Minister Keir Starmer and U.S. President Donald Trump have gotten off to a strong start. Despite coming from different sides of the political spectrum, they appear to have developed a personal rapport—similar to past political opposites such as Barack Obama and David Cameron or George W. Bush and Tony Blair.

For the United Kingdom, strengthening the special relationship will require rebuilding relations with Europe and leading in continental affairs, as this is what has made it most relevant to the United States—whether during World War II, the Cold War, or today. Thus, efforts to rebuild ties with the European Union, focus more on NATO, and take the lead on supporting Ukraine, for example, will help the United Kingdom position itself as a transatlantic bridge.

Additionally, London must focus and streamline its defense efforts given its significant resource constraints. The special relationship has largely entailed close alignment and cooperation on almost every issue in every region—at times leaving the United Kingdom overstretched and creating situations where it is unable to live up to ambitious rhetoric. Recognizing that it cannot be everything to everyone in the U.S. government, the United Kingdom will need to focus its bilateral efforts in a few areas in which it excels. This is where the [Strategic Defence Review](#) (SDR) could be critical to reviving the special relationship. Upon taking office in the summer of 2024, Starmer ordered a top-to-bottom review of the British military. The resulting report, issued on June 2, 2025, provides a forward-looking assessment of the country's strategic interests and requisite military capabilities. Its release meets the moment with a strategic vision that seeks to reinforce the value of close cooperation for partners on both sides of the Atlantic.

The task ahead will not be easy. The Trump administration is increasingly at odds with Europe, creating a widening diplomatic gulf. This makes the United Kingdom's potential role as a transatlantic bridge more vital than ever—but also more challenging.

This paper briefly outlines the current U.S.-UK defense and security relationship. It then assesses the feasibility of the SDR's objectives and its implications for U.S. foreign policy in Europe and beyond. Finally, it weighs the tough choices that lie ahead for British defense policymakers given

the United Kingdom's economic constraints, new U.S. foreign policy priorities, and intensifying geopolitical competition.

### *Mapping the Special Relationship on Defense*

Ties between the United States and United Kingdom benefit greatly from a relatively aligned strategic culture and way of viewing the world. The two countries have historically held similar threat perceptions of adversaries and tend to have a broader conception of national interests, lending them a willingness and readiness to act militarily in the world. For instance, following Russia's invasion of Ukraine in February 2022, both countries rushed forward military assistance and rallied European allies to action through a comprehensive **sanctions response**. Preserving and strengthening the special relationship is not only a core British foreign policy interest, it has also been a priority for every U.S. president since Franklin D. Roosevelt. Far from being merely rhetorical, the special relationship is exceptionally deep, especially when it comes to defense and security.

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### **INTELLIGENCE**

The two countries have built the deepest intelligence alliance in the history of the Western world. It has been gradually forged through the common fight against Hitler's fascism, Soviet communism, and the Global War on Terror. In the aftermath of World War II, the two nations agreed to collect and share sensitive **signals intelligence** as part of the 1946 United Kingdom-United States of America (UKUSA) Agreement. At the time, the United States **leaned** heavily on well-established British intelligence capabilities from across the vast British Overseas Territories and Commonwealth to surveil Soviet activities. This cooperation **laid** the foundation for the Five Eyes intelligence-sharing alliance between the United Kingdom, United States, Canada, Australia, and New Zealand, which was formalized in 1956.

The Five Eyes has since developed into the world's most significant intelligence-sharing alliance, **rooted** in extensive coordination and sharing of both raw and finished intelligence. In many ways, it is considered the gold standard of intelligence alliances and represents the backbone of the special relationship. For example, the United Kingdom benefited immensely from **Five Eyes** intelligence sharing during the Cold War, when U.S. monitoring of Soviet submarines proved vital to coordinated defensive efforts in the North Atlantic and North Sea. In return, British listening posts in its former imperial territories **provided** crucial signals intelligence to the United States on Soviet activities in the Middle East.

Functionally, the Five Eyes **operates** across a wide spectrum of domains and geographies. Allied intelligence organizations monitor maritime traffic through strategic areas, surveil ballistic missile tests and satellite deployments, and **coordinate** on collective offensive capabilities in the cyber domain. Moreover, numerous agreements exist in discrete, highly sensitive areas such as **chemical and biological** defense, which entail extensive technical cooperation at the working level.

## NUCLEAR TECHNOLOGY

Cooperation on nuclear technology is another core tenet of the special relationship with roots in the early Cold War era. The 1958 Mutual Defense Agreement **formed** the basis for closer ties and allowed the UK nuclear arsenal to incorporate U.S. technological advancements. Since 1962, the United Kingdom has acquired U.S. nuclear weapons delivery technology while producing its own submarines and warheads. Furthermore, its Trident system, which includes four Vanguard-class nuclear-powered and nuclear-armed submarines, relies on maintenance by U.S. company Lockheed Martin, and the United Kingdom procures the aeroshells required to produce warheads from the United States. The Trident system is thus closely linked to U.S. systems, though they ostensibly operate independently.

The Mutual Defense Agreement was **extended** indefinitely in 2024 and includes provisions that make it difficult for either party to terminate the arrangement. **Locking** in the bilateral nuclear-sharing arrangement on a more or less permanent footing has provided some important assurances of continued U.S.-UK cooperation, irrespective of domestic political changes. Moreover, the extension provides some stability and budget certainty at a time when London is modernizing its stockpile of nuclear weapons and delivery systems, replacing the aging Vanguard-class submarines with a new Dreadnought-class platform that will **enter** into service in the early 2030s. Budget overruns and delays related to this modernization drive a significant risk, as the Dreadnought program has already led to a **41 percent** increase in projected costs for the Royal Navy as of December 2023.

## DEFENSE INDUSTRIAL BASE

The 2021 **Defence and Security Industrial Strategy** (DSIS) reoriented strategic thinking about the British defense industrial base. It emphasized building a resilient defense industry without reliance on foreign suppliers—a marked shift from past governments’ **tendency** to outsource defense production to **reduce costs**. Russia’s full-scale invasion of Ukraine, the Covid-19 pandemic, and Brexit have shifted attention across the political spectrum toward prioritizing maintenance of a sustainable UK industrial base. The SDR recognizes the UK defense industry as a vital engine for growth, both in its security ambitions and long-term economic outlook. In FY 2023, the Ministry of Defence invested nearly \$40 billion with **UK industry**, supporting 440,000 jobs. Defense industrial relationships, the most significant being with the United States, contributed to \$19.7 billion in overall British defense exports.

The United States remains the United Kingdom’s closest defense partner. Its Foreign Military Sales portfolio with the United States is valued at more than **\$18.6 billion** in joint projects, particularly the F-35 program, demonstrating the high level of interoperability and industrial integration that characterizes the relationship. As a tier-one partner on the **program**, the United Kingdom contributes critical components to the F-35 supply chain, with approximately 15 percent of the value of each aircraft attributable to the United Kingdom. This includes the Martin-Baker ejection seat, Cobham refueling probes, and BAE Systems tail sections. As a result, the F-35 plays a significant role in the British labor market. The Royal Air Force’s **XVII Test and Evaluation Squadron**, housed at Edwards Air Base in California, operates primarily to bring F-35 aircraft into service. The partnership, focused on integrated procurement and maintenance, has been a foundation of economic competitiveness in defense for both partners.

The 2021 Australia-United Kingdom-United States (AUKUS) agreement enhances the unique bond between the three treaty allies and ensures cooperation in the Indo-Pacific. The last time a similar agreement was reached was in 1958 with the U.S.-UK Mutual Defense Agreement. AUKUS aims to

**promote** a “free and open Indo-Pacific that is peaceful, secure, and stable,” as reflected in two main pillars. Pillar One focuses on delivery of nuclear-powered attack submarine capabilities, including highly sensitive nuclear propulsion technology that Washington has historically held sacred. By 2040, the **SSN-AUKUS** will replace the United Kingdom’s Astute-class attack submarine as one of the world’s most advanced submarines. **Pillar Two** is broader and more complex, with a clear focus on enhancing joint capabilities and interoperability across several domains, including “cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities,” as well as electronic warfare, hypersonic technologies, and enhanced information-sharing protocols. Its implementation will demand investment in both the U.S. and UK defense industrial bases, relying on joint innovation and shared research and development. So far, however, there has been limited progress made on implementing Pillar Two. Looking forward, the success of AUKUS will not solely depend on adequate financing; just as critical will be whether the United Kingdom has the infrastructure to produce innovative technology at scale.

At the same time, regulatory reforms, particularly the International Traffic in Arms Regulations (ITAR) **exemptions** announced in September 2024, have attempted to ease export controls and other regulatory barriers that had limited U.S.-UK defense industrial integration. **Removing** such barriers could accelerate procurement opportunities and access to both countries’ defense technology sectors but also has the potential to form a trilateral **common market** on defense that incentivizes strengthening this relationship. Such trilateral defense cooperation could enhance battlefield integration and technological innovation across theaters. Consequently, the AUKUS partnership offers a strategic counterweight to China and reinforces allied unity in a rapidly evolving landscape of geopolitical competition.

## **BASING**

The United States, which has maintained military bases in the United Kingdom since 1942, currently **deploys** approximately 10,000 military personnel on British soil, not including a significant number of contractors and civilian employees. In turn, approximately **750** military and civilian personnel with the Ministry of Defence **train** at **U.S. military bases** across 30 states.

Each nation also benefits from the other’s global footprint of military bases. The United States has utilized military infrastructure in overseas UK territories, such as Ascension Island in the Atlantic Ocean and Diego Garcia in the Indian Ocean, which has housed a shared U.S.-UK military base since the 1970s. The United Kingdom finalized an agreement in May 2025 on the future of the Diego Garcia archipelago that would hand territory over to Mauritius but allow the Diego Garcia base to continue operation on a 99-year lease. The negotiations, while met with criticism by defense hawks in both the **United Kingdom** and **United States**, emphasized the territory’s strategic importance for power projection of two uniquely entangled allies by focusing on maintaining joint operational forces and power projection in the region. Importantly, the United States was not an official party in the agreement. However, the final agreement was met with high **praise** by the Trump administration as a vital success for U.S. national security interests in the Indian Ocean and beyond.

## **SPECIAL OPERATIONS FORCES**

Interactions between the U.S. and UK militaries have historically taken place through a patchwork of relationships between specialized communities. Although there are no formal frameworks governing

cooperation, the relationship between the countries' special operations forces is particularly significant in this regard. From a U.S. perspective, what the UK forces have not been able to deliver in terms of quantity has been compensated by their quality and interoperability with U.S. units. For example, the two countries have deployed special forces together as part of the Joint Special Operations Command Task Force in the Iraq War, a temporary grouping often assigned to engage high-value targets. U.S. and UK special operations units also regularly train together, both on a **bilateral level** and **through NATO**.

## *The United Kingdom's Current Strategic Dilemma*

### **THE UNITED KINGDOM AND EUROPE AFTER BREXIT**

In 2016, British voters opted to leave the European Union in a referendum that altered the economic and political trajectory of the United Kingdom. In the ensuing nine years, the United country has become more estranged from the continent and has experienced economic stagnation.

Following the Brexit vote, UK strategy sought to turn away from Europe and toward the rest of the world. Prime Minister Teresa May **declared** that the post-Brexit era of "Global Britain" was beginning. After officially departing the European Union on December 31, 2020, the UK government **conducted** an "Integrated Review of Security, Defence, Development and Foreign Policy," in essence a national security strategy, that paid almost no attention to Europe. Instead, "Global Britain" would aggressively seek new trading agreements around the world. For instance, the United Kingdom signed onto the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership**, a trade agreement involving 11 countries in the Indo-Pacific and the Americas, in July 2023.

However, instead of accelerating growth by removing the "shackles" of EU regulation, Brexit has created structural barriers that have exacerbated the United Kingdom's economic challenges. In particular, it has made it more cumbersome to do business with the European Union. Given the European Union has around 450 million people and is an economy roughly equivalent in size to the United States or China in terms of purchasing power, Brexit erected barriers to an enormous neighboring market in which British producers had been highly enmeshed.

Separately, following the Global Financial Crisis of 2007-08, London enacted deep austerity measures. A lack of economic investment, together with the uncertainty and friction from Brexit, has led to sluggish growth and reduced investment. Covid-19 also contributed to high inflation, which was then exacerbated by an energy crisis following the sabotage of the Nord Stream pipelines, leaving the United Kingdom with some of the highest energy prices in Europe. The United Kingdom was the only member of the G7 **yet to restore** pre-pandemic levels of GDP by 2023, with foreign direct investment inflows falling 37 percent for six years prior. It then **slipped** into a technical recession in the final quarter of 2023.

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From a defense policy perspective, the United Kingdom is facing a myriad of resource constraints that will hinder its ability to be as capable a global partner for the United States as it has been in the past. Despite recent efforts to ramp up defense spending to meet **NATO commitments**, the British Armed Forces are anemic after **decades** of budget cuts—spending began winding down at the end of the Cold War and has fallen an additional 22 percent between FY 2009 and FY 2016. Similarly, between 2014 and 2023, following Russia’s 2014 annexation of Crimea, the United Kingdom **displayed** the lowest real increase in defense spending among NATO members, totaling a mere 6.84 percent.

## **ENTER THE STRATEGIC DEFENCE REVIEW**

In announcing the Strategic Defence Review (SDR) in July 2024, **Starmer** identified an opportunity for the United Kingdom to be a leader in an increasingly “dangerous and volatile world.” His new Labour government commissioned the SDR as a broad and comprehensive effort to **reassess** “the threats Britain faces, the capabilities needed to meet them, the state of UK armed forces and the resources available.”

Revising London’s overarching defense strategy has become **a regular practice** in the past decade, this being the third iteration in the past five years. But the SDR is intended to be different. Its scope, process, and context suggest a complete strategic overhaul. According to Secretary of State for Defense **John Healey**, it is the “first of its kind” and will set the direction for the Starmer administration. It seeks to be more akin to the sweeping changes in the United States brought about by the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

The previous UK defense strategy was produced in 2023 by the Conservative government following the Russian invasion of Ukraine. While its **key takeaways** doubled down on many of the trends identified in the 2021 review, two years of war on the European continent and an increasingly volatile threat assessment demanded a shift toward building military capacity and stockpiles to fight a conventional war. **Prior reviews** had largely failed to address key questions concerning capability gaps in national defense and the United Kingdom’s contribution to NATO. They also offered little fiscal flexibility for the country to shape new procurement processes or rapidly rearm itself. The 2023 defense strategy increased defense spending by only **£2.5 billion** (\$3.2 billion) compared to the 2021 strategy.

The 2025 SDR attempts to challenge the existing status quo, especially regarding defense and procurement processes. Notably, the review was led by an independent panel of experts rather than just internal figures within the Ministry of Defence. Its chair, former NATO Secretary General George Robertson, worked alongside General Sir Richard Barrons and former senior White House national security official Fiona Hill. Their review was **supported** by perspectives from nearly **150 experts** from across government, the military, industry, academia, international partners, and the public. The report very much digests the lessons learned from Ukraine and is focused on how to get the United Kingdom ready for war. While the report does not outwardly say that the United Kingdom is unprepared, that is the obvious conclusion. Matthew Savill of the Royal United Services Institute **concludes** “the implication is clear: assuming this is what it takes to be ready for modern war, then the UK is lagging badly.”

A key challenge for the United Kingdom is that its armed forces, particularly its army, are not big enough. The review says the end strength should be increased “when funding allows.” To make up for the lack of size and the significant costs of many of the weapons used to equip the force, the SDR seeks

to leverage technology to increase overall firepower, as well as to better integrate UK forces together to increase their battlefield impact. A key focus is also on defense production and producing cost-effective munitions and drones. In **assessing** the SDR, Olivia O’Sullivan and Marion Messmer at Chatham House write, “A central commitment is the development of ‘always on’ munitions capacity—creating an industry that is capable of rapidly increasing production in the event of high-intensity conflict. That is a key lesson from Ukraine.”

The SDR also seeks to provide a framework ensuring that UK forces can prepare and deter against threats under a broad range of parameters. This includes the country’s commitment to nuclear deterrence, homeland security, support for Ukraine, retention of personnel, technological innovation, and procurement strategy. As for nuclear deterrence, the United Kingdom has recently announced it will procure the F-35A Lightning variant, which is able to deliver nuclear payloads, thereby adding a second leg to the country’s submarine-based nuclear deterrent.

At the core of the SDR is a “**NATO-first**” approach that nevertheless attempts to maintain a global role for the United Kingdom. The review includes plans to move quickly to warfighting readiness, including efforts to modernize the country’s force structure to enable integrated multidomain operations and improve efficiency in its acquisition and support strategy. The review highlights key organizational reforms that consider how the government can employ emerging technologies and reinforce partnerships to strengthen its capabilities in areas of vulnerability. Using a whole-of-society approach and key lessons learned from the war in Ukraine, it outlines how the United Kingdom can accelerate national preparedness and wartime resilience while continuing to lead in international coalitions such as AUKUS and the Northern European Joint Expeditionary Force.

The report also highlights the importance of coordinating procurement with European NATO partners. This is an important nod to the growing effort within the European Union to create economies of scale and to reduce the sprawling number of systems employed by European militaries.

### **THE TOUGH CHOICES AHEAD**

London faces a strategic dilemma: it seeks to pursue an ambitious defense agenda but must abide by considerable resource constraints. This effort will necessitate reassessing Britain’s strategic footprint in Europe and Asia, recalibrating its defense relationship with the European Union, and identifying internal reforms to address personnel, defense industrial, and process and bureaucratic issues currently straining its armed forces.

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The priorities for reform are vast and span a suite of issues, including centering emerging technology as the backbone of the British Armed Forces, ensuring domestic resilience, increasing the efficiency of procurement processes, and setting the right balance between land- and sea-focused forces. The SDR reviewers were carefully **instructed** to make their recommendations feasible “within the

trajectory” of a spending increase from the current 2.3 percent of GDP on defense to the NATO target of 2.5 percent. This was a budgetary challenge before the 2025 NATO Summit. Now, London supposedly seeks to dramatically increase its defense spending commitments in the medium term, as Starmer joined NATO leaders in the Hague in their **commitment** to significantly raise the spending target to 3.5 percent on core defense and an additional 1.5 percent on defense-related areas. To hit these targets would require an additional **\$41 billion** annually, and it is unclear where that money will come from. What is clear, is that although the British government **has accepted** all 62 recommendations set out by the SDR since its release, implementing the kind of structural shift the review demands will be easier said than done.

The reality of overall strategic reform means the United Kingdom will confront a swathe of hard choices in the coming years. Several high-profile initiatives take up a significant portion of the UK defense budget. For example, the cost of maintaining a nuclear deterrent has **risen** from 5-6 percent of defense spending around five years ago to at least 19 percent in 2025. The AUKUS agreement to build submarines for Australia—as well as the Global Combat Air Programme, a project to develop a next-generation stealth fighter jet with Italy and Japan—is not only expensive but also seemingly “**set in stone**” in future UK defense budgets. Additionally, the SDR believes the size of the army needs to grow, yet there is no funding presently to increase end strength. This leaves little maneuvering room to fill other capability gaps.

#### **“GLOBAL BRITAIN” OR “NATO FIRST?”**

Successive U.S. administrations have been inconsistent in how they want London to allocate resources between Europe and Asia. The Biden administration **pushed** European allies to ramp up their activities in the Indo-Pacific, for example, through **freedom of navigation exercises** in the South China Sea. Officials from the Trump administration have **signaled** a reversal of this course by suggesting that the UK military should focus squarely on the Euro-Atlantic region, particularly in support of Ukraine. A **2024 CSIS report** argued that the United Kingdom should focus on leading in Europe, given the threat posed by Russia and the challenges of contributing in the Indo-Pacific.

In this regard, the United Kingdom could increase London’s importance to both Washington and Brussels, as well as other European capitals, by contributing to the building of a European pillar of NATO. With the potential for a significant **reduction** in the United States’ military presence in Europe on the horizon, the United Kingdom—the only non-U.S. NATO member that assigns its strategic deterrent to NATO—is uniquely positioned to mediate a new burden-sharing or burden-shifting arrangement. Bolstering ties with Europe’s economic and military powerhouses—France, Germany, and Poland—may lay the foundation for a new “European Quad” leadership group to coordinate efforts to support Ukraine, rearm Europe, and deter Russia.

#### **THE JOINT EXPEDITIONARY FORCE**

Doubling down on British leadership of the Joint Expeditionary Force (JEF) is also a worthwhile pursuit. The JEF is led by the United Kingdom and counts nine other nations as members, including the Netherlands and the eight Nordic and Baltic states, and is intended to provide a rapid response capacity. Leaning into the JEF might also offer a pathway to mitigate the gap left by expected reductions in U.S. forces. From its foundation in NATO’s “**Framework of Nations**” concept, the JEF has become an **important cog** in the broader European defense architecture. JEF nations are also among the **highest**

**spenders** on defense in Europe—making the force a potentially vital avenue for sustaining European deterrence in the near term as the continent reacts to a reduced U.S. presence. As Ed Arnold of the Royal United Services Institute **notes**: “If the US disengages, no single European power, or groups, can fill the vacuum. Therefore, an update to the RPG [regional planning group] model and increased regionalisation might be the only way to keep NATO together in a configuration that is close to its current form.”

While the JEF’s importance would grow following any U.S. troop departures, the force should not be seen or marketed as a like-for-like replacement for U.S. forces, especially ground forces, on the continent. The Nordic and Baltic countries in the JEF certainly have capable militaries, but the force does not include Europe’s large continental military powers: France, Germany, and Poland. Moreover, while some Europeans might see a United Kingdom that is newly reengaged with Europe on defense as a good-enough replacement for the United States, UK military capacity is nowhere near what it once was, particularly when it comes to ground forces. London thus needs to market the JEF soberly—not as a cure to American-less European defense but as an important tool that enhances the continent’s overall security. A strong JEF does not obviate the need to construct a more integrated European defense effort, whether through NATO or outside of it.

## **AUKUS**

Despite seemingly being focused on Australia and the Indo-Pacific, the lines of effort in AUKUS are relatively geographically agnostic, meaning its applications are strategically beneficial in both the European and Indo-Pacific arenas. U.S. technologies shared through Pillar Two will increase the United Kingdom’s role as a top-tier undersea power and strengthen its capabilities in the North Atlantic. To achieve such ambitions, specific recommendations for restructuring found in the SDR will certainly help. Local-national partnerships to combat historic underinvestment in Barrow—a town critical to the United Kingdom’s defense manufacturing goals—seek to reignite progress by identifying critical early-stage commercial innovation and ensuring adequate resources. Such a focus could overhaul stagnation in implementation for Pillar Two and strengthen the country’s nuclear deterrent. In a transatlantic context, reinforcing the United Kingdom’s commitment to AUKUS also deepens ties in the U.S.-UK nuclear relationship, furthering innovation goals that position both countries at the forefront of military technology. Its focus on developing critical and globally competitive technologies to expand economic and strategic influence further strengthens the relationship.

London’s well-established partnerships could help it fill specific gaps in Western force posture and command and control that could develop amid a U.S. withdrawal. Yet key challenges remain, notably the weak and fragmented nature of European defense cooperation, which **historically** has depended on a mixture of bilateral agreements, NATO contributions, and small-group cooperation on specific issue sets.

## **UK-EU RELATIONS**

If the United Kingdom is to lead on European security, it needs to deepen cooperation with the European Union—not just to bolster its own defense industrial base, but to shape and support the continent’s collective security ambitions. At the UK-EU summit in May, a **defense and security** agreement was reached that lays the groundwork for British inclusion in growing European defense initiatives. However, a more complex agreement will be necessary to grant UK companies **access** to

the European Union's new €150 billion lending facility, the Security Action for Europe (SAFE) fund. While SAFE provides financing to member states, it may pave the way for other EU defense initiatives. If the bloc becomes an active weapons procurer, whether through budget growth or issuing joint debt through eurobonds, the United Kingdom will want to be part of that structure. Brussels has also made it a priority to involve London given how important British firms are to the broader European defense industrial base. However, UK integration into these initiatives will likely require "paying in," perhaps by contributing to the EU budget or servicing EU debt. Other non-EU NATO countries such as Norway already contribute to the EU budget and therefore are included in its defense initiatives.

## *Conclusion and Recommendations*

Starmer's Labour government has its work cut out for it to revive economic growth and maintain fiscal prudence, all the while navigating a volatile global landscape mired by trade uncertainty and a revanchist Russia eyeing Europe's eastern flank. However, Britain's economic outlook has left the government little budget space to make an ambitious reform agenda reality. Within this context, the following general recommendations for the United Kingdom would help ensure the continued vitality of the special relationship:

- **Continue to lead on Ukraine.** London and Paris have led the effort to create a "coalition of the willing" to send **peacekeeping** forces to Ukraine in the event of a ceasefire or peace agreement. However, with talks unlikely to settle the conflict, and with the United States unlikely to allocate more military aid to Ukraine under the Trump administration, the United Kingdom should instead play a vital role in sustaining Ukraine. This could involve more bilateral military assistance, such as the most recent **package** of air defense support **promised** by Starmer in June, or encouraging and participating in a collective EU effort to aid Ukraine, as argued in a recent CSIS **report**. A sustained commitment to a peacekeeping force will not only require spending but also adhering to recommendations in the SDR to overcome long-standing issues with recruitment and retention in UK forces. Moreover, London, which has shared significant intelligence with Kyiv and allies, should plan to help fill or mitigate gaps in case the United States **cuts off intelligence support** to Ukraine again—as it did for a week after the disastrous Oval Office meeting between Presidents Donald Trump and Volodymyr Zelensky on February 28, 2025.
- **Focus U.S.-UK relations on European security.** If the United Kingdom takes a leadership role in Europe, it will become more important to the United States, allowing London to once again serve as a transatlantic bridge and translator of events in Europe, something that was lost post-Brexit.
- **Keep working with the European Union on defense, and push the European Union to do more.** Instead of trying to work around the European Union and encourage other "like-minded" European countries to do the same, the United Kingdom should be encouraging member states to leverage the bloc's untapped power and capacity, especially to generate resources for defense and rationalize and integrate the European defense sector. It should also push for greater EU cooperation and integration with NATO, particularly regarding funding for defense activities. Having London adopt a forward-leaning posture on EU defense initiatives not only makes sense

on merit, it would also help spur an improvement in relations with the European Union and position it to lead on defense in Europe. This should also be encouraged by the United States.

- **Take the lead on European defense planning, intelligence, and strategy.** The United Kingdom should be prepared to help fill any defense planning and strategy gap left in the wake of a U.S. force withdrawal. Presently, it is the United States European Command (EUCOM) that thinks holistically about the defense of Europe. It is important that European nations also build capacity for similar thinking and planning, whether within NATO or outside of it—with London taking a lead role.
- **Prioritize economic growth.** A more prosperous United Kingdom is one that will invest more funds into defense. Therefore, the United States should encourage the United Kingdom and European Union to take steps to lower economic barriers between them. The United Kingdom exports almost as much to the European Union as it does to the rest of the world combined. Therefore, improving cross-channel economic relations is not just beneficial from an economic perspective but will help improve economic growth, allowing the country to invest more in defense. Conversely, the United States should avoid steps that impinge on the United Kingdom's growth. While it is positive that an **agreement** was reached to lower the tariffs placed on UK imports by the Trump administration, the remaining 10 percent blanket U.S. tariffs, in concert with 25 percent tariffs on steel and aluminum auto parts, will harm the United Kingdom's economic outlook.
- **Ensure Washington has right-sized expectations for the special relationship.** The United States needs to recognize the fiscal and military realities confronting the United Kingdom and adjust its expectations accordingly. Too often Washington has expected London to be able to do everything the United States does, just at a slightly smaller scale. It should anticipate a greater division of labor in the special relationship and encourage the United Kingdom to set clear priorities.
- **Follow through on established priorities.** Lengthy government reports often start out claiming to want to set clear priorities but struggle to balance many competing interests. The SDR has pledged to ruthlessly prioritize—and now needs to follow through. Moreover, Washington has initiative fatigue from its UK partners. As the United Kingdom has had four prime ministers in just the past three years, British officials have been continuously presenting new strategy documents and initiatives to Washington, which is left bewildered about the United Kingdom's strategic direction. London needs to set a course and stick to it, as well as narrow the scope of its commitments with an eye to its resource limitations. This is particularly necessary because U.S. policy toward Europe's security remains incoherent and inconsistent. Far from showing weakness, this will demonstrate the United Kingdom's reliability.
- **Highlight the innovative aspects of the SDR to U.S. and European defense planners.** The SDR seeks to internalize the lessons of the war in Ukraine and adapt those lessons to a modern NATO military. Thus, there is much for other NATO militaries to learn from this review. Of great interest to the alliance are areas relating to procurement, future force structure and design, innovation and technological adaptation, and private sector innovation, to name a few.

The SDR's focus on speeding up and streamlining procurement is of particular relevance across the alliance. The SDR hits the current UK procurement system hard. Grace Cassy of Chatham House, part of the SDR review team, **says**:

Procurement takes an average of 6.5 years for projects with a value of more than £20 million. The result is that the UK has a narrow base of large suppliers who have the balance sheet to survive the procurement cycle. Digital capabilities have been de-prioritized to fund other long-running equipment programmes. Put simply, the UK has raided the future to pay for the past.

That assessment is no doubt similar in almost every ministry of defense in NATO, as well as at the Pentagon in the United States. The United Kingdom should thus widely share its findings—at both the political and technical level. Importantly, the United Kingdom should not just view this as a one-off diplomatic engagement but should track lessons learned as it seeks to implement many of the recommendations and should brief allies and partners in the coming years about its experience.

*By establishing a complete strategic overhaul, the United Kingdom has established a resource intensive, but high-reward outlook for the future of its defense capabilities.*

The 2025 SDR is a clear inflection point for British defense strategy and makes clear that several of the key forces challenging the special relationship have come to a point. The United Kingdom does not have the military presence or capacity it once did and, in many ways, is struggling to define a clear global identity and role in the European security architecture. At the same time, the storied relationship between the United States and United Kingdom, combined with the potential for focused and productive growth laid out by the SDR, proves that the United Kingdom is still an incredibly impactful ally for the United States. This is why it is vital for both partners to right-size expectations in the special relationship and focus on redefining a purpose-driven relationship—for one, concrete development in UK military capabilities will enhance its preparedness for war in an increasingly treacherous global landscape. It will also demonstrate an effort to appease President Trump's calls for Europe to take a big step up in its defense spending, which may help keep trade tensions at bay and help the United Kingdom grow economically without falling victim to transatlantic economic tensions.

By establishing a complete strategic overhaul, the United Kingdom has established a resource-intensive but high-reward outlook for the future of its defense capabilities. The SDR focuses on lessons learned from the war in Ukraine and a path to take tangible steps forward in innovation, procurement, and economic growth. Britain's leadership role in supporting Ukraine among European countries offers a clear model for its persona going forward, particularly as the United States contemplates pulling back from the European theater. However, doing so will require streamlining limited resources to enhance its capabilities in areas of acute strategic advantage which ultimately benefit allied interests in Europe. Pivoting its strategy or resources to attempt to meet unrealistic demands could set the United Kingdom up for immense failure in its attempt to increase wartime preparedness, and may even inhibit critical growth in all aspects of its economy. Instead, the focus should be on lowering trade barriers

between both partners to revitalize the British economy, support the domestic defense industrial base, and ultimately make the goals presented in the SDR for British defense capabilities significantly more palpable despite serious challenges ahead.

In the short period since the SDR's release, it is clear that the road ahead will not be easy. The special relationship rests at the heart of its future, but the key to maintaining the vitality of U.S.-UK ties will be a focused effort to stick to a plan that sets reasonable expectations and concretely meet the goals it lays out. This demands a sober calculation of its resource constraints and what the United Kingdom can reasonably deliver with respect to both its short- and long-term security goals. ■

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