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BRIEF

ARTIFICIAL INTELLIGENCE

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Artificial intelligence has become one of the main strains in the intensifying geopolitical competition between the US and China. At the same time, its employment in war is increasing, as exemplified by Russia's aggression in Ukraine, but its adoption across European NATO countries is uneven. US dominance, both in the military use of the technology and in the AI industry, has important implications for a Europeanised NATO. European Allies need to be able to implement AI in defence without the US, especially in the form of advanced models, to synchronise and orchestrate kinetic and non-kinetic effects across all domains of warfare. They will thus have to accelerate the coherent and safe deployment of military AI and step up their national and collective efforts to build an entire European AI ecosystem.

NATO has identified AI as one of nine critical technologies and designed a policy framework to provide an ethical and operational baseline for the development and deployment of military applications.[1] As in many other areas, Alliance cohesion in this venture has been contingent on American leadership. The US pushing for global norms of responsible use of AI including in the military domain, although some European Allies pursued similar goals through frameworks such as the Responsible AI in the Military summit.[2] Allies on both sides of the Atlantic began to cohere around a common set of principles for the responsible adoption of AI. Europeans assumed that the US approach would remain within the bounds of this consensus and, that AI-enabled weapon systems they procured from the US would continue to comply with these agreed principles.[3]

POLICY DIVERGENCE

However, US policy has taken a different turn in the second Trump administration. Driven by competition with China, the US cast aside many of the concerns that underpinned NATO's AI Strategy. National Security Presidential Memorandum-11, for example, calls for faster military adoption of frontier AI and for protecting models from Chinese influence.[4] Meanwhile, the Pentagon's new AI Strategy echoes these objectives and highlights a clear cultural gap between the US and Europe when it comes to AI regulation: the US increasingly prioritises speed and rejects regulatory constraints, while Europe does not regard rapid speed as an end in itself, but focuses on how to integrate AI in a safe, transparent, and accountable manner.[5]

Transatlantic differences are particularly visible in arms control and in ongoing debates about regulating lethal autonomous weapon systems (LAWS). The US and some of the European Allies have been reluctant to begin work on a new international treaty banning or regulating LAWS. But under Trump, the US aligned with Russia, Belarus, Israel, and North Korea in the UN General Assembly to vote against a motion to negotiate such a treaty by 2028, with only two European Allies—Poland and Türkiye—abstaining alongside China, while the rest supported the measure.[6]

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Further challenges to transatlantic cohesion emerged as the US pushed to limit NATO's role in AI, for example in vetoing a French proposal to create a NATO Military AI Centre of Excellence (COE).[7] Evidently, an organisation that could serve as a hub for knowledge sharing, concept development and experimentation, but mostly among Europeans, was a step too far for an administration keen to preserve US technological dominance and business opportunities.

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Furthermore, in the US, AI adoption increasingly involves the deep embedding of tech companies in the military operational environment, where they work alongside the armed forces to maintain and continuously improve AI-enabled systems.[8] But in Europe, the close entanglement of the private sector and governments raises important questions of power, oversight, legal accountability and democratic control.[9] As US commitment to European security weakens, entanglement with a major US tech corporation is increasingly recognised as a political and strategic vulnerability. The risk has been highlighted by episodes such as the manipulation of Starlink satellite communication services in Ukraine and US demands for Anthropic to suspend non-US users' access to its most powerful AI models.[10] Even so, NATO has chosen a US tech company, Palantir, to provide the Maven Smart System (MSS) as the backbone of its battlespace management capability, with various European Allies following suit at the national level.[11] Such procurement decisions mean that European NATO will remain highly exposed to the dynamics of the US-centred AI military-tech complex.

Technological Gaps

Military AI applications occupy the highest layer of the so-called 'AI stack'. The lower levels include hardware (semiconductors, data storage, and compute capability) and the foundation models (general-purpose AI) and frontier models (highly advanced foundation models) upon which specialist military applications are built. US military AI capability rests on the recent surge in public and private investments, innovation, and infrastructure dedicated to general-purpose AI. In 2025, US-based AI companies secured approximately €250bn in funding (forecasted to reach around €600bn by 2027), compared with just €17bn in Europe.[12] Europe has thus remained significantly behind the US (and China) despite the importance of foundation models for underpinning the military applications that would allow Europe to conduct AI-enabled operations without US involvement.

American companies dominate at the hardware level too, including global chip production led primarily by NVIDIA.[13] The US hosts the world's leading compute infrastructure, accounting for around 78% of global compute capacity in 2026, compared with only around 5% in Europe. Europe's compute capacity is set to increase as several US tech giants have announced large investments in the continent.[14] While these investments will enhance local capacity, they will simultaneously deepen technological dependency on US firms. As it is, the security and defence architectures of 23 European countries rely on US cloud providers such as Amazon, Google, and Microsoft.[15] AI-enabled decision-making in NATO Europe's militaries may thus rely on US cloud services to operate.[16]

Some European Allies, however, have made efforts towards European-based military AI adoption. Germany partnered with Helsing and Saab in 2023 to equip its military aircraft with AI. Helsing unveiled Clarity, a European alternative to Palantir's MSS.[17] The UK has awarded a €2.3bn contract to train 60 000 soldiers annually over the next 15 years in AI use and plans to invest more than €4.6bn in autonomous systems over the next three years. Britain has also been integrating AI into military planning and operations through the Rapid AI Delivery Taskforce.[18] France, meanwhile, is the only nation in Europe aiming to develop sovereign military AI systems entirely independent from the US. The French government partnered with Mistral to develop a sovereign military AI system

and has unveiled a digital data fusion platform, Arcadia.[19] Yet even Mistral, a leading AI company in Europe, remains marginal on the global scale in terms of revenues.

Outside NATO, Ukraine functions as an incubator for the battlefield employment of AI. Its Delta system provides a unified digital architecture that integrates units, sensors, and weapons regardless of manufacturer or service branch across the armed forces and relies on AI for data fusion and analysis.[20] In a severely degraded electromagnetic environment, many of Ukraine's attack drones incorporate AI-assistance for terminal guidance to targets. Only the US and Israel are comparable in terms of digital military integration at scale, which is essential for the successful employment of AI at the system (rather than just the platform) level.[21] Still, a key ingredient of this achievement is close partnership with Palantir, Google, and other major US tech companies.[22]

Striking Out on Its Own?

Europe acknowledges the geopolitical vulnerabilities created by its dependence on the US and has set out to mitigate it across the entire AI venture, from securing critical minerals and energy supplies to developing European military AI applications. This effort is mostly orchestrated and supported by the EU, making it a pivotal player in the AI-related aspects of Europeanising NATO. The European Commission has already proposed legislation to restrict reliance on foreign technology in Europe's most sensitive systems. The trade-off could be less capable systems, which may expose the continent to greater security risks and weaken data-sharing across the Alliance.[23]

The Commission's EU Tech Sovereignty Package seeks to triple EU data-centre capacity over the next 5-7 years through a raft of legislative initiatives designed to simplify and stimulate investments in AI infrastructure.[24] The private sector has also begun to self-organise and advocate the development of a European industrial AI policy.[25] On the defence side, the European Defence Fund and European Defence Agency often prioritise and finance projects developing trustworthy AI for data processing, cyber defence, autonomy, and human-machine interaction.[26] Yet, the EU's share of global compute capacity is projected to reach only 5.6% by 2031, while global capacity is expected to grow more than eight-fold.[27]

In the short and medium term, the US desire to dominate in AI and the European Allies' distrust of Washington mean that the field will likely be characterised by competition and the prioritisation of national tech champions, models, and infrastructure. If Europe seeks to disentangle itself from the US beyond developing military AI applications independent from the American military-tech complex, i.e., if it seeks greater autonomy in the lower levels of the AI stack, the EU presently offers a (limited) framework for cooperation and support. A more ambitious agenda might seek to develop multinational general purpose, dual-use, and military AI programmes that extend beyond the EU and include key allies and partners such as the UK, Norway, and especially Ukraine. The latter has made its treasure-trove of battlefield data for training AI models available to trusted partners.[28] A European military AI COE will also be necessary if Europe is to collectively harness AI as a component of its own way of war, even though other NATO centres already conduct important AI-related work, including based on Ukraine's expertise.[29]

In the meantime, NATO will remain a crucial framework for transatlantic cooperation on common standards, interoperability, connectivity, and intelligence and data-sharing. But in the long term, given the fundamental importance of the lower layers of the AI stack to military applications and the dynamics of US politics and its military-tech complex, NATO's role in supporting military AI development for the European Allies will likely be eclipsed by other frameworks such as the EU or, perhaps, a broader European defence union. Private and public investments across the entire AI domain will then be essential if European technological and strategic sovereignty ambitions are to be met.[30]

Endnotes

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