

European Union provides €90 billion for war against Russia in Ukraine

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The European Union (EU) is providing Ukraine with an interest-free loan of €90 billion over the next two years so that it can continue the war against Russia and further arm itself. This was agreed by the heads of state and government of the EU member states on December 19 after an overnight meeting lasting several hours.

The original plan to use €210 billion in Russian state assets frozen in Europe to finance Ukraine, which had been pushed for in particular by German Chancellor Friedrich Merz and EU Commission President Ursula von der Leyen, failed due to resistance from several EU member states.

Now the EU itself is taking out loans to finance the war in Ukraine, thereby creating so-called Eurobonds, joint European debt, through the back door, something Germany had always tried to prevent. Ukraine will only have to repay the loans once it receives compensation from Russia for the war. To this end, the Russian state funds remain frozen. However, it is highly unlikely that Moscow, which has the military advantage, will agree to such a reparations arrangement. The EU is therefore likely to be left with the debt.

The fact that the EU is investing such large sums in the war in Ukraine confirms that it is a proxy war between NATO and Russia. Without external financial support, Ukraine would be bankrupt in a matter of weeks. Since the beginning of the war, around €400 billion in military and financial aid has flowed to Kiev, and the EU's additional €90 billion will only partially cover the financial needs for the next two years. The International Monetary Fund estimates these needs at €136 billion.

Politicians, generals and journalists justify the billions spent on Ukraine and the massive rearmament of their own armies with the security of Europe. "We have a simple choice: either money today or blood tomorrow," said Polish Prime Minister Donald Tusk. If Putin is not stopped on the battlefields of Ukraine, he will invade other countries and subjugate all of Europe, he claimed.

This propaganda, repeated thousands of times, has no basis in reality. Russia, which has just over a third of the EU's population and a ninth of its economic output, has neither the means nor the interest to conquer Europe. In Ukraine, despite hundreds of thousands of soldiers killed in four years of war, it has conquered only a few tens of thousands of square kilometres of territory.

The Russian oligarchs, who became rich by plundering the social property of the Soviet Union and whose interests Putin represents, have invested vast sums in Western luxury real estate, yachts, football clubs and the like. They long for an equal place alongside Western oligarchs.

The Putin regime itself accepted without resistance that NATO expanded throughout Eastern Europe, even though it had committed itself to the opposite when the Warsaw Pact was dissolved in 1991. Only when the Western military alliance sought control over Ukraine and Georgia, threatening to encircle Russia, did Moscow react. Unable to appeal to the solidarity of the population, it attacked Ukraine militarily, driving a deep wedge between the Russian and Ukrainian populations and providing NATO with welcome war propaganda.

Rivalry between the EU and the US

The war in Ukraine is now overshadowed by the growing rivalry between American and European imperialism. Frustrated by military failures and the creeping collapse of the Zelensky regime, Washington has largely withdrawn its financial support and is trying to strike a deal with Moscow at the expense of the Europeans.

President Trump is positioning the formidable American military apparatus against its main rival, China, and is seeking to restore US hegemony over South, Central and North America, including Greenland, invoking the Monroe Doctrine of 1823. Europe is not a partner in this, but a rival.

This is the essence of Trump's new National Security Strategy, which has sent shock waves through European capitals. It no longer refers to Russia as an adversary, but instead attacks the European Union and supports far-right parties that reject the EU. In an unpublished, longer version of the strategy, which has since been leaked to the public, Poland and three other countries that need to be "pulled away" from the EU are identified by name.

For European and especially German imperialism, the continuation of the war against Russia has become even more important with the change of course in the US. There are both economic and strategic reasons for this.

Germany has benefited from the EU's eastward expansion like no other European country. German corporations can access labor that often costs only a third or half as much as in Germany, just a few hours drive away and without customs barriers. The incorporation of Ukraine, with its starvation wages and valuable raw materials, is the logical continuation of this expansion.

Germany also remains dependent on cheap natural gas and oil from Russia, which it reluctantly had to give up with the war in Ukraine and is now trying to conquer by force. Russia, with its vast land mass and large military, also forms a barrier to the expansion of German imperialism, which, as a continental power, primarily aims to expand eastwards. This was already the case in the First and Second World Wars, when Germany occupied Ukraine in order to conquer Russia—unsuccessfully on both occasions.

This—and not concern for "freedom," "independence," and "European security"—is the reason for the gigantic military build-up by Germany and the other European powers.

Since Trump and Putin met in Alaska in the summer and agreed on the first steps toward a Ukraine agreement, European leaders have done everything in their power to sabotage an agreement. When Trump's special envoys Steve Witkoff and Jared Kushner returned from Moscow at the end of November with a 28-point plan that took into account many of Putin's demands, they cried "treason."

Since then, numerous rounds of negotiations have taken place in various

configurations, with the Europeans trying to change the 28 points to such an extent that Moscow cannot agree to them. They demanded “security guarantees” for Ukraine that are equivalent to NATO membership, even if Kiev does not officially join the military alliance. And they tried as far as possible to prevent Ukraine from ceding territory to Russia.

However, they could not risk an open break with the US, as Ukraine continues to depend on its military support, particularly for reconnaissance and ammunition procurement.

In mid-December, US negotiators Witkoff and Kushner, Ukrainian President Zelensky, and several European heads of government met in Berlin and revised the 28 points. The European press cheered afterwards, saying that the US had now also agreed to “security guarantees.”

The heads of government of eight EU member states, the UK and Norway issued a statement pledging support for Ukraine in building a permanent armed forces of 800,000 soldiers, the deployment of a “multinational force” with US support, comprehensive security guarantees and “strong support for accession to the European Union.”

Meanwhile, Witkoff and Kushner are negotiating with representatives of Russia and Ukraine in Miami. Little of the European proposals is likely to be left afterwards.

Growing conflicts within Europe

The conflict with the US is not welding the European powers together, but driving them further apart. Overcoming the rivalry between Germany, France and other European powers, which led to two world wars in 1914 and 1939, was closely linked to US hegemony in Europe and NATO. Now these conflicts are breaking out again.

This applies not only to far-right heads of government such as Viktor Orbán (Hungary), Andrej Babiš (Czechia) and Robert Fico (Slovakia), as well as Polish President Karol Nawrocki, who, unlike Prime Minister Donald Tusk, sides with Trump and recently visited him at the White House. It also includes the leading European powers Germany, France and Italy.

The aggressive tone with which the leading German media commented on the failure of Merz’s attempt to steal frozen Russian state funds to finance the war in Ukraine gives a foretaste of the arrogance with which German imperialism is once again asserting its claim to leadership in Europe.

F.A.Z. editor Berthold Kohler denounced Czechia, Slovakia and Hungary as “free riders” and a “disgrace” to the EU. They were “taking advantage of all the economic, political, and security benefits of the EU,” but were pursuing “a selfish policy of appeasement in the epochal confrontation with Putin’s imperialist and revisionist Russia, which weakens the decision-making power of the entire EU.”

Kohler accused France of forcing Merz to accept a compromise for which he “had to pay an unpleasant price: resorting to a credit solution that amounts to joint European debt.”

Kohler also laid out in no uncertain terms what the Ukraine conflict is about: not peace and democracy, but Europe’s claim to great power status. “However, the EU must demonstrate unity and determination not only to deter Putin,” he wrote. “Washington and Beijing are also watching very closely to see whether a united Europe is a power factor that America and China will have to reckon with as they reshape the world according to their increasingly authoritarian ideas—or whether the Europeans can be dealt with as the autocrats and dictators see fit.”

The ruling class in France views Germany’s claim to leadership in Europe with suspicion. President Macron and Chancellor Merz can invoke European unity as often as they like, but when it comes to concrete issues,

conflicts abound. This applies not only to the assumption of joint European debt, which France advocates and Germany has always vehemently rejected, but also to joint armament projects and trade agreements.

Europe’s most important armament project, the Future Combat Air System (FCAS), which has been in the works since 2014, is now on its last legs. The French Dassault Group and Airbus, in which Germany holds a large stake, cannot agree on who will develop and build the new fighter jet and other components. The dispute is not only about who will earn money from the contract worth over €100 billion, but also about military supremacy in Europe. Neither Germany nor France is willing to become dependent on the other for important military technologies.

The free trade agreement with the Mercosur countries Brazil, Argentina, Paraguay, and Uruguay, which EU Commission President von der Leyen wanted to sign last Saturday after 26 years of negotiations, was blocked at the last minute by France, Italy and Poland after farmers in Brussels protested loudly against it. This is a major setback for the German economy.

Berlin also views Macron’s latest initiative to enter into direct talks with Putin with suspicion. Apparently, Germany had not been informed beforehand.

The conflicts between Germany and France will intensify further if Marine Le Pen or Jordan Bardella of the right-wing nationalist Rassemblement National takes over the presidency.

The conflicts with Russia, the US and within Europe are being played out on the backs of the working class. The enormous sums spent on rearmament and the war in Ukraine demand cuts in pensions and social spending, while the consequences of the international trade war are mass layoffs and wage cuts. Despite their aversion to Trump’s foreign policy, the power-brokers in Europe are impressed by his hunt for migrants, his co-option of the media, his agitation against left-wing opponents, and his authoritarian methods of rule.

This is why right-wing extremist parties such as the Alternative for Germany, France’s Rassemblement National, and Italy’s Fratelli are finding growing support among the ruling class, and why their racist refugee policies are being implemented by the EU. Today’s Europe is increasingly reminiscent of the 1930s, when the continent slid into fascism and war.

Only an independent movement of the European working class can prevent a relapse into barbarism. It must combine the struggle against war, social spending cuts, layoffs and fascism with the struggle against their cause, capitalism. It must counterpose the United Socialist States of Europe to the European Union of warmongers, corporations and banks.



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