

CHALLENGE EUROPE

Yes, we should!

EU priorities for 2019-2024



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European security and defence: A year of opportunity and risk

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MAIN RECOMMENDATION ▶ Prove readiness to produce new initiatives within NATO and avoid a renationalisation of Europe's security, while keeping strong links with the UK after Brexit.

WHAT TO DO:

- ▶ France and Germany should show their joint determination to move forward on defence.
 - ▶ Upgrade the European Defence Agency.
 - ▶ Implement institutional improvements such as a formal EU defence ministers council, the appointment of an EU commissioner for security and defence and turning the EP sub-committee on defence into a full committee on defence.
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2019 is a crucial year for European foreign, security and defence policy, with moments of great risk, but also of great opportunity. At the beginning of a new politico-institutional cycle, the European Union (EU) and its member states will have to show their determination to assume more responsibility as an international security provider. Europeans will have to prove their readiness to produce new initiatives within the North Atlantic Treaty Organization (NATO) and avoid a renationalisation and regionalisation of Europe's security, while keeping strong links with the United Kingdom (UK) after Brexit. To get there, three things need to happen: France and Germany should finally show their joint determination to move forward on defence; the EU needs to upgrade the European Defence Agency (EDA); and the Union should implement a number of institutional improvements in the years to come.

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Three decisive moments

Looking ahead, three particular moments stand out: the 70th NATO anniversary; the European elections; and the future EU-UK relationship.

70TH NATO ANNIVERSARY

The first will happen in April when NATO foreign ministers gather in Washington to mark the 70th anniversary of the Alliance. A 70th anniversary is not usually a landmark for special commemoration but the North Atlantic Treaty Organization (NATO) badly needs a show of unity and calm resolve after two contentious summits with President Trump at the new NATO headquarters in Brussels. NATO observers generally fall into two camps: those who worry about Trump's threats to withdraw from the Alliance or at least water down the US's commitments to Europe's defence; and those who look instead to what the US actually does in practice and the \$3 billion and extra troops and tanks that it has invested in Eastern Europe as part of its European Deterrence Initiative since Trump came to power. The meeting in Washington is an opportunity to reconcile these two trends by re-asserting the primacy of the transatlantic link and a common sense of purpose.

Of course, the burden sharing debate will not go away, even if with a Democrat in the White House. After the UK's departure from the European Union, the 22 EU countries that are also NATO allies will spend less than 20% of the Alliance's overall defence budgets. Yet the NATO commitment adopted at the Wales summit in 2014 to devote at least 2% of GDP to defence is something that the Allies are starting to take seriously. Since 2016 they have added an additional \$41 billion to their budgets, a figure that will rise to \$100 billion by the end of this year and \$266 billion by 2024,

the 2% target date. Around half of the Allies will meet the target by then, but all have halted the decline and are again increasing their defence spending. The Allies are also spending more on capability and readiness improvements, education and training and investing in upcoming technologies such as cyber, Artificial Intelligence (AI), space and robotics. At the same time, they are opening a training mission in Baghdad and staying the course in Afghanistan at a time when it seems the US is preparing to withdraw. The European allies have also gone along with the US accusations that Russia has violated the INF nuclear treaty even though they would hardly welcome a new nuclear arms race on the European continent.

So the celebrations in Washington in April could be the moment when the Alliance does not merely reflect on past glories, but pulls together around its three core missions: to deter Russia in the east, stabilise the south and build resilience against hybrid warfare at home. But it could go the other way too. Notwithstanding the still overwhelming support for NATO in Congress, Trump could still disrupt the NATO meeting. He could demand more and sooner on defence, reasserting that he has the power as president to withdraw from NATO, or criticize the efforts of France and Germany to advance European defence cooperation as anti-US, even though this is the only viable way to secure the equitable transatlantic burden sharing that he demands. So the dilemma for NATO's leadership returning to the Alliance's birthplace is whether to opt for a largely ceremonial occasion but then fail to convey a sense of NATO's continuing relevance to US interests, or to try to produce a set of new initiatives that could prompt Trump to intervene or distance the US from them.

THE EUROPEAN ELECTIONS

The second rendezvous will occur one month later in Brussels as EU policymakers and MEPs survey the results of the European Parliament elections. These are happening after the best year for European defence in decades. In 2018, there was a proposal to set up the European Defence Fund, with €13 billion earmarked for that purpose in the next Multiannual Financial Framework (MFF) 2021-2027. Two rounds of Permanent Structured Cooperation (PESCO) have produced 34 collaborative projects, from helicopter upgrades, drones, underwater missiles and acoustics, medical deployable units to military mobility and an EU Intelligence School. The EU has also established a Military Planning and Conduct Capability for its non-executive missions and is strengthening its mandate to cover one executive operation limited to EU Battlegroup size by 2020. France and Germany are creating a Security Council which could be the genesis of a European prototype and have launched ambitious research programmes to develop a sixth generation fighter aircraft and armoured vehicle suite. Moreover, France has launched a “European Intervention Initiative” to develop an expeditionary culture and mindset among its ten participating states. This initiative has the advantage of involving the post-Brexit UK, Norway, Denmark and others who have been less committed to EU frameworks.

It has taken a long time for the EU to put real money on the table and give the European Commission a role in defence-related R&D but now things are actually moving. Naturally there is still much to do. European strategic autonomy is a nice catch-phrase but it has to be defined. Strategic autonomy to do what, where, when and how? What would this concept mean in terms of the EU’s level of ambition for a range of demanding and less demanding missions and which combinations of these would need to be carried out in parallel?

What would be the force requirements or gaps to be filled and how can PESCO be used not only to promote cooperation from the bottom up, but also flesh out the EU force package from the top down? How can the solidarity and mutual aid provisions of the Lisbon Treaty (Article 42.7 and Article 222) be interpreted, for instance in creating a European cyber force or incident response centre to counter hybrid attacks?

Then there is the risk of the European elections resulting in more populists and/or nationalists of all stripes going to Brussels and joining the ranks of the new European Parliament, but also the next Commission and the ministerial Councils. This could reignite old disputes about Western Europe’s neglect of Eastern Europe’s security concerns, attitudes towards Russia and the search for bilateral or regional agreements in preference to Brussels – as exemplified in Poland’s offer to the US to fund a permanent US division in Poland commonly referred to as “Fort Trump”. At a time when the US’ retreat from the global stage and its unpredictability as well as the instabilities all around Europe demand greater resolve and coherence in both the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP), there is a danger of the brakes coming back on – and Europe fragmenting into a complex set of different arrangements, hiding what is in reality a renationalisation and regionalisation of its security. This is a situation that others would soon exploit and from which it would be difficult to recover.

THE FUTURE EU-UK RELATIONSHIP

Finally, the third crucial moment comes after the summer holidays in September. By then hopefully the passions that marked the UK’s departure from the EU will have calmed as the UK adjusts to the realities of its new position in Europe and the world. Once the intense wrangling over the Withdrawal Agreement slips into history,

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attention in London will turn to the future EU-UK relationship. Security and defence have hardly featured in the withdrawal debates, especially once London realised that they could not be brandished as a bargaining chip to gain more concessions from Brussels. However, they will be a critical part of the future negotiations as both London and Brussels need each other in security and defence as much as they do in trade. Getting this relationship right will also be vital in addressing the two concerns outlined previously, namely transatlantic solidarity and EU defence capabilities and coherence.

The UK will still be a major defence player, a nuclear power, a P5 member of the UN Security Council and one of the few European countries with a – albeit limited – global reach buttressed by two brand new aircraft carriers. It represents 25% of EU defence budgets and around 20% of its overall military capabilities. The illustrative scenarios that underpin the planning by the EU Military Staff demonstrate that it would be difficult for other EU countries to undertake missions especially over 6,000 to 15,000 km strategic distance without the UK's maritime, air, space and electronic warfare assets. UK offensive cyber capabilities and intelligence, its expertise in terrorism and the contribution of its high tech industries to the EU defence technology base all make it a key partner. In any case, the UK will remain committed to the defence of Europe through its leading role in NATO and its battalion in Estonia.

There is no reason to believe that the UK's departure from the EU will make it any less vulnerable to the sort of threats that EU countries face on a daily basis. The UK will either seem more isolated and vulnerable post-Brexit, or its desire to remain globally active will continue to attract adversaries. So there are compelling reasons for the UK to want to be closely associated with the EU's defence initiatives even after Brexit, and apart from the business opportunities that the European Defence Fund can offer to UK companies. The sections of the Political Declaration on the Future Relationship concerning security and defence are arguably the most convincing of the entire document. But much can still go wrong.

For example, the UK will seek to obtain a special status with the right of co-decision and involvement in planning, which will be difficult for the EU to concede given its reluctance to award benefits to non-member states. The UK could use its place in NATO to lobby against EU defence projects or brand premature talk of a European Army as a threat to NATO. This would hardly restore the trust between the EU and UK necessary for cooperation in intelligence sharing and cutting edge technology developments. On the other hand, the EU will not want to be dependent on non-EU sources for vital capabilities

if it is serious about its goal of strategic autonomy. The exclusion of the UK from the future development of the military aspects of Galileo shows how difficult it is for the EU to share the economic and industrial benefits of its spending and investments with third party states even if they have much to contribute. And if the talks on the future relationship sour on trade and finance or regulation, discussions on the security and defence relationship could get complicated as well.

So we must be reminded of Emmanuel Kant's observation that "out of mankind's crooked timber nothing straight was ever made" and not expect things to go smoothly

even in an area where the case for close cooperation is overwhelming. But after the gruelling and deeply divisive Brexit referendum campaign and withdrawal negotiations, it will be important for London to set a new tone, engage openly with the EU and put an offer on the table that makes the intention of the UK to support EU defence efforts clear. For instance, a UK offer to show solidarity if Articles 42.7 or 222 are invoked. Or to coordinate positions in the UN Security Council and General Assembly. Or to earmark logistics and lift capabilities for CSDP operations. There is no shortage of ideas if the goodwill and imagination are there.

Exploiting opportunities

If we can pass successfully through these three critical moments in 2019, a more promising future presents itself to the new European Commission, Parliament and High Representative at the head of the EU External Action Service (EEAS). But to get there, the EU and its member states need to show their determination to progress in three particular areas.

FRANCO-GERMAN DEFENCE COOPERATION

France and Germany should finally show their joint determination to move forward on defence, something that was sorely lacking in the past. The recently concluded new Franco-German Friendship Treaty signed in Aachen will establish a joint Security and Defence Council as well as a mutual defence commitment that could be the kernel of a future European security treaty. Some will say that this mutual defence commitment already exists in NATO, that it does not preclude the use of

armed force as the old Western European Union (WEU) treaty once did, and that it is underwritten largely by US military power.

But it is a step forward nonetheless if mutual defence becomes a commitment that Europeans are increasingly willing to assume among themselves as a consequence of EU membership. At the moment, there is no appetite for more treaty change in Brussels to codify more formal commitments; but the new EU leadership could start the process by debating with EU member states what kind of commitments they are prepared to accept under Articles 42.7 and 222 of the Lisbon Treaty. Examples abound: access to each other's cyber defence, forensic and recovery capabilities; a focal point for intelligence sharing; an EU Chemical, Biological, Radiological and Nuclear (CBRN) Task Force for Salisbury-type incidents; or a stand-by European disaster relief force backed by dedicated airlift capability and stockpiled equipment at various points on EU territory. These measures can be reflected in a political declaration.

The French and German defence ministers also recently signed an agreement to proceed with the first stage of the Future European Air Combat System with associated drone and ground segment technology. Germany has agreed not to procure the US F35 in order to have a military requirement for a 5th generation aircraft in the 2040 timeframe to replace its Eurofighters. This is a key requirement to maintain a viable European defence technology base. The challenge for the next Commission will be to work with France and Germany in bringing other EU states into this project to ensure its commercial viability and spread the benefits. Spain has already expressed an interest but the Commission could identify suitable technology partners elsewhere in the EU, especially in Central and Eastern Europe, which often feels detached from Franco-German initiatives. Here the Commission, with its new defence R&D responsibility, could be more of an honest broker.

UPGRADING THE EUROPEAN DEFENCE AGENCY

Another upcoming challenge would be to turn the European Defence Agency (EDA) into the European equivalent of the US DARPA. This would cover the area upstream of PESCO and the European Development Fund (EDF) by fostering a culture of innovation, linking up better with the small and medium-sized companies and experimenting how civilian technology will impact on defence concepts and performance. How the new Commission will decide to allocate the nearly €4 billion it has proposed for defence research will be crucial. It needs to back the right technologies, focus rather than disperse efforts across the EU and link pure R&D better to development and commercialisation. Early industry

involvement and co-ownership will be crucial.

INSTITUTIONAL IMPROVEMENTS

Finally, there are some institutional improvements that could be helpful. One would be the establishment of a formal EU defence ministers council. The new initiatives need a more formal structure of supervision and ownership. This, however, should not replace the recent good practice of EU foreign and defence ministers meeting together or back to back.

Another would be the appointment of an EU Commissioner for Security and Defence to take over from Sir Julian King, but with a broader portfolio to oversee defence industry consolidation and the technology base.

The European Parliament should turn its sub-Committee on defence into a full committee on defence, similar to a national parliamentary defence committee and with a responsibility for CSDP missions as well as the status of EU committed forces, common budgets and procurements.

Finally, the new EU leadership will need to reach out to NATO and build the same strong relationship that characterised the ties between Federica Mogherini and NATO Secretary General Jens Stoltenberg. Scheduling more frequent North Atlantic Council (NAC)-Political and Security Committee (PSC) meetings on common preoccupations such as the Balkans, Ukraine and the Mediterranean as well as committing Commission funding for future European transport networks to facilitate NATO's military mobility would be good olive branches to extend from one side of Brussels to the other.