The preparations for this year’s EU Defence Summit and the debates surrounding it clearly indicate that the EU member states are beginning to realize that limited progress in military capability building and the lack of defence cooperation pose a real threat to European security. Even though it has been acknowledged for a long time that the Union’s interests and safety of its citizens depend to a great extent on international stability, European states increasingly lack the ability to intervene militarily in a crisis situation. The overall EU strategic position has also been affected by the economic shift of power from the West to the East and by the recent economic crisis. As national defence budgets have been cut and capabilities reduced, the issue of defence cooperation has been absent at EU Summits since 2008.

The main problem to overcome in order to achieve more defence cooperation seems to be that EU member states, and in particular the three big players (UK, France and Germany), appear to be determined to maintain national control over their own foreign/security policy and their national defence industries, which hinders the fulfilment of commonly agreed objectives. There is neither agreement among the European leaders about the indispensability of the EU military force (as some of them prioritize cooperation within NATO), nor about the importance of power projection on a global scale. Without a coherent vision and a strong leadership, there is a risk that the development of the Common Security and Defence Policy (CSDP) will continue to simply ‘muddle through’. At the same time, the EU faces rapid changes in the international environment, the growing instability in its neighbourhood and the gradual US disengagement from Europe. The pressure therefore mounts for the EU to assume greater responsibility for its own security and to fulfil its global security commitments. There seem to be many vital reasons for enhancing defence collaboration, and through it, the overall Union’s military posture. However, there are also many constrains that might prevent the EU-28 to move forward towards this goal.

A qualitative leap forward in the CSDP development and EU defence cooperation is difficult to achieve without the European leaders figuring out first where we are today and what kind of challenges we would have to face in the years or even decades to come. A meaningful debate about the further development of CSDP cannot take place without an EU-wide defence review and security strategy revision.

Discussing the ‘means’ without taking stock of what capabilities the EU actually has and what ‘ends’ are commonly agreed as being desirable would imply continued ‘business as usual’.

The changing international strategic environment and the gradual American disengagement from Europe require a rethink of the EU’s role as security provider and a recalibration of EU-NATO relations. A new division of responsibilities of military engagement between the EU CSDP-NATO and within the Atlantic Alliance need to be place at the heart of European security debate.

Limiting the outcome of the Defence Summit to a collective EU-28 restatement of the need for effective European military capabilities and the necessity of collaboration in order to acquire them without any decisive action by top EU level decision makers will further weaken the EU’s commitment to global security and in consequence the EU’s own security.

EU military capability building: the promise of autonomy

The EU started the process of its military capability building by the end of the 90’s. Despite occasional, mostly event driven, progress over the last 15 years and the deployment of EU troops in various theatres, the European capacity to conduct autonomous military operations even in the EU immediate neighbourhood remains more an ambition than a reality.
In 1998 the Franco-British summit of Saint-Malo articulated the idea of building a common European defence. The idea was there in the 1950s with the aim of establishing the European Defence Community, but it was not until the 1990s that it finally materialised. The war in former Yugoslavia had demonstrated that the EU lacked any structures to steer a crisis management operation even of a limited scope and on the European territory. This realisation led to the Saint-Malo Declaration. In order to allow the EU to play its full role on the international stage, the summit called for building “the EU capacity for autonomous action in response to international crises, backed up by credible military forces, the means to decide to use them and a readiness to do so”. In practice however, Saint-Malo was mainly about gathering some national military capabilities for potential peacekeeping operations under the EU flag, while no agreement on common strategy was foreseen.

Soon after the Saint-Malo summit, NATO Operation Allied Force in Kosovo, revealed serious European transport and communication capability deficiencies as well as a lack of precision ammunitions. During the air campaign, these shortcomings had to be made up for by the US. As consequence of these events, at the Helsinki European Council in 1999, European leaders agreed that the EU would have to acquire the military capabilities required for autonomous action (in cases where NATO as a whole is not engaged) and launched the first ‘Headline Goal’ (2003, and then 2010) and numerous other plans and initiatives. The goal of all these initiatives, which in other forms still continue today, is to develop capabilities needed for international crisis management, and to encourage further reforms of the structures inherited from the Cold War. The general trend between 1999-2009 was to improve the expeditionary capability by reduction of the number of military staff, tanks and fighter planes at national level and by increasing utility and transport aircraft, helicopters as well as amphibious and fast ships.

The Common Security and Defence Policy (CSDP) became operational in January 2003 with the deployment of the first EU civilian operation – Police Mission in Bosnia and Herzegovina. The first EU military operation - Artemis in the Democratic Republic of the Congo - followed soon after. Over time the EU has improved its CSDP operational structures and has now conducted nearly 30 external missions, although most of them of civilian nature. Apart from that, the EU flagship military rapid reaction tool - the EU Battlegroups (EU BGs) reached full operational capability in 2007. However, until today the EU BGs have never been deployed, mainly because of the rules regarding the financial burden of their deployment. This situation raises serious doubts about the viability of the overall initiative and its future usefulness.

The same year as the CSDP became operational the Union was confronted with a deep split among its member states over the US-led invasion of Iraq. The lack of internal cohesion over a major international security matter led the EU to adopt a first joint European Security Strategy (ESS). The strategy identified five key security challenges: terrorism, proliferation of WMD, regional conflicts, state failure and organised crime. It has also included subsequent political implications for the EU but fell short of establishing the links between ‘means’ and ‘ends’. The approaches that the EU adopted at the time (such as European ‘soft power’, effective multilateralism, comprehensive approach) worked well for some years. However, the world has changed so dramatically over the last decade that today, as various analyses point out, the underpinnings of ESS obscure rather than illuminate the challenges Europe now faces. The authors of the ECFPR policy brief Why Europe Needs a New Global Strategy argue that Europe is losing its power and influence as a foreign policy actor and needs to develop a new set of priorities on how it wants to engage with the rest of the world. A preparatory report of HR/VP for the December European Council meeting suggests that as part of the follow-up process “work could start on more clearly defining the strategic role of the EU in view of the evolving context and following the entry into force of the Lisbon treaty”.

To the same extent as a strategic rethink of the EU role is needed in order to enable the member states to foresee what type of common capabilities they will need in the future, the EU-wide military review is needed in order to assess exactly what capabilities we have today. The EU needs an assessment of its capabilities and industrial base before it decides how to develop these capabilities over the next 10 or 20 years. The EUISS report - Enabling the future. European military capabilities 2013-2025: challenges and avenues - suggests that in order to deal with the weaknesses of the European defence sector (such as overcapacity, redundancy, duplications) the EU needs to conduct a collective inventory of existing military capabilities and based on that decide further steps towards capabilities consolidation. The heads of state and government should demand in December a European defence review to be delivered within a year.

Currently the EU capabilities are developed based on the Capability Development Plan (CDP) produced jointly by the European Defence Agency (EDA), EU Military Committee and the member states in 2008. The plan was established based on so-called ‘Progress Catalogue’, i.e. a review of the shortcomings in the forces made available by the member states for the CSDP. The analyses revealed deficiencies in the ability to transport troops to theatre of operations, to deploy them, to protect them and to acquire critical information about the situation on the ground. The purpose of CDP is to provide member states with information in order to improve their national decision-making processes, stimulate their ability to cooperate, thus facilitating the launch of new joint programmes and overcoming the current lack of capabilities. Apart from the fact that the CDP was produced in 2008 and is now being revised after the first stage of its implementation (2008-2012), the main impediment for its functioning has been the low funding of EDA, which is responsible for the process. The
Defence summit provides also an opportunity to reinforce the EDA mandate and increase its resources as a core institution facilitating the intergovernmental cooperation.

With the Lisbon Treaty, the EU upgraded its foreign, security and defence policies by creating the European External Action Service (EEAS) and the position of the High Representative who is also a Vice President of the European Commission (HR/VP) and leads the EDA. These tools have been seen as essential in order to strengthen the EU comprehensive approach to security as well as to allow the Union to take greater responsibility for its neighbourhood. However, despite everything that has been done so far, there are still weaknesses in some key capabilities. In 2011 the campaign for imposing the no-fly zone over Libya could not have taken place without the American contribution. The operation demonstrated that there were serious shortcomings in critical European capabilities such as air-to-air refuelling, aerial surveillance and electronic warfare.

Apart from the inability of the CSDP to play a meaningful role in Libya, the EU’s influence as a foreign policy actor has been most importantly affected by the economic and financial crisis. The crisis has led to severe defence cuts: since 2008, 2/3 of European countries have cut their military spending, with cuts of more than 10% in eighteen countries and more than 20% in eight. Latvia saw cuts of 51%, Greece 26%, Spain 18%, Italy 16%, Ireland 11% and Belgium 12%. The biggest three spenders – the UK, France and Germany – have made relatively small cuts so far. These cuts have been conducted at national level without any broader consultation or coordination within the EU and therefore without any consideration to the overall EU capability reduction.

The unity of the Union was also put to a test by the economic crisis and it made its member states become even less willing to pursue common efforts than before. The turbulent events in the immediate EU neighbourhood such as the Arab spring revolutions, the instability in Sahel and the widening Syrian crisis have had a direct impact on EU security. In the meantime, the US has made it clear that in the future it will focus on the Asia-Pacific region and therefore implicitly rely on Europeans to take care of their own neighbourhood. In this context the debate about the future role of NATO is also considered opened. There is time for the EU to define its own role and accordingly its vision of the future of the EU-NATO partnership. However, so far the EU has not been fully able to use the tools provided by the Lisbon Treaty to fulfil its security commitments.

The future of EU-NATO partnership

Given that most members of the EU are also members of NATO and vice versa, (22 out of 28 NATO members are also the members of the EU) and since the same military forces might be use under the NATO or EU flag, the relations between the two organisations need to be at the center of any European security debate. The role of NATO as defence alliance and its value as deterrence instrument remains unquestionable. However, the multilateralisation of peacekeeping interventions since the end of the Cold War had opened up a new functional role of security providers for both the EU and NATO. They both take part in an implicit international division of labour in which regional organisations play an increasingly important role.

Back in 1998, the Saint-Malo declaration underlined the need of “the EU contribution to the vitality of the Atlantic Alliance as the foundation of the collective defence in Europe”. In reality, this commitment meant different things to different states. At the time, the EU was becoming a security actor and NATO was gradually expanding its security profile. For some Europeans, becoming a more significant contributor to military operations had the purpose of gaining influence on the US decision-making; for others it was about the ability to launch autonomous EU operations. As some security experts have argued (Recalibrating CSDP-NATO Relations: The Real Pivot), this ambiguity led many countries to believe that listing some of their existing capabilities under the EU flag would be sufficient to do the job. In any case, they expected NATO to step in and fill any shortfalls. Since that implicit paradigm is on its way out, the EU CSDP-NATO relations arguably need to be recalibrated.

In January 2012, the Pentagon announced that while the U.S. military will continue to contribute to security globally, a rebalancing towards the Asia-Pacific region would be necessary because of the shift of economic power towards Asia and the increase in military spending in the region. Yet, as Daniel Keohane argues in the GMF Policy Brief Europeans Less Able, Americans Less Willing?, even before the announcement there were some signals that Americans would like to rely more on the Europeans for stability in Europe’s broader neighbourhood. For instance, the US chose to not respond to the Lebanese-Israeli conflict in 2006 and to the Georgia-Russian war in 2008. It was also initially reluctant to intervene in Libya in 2011. Adding to that, after American long-lasting military presence in Afghanistan and Iraq there is a growing consensus in Washington on using military forces with more restrain, gradual reduction of the US global military presence and on pursuing rather ‘lead from behind’ policy. In Europe, these new tendencies especially the ‘US leadership from behind’ have not been deeply considered yet. Even though some Europeans worry about the effects of the US pivot to Asia, many are still looking to the US to take ultimate responsibility for crisis management operations. Consequently, the EU neither have achieved more coherence nor improved their defence capabilities.

Europe is losing its power and influence as a foreign policy actor and needs to develop a new set of priorities on how it wants to engage with the rest of the world.
NATO’s defence expenditure figures over the last few years reflect the growing imbalance: the US contribution increased from 68% in 2007 to 72% in 2012. The diminishing European military capacity puts the transatlantic relations at risk since the US starts to question its overall commitment to NATO. The general downward trend is unlikely to change while the economic crisis is ongoing, and even before the crisis, most European countries did not spend NATO’s recommended 2% of the GDP on defence. Taking into account that the American defence budget will be also significantly reduced ($489 billion) over the next decade; the Atlantic Alliance is most likely to be impaired by the same problems as the EU CSDP: a lack of funding, a lack of joint responsibility and a lack of joint vision.

Apart from the fragmentation of the EU defence market, the lack of integration of military forces also impedes the strengthening of the CSDP. European military forces abroad operate almost exclusively within multinational contingents, but continue to be structured and managed on a national basis. Even the costs of EU missions are split mostly on national basis just as soldiers are trained and organised nationally. Similarly, weapons systems and platforms are developed, purchased and maintained at the national level. This leads to a multiplication of the cost of creating, maintaining and operating European military formations.

On top of that, national disputes impede the transatlantic dialogue and cooperation between the two organisations. Since Cyprus joined the EU in 2004, the unresolved territorial problems between Cyprus and Turkey have been paralysing the official EU-NATO dialogue for almost a decade. Although Lady Ashton’s Report on the CSDP reaffirms that strong, coherent and mutually reinforcing cooperation between the EU and NATO remains as important as ever the overall picture is rather grim. In this context, the European Defence summit should, apart from discussing practical aspects of EU-NATO cooperation, re-launch a debate about the future of the partnership and the responsibility sharing between the CSDP and NATO.

There is time for the EU to define its own role and accordingly its vision of the future of the EU-NATO partnership

European defence cooperation

The Saint-Malo summit called for “strengthening of the European armed forces in order to allow them to react rapidly to new risks, and to support them by a strong and comprehensive European defence industry and technology”. Fifteen years later defence policy (and industry) remains a bastion of national sovereignty. This year’s joint study by Istituto Affari Internazionali and Centre for Studies on Federalism The Costs of Non-Europe in Defence Field analyses two main factors undermining cooperation: the lack of integration of defence markets and the lack of integration of military forces.

The lack of integration of defence markets is mainly a consequence of a widespread resistance to opening national defence markets to European competition, and a strong desire to continue to maintain an industrial and technological base of defence through protectionist policies. The existence of 28 national defence markets, divided by regulations and bureaucracies, hinders defence industry development by decreasing competitiveness and preventing economies of scale in production. The fragmentation of European defence market is therefore likely to stifle growth of the very industry which underpins EU military capabilities, and ultimately, the European defence policy itself.

The reductions of military spending related to the economic crisis and the burden of costs of defence fragmentation are pushing European countries and institutions to slowly move towards a deeper cooperation. As the EUISS report CSDP between internal constrains and external challenges suggests: the EU institutions – in particular the European Commission and the EDA - can play an important role in facilitating coordination, identifying areas of cooperation, and assisting with the consolidation of defence industries. In terms of military capabilities and interoperability, improvements can be made through more effective spending by prioritising expenditure on missions and capabilities – and by encouraging smaller and better-trained forces rather than personnel centred defence budgets. Moreover, more explicit emphasis on EU-NATO complementarity in developing capabilities should be advocated since the European armed forces can be put at the service of both organisations.

The commitment that is most urgently required from the member states in order to develop key future capabilities is to start cooperative projects in Air-to-Air Refuelling, Satellite Communication, Remotely Piloted Air Systems (RPAS) and Cyber Defence. Over the last couple of weeks, as we are getting closer to the Summit, there have been a couple of developments that at first sight might seem that the things started to move forward. For instance, in response to suggestions by the EDA regarding concrete flagship projects addressing the EU shortcomings in main capabilities; the EU defence ministers at their meeting a month ahead of the Summit not only backed the EDA’s proposals for joint programmes but also signed some agreements. Seven EU countries (France, Germany, Greece, Italy, the Netherlands, Poland and Spain) have formed a “club” to produce military drones from 2020 onward. In reality the agreement means that EDA was tasked
to draw up a study on joint production of Medium Altitude Long Endurance craft that can be used to strike military targets or for sea surveillance.

The EDA meeting also saw eight EU states (Austria, Belgium, the Czech Republic, France, Germany, Italy, Spain and the UK) sign up to a second agreement, the “Joint Investment Programme on RPAS for Air Traffic Insertion”. The key of the EDA’s proposals lies not just in collaboration on building particular drones but most importantly on a shared European effort to master systems and technologies which will allow pilotless aircrafts to operate in European airspace along the civilian planes. However, as Nick Witney, EDA’s former chief executive put it: ‘integrating RPAS into regulated airspace’ was an idea that got us all very excited in my own last months with the EDA, in 2007. Then, as now, both industry and the Commission were keen to support. Then, as now, defence ministers thought it was a splendid idea. The significant difference, of course is, then the target was 2012; now it has drifted out to 2020-2025. Having this comment in mind, the hope is that the Member states this time will demonstrate their commitment to the decisions undertaken at this year summit.

How can the EU move forward?

This year’s Defence Summit is expected to send a signal about how serious the EU is when it comes to achieving the security and defence objectives declared for the first time fifteen years ago. However, although the summit agenda focuses mainly on military capabilities and issues related to defence cooperation, it also brings an opportunity for European leaders to initiate a debate about the role Europe aspires to play in the fast-changing world and what contribution a European defence cooperation could bring.

Since the Europe’s strategic environment is drastically different now compared to when the EU CSDP was born, the restatement of the same commitments (such as the need of building effective European military capabilities and the necessity of defence collaboration in order to acquire them) without concrete follow-up actions would be a sign of EU sliding into military and strategic irrelevance. What is expected from the European leaders is a sign of a clear realisation that in face of new challenges the EU needs a common vision of its future role as security, and broadly foreign policy, actor.

As the need for austerity for some countries remains a common concern, the impact of defence cuts on both sides of the Atlantic as well as the US changing security strategy should inspire both sides to think about how to renew transatlantic relationship and in particular CSDP-NATO link. The EU leaders on their side should also commission an up to date military capability review that could lead to a coordinated reduction of the obsolete capabilities at the national level and help to generate savings for future key capabilities investments.

The reductions of military spending related to the economic crisis and the burden of costs of defence fragmentation are pushing European countries and institutions to slowly move towards a deeper cooperation.