



A New Dynamic in European Security Policy

Thoughts on the European Commission's Reflection Paper

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Key Points

- The European Commission's Reflection Paper sketches three options for the future development of European defense policy. None of the scenarios calls for the EU's withdrawal from this policy field.
- The paper does not address the central problem areas of CSDP (battle groups, financing, etc.).
- After years of dashed hopes, the political will for true progress nevertheless seems to exist.
- Concrete action is the top priority. The "permanent structured cooperation" could play a role in this regard.
- The most important development is the creation of a European Defense Fund, which should be made use of and expanded.
- Decision-makers should not set expectations too high given the substantial differences of opinion with regard to the purpose, goal and instruments of CSDP.

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Remarkable change of heart by the European Commission

Strategic, political, economic and technological drivers require closer cooperation

Since discussions about the future of the EU began following the Brexit referendum, acknowledgement of the need for stronger cooperation in EU security and defense policy¹ has become a standard mantra for EU institutions, member states and parties. At the EU summit in December 2016, the heads of state and government of the EU member states adopted a series of proposals to strengthen the Common Security and Defense Policy (CSDP)². As part of its series of Reflection Papers on the future of the EU, the European Commission sketched out options for the future of European defense in a document presented on 7 June³.

The mere fact that the European Commission has published such a reflection paper illustrates the remarkable change of heart which has taken place in recent years. For a long time, the European Commission rejected the idea that it should play a role in defense policy, as well as any form of EU funding for military research, but the Commission is now prepared to take a more active role, with proposals for defense research, as well as proposals to create an internal market for defense and to present an action plan for European defense.⁴

Summary

As it does in other reflection papers, the European Commission begins by stating the reasons for closer European cooperation in connection with CSDP:

- **Strategic drivers:** a more volatile neighborhood (although the paper does not cite specific conflicts or name the parties responsible for causing them), the shift in trans-Atlantic relations and the substantial investments in defense being made by other international actors (the US, China and Russia).
- **Political drivers:** since 2002, polls have consistently shown that European residents strongly support closer cooperation in security policy (consistently over 70%).
- **Economic and technological drivers:** the cost of fragmented defense markets (the Commission mentions opportunity costs amounting to 30 billion) and expected scale effects. The growing gap with the United States in terms of both spending and efficiency is explained using several examples: defense spending comes to 1.34% of GDP in the EU, but 3.3% in the US, while research and development spending per soldier in the EU is just one fourth of what it is in the US.

The following action priorities are derived: the need for systematic cooperation in the defense arena, the need to take more responsibility for our own security, to align strategic cultures more closely, to increase the scale and efficiency of defense spending and to create a true internal market for defense goods with more industrial competition.

Based on these priorities, the paper sketched out three possible scenarios for the future development of European defense policy. All of them assume closer cooperation among member states, albeit to varying extents: none calls for dismantling CSDP.

Scenario 1: "Security and defense cooperation": in this scenario, member states would make decisions for cooperation on a case-by-case basis ("ad-hoc solidarity") and would not be bound, politically or legally, to adopt a common approach in security and defense questions. CSDP missions would focus above all on building up capacity in partner countries. A European Defense Fund would be established to

Scenario 1: "More of the same" and ad-hoc solidarity

promote the development of certain capabilities in a few selected areas. Research, as well as procurement, would continue to be primarily up to the member states. The inability to bundle resources would result in deficiencies when it comes to demanding missions. As a result, the EU would not be able to undertake difficult and complex missions. The response to cyberattack and terrorism could continue to be primarily a national affair, but with the EU providing support. Cooperation among intelligence services would be limited to ad-hoc threat analyses. In many respects, this scenario would be "more of the same." All existing initiatives and programs, as well as those launched in the past twelve months, would be continued.

Scenario 2: Greater financial and operational solidarity

Scenario 2: "Shared security and defense": This scenario calls for a greater degree of financial and operational solidarity, one which goes beyond the ad-hoc cooperation described in the first scenario. In particular, the EU would play a more important role in cybersecurity, maritime security, border defense and fighting terrorism. It would also take an active role in areas relating to security, such as health and space policy. Cooperation between intelligence services would be intensified so as to enable the systematic sharing and pooling of information. National defense planning would be more aligned so as to facilitate common procurement and the provision of stronger capabilities. An ambitious defense fund would be established, which would serve as the basis for the development of multinational capabilities in strategic transport, remote-controlled flight systems and maritime surveillance, supported by common planning and command structures at the EU level. Multinational force components like a medical corps and an EU-wide air transport command would be available to support EU missions. On the whole, these proposals would allow the EU to undertake "high-intensity" missions. Additionally, the development of a common military culture would be promoted e.g. through joint exercises.

Scenario 3: Common defense and security based on Article 42 of the EU Treaty

Scenario 3: "Common defense and security": The most ambitious scenario calls for a common defense policy which takes full advantage of Article 42 of the EU Treaty. Greater integration of the armed forces of the various member states would allow the EU to undertake high-intensity missions, such as operations against terrorist groups and naval operations in hostile environments. Defense forces would be stationed in advance and would be constantly available for rapid deployment, so that the European Border and Coast Guard, for example, would be able to rely on constant support from European naval forces. In addition, a European civil protection force would be established. There would be routine joint military exercises and training programs. The intelligence services would go beyond the systematic exchange of information, and would also conduct joint threat analyses.

An EU defense research agency would provide support for "forward-looking innovations." There would be mechanisms for common funding and procurement: multinational procurement programs would be expanded noticeably, e.g. in the areas of aerial, satellite and naval reconnaissance. The provision of military equipment would be simplified through firm procedures. Cyber defense would be strengthened through the systematic exchange of information and technological cooperation, but the EU would also have offensive cyber-capabilities at its disposal.

These scenarios are not mutually exclusive and the Commission conceives of the possibility that they might be combined. In any eventuality, the member states will continue to be the key actors, and no measures are foreseen which would require amendment of the EU treaties. Rather, the goal is to better exploit the potential which is already contained in the Treaty of Lisbon, including the permanent structured cooperation clause (Art. 42-6) and the mutual assistance clause (Art 42-7).

The European Defense Fund plays a key role in all scenarios.

In all scenarios, a key role is played by the European Defense Fund, which was launched by the Commission simultaneously with publication of the Reflection Paper. It would consist of two pillars. First, the Commission would allocate 500 million Euros in funding for defense research in the new financial framework. Second, the Commission plans to allocate 500 million Euros in both 2019 and 2020 to support projects aiming to develop joint capabilities, and one billion Euros a year from then on. With co-financing from the participating member states, the Commission estimates that the potential for annual defense investments amounts to a total of five billion Euros. Assistance would only be provided for projects involving at least three contractors from two different EU countries, and with at least 50% European control. The entire project infrastructure, including subcontractors, must be located within the territory of EU member states. The capabilities which are developed in these projects would not be under the control of EU institutions, but would instead remain in the hands of the member states.

Notable: the phrase "European army" does not appear in the Paper. However, the proposal for a standing rapid deployment force, as in the third scenario, would be a major step in that direction. The Commission repeatedly stresses the need for closer cooperation with NATO.

Positions of Various Players

The Reflection Paper has been well-received by most actors. German Minister of Defense Ursula von der Leyen called it a "milestone," and other member states (including France) also expressly welcomed the Paper, as did NATO Secretary General Jens Stoltenberg, the EPP and the EPP delegation in the European Parliament.

In many respects, the scenarios described by the Commission harken back to proposals made by the member states in late 2016 in their position papers for the improvement of defense cooperation. The German proposal for a European medical command is reflected in the paper, as is the Italian call for a standing multinational European unit.

However, the member states continue to have very different conceptions as to the speed and scope of the actions which the EU should take. France, Spain and especially Italy favor much closer cooperation, while the Polish government is skeptical of these plans.

No consensus among the member states as to the depth and speed of integration

Different positions were already evident upon establishment of the "Military Planning and Conduct Capability" (MPCC), which was officially created on 8 June and which is to be responsible for non-executive EU missions (i.e. training missions). This is a trimmed-down version of the originally planned permanent military headquarters. The more ambitious version was not adopted due to resistance from the United Kingdom and skepticism from other member states, including Poland, but also from the Baltic States and some of the Scandinavian countries.

Differing positions on permanent structured cooperation

Another example is "permanent structured cooperation" (PESCO), which is already provided for in the Treaty, and which allows a group of member states with particularly high military capabilities to engage in a closer and more lasting cooperation. France, for example, has called for the creation of an exclusive avant-garde of nations with high-level military capabilities. This proposal is rejected by the Eastern and Southeast European countries, many of which are (as yet) unable to meet the requirements. Germany, Spain and Italy are somewhere in the middle on this question: they agree

that a more ambitious PESCO should be undertaken, but at the same time they believe that the cooperation should be as inclusive as possible. Nevertheless, Germany and France were able to agree on terms for participation in the permanent structured cooperation at the Franco-German Council of Ministers in July.

There are also differences as far as the level of ambition of CSDP missions is concerned: some countries are focused on missions to strengthen partner countries, while others are calling for the capability to undertake larger and more challenging military missions. For the Baltic States, an elaboration of the mutual assistance clause is an important priority. Finland is calling for more intensive cooperation in “cybersecurity” and in efforts to combat hybrid attacks. Several member states, including Germany, are advocating a “coordinated annual review on defense” (the “CARD” initiative).

The creation of a European Defense Fund has received broad support from several quarters. Criticism of the Fund has come mostly from the political fringes and (primarily British) euroskeptic conservatives. The relationship of the Fund with the Stability and Growth Pact remains unclear: the southern member states in particular are arguing that national expenditures in connection with the Defense Fund should be taken into account in the deficit calculation, but this position has been met with skepticism in Germany and other countries.

Commentary

The Reflection Paper is aimed at a broad audience and is intended to encourage people to think about the European Union’s security and defense policy. For this reason, the Paper will disappoint experts who were expecting a critical inventory of the achievements to date or concrete proposals for the future of CSDP. Key questions such as reform of the system for common financing of EU missions (the Athena mechanism), the deployment of EU battle groups and the controversial proposal for the creation of a veritable military headquarters are not mentioned in the Paper, or are addressed to only a marginal extent. Also missing from the Paper is a detailed description of the specific measures which will be necessary to achieve these goals (such as how closer coordination in national defense planning can be achieved). The Paper also does not make any recommendations as to how and in what order the measures introduced in the various scenarios should be implemented.

These omissions are due not only to the Commission’s decision to restrict its role to simply initiating the discussion, but also to the lack of political unity among the member states. As long as there is no consensus on what the specific tasks of CSDP should be (the “level of ambition”), how these tasks are to be financed and the conditions under which military operations are to take place, the European dimension of security and defense policy will continue to be a patchwork.

The absence of a strong and common political will also drives the main problem with CSDP, namely the focus on structures and processes rather than results in the creation and deployment of military capabilities. There is reason to fear that the UK’s departure from the EU and the loss of its pragmatic military culture will reinforce this tendency even further. The EU is losing a military heavyweight which, despite all of its skepticism towards an institutional expansion of CSDP, was always prepared to contribute, not only with press releases, but with personnel and high-level capabilities.

The Reflection Paper fails to address some of the key problems associated with the CSDP

The European Defense Fund should be made use of and expanded.

Effectiveness should be the standard for the permanent structured cooperation.

In light of these circumstances, the Commission's decision to wade into the debate about CSDP merits unqualified praise. This discussion draws attention to the problem and builds pressure on policymakers to act, while also enabling more ambitious budgetary support. The European Defense Fund is an important step, which should absolutely be made use of and expanded. It would also be advisable to allow European countries which are not EU member states to play a role in this regard. For example, excluding British companies would not help efforts to consolidate the European defense market (especially with regard to high-end aviation and aerospace technology).

Overall, the important thing right now is to take concrete action, as otherwise all of the documents about CSDP, from the Lisbon Treaty and the Bratislava Declaration to this Reflection Paper, are nothing more than so many sheets of paper. It could also be helpful if the standard for the permanent structured cooperation were effectiveness, rather than inclusivity at any price. Nevertheless, decision-makers would be well-advised not to set expectations too high: the third scenario is farther removed from the reality in Brussels than the moon. But the path towards more effective cooperation between member states in the procurement, maintenance and deployment of military capabilities is now marked. Taking this path would not only strengthen the EU and NATO but would also reinforce the confidence of European citizens in the effectiveness and usefulness of democratic institutions.

- 1| Cf. Declaration of the leaders of 27 member states and if the European Council, the European Parliament and the European Commission, Rome Declaration, 25 March 2017
- 2| A more detailed description and assessment of the proposals can be found here: http://www.kas.de/wf/doc/kas_47753-544-1-30.pdf?170213161710
- 3| European Commission: Reflection Paper on the Future of European Defence, 7 June 2017, Brussels. https://ec.europa.eu/commission/sites/beta-political/files/reflection-paper-defence_de.pdf
- 4| European Commission: European Defense Action Plan: Towards a European Defence Fund, 30 November 2016, Brussels. http://europa.eu/rapid/press-release_IP-16-4088_de.htm

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