



# European defense integration and the role of Ukraine

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### **Abstract**

- Historical attempts to build collective defence in Europe, starting with the Treaty of Dunkirk and the European Defence Community project, have shown that the desire to create joint armed forces has been resisted due to fears of losing national sovereignty. These fears are still relevant today, which complicates the development of supranational defence structures.
- ◆ The failure of the EDC project and the shift to intergovernmental cooperation formats, such as the Western European Union, show that European defence integration has been traditionally prone to apply flexible mechanisms respecting the autonomy of states. It is this logic of intergovernmentality that shapes the current EU security and defence policy.
- European defence cooperation is evolving not through centralisation under a single command, but through the development of coalition and financial mechanisms that allow member states and partners to act together in the background of limited resources, a complex geopolitical situation and internal legal impediments.
- ◆ In the short term, it is unlikely that a consensus will be reached regarding the creation of a united European army due to the disapproval on the part of some EU Member States. Moreover, even military rearmament projects are opposed by certain political forces. However, the idea of an EU defence union is on the agenda in political and expert discussions again.

- ◆ In the background of political and legal constraints, EU Member States are increasingly turning to voluntary military alliances outside the formal EU institutions. Formats like the European Intervention Initiative (EI2) and the Joint Expeditionary Force (JEF) ensure a flexible and rapid response to security challenges, with no need for a consensus across the whole Union.
- The EU is facing the need for rapid rearmament in the background of resource scarcity. The latest European initiative, ReArm Europe, aims to fix this problem.
- Limited resources, high budget deficits, and high level of public debt in many EU Member States make it difficult to raise funds for rearmament. To perform this task, EU Member States will either have to increase debt financing for those expenditures or cut other expenditures (e.g., social spending), and this may be negatively perceived by the population and be politically unpopular. Therefore, EU governments also need to look for ways to communicate security needs to their residents.
- Ukraine creates opportunities for the EU to deal with rearmament with the highest cost-effectiveness possible, since Ukrainian producers offer innovative, advanced, yet cheap solutions for many types of weapons.

2 Abstract

- Probably, Ukraine cannot supply many types of weapons to its European partners at the moment due to active hostilities and the country's high need for weapons. But in the long run, it may be an important producer for the European market. Therefore, programs providing financial support to the Ukrainian defence industry, similar to the Danish program, could also be valuable for the EU.
- Since it is highly important for the EU that Ukraine survives in this war

   otherwise the security of the EU
   countries themselves will be at risk it is extremely important to support
   the Ukrainian defence model, for
   example, following the example of the
   Danish model or through the format of
   international associations.
- Ukraine should be integrated into the EU's Common Security and Defence Policy on an equal footing with existing Member States, and continue to be involved in EU security initiatives to use the maximum potential of such cooperation for the benefit of both sides.

# Historical overview of previous attempts of deepening defence cooperation in the EU

The concept of collective defence in Europe emerged almost simultaneously with the start of European integration. In the background of devastation caused by World War II, an ambitious idea quickly emerged: to unite European states that were still recovering from the conflict and work together to ensure security and maintain peace.

The idea of collective defence, which was perceived as revolutionary at that time, became the basis for the first post-war international agreements aimed at the prevention of new wars in Europe. In March 1947, France and the United Kingdom signed the Treaty of Alliance and Mutual Assistance in Dunkirk, in which they pledged to work closely with each other and with other UN Member States to preserve peace and deter aggression, especially on Germany's side.

In March 1948, this initiative was extended to include Belgium, Luxembourg and the Netherlands by signing the Treaty of Brussels.

The new treaty defined the purpose of cooperation even more clearly: to provide mutual assistance for maintaining international peace and security and counteracting any acts of aggression, as well as to consolidate cooperation in the areas of economy, social policy, culture, and collective self-defence.

The first large-scale attempt to create a joint European armed force was the European Defence Community (EDC) project, launched in the early 1950s. In the summer of 1950, Jean Monnet, who back then was the Commissioner-General of the French National Planning Board, put forward the idea of organising European defence at the supranational level. His initiative was inspired by the plan of the French Foreign Minister Robert Schuman to establish the European Coal and Steel Community (ECSC), which officially began operating in 1952. At the same time, the United States urged its European allies to develop plans for the remilitarisation of West Germany.

The idea of creating the EDC was officially presented by French Prime Minister René Pleven in October 1950 during his speech to the National Assembly.

The proposed plan envisaged the creation of the European Army, subordinated to a supranational body and financed from a common budget. It was also planned to develop the European arms and ammunition programme under the leadership of a special European Minister of Defence, who would act under the supervision of the European Defence Council. The project was supported by most Western European countries. The initial plan envisaged the participation of France, West Germany, Italy and the Benelux countries. After changes were made, in particular to integrate German military units into the future army, the initiative received additional support from the United Kingdom and the United States.

In 1952, six countries (France, Germany, Italy, Belgium, the Netherlands, and Luxembourg) signed the <u>EDC Treaty</u>, which provided for the formation of a supranational European army with integrated armed forces.

Dwight D. Eisenhower, then Supreme Allied Commander Europe (SACEUR), expressed support for the European Defence Community (EDC) project, seeing it as an effective tool to strengthen Europe's military power. The United Kingdom was initially cautious about the initiative, but later agreed to support it.

In April 1954, an official British statement emphasised that Her Majesty's Government considered the European Defence Community to be an important element in strengthening the defence of the free world through the mechanisms of the North Atlantic Treaty Organisation (NATO) and sought to establish a close partnership with the EDC.

In addition, the United Kingdom expressed its readiness to contribute to the development of <u>common policies</u> in technical areas such as military training, tactical doctrine development, improvement of staff procedures, logistics and weapons standardisation.

However, in August 1954, the French Parliament refused to ratify the treaty, which <u>led to the collapse</u> of the EDC project. The French National Assembly rejected the treaty and refused to even consider it. France's decision caused serious concern in Western Europe and the United States, not least because the rejection came from the very initiators of the EDC plan.

In the following decades, the process of European defence integration was developing mainly within the framework of NATO. In 1954, the North Atlantic Council officially approved the accession of the Federal Republic of Germany to the North Atlantic Treaty Organisation (NATO), finally resolving the complex issue of Germany's remilitarisation in the post-war period.

The main reasons for the failure were concerns regarding national sovereignty (especially in France) and the lack of involvement of the UK and the US in the scheme - i.e., the lack of sufficient security guarantees and support from key military players. In fact, the cost of integrating troops under foreign command turned out to be too high for many French politicians.

After the failure of the EDC, European countries shifted to a more intergovernmental format of defence cooperation. In October 1954, the Modified Treaty of Brussels was signed, establishing the Western European Union (WEU), with the participation of the same countries and with Italy and West Germany added to the list.

In addition to the Council and the Assembly, the most important structures of WEU were the following:

- Western European Armaments Organization (WEAO),
- Western European Armaments Group (WEAG),
- Institute for Security Studies (ISS),
- Satellite centre (SatCen).

The Western European Union (WEU) relied on NATO as to the provision for military structures and mechanisms for responding to possible armed threats.

At the same time, WEU allowed Member States to develop a "European pillar" in defence outside the European Community (before the UK joined it in 1973) and outside the integrated military structure of NATO from which France withdrew in 1965 and returned only in 2009.

The Rome Declaration of 1984, adopted by the WEU foreign and defence ministers to mark the 30th anniversary of the Brussels Treaty, was seen as a kind of "reactivation" of the union. It confirmed that the Council of WEU is entitled to consider the consequences of crisis situations in other regions of the world through the prism of European security.

Portugal and Spain became WEU members in 1990, and Greece - in 1995.

### WEU also had:

- associate members (the Czech Republic, Hungary, Iceland, Norway, Poland, and Turkey),
- observers (Austria, Denmark, Finland, Ireland, and Sweden),
- associate partners (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia).

The 1992 Petersberg Declaration stipulated that the Western European Union (WEU) would be involved in humanitarian missions, rescue operations, peacekeeping and crisis management, including conflict reconciliation (the so-called "Petersberg tasks"). By 1999, the main activities of WEU were gradually transferred to the European Union. Subsequently, in March 2010, a decision was made to officially dissolve WEU, and it finally came into effect in June 2011.

### Is the creation of the "Army of Europe" possible?

Under Article 42(2) of the Treaty on European Union (TEU), the Common Security and Defence Policy (CSDP) embraces gradual establishment of a common defence policy of the Union. The transition to common defence is possible only with a unanimous decision of the European Council and provided that the Member States ratify such a decision following their national constitutional procedures.

At the same time, the Union's security and defence policy should not violate the specifics of the national defence policies of individual Member States. It should also respect the obligations of those Member States that carry out their common defence within NATO under the North Atlantic Treaty and be compatible with the common security and defence mechanisms operating within this structure.

Thus, Article 42(2) of the TEU opens up the legal possibility for creating Army of Europe, but the implementation of such a project requires the unanimous political will of all Member States and complex constitutional procedures, which makes it unrealistic at present.

### Political challenges related to the creation of the united defence forces of Europe

Given that defence and security policy is one of the key functions of a sovereign state, its transfer to the supranational level (EU level) is problematic. Since the ability to defend itself against external threats determines the sovereignty of a country, the establishment of defence unions always constitutes a highly sensitive issue.

In addition, Article 42(2) of the Treaty on European Union (TEU) refers to EU Member States, and thus cannot be considered a legal basis for common defence. At the same time, some solutions to expand defence cooperation can be used within the EU. In particular, Carsten Meyer and Arjen Klein suggest the following:

- 1. Since a fully integrated European army is currently unattainable, it is better to develop complementary areas: transport, cybersecurity, and space technologies.
- 2. The current model of unanimous defence decision-making ensures national control, but also creates the risk of blocking initiatives. A more realistic way to build defence capabilities is through the cooperation of "coalitions of the willing" on an intergovernmental basis, since that allows for a more flexible response to challenges with no need to change the EU structure.

### Possible voluntary military associations of the EU Member States beyond the EU

Member States of the European Union are entitled to create voluntary military associations outside the EU institutions. The EU treaties, in particular the Treaty on European Union (TEU), do not ban Member States from conducting intergovernmental cooperation in the field of security and defence independently of the EU agencies.

Such initiatives allow states to act more flexibly when rapid response to security challenges is required, to engage in cooperation with both EU Member States and non-EU countries, and to develop individual defence capabilities with no need to reach consensus within the EU.

In practice, voluntary military associations of EU Member States do already exist. Initiatives like the **European Intervention** <u>Initiative (EI2)</u> — a joint military project of 13 European countries that are not part of existing structures such as the North Atlantic Treaty Organisation (NATO) and the European Union (EU) defence body. EI2 plans to establish a "light" permanent secretariat based on a network of military liaison officers with the French Ministry of Defence. This initiative, launched by France in 2018 with the participation of EU Member States and the United Kingdom - and the <u>Joint Expeditionary Force (JEF)</u> — a British initiative involving Denmark, the Netherlands and the Baltic countries - demonstrate that states are actively using the opportunity to deepen military cooperation outside the EU institutions.

There are other cases where EU countries cooperate in defence outside the EU. For example, the Scandinavian countries (Sweden, Finland, Denmark, Norway, Iceland) have their own cooperation mechanism - NORDEFCO, which coordinates military cooperation in Northern Europe. Within NATO, there are European framework groups, such as the Visegrad Four, which periodically form joint battlegroups or initiate regional projects. Ad hoc coalitions are often created to address specific crises: for example, the 2011 military operation in Libya was conducted by a NATO-led coalition of interested European countries (France, Britain, Italy, etc.), and the international coalition against ISIS in the Middle East included many EU Member States, but operated in a non-EU format.

These examples show that, despite the absence of a formalised "Army of Europe" within the EU, individual states are already looking for effective ways to strengthen joint defence capabilities through flexible, intergovernmental mechanisms.

On 12 April 2025, as part of the development of European defence cooperation, EU finance ministers began negotiations on the creation of the European Defence Mechanism (EDM) a financial instrument for the joint purchase and storage of military equipment. The peculiarity of the proposed model consists in the possibility of joining this mechanism not only by EU Member States, but also by third countries, such as the UK, Ukraine, and Norway. This testifies to the European Union's desire to expand forms of cooperation in the security and defence sector beyond its own institutional space, creating financial and material preconditions for potential operational interaction between the Member States and partners outside the EU. However, it should be emphasised that at this stage, the initiative concerns financing and ownership of military equipment, not the creation of direct joint military formations.

# Enhancing cooperation in the field of military industry within the EU

The most significant initiative for defence cooperation within the EU before Russia's full-scale invasion of Ukraine was PESCO, which has now been joined by 26 EU Member States (except Malta). PESCO is an initiative established under Article 42(6) of the EU Treaty, aimed at harmonising national defence planning, promoting cooperation, and strengthening European defence.

The main goal of PESCO when it was created was to strengthen the EU defence by pooling resources for joint armament development. This was supposed to allow Member States to cooperate better, reduce the divergences between defence systems, while maintaining full control of each state over its <u>armed forces</u>. By the time of the Russian invasion in February 2022, 61 projects had been approved under PESCO.

In fact, PESCO projects have stimulated cooperation among participating states and have already produced specific results that strengthen their capabilities in such areas as cybersecurity, unmanned systems, chemical, biological, radiological and nuclear monitoring, as well as medical provision. Some of these capabilities - such as PESCO's "European Medical Command" and "Cyber Rapid Reaction Teams" - have already been used or activated in support of the EU Common Security and Defence Policy (CSDP) missions and operations.

Currently, the European Commission's Directorate-General for Defence and Space (DG-DEFIS) is responsible for defence cooperation in the EU. Its task is to strengthen the competitiveness of the European defence industry. To this end, DG-DEFIS supports investment in defence supply chains, with a particular <u>focus on SMEs</u>.

The European Commission is trying to support EU rearmament. On March 4, it announced a €800 billion rearmament plan. While large European defence companies have some access to bank loans, it is extremely difficult to obtain sub-prime funding - especially for SMEs in the defence technology sector, which are often the drivers of innovation today. This plan should therefore partially address this problem.

As part of the EU rearmament, the White Paper for European Defence - Readiness for 2030 has been prepared. It provides for the following:

- Addressing capability gaps and supporting the European defence industry, including by simplifying regulation and optimising industrial programmes.
- Deepening the single defence market and accelerating defence transformation through breakthrough innovations such as artificial intelligence and quantum technologies.
- Enhancing Europe's preparedness for worst-case scenarios by improving military mobility, stockpiling, and developing operational cooperation within the EU.

The White Paper highlights the structural weaknesses of the European defence industry, identifying the fragmented nature and underfunding as the main obstacles to creating an effective deterrent. Its approval does not require the consent of Member States.

The EU also intends to ease the regulation of the defence industry. The European Commission has promised to launch a strategic dialogue with the defence industry and present a comprehensive initiative to simplify defence regulation (Defence Omnibus Simplification Proposal) by June 2025. This act is intended to simplify the legal and administrative environment for procurement and industrial cooperation. Excessive regulation has long been an obstacle in this area, so optimisation of administrative procedures is a timely step.

### **ReArm Europe Plan**

The European Commission is trying to support EU rearmament. On 4 March, a €800bn rearmament plan was <u>announced</u>. The plan envisages the use of the following instruments for defence funding:

- 1. 150 billion euros of loans for Member States, which will be guaranteed by the EU budget.
- 2. 650 billion euros is an exception to the "Stability and Growth Pact" for Member States to increase borrowing for defence purposes. That is, the EU will not allocate these funds for defence, but will allow them to exceed the limits set in the EU. For example, Poland, Germany, and Greece have already applied to the European Commission for taking advantage of these exceptions. However, for countries that prioritise maintaining public debt levels over defence spending, this tool is unlikely to be effective in stimulating the defence industry. Also, some of the Member States may take advantage of this mitigation to finance projects that are only formally related to military purposes.

The plan sets the task to rearm the EU by 2030.

The plan envisages the following priority areas for the European Union:

- Air and missile defence
- Artillery systems
- Strategic stockpile of ammunition, missiles
- Drones and anti-drone systems
- Military mobility: the EU-wide network of land corridors, airports, seaports, support elements and services that ensures the rapid and unimpeded movement of troops and equipment/ machinery across the EU and partner countries.
- Artificial intelligence, quantum technologies, cyber and electronic warfare
- Strategic resources and critical infrastructure protection

The plan also envisages supporting Ukraine in the following formats:

A) increasing military support of Ukraine

- Supply of artillery ammunition, air defence systems and drones
- Training and outfitting military personnel
- Direct support to the Ukrainian military-industrial complex
- Increased military mobility
- Enhanced access to EU space vehicles and related services

B) engaging Ukraine in the EU initiatives aimed at defence capacity development and integration of the respective defence industries.

Success will depend on how seriously the Member States take the opportunities offered. The plan proposed by the European Commission envisages that the main source of funding for the defence industry will be increased borrowing by Member States. However, in many EU countries, the level of debt burden is already too high. For example, in 2024, 13 EU Member States exceeded the EU public debt threshold set at the rate of 60% of GDP. To overcome the debt problem, the EU has already proposed austerity programmes which primarily concern social programmes. Increased public spending on defence could further increase the need for austerity, and this may have a negative impact on public sentiment and increase support of populist forces.

Russian aggression and potential withdrawal of US military forces from Europe pose serious threats to the continent that the EU is not ready for. Here, the lack of weapons and defence production capacities as compared to Russia, which is a potential aggressor against the EU, the fragmentation of the EU defence market, and chronic underfunding of armies in many Member States may be outlined as significant risks in the defence sector. EU initiatives such as PESCO, ReArm Europe, and the European Defence Fund are aimed at overcoming those risks.

### The place of Ukraine in strengthening military and military-industrial cooperation in the EU

The European Union is facing a serious security crisis. Russia's aggression against Ukraine has shown that full-scale military threats in Europe are quite real. At the same time, the United States, which has traditionally been the EU's main security partner, is less and less willing to take on defence guarantees for European countries.

A ceasefire between Ukraine and Russia without the victory for Ukraine can only increase the risks for the EU, in particular due to the possibility of further aggression by Russia. Accordingly, the EU, the UK, and Norway should be strengthening their defence capabilities already now.

To counter the Russian threat, the EU will need to sharply increase its troops, increase the number of tanks, artillery, etc. It will also need to create a massive production of drones, which are indispensable in modern warfare, and that will require at least 300,000 new employees.

Ukraine is a natural EU ally for several reasons:

- It faces the same threats, but in a more severe form.
- It has unprecedented experience in conducting a defensive war against Russia.
- It quickly adapts weapons production to the needs of modern warfare.

Since 2022, the share of domestically produced weapons has increased from 10% to 40%. However, the state can finance only a third of the available <u>potential</u>. Ukraine's defence sector is currently undergoing intensive development, but is limited by financial and human resources. At the same time, it has the ability to test and adapt its inventions in real time and on the battlefield.

As a European defence partner, the Ukrainian defence sector has three key advantages:

- Relevance: technologies and products are tested in real-world combat.
- Cost-effectiveness: many items
   of weapons are <u>cheaper</u> than their
   Western and Russian counterparts
   (e.g., the Bohdana self-propelled howitzer).
- Scalability: 1.5 million drones were produced in 2024, and 4 million FPV and kamikaze drones are expected to be produced in 2025. One major Ukrainian drone manufacturer alone produces more drones than all European manufacturers combined.

Therefore, the EU defence sector needs to focus on Ukraine, as this is where the current full-scale war is taking place. One way for the EU to effectively develop the defence sector would be to support joint Ukrainian-European defence projects that would build on Ukrainian experience and use the resources of EU Member States to scale it up.

After the war, Ukraine is likely to become the <u>largest</u> European weapons producer in Europe. Thanks to lower production costs (wages, raw materials), the country could become a key site for scaling up EU defence production. If the EU creates a competitive weapons market (as Mario Draghi suggests), Ukraine will become its <u>centre</u>.

Accordingly, if the EU's goal is to ensure rearmament at the lowest possible cost, the Ukrainian defence industry would be the best option for this.

The EU's priority should be to <u>support Ukraine</u> - this is the most effective way to deter Russia from potentially attacking EU Member States. The EU also has an opportunity to increase its support for Ukraine. Not all the assistance provided by the US to Ukraine can, however, be replaced by the EU from a technological point of view. To replace the US, the EU would have to spend only an additional 0.12% of its GDP – which is quite an <u>affordable amount</u>.

As it is crucial for the EU that Ukraine survives in the current war, otherwise the security risks for EU Member States will increase dramatically, it is extremely important to support the Ukrainian defence model, either through the Danish model or through consortia.

Given the important role of the Ukrainian defence industry in strengthening and rearming the EU, the Union would benefit greatly if Ukraine were involved in European defence projects at a level equivalent to that of the Member States. This includes participation in such initiatives as the European Defence Industry Strategy, the European Defence Fund, the Act in Support of Ammunition Production (Regulation (EU) 2023/1525), the Act on the reinforcement of the European defence industry through common procurement (Regulation (EU) 2023/2418), and the European Defence Industry Programme.

The Common Foreign and Security Policy (CFSP) is also an area in which Ukraine could be integrated already now, for example, through participation in <a href="key decision-making">key decision-making</a> forums within the CFSP, as well as through engagement in EU security initiatives such as the European Defence Agency (EDA) and the Permanent Structured Cooperation (PESCO).

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