





# 17, 29.07.2020

#### **EUROPEAN DEFENCE:**

### BRITAIN'S ROLE AFTER COVID-19 AND BREXIT

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#### **Key takeaways**

- The Covid-19 crisis will have dramatic long-term effects for the UK's relationship with the European Union, including in the security realm.
  - The British economy is projected to be hit particularly hard by the pandemic.
- Britain's NATO membership cannot fully make up for the broken ties with the EU in terms of European security.
- European security cooperation will be undermined by the fact that national governments are concentrating on domestic agenda.

#### An expected victim of Brexit and COVID-19

Defence and security could – under normal circumstances – have been the areas less effected by the British exit from the EU. Brexit did not alter geography, leaving the UK as a power of great importance to European security and defence. Also, every security and defence challenge for EU member states remains strategically important to the United Kingdom. Therefore, the challenge would have been to find pragmatic solutions and policies that enable the EU member states and the UK to work together for the security of their citizens. This looks somewhat different now, no matter from which point of view we assess the situation.

The Covid-19 crisis has the potential to change the defence landscape of Europe significantly. In addition to the changes imposed by Brexit (that will only be known after the transition period negotiations conclude and an exact shape of the EU-UK relations post-2020 is known), the main concern seems to be the financial resources available to organize the stable defence of the European continent in times when the United States is partially withdrawing as the "protector" of the Western world.

Until March 2020, it was believed that the "divorce" will affect defence to a lesser extent, compared to other areas such as economy, travel and cross-border cooperation.

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Because it is still NATO, and not the EU, that is the main security player on the Old Continent. The UK vowed to remain committed to NATO following Brexit. The absence of the United Kingdom in EU-organized peacekeeping and monitoring missions, as well as the loss of Britain's CSDP budget contributions, will be the main <a href="impacts">impacts</a> felt by the EU's defence sector. The argument stated that by not participating in the CSDP, British Armed Forces may over time become less compatible with their European counterparts as no common goals will be set anymore. Furthermore, the UK will be excluded from training opportunities during EU-led peacekeeping missions and future projects of similar kind. At the same time, the UK was always reluctant to further "militarize" the EU citing concerns that NATO's key role of needed to be upheld.

#### **Economic consequences**

With now over 44,000 Covid-related deaths, the UK remains the worst hit among European nations in absolute terms, and currently registers the third highest death rate in the world. In fact, if <u>present trajectories hold</u> the UK will soon join the US as the only two developed markets in the global list of the top-10 coronavirus-hit countries.

The British economy has also taken <u>a massive hit</u>, with a 20.4 percent contraction in April (a figure only just released in June). The IMF expects a global contraction of 4.9 percent this year, but even then, the UK is underperforming. The OECD expects the UK to sustain the most economic damage of all developed markets this year with an economic contraction of 11.5 percent. Why are these numbers important?

The UK was arguably the EU's strongest defence power. It was one of only two member states possessing "full-spectrum" military capabilities (including a nuclear deterrent), and one of only six member states meeting NATO's target of spending 2 percent of gross domestic product on defence. The UK also holds a permanent seat on the UN Security Council and had the largest military budget within the EU.

While defence remains a national prerogative, no European state has the size and resources to be effective on its own. Military power in Europe depends on multinational formations and coordination. Even when individual governments do operate nationally, they can only do so because allies have their back. Yet, the 2008 financial crisis pointed to severe shortcomings in institutional coherence. It was not just the Euro that nearly fell victim to isolated national policies. Governments also decided to cut defence spending, putting what they saw as "sovereignty" before military effectiveness.

In the current crisis, the institutional challenge will be even greater as Britain, a major military power, has left the EU. Britain's membership in NATO continues but cannot

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fully make up for the many close links between EU member states. Both the British government and EU countries have expressed the will to continue and possibly even intensify their cooperation in defence matters, but this <u>may prove</u> very difficult at a time of exploding debt and rising nationalism.

The October 2019 <u>Political Declaration</u> accompanying the Withdrawal Agreement expresses the intention of the UK and the EU to "support ambitious, close and lasting cooperation on external threats." However, any future co-operation should respect both sides' "strategic and security interests, and their respective legal orders".

The EU's <u>mandate</u> for negotiations on the future relationship with the UK adds that the UK and the EU should explore new dialogues on foreign policy and be prepared to share information, including on sanctions – these dialogues could be set up before the end of the transition period. The UK could participate in EU defence missions and projects on a case-by-case basis, though any participation in EU projects and programmes must accept oversight from the European Court of Justice for matters of the EU law. The UK's <u>ministerial statement</u> outlining London's negotiation objectives for talks with the EU said the UK would be open to participation in EU programmes and instruments on a case-by-case basis.

#### National pressures on international cooperation

Transatlantic relations will be dominated by the Covid-19 pandemic and global economic crises for months and years to come. They are the greatest challenges the Americans, Canadians and Europeans have confronted since the Second World War. We will be far stronger by joining forces with these allies rather than by going it alone – a strategic piece of advice that is valuable for most crisis situations. However, it has very seldom taken shape due to the conflict of European and national interests among member states and allies. When the money runs short, it is usually the internal political mood that demands the focus on national needs, even when it comes to defence.

On the pandemic front, our most effective strategy would be to work together on the search for a vaccine, on sharing data and on making sure all of us are better prepared for the second wave and the next global virus beyond it. On the economic front, the European Union, the UK and the US combined are the largest global economy and defence force that can – if they co-operate effectively – solve any health or security crisis rather easily. But the earlier argument of the concentration on national needs (mostly dictated by economic developments) can be clearly observed in the current US policy, as well as in the UK.

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Depending on how long Covid-19 continues to influence Europe, North America, Asia and other continents, economic recovery will take years, not months. Despite substantial financial support from the European Union's institutions, the vast majority of European countries will be extremely reluctant to assign their limited financial resources to upgrade national defence capabilities and maintain costly procurement programmes. Making the case in favour of spending billions of Euros on increased defence budgets – something that was agreed prior to the outbreak of the pandemic – will be acceptable neither to the public nor to policymakers across Europe.

NATO has already started to feel the effects of the pandemic in a number of ways. Norway called off an important regional exercise ("Cold Defender 2020") and another major exercise "European Defender", aimed at demonstrating both NATO's steadfast resolve towards Russia and the US's ability to quickly reinforce the continent, has been radically restructured and trimmed. Meanwhile, the US European Command has <u>published a list</u> of other long-planned exercises that will be cancelled or postponed until later this year.

In Western democracies military spending is never attractive to the public. Since the end of the Cold War most Europeans have believed that we live in a world surrounded by friends with no real threat to our liberal way of life. Not even Russia's aggression towards the Crimea in 2014 could change that believe radically. Every European military mission, such as in Mali, is subject to severe criticism within the public discussion in the EU. Part of the argument in favour of Brexit was that British soldiers should not participate in missions set up by European powers on the "far side" of the world.

Germany, being the EU's largest economic power by far, has already stepped back from the promise of spending 2 percent of its GDP on defence. It is more realistic that we will see similar developments in the UK, in the 27 EU-member states and in the US, making it even harder to develop an effective and robust strategy for the defence of Europe and the Western world. The implications of the Covid-19-pandemic for the security of all European countries, within or outside the European Union, should therefore not be underestimated.

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