

# Guest Editorial: In Europe's Defence

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Over the past decades, a remarkable degree of strategic mobility and military reach, significant social and human capital, and an advanced industrial and scientific base have endowed the European Union (EU) with capable and effective armed forces. However, as centuries of European (or Western) dominance are currently giving way to a more multipolar and less governable world system, protecting common strategic interests without adequate military capabilities may become ever more difficult.

Although Europeans remain relatively well equipped to mobilize the tools needed to tackle potential direct threats, within the EU there is limited awareness or recognition of the emerging challenges, a basic disinterest in strategic matters, and relatively few voices calling for effective and sustainable armed forces. In addition, the European political and institutional landscape regarding security and defence is extremely segmented, at a time when awareness of the increasingly complex and multi-faceted nature of both crisis management and peace-building is widespread and growing. For this reason, the European Council meeting on defence planned for late 2013 represents a very precious opportunity to address these issues at the highest political level, and possibly set in motion a dedicated cycle of policy coordination.

With the end of the Cold War, EU countries have implemented a variety of reforms concerning their defence and military structures which have allowed them to adapt to the new international system and its challenges. Alongside the retirement of Cold War-era equipment and the adoption of new military doctrines and structures, there has been a general shift towards professional, smaller, all-volunteer forces. These reforms have also coincided with the consolidation of security cooperation within the EU itself via new frameworks, culminating with the establishment of the European Defence Agency (EDA) and especially the European External Action Service (EEAS). With the launch of the Common Foreign and Security Policy (CFSP) and then the Common Security and Defence Policy (CSDP), the EU and its Member States – both individually and collectively

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– have played an increasing role in international affairs, in particular through an array of peace-building missions.

Yet due to the wide spectrum and high number of operations, flatlining or decreasing defence budgets (exacerbated by the financial crisis) and still modest deployability levels, the EU's existing military capabilities are increasingly stretched, raising concerns about the sustainability of both current and future commitments. EU countries still devote excessive resources to personnel and land-based facilities and maintain force structures which encompass an excess of certain military capabilities. The fragmentation of the EU defence equipment market also needs to be tackled. Furthermore, cross-national coordination, cooperation and integration remains weak, and EU policy itself is spread across distinct and often separate 'boxes' – between military and civilian crisis management, between foreign and development or trade policy, between 'homeland' security, civil protection and cyber defence – containing tools that are hard to bring together, despite recent efforts by Mrs Catherine Ashton to implement a comprehensive approach combining the so-called 3 Ds (diplomacy, defence and development). Indeed, each box has some military implication, but none has an exclusively military dimension.

Now, as a consequence of the economic and fiscal crisis, a mixture of acute budgetary pressures, lack of investment in research and development, and widespread reluctance to make the maintenance of effective armed forces a political priority could cause additional reductions in EU military capacity as well as a potential exodus of the defence industry and a loss of technological leadership. In other words, demilitarization and deindustrialization risk going hand in hand.

These problems and shortfalls are likely to be worsened by a number of current trends. These include the rise of new regional powers and players (particularly in Asia), the US 'pivot', accelerated globalization, and developments relating to new weaponry. At the international as well as regional level, a peculiar combination of dynamic instability and systemic interdependence seems bound to characterize the next decades. Europeans have already proved their ability to address post-conflict situations and mount peace-building operations. What is less clear, given the relative shrinking of many European militaries, is whether they would be able to respond to potential new challenges which may manifest themselves in the future. Indeed, Europeans are likely to confront rising external challenges with declining internal resources – and not just budgetary but also political ones, as the divisions over the sovereign debt crisis have left their mark.

It is therefore imperative to identify and define the common strategic interests of the Union. Unless Europeans are resigned to becoming ever more dependent and vulnerable, maintaining capable and well-functioning armed forces with extended regional (if not global) reach may have to become a shared goal. As there

is little hope of any increase in national spending for the foreseeable future, the only solution to counter potential risks is to do more *together*.

In order to enhance its collective military capabilities, the EU could indeed explore a number of avenues, which should be understood as cumulative (and not necessarily mutually exclusive) sets of solutions:

- Implementing *consolidation* to generate military *efficiency*. This suggests a coordinated reduction of redundant and obsolete capabilities to generate immediate and future savings. In order to facilitate this task, Member States may consider asking the EEAS and its specialized bodies to undertake, in close cooperation with the EDA, a targeted EU Military Review.
- Favouring *optimization* to boost military *effectiveness*. With respect to equipment, the EU Member States could devise a framework whereby armed forces cooperate across service lines for the development of future capabilities. A second solution would be extending a new procurement concept – ‘total life-cycle EU-wide management’ – for new military capabilities.
- Promoting *innovation* to enhance military *technology*. Innovation is not only a source of efficiency and effectiveness, but also of technological advancement. This option suggests (and entails) tailored solutions to promote innovation, which also include borrowing ideas from funding schemes originally adopted by NATO or proposed by the European Commission in other policy areas.
- Framing and reinforcing *regionalization* to bolster operational *width* and *depth*. Targeted (bi- or mini-lateral) integration between European countries could lead to pay-offs in the maintenance and acquisition of a wider spectrum – and, to some extent, greater depth – of military forces. This is especially so if these ‘islands’ of cooperation can be coordinated at EU level, such as to form an ‘archipelago’.
- Moving towards *integration* to further increase *depth* and elevate *sustainability*. Bringing together the armed forces of Member States under an EU-wide force structure would enable Europeans to vastly boost their logistical capacity and undertake the most demanding operations that any future security environment may require. This may entail establishing a new ‘family’ of targeted Headline Goals for 2025 and gradually synchronizing national armament programmes and procurement cycles.

Despite lingering concerns about the possible loss of national sovereignty that managing and developing military capabilities *together* may entail, it is quite evident that Europeans are already losing sovereignty by *not* consolidating, *not* optimizing, *not* innovating, *not* regionalizing and *not* integrating. Without these joint

developments, they risk also losing their residual strategic autonomy. Both action and determination are required in order to create the appropriate enabling mechanisms to combat this eventuality.

However, the 'box' of European military capabilities cannot really be dealt with in splendid isolation. In its current condition, and even more so looking to the future, the spectrum of policy challenges and issues it is connected with calls for a common, systematic, comprehensive and regular (re)assessment of ends, ways and means. This, in turn, calls into play many other 'boxes'. Connecting and coordinating all the relevant policy boxes may indeed require additional political impetus from the highest possible level, as well as continuity over time.

This is where and when the value-added of the EU comes fully into play. Not only has it proved to be – since the European Coal and Steel Community – an effective framework in which to pool and share sovereignty, preserve a degree of strategic autonomy, and implement structural change over a long period of time with dedicated common resources. But it still offers cases of best practice in policy coordination at the highest level, involving different EU institutions as well as national governments and parliaments, from which useful lessons could be drawn and procedures borrowed and adapted. Possible practical examples include the European Air Transport Command (EATC), developed since 2010 in the civilian sector; the so-called 'project bonds' proposed by the European Commission for large-scale investments in cross-border infrastructure; or even NATO's well-tested scheme for managing its own AWACS<sup>1</sup> fleet.<sup>2</sup>

At political level, one interesting case of effective policy coordination is represented by the so-called 'European Semester' launched a couple of years ago. Initiated by the European Commission and carried through by the ECOFIN Council, the cycle culminates at European Council level – at the traditional March summit devoted to economic issues – and is iterated every year. Member States governments as well as national parliaments are progressively adapting to such 'calendarization', which includes an upstream (drafting, consultation, feedback) and a downstream (implementation) stage.

Needless to say, the level of interdependence and integration among EU countries in the EMU framework is hardly comparable to that in defence or even foreign policy – in legal, institutional and political terms. The key challenge in the CFSP/CSDP domain is to bring together all the relevant stakeholders – now scattered across the various 'boxes' – and keep the European Council involved and focused on a regular, preferably permanent basis. Defence Ministers in the EU do

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<sup>1</sup> Airborne Warning and Control System.

<sup>2</sup> Some of these ideas are developed in greater depth in a recent EUISS Report, *Enabling the Future. European Military Capabilities 2013-2025: Challenges and Avenues* (May 2013).

not have a stand-alone Council formation, although they already meet four times per year (twice informally and twice more formally).

Yet what would make a real difference is an ad hoc configuration convening – once a year – the national ministers for defence and economy/competitiveness along with their institutional counterparts in the EU (Commission, EDA, EEAS). The Commission, in turn, might consider the possibility of reorganizing its internal services, as from 2014, in order to bring the defence-related bodies under one and the same bureaucratic roof and personal responsibility (a dedicated Commissioner with a new portfolio overseeing a number of relevant directorates and units) – thus bringing only one person to the Council table and decisively reducing fragmentation.

Such a hybrid Council formation would not constitute a complete novelty. Until recently, for instance, foreign, defence and development ministers from the EU-27 used to meet once a year in the so-called ‘Mammoth’ Council. It could indeed become a locus where specific policy proposals and solutions are discussed, tested, and possibly endorsed. More importantly, it could become a key driver and catalyst of policy coordination efforts, lay the ground and do the preparatory work for an annual European Council meeting (arguably in the autumn) that would include also EU Foreign and Finance Ministers and focus more broadly on the Union’s common external action and presence.

All this, incidentally, would also help address one of the unintended consequences of the Lisbon Treaty, namely the progressive marginalization of national Foreign Ministers from EU policy-making, and of foreign and security policy itself from the broader EU agenda. And while the involvement of Foreign Ministers would be essential to connecting the various ‘boxes’ relevant to external action, that of Finance Ministers would help embed the logics of fiscal discipline and ‘more bang for our bucks’ into the broader evaluation of how best to protect common strategic interests. For their part, the heads of state and government would agree the necessary political trade-offs and confer legitimacy and accountability to the whole process.

To make this new cycle of policy coordination possible, the current EU treaties need not necessarily be amended – or not yet. They are permissive enough to allow set up and test new dedicated structures in this domain, bringing together all the relevant political and institutional players, drawing on existing best practice from other domains. By doing so, military modernization could go hand in hand with savings and investments across the board – and the continent. Although these processes may be costly, i.e., in social terms, it is arguably far less costly than the price of inaction.

There are various avenues worth considering, but they all require – to different degrees – political decisions at the highest level to match the political

rhetoric. Treaty change may still come, but possibly at a later stage and after appropriate testing of new schemes and modalities of cooperation and integration at EU level. The forthcoming European Council meeting could (and possibly should) aim at becoming a point of departure, rather than arrival, for policy-makers and -shapers throughout the Union.

The EU might indeed be the most appropriate and effective framework for boosting defence and military cooperation among Europeans precisely because the Member States can bring to bear all the different policy levers (including their collective regulatory power) built up over decades of economic and political integration. Doing this in and through the EU may ultimately prove less difficult than in and through NATO – which cannot rely on a comparable range of instruments for policy coordination and convergence – but it may well (and indeed should) end up benefiting and even reinvigorating the Alliance.