

# Fresh start or more of the same?

## Defence policy at the December EU summit

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»» At their summit on 19-20 December, European Union (EU) heads-of-government are expected to discuss the future of their cooperation on defence policy. The President of the European Council (who chairs EU summits), Herman van Rompuy, wants EU leaders to debate the 'state of defence in Europe'. This means discussing European military cooperation in a broader context than the current parameters of the EU's Common Security and Defence Policy (CSDP). For example, issues such as defence industrial consolidation and joint equipment projects equally affect cooperation in other formats used by Europeans, such as NATO or bilateral collaboration.

The EU's CSDP currently forms part of a broader EU foreign policy, which aims to be able to mix many instruments, from development projects to military operations. But the politics are precarious since deploying soldiers is the most costly external action, both politically and financially. Plus, defence policy is not currently a political priority in most national capitals, during an economic crisis when most Europeans do not worry about military threats to their security. Opinion polls show that, beyond economic security, Europeans are mainly concerned about climate change, terrorism, migration and cyber-security. None of these are threats where the use of military force would normally be considered the best solution (although there are potential links between CSDP and EU internal security policies, such as responding to natural and man-made disasters or maritime border guard activities).

### HIGHLIGHTS

- The challenge for EU heads-of-government at their December summit is to provide a fresh start for European defence rather than more of the same.
- If they wish to have influence on global affairs, Europeans are condemned to cooperate on military matters.
- The summit is unlikely to deliver major new breakthroughs to join military forces, but EU leaders should agree to discuss defence policy at least once every year.

»»»»» Van Rompuy's political task, therefore, is a difficult one. In almost 15 years of existence, EU defence policy has been noticed more for its absence than its presence on the world stage. But van Rompuy is right to put this subject on the summit agenda. Despite recent budget cuts, European governments still spend some €40 billion more each year on defence than on the EU's annual budget, with a less visible return for European taxpayers. Plus, if they wish to have influence on global affairs, in many respects Europeans are condemned to cooperate on military matters since European defence spending is falling relative to others, especially rising Asian powers such as China and India. The key question, therefore, is will this summit provide a fresh start for defence in Europe, or simply more of the same?

### **THE STATE OF DEFENCE IN EUROPE**

Most experts would say that the state of defence policy in Europe today is critical. Words like 'malaise', 'crisis', 'demilitarisation' and 'decline' litter analyses of European defence policies. There are two main reasons for these assessments. First, on many measures European armies are becoming less able. According to the European Defence Agency (EDA), in real terms EU governments cut their defence budgets by 10 per cent on average between 2006 and 2011 and by a further 3 per cent from 2011–12. This is not as great as reductions in some other government sectors (such as foreign ministries and some development agencies). By 2015 the United Kingdom, for example, will have cut its foreign office budget by 15 per cent compared with a defence cut of 7.5 per cent. Even so, defence cuts have had consequences: some existing national capabilities have been scrapped. The Netherlands, for instance, has culled its main battle tank units.

Moreover, before the financial crisis erupted, EU defence ministries were already struggling to reform their armed forces to be better able to deploy externally, in particular through the acquisition of new types of advanced equipment – the costs of which continue to rise while budgets fall. Some of these projects have been delayed, and in some cases

governments have withdrawn from programmes altogether. Because of all this, as Claudia Major and Christian Mölling from the SWP think tank in Berlin have described it, there is a real danger of many European armed forces becoming hollowed out 'bonsai armies'. They add that EU defence spending could fall from almost €200 billion today to less than €150 billion by 2020 based on current spending trends.

Second, many European governments are less willing to use military force abroad than before. According to the EDA, in 2008 EU member states had over 80,000 soldiers deployed on external operations (through the EU, the UN, NATO and national deployments); in 2012 the figure had fallen to just below 50,000. These figures will likely continue to decrease following NATO's drawdown from Afghanistan during 2014.

This downward trend in European external deployments is in large part explained by public weariness (and wariness) of foreign operations, based on the perception that the (US-led) military interventions in Afghanistan and Iraq failed. This perception partly explains why far fewer European governments were willing to deploy to Libya in 2011 than to Afghanistan in 2001, even though it is much nearer geographically and at least as strategically important for Europe. Or consider that one of the leaders of the Libya intervention, the British Prime Minister, could not convince his parliament earlier this year to back military action following the use of chemical weapons in Syria. At a time of economic crisis, external military deployments that seem to bring only trouble are not a political priority in most EU capitals (see also FRIDE policy brief no. 168 *Why do Europeans need armed forces?*).

However, on some measures Europeans are not as incapable of acting as they are frequently made out to be (often because of unrealistic comparisons with the US). Collectively, the EU-28 still spend as much on defence as Russia and China combined. While many new equipment projects are currently being delayed, reduced or scrapped, based on current procurement plans, within a

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decade Europeans should have access to new aircraft carriers, transport planes, air tankers, navigation satellites, unmanned-aerial-vehicles and fifth-generation fighter jets.

The EDA says that the EU-28 can deploy and sustain around 100,000 soldiers on external operations. This is only about a quarter of what the US can deploy and sustain (even though the EU-28 have more soldiers), but again it compares very favourably with any other military power. The Global Presence Index, produced by the Real Instituto Elcano in Madrid, shows that in 2012 EU member states had a combined 'military presence' (measured by the number of troops sent

abroad and equipment necessary for overseas deployment) almost 60 per cent stronger than Russia, close to five times that of China, eight times more than India, and ten times greater than Brazil.

Furthermore, over the last 20 years, Europeans have carried out robust military interventions (national, coalitions

and through NATO) in Bosnia Herzegovina, Kosovo, Sierra Leone, Afghanistan, Iraq, Libya, Cote d'Ivoire and Mali – along with numerous peacekeeping missions (through the UN and the EU) in places such as Chad, the Democratic Republic of Congo, Macedonia, Lebanon, Liberia and along the Israeli-Syrian border. Again, barring the US, no other major military power has gathered nearly as much international operational experience as Europeans collectively over the last two decades. True, based on current spending trends Europe's military lead over some others will not last much longer – China's defence spending, for example, will almost certainly exceed that of the EU-28 before 2020. But there remains a relative bedrock of military

capabilities and experiences that Europeans can build upon.

### **THE FORMAL SUMMIT AGENDA: MORE OF THE SAME?**

EU officials say that EU heads-of-government will have their first proper defence debate in fully eight years at the upcoming summit (there have since been summit conclusions on defence policy, but apparently no real discussion of the subject). What should be expected from the December meeting? The formal agenda for this discussion is well-known, having been initially outlined in EU summit conclusions at the end of last year. EU leaders will discuss the impact of EU peace operations, military capabilities and the future of the European defence industry. They may also have a 'strategic debate' along the lines set out by EU foreign policy chief, Catherine Ashton, in her report on EU defence policy in October.

A lot will depend on one word: money. Announcements of new military capability plans – for instance, new unmanned-aerial-vehicles – or support to the defence industry will not convince many observers unless EU leaders commit some funds to these proposals. This is because heads-of-government have made many similar promises over the 14-plus years since EU defence policy was formally launched, but with few concrete improvements in harmonising demand for European military capacities or industrial consolidation. For example, there are more variants of a European-made multi-role helicopter, the NH-90, in production than the number of countries purchasing it. A recent European Parliament study estimates that the total cost of such duplication in European defence is at least €26 billion a year.

Plus, current cuts in defence spending in many member states, due to on-going fiscal tightening, do not augur well for major new equipment plans. Orthodoxy in Brussels holds that falling national budgets for defence equipment should surely spur more cross-border collaboration. This message has not yet gotten through to national capitals.

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**Even though the strategic case for improving EU defence policy is getting stronger, the political case in many member states has gotten weaker**

»»»»» Between 2006 and 2011 EU governments spent around 20 per cent of their equipment budgets on pan-European collaboration each year – in 2012 this figure fell to 16 per cent, according to the EDA.

The EU's comparative advantage in this area is that it can link military equipment goals and projects to European defence industrial policies. The European Commission has calculated that in 2012 defence companies across the EU directly employed 400,000 people with a turnover of €96 billion. The Commission already has a role policing the European defence market, which has helped open up national procurement to Europe-wide competition. It has also made it easier to form cross-border defence companies by removing some barriers to intra-European transfers of military technology.

During 2013, a task force (led by Commissioners Barnier and Tajani) reported on ways the Commission can help strengthen the competitiveness of the European defence industry in a time of severe national budget cuts. For example, the Commission says that EU governments cut their military research and development spending by 14 per cent from 2005–10. Although it is legally barred from spending on military projects, the Commission currently spends around €200 million a year on security research and technology, and some of these civilian projects could have useful military applications.

More efficient investments in equipment should not only save money, they should also help improve the EU's impact on the ground. Since its first peacekeeping operation in 2003, the EU has initiated almost 30 peace missions (civilian operations for the most part). However, the EU has not yet carried out a military operation comparable, in scale or intensity, to the NATO operation in Afghanistan or the UN missions in the Democratic Republic of Congo or Lebanon. Some EU operations have been very successful, for instance the on-going anti-piracy operation on the waters off Somalia; but some have been little more than flag-planting exercises.

The idea of an operational headquarters that would manage all EU peace operations has been around for many years, and would help to bring together the EU's full range of external instruments, from diplomatic efforts to development and humanitarian assistance to military activities (known as the 'comprehensive approach' in EU jargon). Currently, EU military operations are run through one of five national headquarters or NATO, while civilian operations are run through the EU's external action service in Brussels. There is not yet enough political support in national capitals for an EU operational headquarters, and it is true that institutional streamlining will not count for much if governments are not more willing to contribute to EU operations (the record is mixed so far). The emphasis at the December summit will likely be placed on better public communication of EU operations, rather than credible national promises to supply more personnel.

The strategic debate could prove the most interesting part of the December discussion. The US is re-balancing its military resources, away from Europe towards the Asia-Pacific. This move implies that Europeans should take more responsibility for most of their immediate neighbourhood. Plus, Europe's neighbourhood is currently very turbulent: a civil war rages in Syria; Libya is very unstable; and there are on-going border disputes in the Caucasus – amongst many other challenges. However, EU governments do not agree on their strategic priorities, in particular the big three in Berlin, London and Paris. Germany is reluctant to use military force, the UK is reluctant to use the EU, while France is stuck in the middle. Because of these different national strategic perspectives, it is difficult to expect too much from the December summit.

#### **HOW THE SUMMIT COULD BECOME A FRESH START FOR EUROPEAN DEFENCE**

The main problem for EU defence policy is not a lack of good ideas, but a lack of political interest. Since the Kosovo war in 1999 – which showed numerous gaps in European military

capabilities – EU governments have cut their armies, inventories of equipment, and defence budgets. But for all their commitments to cooperate more effectively, they have not greatly improved their ability to act externally. For example, in 1999 European governments could only use about 7.5 per cent of the combined armed forces outside EU territory – that is still the case today. As one senior EU official described it to this author, ‘we know all the problems, we know all the solutions, but we don’t know how to make the governments more interested in cooperating’.

The combination of the Arab spring, the US re-balancing towards the Asia-Pacific, the shift in global military power from Europe to Asia, and their own deep defence budget cuts should encourage EU governments to cooperate more closely on defence matters. But even though the strategic case for improving EU defence policy is getting stronger, the political case for European defence cooperation in many member states has gotten weaker. As a result, many experts have called on EU governments to review their military cooperation and to draw up a new strategy document to guide their military activities (for more, see FRIDE policy brief no. 146 *Strategic priorities for EU defence policy*). However, given the political divisions over strategic priorities and how or when armed force should be used, which currently seem unbridgeable, perhaps what is most missing at EU level is not a new strategy document, but an on-going inter-governmental strategic debate.

Van Rompuy’s report on defence for the heads-of-government at the summit could become a reference point for the next President of the European Council to hold an annual strategic debate with EU heads-of-government (the EU’s leadership will change during 2014). Having annual debates may not quickly lead to a new strategy document to guide EU defence policies, but there is no hope of having a useful new document without such discussions. It is only through dialogue on their different strategic perspectives that EU governments can develop a

better sense of their common European – not only national – interests; and only then can they fully develop their military cooperation.

## CONCLUSION

The EU is (and will be) increasingly called upon to respond to international crises, including with military means, and especially in its broad neighbourhood. Plus, European taxpayers deserve a better return on their almost €200 billion investment in European defence each year. Based on past evidence, there is a danger that the conclusions from this summit will be perceived as more of the same, producing little concrete progress on European military cooperation. However, if van Rompuy can convince EU heads-of-government to debate defence issues at least once every year – rather than wait eight years for the next discussion – that would create a new process of inter-governmental consultations on European military cooperation. If that would encourage EU governments to take defence policy more seriously in future, paving the way for greater convergence on strategy and more substantial military cooperation, then the December 2013 summit could be a fresh start for European defence.

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