ISSUE

CSDP
between internal constraints and external challenges

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Reports

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FOREWORD

Since the December 2012 European Council decided to devote its final meeting of 2013 to discuss defence-related issues, the debate over the present and future of what the French call *l'Europe de la défense* has received a new lease of life. It had remained dormant over the past few years (although not of course within the 'security community'), mainly due to the fact that in recent times defence and other policy areas have been somewhat eclipsed by the financial and economic crisis that has engulfed Europe. Then the same crisis started having an ever bigger impact on the Union's external action at large, and its security and defence posture more specifically — hence the initiative to refocus on this issue at the highest political level, exactly five years after the last such discussion at European Council level.

Within this context, the EUISS and King's College London (KCL) agreed to bring the debate on European defence to the UK. Britain's re-engagement at St. Malo in late 1998 was at the origins of ESDP/CSDP: its military capabilities have been essential to confer credibility and effectiveness on EU efforts in this domain, and its possible disengagement might deal a serious blow to these efforts.

The conference, held in London on 19-20 September, brought together officials from both Whitehall and Brussels, along with experts and analysts from all across Europe. The timing of the conference was auspicious as it coincided with the release of the High Representative's report on the CSDP (which can be consulted online at: http://eeas.europa.eu/statements/docs/2013/131015_02_en.pdf) and therefore dovetailed with the preparations for the upcoming Council. The resulting discussions are presented in this volume. It features the speeches given on the occasion by Lord William Wallace and Sir Lawrence Freedman and contains the reports of the discussions that took place in the four working groups. Finally, it presents a survey of the main ideas floated in the think tank world over the past few months. The EUISS and KCL hope that this publication will contribute to clarifying and circulating the terms of the broader European debate and giving it the visibility and relevance it deserves.

Antonio Missiroli

Paris, October 2013

INTRODUCTION AND SUMMARY

EUROPEAN DEFENCE: AN INVENTORY FOR THE DECEMBER SUMMIT

Eva Gross and Anand Menon

Improving Europe's military and civilian capabilities in a shifting security environment represents a major challenge for the EU and its member states. For one thing, European countries are having to contend with a climate of economic austerity that makes arguments in favour of investment in defence less convincing than they may (or may not) have been in more affluent times; second, broader geopolitical and strategic trends point towards Europeans assuming greater responsibility for their own security and the protection of European interests abroad; finally, the changing nature of conflict and projections concerning the coming decades call for a recalibration of the EU's approach and appropriate instruments for its engagement in conflicts in its neighbourhood and beyond.

The first decade of the EU's Common Security and Defence Policy (CSDP) has witnessed the launch of numerous missions and operations and seen efforts at increased military cooperation as well as investment in the defence industry. These are impressive achievements. But reinvigorating CSDP is essential: its first ten years have also underscored its limits as member states continue to grapple with their commitment to European security and defence, and serious capability shortfalls persist. European defence, therefore, is at a crossroads: either member states and Brussels-based institutions improve cooperation and make the necessary investments to ensure their capacity to respond to security challenges, or they risk being unable to provide adequate security for European citizens in the long run. The increasingly volatile security environment and the expected US rebalancing towards Asia mean that the next decade of CSDP will see the EU and its member states faced with new and demanding challenges.

In recognition of the need to bolster and reinvigorate European defence, the European Council at its meeting in December 2012 invited 'the High Representative, notably through the European External Action Service and the European Defence Agency, as well as the Commission (...) to develop further proposals and actions to strengthen CSDP and improve the availability of the required civilian and military capabilities, and to report on such initiatives, at the latest by September 2013, with a view to the December 2013 European Council.'

This call to (analytical and operational) arms issued in late 2012 has spurred a re-engagement and review of CSDP not just on the part of officials in the European External Action Service (EEAS) and the member states but also among the broader think tank and academic communities. Their collective aim has been to develop a series of proposals for enhancing CSDP to complement and perhaps also inform official debates leading up to the December 2013 summit meeting. The chapters in this report – and the discussions on which they are based – thus reflect some of these broader debates in their efforts to focus on different aspects of CSDP, offer tentative recommendations and help set priorities for the December Council. Finally, they constitute a 'wishlist' for Heads of Governments to make CSDP fit for the next decade.

Taking stock of CSDP

The broad field of CSDP can roughly be divided into two spheres of analysis: one that involves member states' commitments to improve, coordinate and pool their military capabilities and defence industries (and that, therefore, cut to the core of national sovereignty and involve economic as well as security interests); and one that relates to the operational aspect, namely the deployment of missions and their implementation in theatre. The latter impinges upon the interplay between (and among) Brussels-based institutions and EU member states in the planning, but also between the host state and the EU as regards presence in the field in the implementation of missions.

With the entry into force of the Lisbon Treaty and the setting up of the EEAS, Brussels institutions have undergone significant transformation. The changing nature of the EU's institutional landscape and the stated goal to develop a 'comprehensive approach' to security calls for CSDP to be adapted and its place in the broader foreign policy toolbox to be redefined. The High Representative's report in preparation of the December summit and the EEAS review process – as well as the EU's revised Crisis Management Procedures (CMP) – indicate conceptual reengagement and efforts at improving the inter-institutional game in Brussels when it comes to EU foreign policy, including CSDP. In geographical terms, CSDP instruments also contribute to the implementation of various regional strategies. This increasing complexity of EU security policy means that it is essential to streamline procedures in Brussels as well as strengthen member states' commitment to CSDP.

Many of these issues are not easily separable and debates tend to overlap. The four working group reports in the second section of this volume are therefore organised around the two abovementioned themes: military and defence structures, including the defence industry; and the operational record as well as the place of CSDP in the broader EU toolbox. Each report highlights lessons for the future – along with expectations with regard to the December Council – through the prism of the experience of the past decade with the aim of making (and keeping) CSDP relevant.

Industry and capabilities

Low levels of spending on defence remain a concern and a major obstacle to future progress when it comes to the military aspects of CSDP. While the situation is not as dire as some analysts make it out to be, current spending levels (and patterns of cooperation) are not sustainable if Europe wants to be able to shoulder its share of the burden in international security. The onus is on the Heads of State and Government to adopt a concerted approach in the face of growing pressure to divert resources away from defence spending in today's straitened fiscal and economic climate. Here, the December Council can send out an important signal.

Putting defence back on the agenda is an opportunity to put policy in the spotlight and to generate awareness and political will. Defence policy remains a bastion of national sovereignty, and this makes cooperation difficult to achieve. While this still holds true for military capabilities and spending in general, it is especially the case in the context of the defence industry, where national economic interests result in privileging national 'champions' – and where market forces and rules apply only imperfectly. This discussion concerns a few EU member states only – those that have a significant national defence industrial base – but the Commission can foster cooperation by co-funding Research and Development (R&D) or generally setting incentives for industry. Collectively, however, Europe will also have to engage with emerging technologies – including drones – which constitute an important capability for the future.

Here the EU institutions – notably the European Commission and European Defence Agency (EDA) – can play an important role in facilitating coordination, identifying areas of cooperation, and assisting with the consolidation of defence industries. In terms of military capabilities and interoperability, improvements can be made through more effective spending by prioritising expenditure on missions and capabilities – and by encouraging smaller and better trained forces rather than personnel-centred defence budgets. More explicit emphasis on EU-NATO complementarity in developing capabilities should also be advocated – not least to highlight that at issue are European armed forces that can be put at the service of both organisations.

The national capitals, Brussels and the field

Focusing on operational experiences and the institutional set-up of CSDP widens the scope of discussion to include civil-military cooperation, procedures for the planning, launch and conduct of individual missions and operations, and the residual security-development divide. This, in turn, calls into play the modalities for assessing missions and their interaction with other EU instruments (and international partners) in the areas in which they engage.

Past lessons have already led to improvements, and the revised crisis management procedures constitute a step forward in coordinating planning and analysis in crisis response. But more needs to be done to overcome persistent 'silos' between different parts of the EU foreign policy machinery, both within the EEAS and beyond. A common analytical framework as a basis for the planning and conduct of missions would go some way not only to improving missions *per se* but also to strengthening the connection between CSDP and other EU instruments.

The need to 'sing from the same hymn sheet' is clearly manifest when it comes to engaging simultaneously in the launch of or exit from a particular mission as well as its handover to other EU actors and instruments. Bosnia, where CSDP police reform tasks have been handed over to the EU Delegation since the end of the EUPM mission in June 2012, serves as a precedent and blueprint here.

An emphasis on savings might also help break down the current institutional divisions between the EEAS and the Commission. Tying CSDP in with the programmes managed by the Commission, and therefore spending CFSP money in a smarter way, makes it important to view CSDP as part of the broader CFSP framework and even beyond, when it comes to EU 'foreign policy' broadly defined.

An increasingly volatile security environment requires a rethinking of missions – but also member state commitment in terms of providing staff, lending visibility and political support. CSDP has focused on the neighbourhood as well as 'the neighbours' neighbours' through its latest missions in the Sahel and the Horn of Africa. The security aspirations of the EU ought to remain global, although the geographic scope of missions can be expected to remain in the neighbourhood (broadly defined) and their functional scope selective – although this does not mean that operational requirements will be somewhat easier as a result.

Finally, just as in the case of military capabilities, the EU's 'institutional' partnerships and the need to work alongside various organisations and donor countries emphasise the need to work with partners – both to share security burdens and to send political signals to host countries. Partnerships are not a panacea, however, and require a similar focus on shared analytical frameworks and coordination in planning and operational engagement in the field.

The context: member states and the security environment

The need for a successful outcome to the December summit is all the more pressing given the combination of declining member state capabilities and an increasingly challenging international environment. Lawrence Freedman argues eloquently that it would be naïve to think that large-scale military conflict is a thing of the past, and points to Asia as a potential arena for such conflicts. Moreover, while the relevance

of far-flung conflicts may not be immediately apparent to all, Europeans are heavily reliant on global trade, and hence require international stability in order that trade flows continue unhindered. Recent unrest in North Africa and the terrible scenes of migrants perishing off the Italian coast further underline the limits to European insulation from conflict elsewhere.

Crucially, purely national responses to such pressures are increasingly insufficient. The need for effective EU-level action stems precisely from the fact that even larger member states can no longer deal adequately with the security threats confronting them. William Wallace points out that the 'need for Europeans to work together to improve their defence capabilities has never been stronger or more compelling.' While member states are on occasion more willing to talk than to match words with deeds, experience in both Libya and Mali points to the inadequacies of European military capabilities when it comes to even relatively small-scale interventions.

Yet member states remain crucial to progress at EU level, and part of the challenge facing those preparing the December summit lies in the need to ensure that member states communicate more transparently (and are prepared to share information on their defence policy choices with one another) to a greater extent than in the past. The unenthusiastic noises emanating from some quarters about even the idea of a greater opening of European defence markets hardly bode well in terms of the prospects for greater interstate collaboration within the EU, let alone effective progress at the EU level itself.

Conclusions

A number of common themes (and a wishlist) emerge from these reports that focus on capabilities – but also on ambitions. The major issue relates to the political engagement of member states towards European defence. The December Council provides a unique opportunity to put defence on national agendas and offset fiscal restraints. EU leaders should not waste this opportunity to show their commitment and support for this particular policy area. More importantly, rather than representing a one-off event, the December Council should be seen as setting in motion a process of reflection on European defence and giving it the necessary continuity and consequentiality over time.

This is not just to push for increasing defence spending and improving coordination and cooperation. Political will is also vital when it comes to CSDP and its place in the broader institutional set-up of the Union. Member state buy-in and commitment is necessary to make CSDP an effective instrument. By re-engaging on defence, the December Council can validate but also help push forward important institutional work on improving situational awareness and analysis, crisis response, and implementation of missions and operations.

Mindset, including political will, trumps structures. And yet the December Council should also acknowledge the role of the institutions in fostering cooperation and coordination. There is no quick fix to the sovereignty question – nor should there be – but the functional role of common bodies in facilitating cooperation (when it comes to operational capabilities but also industrial capacities) is worth highlighting.

Finally, beyond the opportunity to review – and thereby help generate – member states' support, there is the need for a narrative: that is, a sense of what CSDP is and should be for, and where the policy ought to be headed in the broader context of Europe's common security interests. This should probably stop short of calling for a new 'strategy' – yet still provide a sense of direction and justification for EU as well as member state commitments.

I. THE CONTEXT

THE UK PERSPECTIVE IN ADVANCE OF THE

DECEMBER 2013 EUROPEAN COUNCIL

William Wallace

[Your excellencies] Ladies and Gentlemen,

It's very good to be here. A bit like old times. I was shocked this morning to be reminded of an article I wrote 30 years ago on just this subject.

I have been a think tanker, an academic and now a Government Spokesperson for the Foreign and Commonwealth Office. I have worked on these issues since the 1960s. But I am here today, to give you the Coalition perspective, which is roughly a cross-government view too. On this I think there is broad agreement among officials, analysts and politicians.

I will outline the Government's assessment of our Common Security and Defence Policy and set out our objectives for the December European Council.

However first I want to say I was very sorry to hear this morning of the death of a EULEX secondee in a security incident in Kosovo, near Mitrovica. I think we all offer our condolences and condemn such attacks. Kosovo has come a long way but there are clearly those who do not wish to see order restored. This reminds us that CSDP is at the hard end of European integration. Governments commit civilians and soldiers to operations where they risk being killed – and for which their governments may be held accountable.

Shifting UK perspectives on CSDP

The UK has been, and will continue to be, a leading player in European defence. Actively and constructively helping Europe to tackle security threats wherever they arise.

The last British Government worked very hard from the 1998 St Malo Agreement through to the negotiation of the Helsinki goals and the multiple working parties on capability building that followed, to promote effective and shared European defence capabilities. The limited achievements from that extensive exercise led to some scep-

ticism in London about rhetorical commitments to common defence that were un-accompanied by the budgets needed or the procurement of the equipment pledged. That explains why even the more enthusiastic British proponents of closer European cooperation are sceptical about further proposals for grand institutional construc-tion. We prefer to encourage closer defence cooperation with a step-by-step approach, building on each limited initiative that proves to be successful.

Like other governments, our approach is partly driven by political, economic and practical necessity but, today, there is, in London, a genuine desire and commitment to making CSDP as effective as possible in supporting international security and pro-tecting Britain's and Europe's borders from potential threats. We are now increas-ingly aware of the helpful role the EU can play in bringing to bear the common will of 28 of the world's most advanced economies, broadest diplomatic networks, largest development budgets and most capable armed forces.

There are of course, various caveats and hesitations to this – principally that CSDP should only act where EU intervention is the best option and can add most value to the work of others. CSDP should not divert resources away from, or seek to duplicate, work better done elsewhere – this is the settled view of all British parties. And this is especially true of NATO, which will remain the bedrock of our national defence policy, as it has for more than 60 years.

But the December European Council offers a timely opportunity to make small, but significant reforms, rather than grand strategic gestures, which can fundamental-ly improve the way Europe safeguards its security, and the impact we have on the ground.

On first glance, it would seem that the strategic situation could not be more different from that which gave rise to the last great effort towards European defence, during the1990s. Yet there are significant parallels to the post-Cold War period. Defence spending cuts then, and a further round now, make the cooperation more pressing. The US is looking to Europe for greater leadership in our own region and our own security. The welcome prospect of democratisation – in our southern rather than eastern neighbourhood – is once more evident at the edge of our neighbourhood – but it brings with it volatility, acute volatility, and uncertainty.

This strategic uncertainty means our capabilities will need to respond to unpredict-able external threats, events and pressures – we simply do not know what shape the next crisis will take, what capabilities intervention will demand. Capacities need to be maintained; links between partners cemented and capability gaps filled.

Despite economic pressures, now is not the time for any European government to stop investing in our defence. We all understand domestic pressures on European governments. But we must be smarter in how we make that investment.

We should start with what we've already got – our networks. The EU and NATO provide economies of scale, share burdens, develop a complete range of capabilities that can be deployed with maximum impact and they overlap extremely well. The key to this is getting each organisation to play to its strengths.

The FCO talks a lot about networks under the current Government. Expanding the number of contacts, nodes, friends in your network makes it stronger. Our allies understand this too – the United States, for example, has signalled very clearly that it is highly supportive of closer EU cooperation as a means of strengthening NATO. We know from current and potential future operations that we must work with partners where we can – such as the African Union, ECOWAS, the UN, and the Arab League – sometimes in the lead and sometimes in support.

Improving EU-NATO relations remains challenging. We need to do more to fulfil Berlin Plus. We've been working at that too long. We need to work on practical steps, such as maximising the Joint Capability Group. The invitation for NATO's Secretary General to attend parts of the December Council is also very welcome.

I hope that none of us still dreams about setting up the EU in *competition* with NATO. We see CSDP as *complementing* NATO. Adding to the capabilities of other organisations, amplifying and enhancing their work and using the most effective framework for the task. Only NATO has the capabilities and command structures to respond to high intensity conflict, such as Afghanistan or air war over Libya.

But, as policymakers, our ultimate goal must be to *prevent crises* not simply manage them. In order to *protect* our interests at home, we must *project* our influence abroad. What has become increasingly clear – but has to be argued to our domestic publics in all our countries – is that we cannot wait for conflicts to come to us. As the Foreign Secretary recently said: 'We cannot pull up the drawbridge, retreat to our island and think no harm will ever come to us.'

We have to tackle the causes of crises if possible before they break out into conflict. This is where the EU will have greatest impact – combining member states' political will with both EEAS and Commission influence to prevent conflict, manage crises and promote long-term stability and development.

For example, the EU was the most appropriate framework to work in Georgia after the last Russia-Georgia conflict – through the EU's successful Monitoring Mission, and through Operation Atalanta it has won the support of non-aligned countries such as India and China, neither of which might have been possible if the action had been NATO-led.

A more effective EU makes our decision-making a simple calculation of which approach will be most effective. So when negotiating with Iran, the EU's Common Foreign and Security Policy has afforded us a degree of collective, and politically neu-

tral, diplomatic authority which the UK alone or with any other single member state might not have equalled.

In Mali, CSDP has proved again the most effective framework. The military training mission – made up of 22 EU nations – is enabling the Malian armed forces to tackle extremism better, and delivering this in a way that complements African and UN activity. And where the UK has been providing experts in PSVI and a military training team jointly with the Irish Army – a sign of how European defence cooperation and the transformation of relations between European states go together.

In Libya, NATO was the most appropriate framework – driven by its two leading European Allies (UK and France) with the critical support of others: Belgium, Italy, Denmark, Netherlands, Spain and Sweden.

While in Somalia the situation calls for action from a range of organisations. Operation Atalanta – the EU's first military maritime operation for which the UK provides the Operation Commander and Headquarters at Northwood – has helped to reduce piracy in the Horn of Africa very substantially with attacks falling by 80% last year. I am very glad that the entire Political and Security Committee visited Northwood recently, and understand that they were impressed – as I was with my own visit. It's an incredibly efficient multilateral operation.

But we know that naval action alone isn't going to end piracy. That's why Atalanta is just one part of the EU's wider economic and political commitment to the region. And the EU's actions themselves are just part of an international, multilateral, multi-agency effort designed to bring aid, stability and development programmes to the region. A proper Comprehensive Approach.

Three CSDP missions are playing their part in Somalia: firstly Atalanta working in conjunction with NATO Operation Ocean Shield and other US-led and bilateral naval operations but, again, performing tasks that others either *cannot* or *will not* – such as the UK-led calls to take action against on-shore ammunition stores. (I have to add that a British officer told me, with delight, about how having invited further cooperation with China, China had refused but still wanted advice on how well we thought the Chinese were doing.)

Secondly, the EU Training Mission: it has trained more than 3,000 Somali soldiers, improving the capacity of the government to defend itself.

Finally, the civilian mission, EUCAP Nestor, helping to train and equip maritime security agencies in Somalia, but also throughout the region.

The UK is contributing civilian and military personnel to all three missions, as well as providing bilateral assistance, including development aid of £80 million per year until 2015. An additional £50 million was announced by the Development Secretary

at the Somalia conference in Brussels on Monday. And all of this work is being undertaken in conjunction with partners – the African Union through AMISOM, and UN through UNSOM.

Finally, the Balkans demonstrated unequivocally the necessity of being able rapidly to deploy well-equipped military forces to theatre, but also that it is a fallacy to believe that every conflict has a purely military solution. That is why the EU and the UK still remains active in the region; promoting reform, good governance, and cooperation between politicians. (And we've just heard how we haven't yet resolved these problems in Kosovo.)

In Kosovo, EULEX, the largest civilian CSDP mission, and working alongside NATO KFOR, has had significant success in building capacity in policing, the judiciary and customs – allowing the authorities to tackle corruption and organised and inter-ethnic crime. On the military side, the EU's Operation Althea continues to guard against renewed insecurity in Bosnia and Herzegovina. The UK is playing a fundamental role in providing the 120-strong Operational Reserve as well as numerous personnel to both missions.

In many ways, the international response in Bosnia was a model for cooperation. For ensuring the right framework is used. A UN-authorised intervention, conducted by NATO, and later with peacekeepers, eventually handed over to the EU, where various EU agencies and institutions have worked in partnership with other nations to reduce tensions and strengthen civil society.

The UK's recent military exercises in Bosnia and Albania (the largest foreign exercise in Albanian history with a British amphibious taskforce) show just how far the Balkans have progressed. These demonstrate how we are already working closely with potential EU partners to strengthen the security of European nations, and to help transform their armed forces.

But we need to improve. Using the institutions, structures and scarce resources we have to the best possible effect. So having established a need for CSDP and recognised its value, the December Council provides a real opportunity to improve its effectiveness where it counts – on the ground – and that's where the UK's priorities lie.

Priorities for the December Council

To this end the UK has four objectives for the December Council.

First, we strongly support a truly Comprehensive Approach, at all phases of the conflict cycle; solutions which integrate and coordinate diplomatic, development, humanitarian and military expertise; and which are deployed in the field in a coherent and effective way. And in coordination with other actors.

That is a principle that should apply not just to crisis management, but also to conflict prevention and post-conflict stabilisation. With more integrated analysis and early warning activities across the EU's institutions, early intervention would be easier – potentially eliminating the need for costly and dangerous crisis management.

And we need to do more to ensure interventions follow a seamless transition between institutions, within the EU, but also when the responsibility moves to or from other partners. We must be clear when the EU's role is finished and we should not be afraid to close missions when they cease to be useful.

This requires the EEAS and the Commission to work more closely together. We look to Baroness Ashton's Joint Communication – now *long* overdue – and the December Council to give the strongest possible direction to ensuring a truly comprehensive approach on the ground.

Second, although issues of sovereignty will have to be sensitively negotiated, the assumption that every nation can afford to maintain the full spectrum of military capabilities has already been broken. We must get better at developing – in partnerships – the right capabilities, and make them available for the EU or NATO. We know we cannot afford to duplicate or compete with others.

The future will demand broad cooperation, but also smaller groups of the willing. For instance, the Lancaster House treaties commit the UK and France to sharing the use of aircraft carriers and collaboration on unmanned air systems. Such bilateral pairings like this, if properly planned across the network, can ensure capabilities are not lost – and be of value to both nations independently as well as to NATO and/or the EU.

But there is no fixed model – we need flexible frameworks. Bilateral, multilateral, regional. Such as the Northern Group (where the British have put a great deal of support), Benelux defence cooperation or at a more practical level the UK-NL Amphibious Force or EATC (European Air Transport Command) – all of these work. The UK's help in developing these continues to be valued by partners.

It is also clear that in some areas there are critical capability gaps, while in others there is overcapacity. The December Council should focus on making the most of existing processes which we know work (such as NATO's Defence Planning Process) and being selective about how and where we invest.

We expect the European Defence Agency to focus on how best to develop and deliver the capabilities we need, both military and civilian – despite the intense pressures on defence budgets.

These should not just be 'flagship' EU projects, but should enhance our ability to conduct operations wherever those capabilities are needed – be they EU or NATO

or national. For example, the UK has offered its spare air-to-air refuelling capacity through the European Defence Agency although this will also help fill a critical NATO requirement.

But this is not just about high-end military equipment, it's about common political purpose, using existing NATO common standards, to improve interoperability with others rather than inventing new ones.

It's also about human capabilities – ensuring missions have the best people in the right place at the right time – training, skills, leadership. For example, I went this morning to the re-opening of the FCO Language Centre and it underlined the importance of effective language training for the military as well, where we are aware we have gaps.

That's why we, together with Sweden, are funding and organising a bespoke leadership course at the end of this month. This will help prepare senior military and civilian personnel to deliver CSDP missions, drawing on the experience and expertise of the UK's Stabilisation Unit.

It also means having the right administration, procurement and planning processes in place – unglamorous but essential elements that will improve CSDP missions' delivery on the ground. And we think the December Council can play a part in moving forward these important and fundamental issues.

Third, tough choices have to be made about finite resources. We have seen this across our own defence spending. Hard decisions to reduce the number of personnel serving in the regular armed forces, to decommission HMS Ark Royal, and to scrap our nimrod and harrier fleets were not taken lightly.

But these were done in order to develop safeguard our *future* capabilities. Everyone is having to take these tough decisions, but it requires political courage and a commitment to investing in the right resources over the long term. The UK has made that commitment. Against the continuing and very unpredictable security climate, it is all the more important that we share views with each other on how to do likewise.

Finally, strengthening and supporting an innovative, open and competitive UK defence manufacturing and service sector remains a priority. We need a defence industry capable of providing battle-winning capabilities, that offers value for money and helps to boost long-term economic growth.

The UK defence industry forms a substantial part of our economy, providing 300,000 jobs and generating annual revenues of around £22 billion.

Strengthening the defence industrial base across Europe is a long-term process, requiring a more open and competitive internal market while sensitively protecting member states' national security interests. We've been round the circle on European defence industry since 1965 with some progress but some way to go. The priorities should be improving the workings of the defence internal market, supporting SMEs across the EU, promoting cooperation, and prioritising research and development. But we would oppose any new regulations, any extension of the EU's competence, institutional growth, or duplication of work being carried out by other organisations.

For instance, the UK believes that Europe should be at the forefront of technological development – particularly those with dual civil-military applications – and welcomes the Commission's efforts to maximise the synergies between defence and dual-use research. However, we do not see any necessity or role for the Commission seeking to own such technologies or capabilities.

The December Council should provide the incentive for our industry to invest in developing both the cutting edge technology to compete in a global market and the human capital required to deliver it.

Conclusions

The UK will remain at the forefront of improving European defence as we have been since the St Malo Agreement in 1998 through contributing at present over 200 of the best and brightest from our military and civilian fields to 14 of 16 active missions; through thought leadership such as sponsoring a Wilton Park conference last December; through leading the current EU Battlegroup; by hosting and commanding the only EU OHQ active on operations; and through stepping up when it matters such as in the case of Mali or Libya.

The need for Europeans to work together to improve their defence capabilities has never been stronger or more compelling.

Fifteen years since the launch of CSDP, we do now face a very different concept of European and national security. But the December Council is an opportunity to consolidate the progress and lessons learned of 15 difficult years and taking a series of small but vital steps to transform the way CSDP operates, and ensure that when called upon to act, it has the right capabilities to make an effective response.

EUROPEAN SECURITY 2013

Lawrence Freedman

When I was Head of the War Studies Department I would start each session suggesting to my colleagues that before they started teaching the new cohort of students, remember when they were born and what they have experienced. Today's 18 year olds were born in 1995. So they were three at the time of Saint Malo; they were six at the time of 9/11; they were eight when the invasion of Iraq took place; and you can carry on through. Their political memory is quite short. Now it may well be the case that the discussions on European defence and security are almost exactly the same as they were at the time they were born. Certainly to me they sometimes seem to have barely moved on a few inches. But the surrounding context is quite different. Their formative political experiences in this country have been of coalition government and of austerity. Their image of Europe is of one crisis after the other. The question has not been how this great project can go forward but whether or not the whole thing can survive. They have no idea about the origins of the euro: the decisions were taken in the early 1990s, a long time ago. The Maastricht summit, of course, was before they were born. So it is important to keep this new generation in mind: as far as we can tell they are socially liberal, politically conservative, and now seeking to make their way in the world with good reason to be nervous about their job prospects. They do not have the more optimistic expectations of my generation and many of the subsequent generations. There is certainly not the enthusiasm as there was in the globalising 1990s when liberal capitalism was on the ascendant. The *Zeitgeist* of the moment is very different.

Shifting public perspectives on security

My second point relates to the question of the broader public mood, without distinguishing between generations. This has been raised in connection with September's vote in the House of Commons about Syria, and the evident Parliamentary reluctance to take military action, even after the evident use of chemical weapons. There is no doubt that the vote reflected public opinion. That was the result people wanted from Parliament. As far as we can tell, it would also have been the result the American people would have wanted out of Congress, and possibly even the result that the French people would have wanted out of President Hollande if he had put it to the vote. Humanitarian interventionism, the urge to get the Western world to act on behalf of distressed populations or reconstruct failed states, developed during the 1990s, with real achievements that saved lives. It lingers on a bit, for example in Mali, but the appetite has gone. This is partly because of Iraq and Afghanistan, but I think

it is also because of a sense that we have not only bitten off more than we can chew in those places but actually that where there is intervention it is very difficult to get to a satisfactory end state. The case on Syria was lost in part because of the current strength of the militias in Libya, which offered a sort of warning of what could happen in Syria, but also because in this particular case it was not clear that 'our side' was full of good people. In practice intervention meant being just one party in a very complex political struggle in which it could not be assumed that any other parties, even those most moderate and westernised, really have the same agenda as we do, or indeed have much interest in our agenda. More deeply, it reflects a recognition that perhaps the most complex aspects of international relations are moving beyond our control. The days when the Atlantic countries could more or less organise things as they wished (and suppress matters that were really quite awkward) have passed. This is a consequence of decolonisation. It is potentially the consequence of the rise of new powers. But it is also just a result of the sheer complexity of these conflicts.

Now, what does that mean for European security? How do we locate ourselves in all of this? As Lord Wallace observed, one problem, which has been around for a long time, is that when the EU has been dealing with security issues, a number of countries could gather around and agree very forcibly on what just a couple of them needed to do. Or else they can decide what those countries should *not* do, because they could have a veto power. Yet most EU member states would be unable or unwilling to contribute much themselves to resolving the major external crises of the day. But what happens when nobody wants to do anything? In the past we offered 'Europe' as an alternative international actor to America, playing on soft rather than hard power. But the United States, and not just the Democrats, is losing interest in the exercise of hard power. The Obama administration is clearly anxious not to get involved in any more land wars. What if the contest between Europe and North America is a contest between two great geopolitical entities in withdrawal mode? Can the mooted tension between NATO and the EU really be serious when neither organisation actually wants to do very much?

NATO's role

In some ways NATO is in an easier position because it performs a vital security role just by existing. The foundation of European security after World War II was *alliance*. The most important judgment was that if the Kaiser or Hitler had known that they would eventually be fighting the United States they probably would have decided not to bother. So if Stalin knew right from the start that he would be dealing with the United States he probably would also not bother to risk World War III. After the close shave of the past war the big British effort of the post-war period was to get the United States to forge an alliance with the European democracies, and it has been central to the UK's foreign policy ever since. For me continuity in alliance plays a vital role in deterrence. NATO's deterrent threat does not lie in nuclear weapons but instead

in this continuity. Without the alliance the fact that the United States has nuclear weapons becomes barely relevant. Another reason for the importance of this continuity is that the process of forming alliances can be extremely dangerous. Both the formation and also the fragmentation of alliances are pre-war activities. Therefore, one of the great contributions to European stability is a *permanent* alliance, because it means that there is no jockeying for power going on all the time.

The important thing about NATO, therefore, is that it exists. If we were trying to create it, it would be very dangerous and difficult. But it exists: all the allies are lined up there; they know where they are; they talk together when there is a crisis. They may not actually do that much, but that is not important: the key thing is that the alliance continues to cohere. If this creates a problem for NATO it is because people think it should *do something*. I have tried to argue (unsuccessfully, I should say) with senior NATO figures in the past that this mere existence is NATO's most important quality, and so it does not need to be active and busy. As it happens the need for alliance is very clear to its newest members (in this, Vladimir Putin helps). NATO works as a deterrent. President Putin does not wake up in the morning and say, 'I'd like to get some of the Warsaw Pact back'. That would be a ridiculous thought. It just never crosses his mind that this is a real option so long as the current configuration of power remains in place. Break it up and new possibilities open up. That is how a deterrent should work. It is intuitively stupid to do certain things, because you know what the balance of power is. On this basis NATO has a clear minimalist rationale for the future, even as it extracts itself from Afghanistan.

America's posture

Continuity in alliance depends, of course, on the foreign policy of the United States. At what point might the Americans decide that, all in all, they do not want to stay engaged in Europe? Some have seen a portent of this in the so-called 'pivot' to the Far East and the Pacific (which is now called 'rebalancing'). This involves reasserting themselves in what is turning into the rather old fashioned great power politics of this region. The issues of humanitarian response and failed states are still around, for example with East Timor in the early 1990s and Papua New Guinea. But the dominant politics of the Pacific is the interaction between China and Japan and the ASEAN states. These interactions have all the dangers of old fashioned great power politics. This is something that the American military understand – and actually prefer to counter-insurgency and other forms of irregular warfare. One could say that it is in their comfort zone. Moreover the countries of this region really want the Americans to play a more assertive role. They welcome the sight of USN carrier groups.

All this is preferable to the Middle East, where the Americans are often less welcome, but it is also where they have been exercising most of their hard power recently. They have found it extraordinarily difficult and frustrating. The best that can often be

done is manage affairs, and hopefully contain conflicts, but little ever seems to be solved. The Middle East is a graveyard of foreign policies, where new initiatives are tried and fail, and bold new ventures end in grief. Nonetheless it is notable that at the moment the United States' priority is with an active diplomacy. Syrian chemical weapons and Iranian nuclear weapons are the first steps. The most optimistic would hope that they will be followed by attempts to address the connected issues of Syrian civil war and Iran's regional role. In addition Secretary of State John Kerry is seeking to make progress on Israel and Palestine. This has been going on for so long it is hard to believe that there will be a breakthrough but conditions are moderately propitious. That is not where the violence is at the moment and Hamas is quite weak and the Israeli government more broadly based than had been anticipated. But generally it is a pretty grim prospect, as Syria merges into Lebanon, and into Iraq. One thing is clear: the Americans do not want any more land wars in this part of the world.

As for Europe itself the American view remains that this is still a pretty stable part of the world. This fits in with my view that alliance is a force for stability and good. It is not necessary for them to design a new European policy. The old one is still serviceable. That may sound complacent. It may be complacent if events take a turn for the worse. My point is simply that there is no particular incentive for the Americans to abandon Europe. It remains vital in terms of trade as well as security. But they do not expect to be very *active* in Europe. And they see no reason to sustain the large military establishment of the past.

Europe's space

So where does this leave the Europeans? In terms of the roles that the Europeans have seen for themselves, they look smaller and smaller in this setting. There are only a limited number of cases where they can act, certainly if there is a possible use of force. In the last decade Europeans embraced with enthusiasm the idea of 'soft power', because the great thing about soft power is that it does not cost a lot of money. It also sounded like the 'big hug' school of foreign policy – whereby if you just showed that you were really nice people who did not have capital punishment and did not carry guns everywhere, then others would warm to you. Unfortunately the problem with soft power – apart from the fact that it means different things to different people – is that nobody is clear how to operationalise it. It is hard to cash in soft power to get favours or in a negotiation. Values and norms are not by themselves a source of power. They shape the exercise of power and they may encourage a degree of trust and confidence. Anyway, Europe's soft power has been diminished by what has happened over the last few years: nobody is looking to Europe at the moment as the model of 'how to do it', almost whatever 'it' is. It has even posed a challenge to multilateralism in its apparent inability to cope with the eurozone crisis. It has just about muddled through, but at an enormous cost, and financial stability

has yet to be achieved. So, though Europe likes the idea of soft power, I think it has less of it than before and few ideas about how to exploit it, while there is less military and economic hard power than before.

So the answer to what it can do with a common defence and security policy is probably 'not a lot'. Part of the challenge for those who are working in this area is to go through not only the debates we have been through over and over again about 'do you act multilaterally, federally, unilaterally, in coalitions of the willing', and so on. It is about getting used to a world where the nature of intervention in foreign policy is becoming more and more problematic. This is not to say that nothing can be done, but to accept the restraints of circumstances. That means keeping the rhetoric under control and recognising that any action is at best going to be in the realm of 'limited but useful'. It is quite hard for politicians to talk about things in moderate terms. They also need to think through consequences, even if early actions appear quite circumscribed. Once in a troubled country it is hard to get out. Actually intervention is much easier in the form of a regular war. It was easier in Libya than in Syria because there was a rebel army backed up to Benghazi and a government army that they were fighting, just as it was easier when it was backing the Northern Alliance against the Taliban. But if you are not prepared for the long term then perhaps you should not act at all. And one may add that emerging powers are not much interested in sorting out the world's problems. They mostly distrust the ideology behind humanitarian intervention even though they are not pacifist. They are wary of each other and they are not a coherent group – but they tend to agree on this one thing.

So we can look forward to a world in which the main centres of power are increasingly reluctant to use force to address anything other than the most existential challenges, and where the Western powers, because of military cutbacks, have increasingly limited reach and capacity. What might change these calculations and expectations is events. Any attempt in 1985 to anticipate the coming 30 years would have been completely wrong. Events force countries to decide on their interests and work out how much they are prepared to do. Even when they may be unable to address some immediate challenge alarming events (as well as positive developments) can lead to a reappraisal of policies. So in the 1990s Somalia made it clear that intervention was very difficult, and then Rwanda came as a tragic reminder of the consequences of inaction. Similarly Srebrenica led to Kosovo. We are currently in a moment where events have led us to withdraw, be cautious, be careful. Events may push us, as did 9/11, in other directions.

What events might kick Europe into at least wondering whether it needs to do more? I believe that we need to pay far more attention to the Far East, although I doubt that this will happen because of the assumptions that there is a limited amount we can do and that in this part of the world commercial issues always trump foreign policy issues. South Asia, even after Afghanistan, will continue to affect us, especially here in the UK. By and large, however, we will be looking at our periphery. Russia will contin-

ue to test and probe and it is possible to imagine some challenging moments in the future, if Moscow pushes too hard. Where we can be reasonably sure of continuing trouble is the Middle East. It continues to present a series of crises. The big question may not be about how to solve Syria, Egypt, Lebanon or Iraq, for by ourselves we cannot, but whether we can contain their impact. Are there points at which they become so threatening to our shared interests that actually we will have to act?

Conclusions

To sum up, the inclination now is to do *less* foreign policy rather than more. This mood may not last, but it is there for the moment. A lot of the discussion about which institution, whether the EU or NATO, should take the lead is not terribly interesting – because both are currently risk-averse. The question therefore is *events*. The challenge is not only to attempt to identify possible events and their implications, but also, should the implications be serious enough, how to galvanise systems into action following a period when the easy assumption was that public opinion and limited capacity was going to impose a break on all action. In addition to the familiar post-Cold War problem of not being sure how to plan when you are not quite sure what you are planning against, is the added complication of not being sure whether your political systems and institutions can respond to even the most severe security challenges.

II. INSTITUTIONAL AND OPERATIONAL ASPECTS

INDUSTRY

Clara Marina O'Donnell

The state of Europe's defence industry

In response to the fall in defence spending in many EU countries, numerous European experts and politicians are worried about trends in global military budgets and the state of Europe's defence industries.

But some of the concerns among European policymakers are excessive. EU states continue to host some of the best defence companies in the world, and they still produce and export some of the best military equipment. Sweden has allegedly increased its exports fourfold in as many years, with one of the world's strictest export control regimes.

US military research and development (R&D) spending clearly surpasses combined European spending. But Europeans still manage to develop some competitive products for the American market. According to a European expert, the US Navy notably uses a French-built sonar system for its littoral combat ship.

Europe's military challenges appear even less daunting when one considers some of the obstacles encountered by emerging defence players such as Russia and India. Both countries are struggling to develop new military equipment domestically. And although Russia is implementing a large military modernisation programme, experts assess that 25% of Moscow's investments will be lost due to corruption.

Nevertheless, there is a strong consensus among European experts and policymakers that EU governments must increase the amount of funding they devote to military R&D. Otherwise it will be hard for Europe's defence industry to maintain its technological superiority.

EU efforts to integrate defence markets

In an attempt to help EU governments minimise the impact of military spending cuts on their armed forces and their defence industries, the European Commission issued a Communication entitled 'Towards a more competitive and efficient defence

and security sector' in July 2013. The Communication highlights the ability of the defence sector to generate skills and economic growth. It also proposes a series of policies to eliminate obstacles to EU defence trade and support European defence companies. The report will be discussed at the 2013 December European Council. It has triggered different responses among experts and EU member states.

As part of its proposals, the Commission wants to ensure the full transposition of two directives relating to the EU defence market agreed in 2008-2009. One directive makes it easier for EU governments to resort to EU-wide competition when procuring defence equipment. The other directive streamlines rules to export military equipment within the EU. As both laws have only recently come into force, it will take time for their full impact on the EU defence market to be felt. To facilitate this process, the Commission notably proposes to monitor the openness of the defence markets of EU states and explore how to improve security of supply.

The Commission Communication also proposes to explore the creation of 'hybrid standards' for equipment with military and civilian applications (such as remotely piloted aircraft systems (RPAS)), common certification (in military airworthiness for example), ways to guarantee the supply of raw materials, and initiatives to support Small and Medium Enterprises (SMEs). The Commission is also interested in exploring synergies between civilian and military research, assessing whether the Union should own certain high-end military capabilities, assisting EU states in exporting their military equipment to third markets, and reducing the energy consumption of European armed forces.

Many in Europe's policymaking community support the Commission's efforts to integrate EU defence markets. Even though the defence market is atypical, there is a belief that EU countries would nevertheless gain from Commission policies to increase transparency, fairness and reduce fragmentation.

But some experts and officials fear that the specifics of the defence market will make it hard for the Commission to reform it through market-based mechanisms. Most of Europe's military sector is based in only six countries, and EU states which do not have a significant national defence industrial base have different priorities when they buy military equipment than those countries which do have large domestic defence industries. In addition, the procurement choices of many EU members have been heavily influenced by offsets and political considerations over the years. As a result, some suggest that – in addition to identifying relevant regulations – the Commission should reflect on incentives for industry and governments. This would help both change their behaviours.

A number of European experts and policymakers have welcomed the Commission's efforts to ensure that EU member states have both the technical capacity and political will to fully implement the directives on intra-EU transfers and defence procurement.

There is also significant support for the Commission's suggestion to assist SMEs working in the defence sector. SMEs are often dependent on their domestic markets. The EU directives offer them the possibility of greater access to EU-wide markets. But many SMEs do not have legal departments and are sometimes confused about the new EU rules. As a result, they could benefit from legal advice from the Commission. In addition, if European defence companies are to consolidate over the next few years, inevitably some of the less competitive firms will need to reorient their activities to other sectors. According to some national officials, the Commission would be well-placed to help them transit out of the defence sector.

The suggestions within the July Communication that the Commission should explore synergies in funding projects with civilian and military components have been greeted with very different responses within the European defence community.

Some European experts have warmly welcomed the idea. For some, if the Commission devoted sizeable funds to dual-use capabilities, and provided best value for money – including through avoiding the principle of *juste retour* – it could lead to an overhaul in the mindsets of EU governments and industry on how to develop military equipment. Some observers believe the Commission should go further and fund research into military capabilities too – the Commission could provide generous financial support to the European Defence Agency (EDA). It could own a certain amount of flying hours within the European Air Transport Command. The Commission could also have at its disposal heavy lift aircraft to deliver development and humanitarian aid, and EU states could use the aircraft for military purposes when it was not being used by the Commission.

But many EU states and Commission officials continue to have reservations about Commission funding for military purposes. Some worry about the implications for intellectual property rights (IPR). The Commission, the European Defence Agency, EU states and defence companies would need to find ways to ensure IPR is properly protected. One member state is particularly averse to increasing the budget of the European Defence Agency. In light of the economic crisis, there is a belief that all international institutions, including NATO, should control their spending. And there are doubts in some quarters about the added value of certain of the Agency's activities.

Some European policymakers are also uneasy about the Commission's suggestion to own high-end dual-use capabilities. From their perspective, it is more appropriate for dual-use and military assets to be owned by member states. As a result, the Commission should limit its involvement to helping national authorities develop these assets.

Although European policymakers disagree on the merits of some of the proposals within the European Commission's Communication, there is significant consensus among them about the need for complementarity between Commission efforts and those of other players – be it the European Defence Agency, the EU Military Staff, NATO, national governments or the private sector. This applies notably to Commission ideas on

common standards – an area in which NATO is involved. The Commission has also been encouraged to ensure that any work it conducts in relation to high resolution imaging complements initiatives which already exist within the private sector.

The Commission's proposals on Europe's defence market will only have an impact is they receive strong political backing from EU governments. Although is it unlikely that member states will endorse all of the Commission's ideas at their Council in December, there is significant hope among experts and EU officials that national authorities will at least begin engaging with the Commission's proposed agenda.

The challenges of multilateral procurement

Europeans remain divided on what is the most efficient way for their governments to acquire defence equipment. Many experts and officials believe that EU governments could make significant savings if they bought more of their equipment together with many other EU states. The savings would be particularly significant if ministries of defence agreed to use the same standards (such as the same size for NH90 helicopters) as this would increase economies of scale.

But some European officials and experts believe that while European governments could benefit from collaborating with many EU partners when buying military equipment which already exists, member states should work within smaller groups when developing new equipment. Over the years, at least one member state has become convinced that collaborative R&D programmes are too complicated if they involve more than two or three countries.

In addition, some officials are concerned that even if EU states buy equipment in bulk, they will be unable to replicate the economies of scale which the US can generate and from which several small European states have benefited in the past. For example, the cost of American F16 aircraft for Poland was lowered because the planes were also purchased by the US Air Force.

The globalised nature of today's defence industry raises numerous challenges for European experts, policymakers and industry. It can be hard even to define what constitutes a 'European' or 'American' defence company. How should a US defence firm based in Europe be categorised, and conversely is a European defence company which prioritises the US defence market 'European' or 'transatlantic'?

Europeans need to determine whether their defence firms should include components from different parts of the world within the military equipment they build. For example, a number of national officials and experts believe European defence companies should avoid US military components. Notwithstanding current US export control reforms, numerous US components are subject to heavy and time-consum-

ing controls from Washington. As a result, Europeans can find it harder to export their military equipment. Potential customers may conclude that there is little added value in buying European, as the equipment is subject to the same export constraints as if it were bought directly from the US.

But other experts and national authorities believe European defence firms should buy US components. They recognise that at times such a practice might hamper European exports to third countries. But they argue that close military trade ties with Washington facilitate access to its defence market and broader military cooperation. These assets are so valuable that losing exports elsewhere is a price worth paying.

Europeans also need to judge how best to approach offsets and technological transfers when exporting to third countries. Many industrialists and officials are concerned that if Europeans provide too much technological know-how as part of their military export deals, they will create new competitors.

There are experts who argue that these concerns are overstated. Countries in the Middle East and Asia might one day manage to domestically produce equipment which they currently buy from European defence companies. But it is unlikely that this equipment will be able to compete with European products on international markets. Europeans have bought sophisticated equipment from the US for years and have not managed to replicate it, so it is unlikely that countries with less developed defence industrial bases will manage to replicate European equipment. But even the proponents of this argument acknowledge that European defence companies need to maintain high levels of R&D if they are to maintain their technological edge.

The future of remotely piloted aircraft systems

Numerous EU governments and institutions – including the European Commission in its July Communication – believe RPAS are likely to play a central role in the future of military and civilian aerospace. As a result, several EU states have agreed to work together on developing RPAS, and the European Defence Agency and the Commission are also seeking to support the development of European RPAS.

But a number of experts and officials question whether there will be sufficient demand in Europe for unmanned systems to create the economies of scale needed for European RPAS to be competitive. On some assessments, Europeans will need to export their RPAS in order to achieve the required economies of scale. Europeans will also need to ensure that they avoid some of the challenges encountered in the US. For example, the US Air Force has concluded that the U-2 manned spy aircraft is cheaper and more suited to its needs than the Global Hawk which was designed to replace it.

Looking towards December

As the December European Council approaches, some EU officials believe that Heads of State and Government are unlikely to commit to ambitious new initiatives to support Europe's defence industrial base. EU members are conscious of the challenges facing their industries – and the broader challenges facing CSDP. But they remain hamstrung by some of the traditional obstacles to cooperation. Many governments want to protect jobs in their national defence sector. They are also wary of relying on their neighbours for arms export controls and the supply of defence components.

Some of the initiatives discussed in this paper would require only limited additional trust among EU states. They also offer the potential to support jobs. As a result, EU governments should discuss them in December. In particular the Council should consider:

- Requiring ministries of defence to use similar standards when procuring military equipment collaboratively
- Asking the European Commission to provide incentives to industry and governments to facilitate the integration of the EU defence market
- Asking the European Commission to provide legal advice to SMEs about the implications of the 2008-2009 EU directives
- Requesting the European Commission to provide assistance to uncompetitive SMEs to transit out of the defence sector
- Authorising the European Commission to fund research into military capabilities.

MILITARY CAPABILITIES AND INTEROPERABILITY

Anna Barcikowska

Against the backdrop of a complex and rapidly changing geostrategic environment and daunting fiscal constraints, the EU must ensure that it has the requisite capabilities and resources to act decisively as a security provider. To this end, it has to carefully consider what steps are necessary to equip the CSDP with sufficient capabilities – and capabilities of the right type – to carry out its tasks.

More bang for the euro

Europeans are grappling with considerable budgetary challenges that are putting enormous pressure on defence spending – which has already been in decline across Europe for some time, even prior to the financial crisis. Nevertheless, in spite of the gloomy projections, the collective level of defence expenditure among the EU member states is just short of €200 billion (€192.5 billion in 2011). While additional funding for defence is unlikely, Europeans ought to be able to maximise the output of the not inconsiderable sums already invested in defence, by spending the money better and more wisely.

Squeezing as much value as possible from every euro spent on defence would require more coordination of defence planning and better allocation of scarce resources as well as exploring new and innovative approaches to capability development. The recent defence data collected and analysed by the EDA reflects a lopsided distribution of budget cuts among various components of defence spending. A striking illustration of this is the disparity between the amounts allocated to personnel costs and defence investment. While personnel-related expenditure accounted in 2011 for 51.1% (€98.6 billion) of total defence spending, defence investment, comprising equipment procurement and R&D expenditure, saw a decrease of almost 14%, bringing its value down to the lowest level since 2006 (€37.0 billion or 19.2% of total expenditure). At the same time operation and maintenance expenditure – the second largest component – increased by 3.6% and accounted for 23.5% (€45.2 billion) of total defence expenditure. In comparison, in 2011 the United States dedicated 33% of its defence budget to personnel, 31% to operations and maintenance, and 29% to defence investment.

Yet this apparent discrepancy in defence expenditure patterns underscores the potential for spreading reduced resources in a more proportionate and effective manner across different functional categories and for shifting spending priorities towards sustaining military capabilities and improving force structure. As currently only a

fraction of Europe's 1.6 million military personnel is actually deployable (54,000 troops representing 3.5% of the total military personnel were deployed in 2011), member states should consider focusing on smaller but better trained and more expeditionary forces while enhancing the capabilities indispensable to perform missions in distant theatres. Keeping personnel costs in check would also be crucial to creating the necessary headroom for increased investment in new capabilities.

Such prioritisation of more mission and capability-oriented defence spending would help strike a better balance between capability, capacity and readiness – necessary in the light of new fiscal realities and the many threats and uncertainties of the twenty-first century.

Transforming European militaries into flexible and deployable forces backed with enabling capabilities and force multipliers also requires significant investment in defence technology. Yet, in 2011, EU governments spent in total only €7.8 billion on defence R&D (4.0% of defence expenditure), adversely affecting the development of capabilities to counter future threats and challenges. In comparison, for the US these values were, respectively, €53.8 and 10.7%. To mitigate this, the European Council in December should not only insulate defence R&D from further, successive cuts, but also consent to boosting the current levels and promoting multi-annual investment in defence Research & Technology (R&T) through increased cooperation.

The choices made in the defence budgets will greatly affect both short-term and long-term military capabilities. While the specific decisions remain the responsibility of defence ministers and military planners, ultimately the Heads of State and Government play a critical role in counterbalancing overall fiscal pressures on states' budgets and choosing between competing priorities. Therefore, putting defence issues on the agenda of the European Council is an opportunity to seek member states' commitment to stabilise defence budgets across Europe and stop them from sliding further downwards.

Empowering/enabling Pooling & Sharing

Given the political and budgetary constraints with which European capitals have to contend, the pragmatic way to enhance defence capabilities and address existing shortfalls head on is through intensifying cooperative efforts. Pooling and Sharing, launched by the EU defence ministers at their informal meeting in Ghent in 2010 to amplify capability output and further efficiencies, although not an entirely new concept, is part of the solution but has to yet gain traction. Three years into its implementation, it has generated a number of collaborative initiatives in some priority areas like air-to-air refuelling, helicopter training, counter-improvised explosive devices, medical field hospitals, maritime surveillance and satellite communications. However, in order to make Pooling and Sharing a 'default option' and a guiding principle to

govern decision-making when it comes to developing, acquiring and sustaining military capabilities, it needs a clear business case/pragmatic model devising political, economic and operational incentives to obtain greater capability by working more closely together. Member states will be more inclined to opt for more cooperation if the potential efficiencies are prominently displayed and if they can be convinced that this will ultimately enable them to augment their capabilities and ensure increased availability and access to pooled and shared assets for any operational requirements – be it within the EU, NATO or a coalition of the willing framework.

The European Air Transport Command (EATC), based in the Netherlands and directing the use of most military fixed-wing air transport assets owned by Belgium, France, Germany, Luxembourg and the Netherlands (soon to be joined by Spain and Italy), could serve as an excellent example of a successful 'best practice' model for Pooling and Sharing. Providing for a more efficient use of air transport capacities such as strategic airlift and air-to-air refuelling placed under one operational control, it shows that multinational cooperation can generate a flexible and inclusive partnership that facilitates cost-effective employment of capabilities and better management of scarce resources.

Furthermore, the EATC model demonstrates that transfer of some degree of sovereignty to multinational command structure is a viable option and that autonomy concerns, often responsible for holding back the implementation of collaborative projects, can be successfully overcome. While the sovereignty predicament still permeates the political debate on defence integration, its logic is becoming less compelling as the assumption that every nation can afford to maintain the full spectrum of military capabilities is no longer realistic. Smart Pooling & Sharing models can offset perceived loss of sovereignty by generating more cost-effective solutions, increasing interdependence and improving interoperability in conjunction with partners. Member states might be more willing to develop through cooperation competitive advantages in defence areas where it is economically and operationally beneficial, even at the cost of relinquishing some autonomy across the defence capability board.

However, balancing sensitive sovereignty issues will also require fostering mutual confidence and trust, essential if member states are to rely even more on systematic cooperation – and each other – for defence capabilities and assets as well as support activities, including logistics and training. To this end, member states must commit to greater transparency and information sharing, especially with regard to national defence planning and decision-making processes, potential budget cuts, national defence strategies, national defence acquisition plans and future planning for key capabilities. Improved transparency and regular exchange of information would also allow better understanding of the impact of further budget reductions on European capabilities and inform development of more affordable options through Pooling & Sharing. Furthermore, it would provide a more accurate picture of the capability landscape in Europe, not only in terms of the main deficiencies and redundancies that are

fairly well-known, but also indicating the potential for role, mission and geographic specialisation as well as clusters at the bilateral, regional and functional levels.

If better coordination and some convergence of defence plans between member states is not directly addressed, substantial capability gaps and capability duplications will continue to persist in the future, making it difficult for the EU to collectively field military capabilities.

The EDA Code of Conduct on Pooling and Sharing endorsed by defence ministers in November 2012 aims at encouraging member states to systematically consider co-operation from the outset in their national defence planning for the whole life-cycle of a capability, including cooperation in R&T. The Code's stipulations could considerably minimise the number of variants of the same equipment, advance potential savings, improve interoperability, rationalise demand, support joint use of existing capabilities to optimise available resources, promote cooperative development of capabilities and facilitate operational deployment.

Yet the voluntary, non-binding character of the Code can limit its prospective leverage. Thus, to take it a step further, the Heads of State and Government should formally underwrite the principles set out last year and translate them into national practice. Their successful implementation will be key to facilitating transformation from often disparate national perspectives to a more coordinated European approach. Changing national culture/defence capability planning mindsets top-down to foster embedding collaborative solutions early on – and developing appropriate incentives to do so – will help ensure that exclusively unilateral moves do not rein in resources necessary to make significant capability improvements.

Without a fundamental shift in defence planning and decision-making processes in capitals, Europe's efforts to develop and deliver credible defence capabilities will be unlikely to add up to more, rather than less, than the sum of individual and uncoordinated ones. Consequently, the European Council should undertake to set up a strategic Defence Roadmap for systematic and long-term defence cooperation, outlining specific targets and timelines as well as a 'European defence reporting initiative' to synchronise budget planning cycles and put in place convergence benchmarks.

Another sensible and long-advocated proposal, albeit one that faces multiple hurdles, is the rationalisation of demand, which while reducing the number of variants within collaborative programmes, can serve as a catalyst for the interoperability of European forces, and thus help generate significant savings. A greater push for common, harmonised requirements is vital to identify and capitalise on opportunities for multinational collaboration.

The member states already have an important instrument at their disposal to drive European defence cooperation forward. The EDA, established nearly ten years ago to

strengthen Europe's defence capabilities, can also be used as a valuable platform to help eliminate waste and duplication, thus freeing up resources for collaborative research and development, procurement, and improving overall interoperability. Heads of State and Government should more effectively harness the tools it has to offer and equip it with adequate resources to bolster its potential to create an enhanced and more interdependent set of military capabilities to meet Europe's current and future defence needs.

Focus on capability enablers

Although enhancement of Europe's defence capabilities has been identified as a priority on a number of occasions, including in the Council Declaration on Strengthening Capabilities endorsed in December 2008, progress has been rather sluggish, uneven and largely based on *ad hoc* initiatives.

Without a more systematic and long-term European approach to capability development, costly and unnecessary duplication persists while critical capability shortfalls – many of which have been acutely apparent since the 1990s – remain unaddressed. The chronic inability to act decisively to alleviate recurrent capability gaps has its roots not only in the lack of financial resources and commitment to concrete proposals but also in complacency due, in part, to the knowledge that European partners could always rely on the United States to do the heavy lifting in operations. In Libya, the United States provided 75% of the Intelligence, Surveillance and Reconnaissance (ISR) data to implement the arms embargo and protect the civilians as well as nearly 80% of the airborne tankers to keep the fighter jets aloft. However, the Americans have signalled that Europeans cannot continue to contribute only a fraction of what they should be capable of contributing. Moreover, the US Asia-Pacific 'pivot' dramatically changes the strategic context and should also act as a spur for Europe to assume a greater responsibility for its own security.

To remain a viable military partner, Europe has to focus on investing in high-end assets vital for operations. Developing and fielding the key enabling military capabilities such as air-to-air refuelling, Intelligence Surveillance and Reconnaissance, and Satellite Communications (the so called 'flagship projects') as well as identifying major enablers in the maritime and land domains will require firm commitment to concrete projects and agreeing on specific roadmaps ensuring their implementation. The Heads of State and Government should lend greater impetus to existing efforts and provide essential drive and energy to develop them further and ensure their effective implementation.

The summit should also aim at identifying, for each capability enabler, a lead nation and/or a cluster of member states that have a comparative advantage and the incentives to take on more prominent leading and supporting roles in driving the flagship

projects forward and assuring that they succeed. At the end of the day, the nations, must 'own' these initiatives, however crucial the institutions may be as the catalysts. The air-to-air refuelling (AAR) initiative coordinated by the EDA and supported by seven member states exemplifies how a complex endeavour aiming at increasing the overall AAR capacity, reducing fragmentation of the fleet, and optimising the use of available assets, including A400M fleet AAR capability, can indeed work when made a matter of priority.

Furthermore, Heads of State and Government should give their strong backing to the 'Pioneer Projects' that have been have been promoted by the EDA to enhance capabilities that have both military and civil applications. Such projects as Remotely Piloted Aircraft Systems (RPAS) and cyber defence not only constitute a key capability for the future but are also designed to harness synergies in the military and civil domains, maximise dual-use technologies and generate economies of scale. Moreover, projects advancing capabilities that also have civil applications in such areas as border control and management, key infrastructure, disaster, environment and agriculture and that are critical for the security of EU citizens can help prove to the European taxpayers/wider public that investing in defence matters. The Pioneer Projects also offer an opportunity for cooperation with the European Commission and open access to its funding. However member states remain rather wary of extending more prerogatives regarding defence issues to the Commission.

In addition to addressing the identified shortfalls and developing specific roadmaps to do so, member states should engage in a reflection on major enabling capabilities needed in the long term.

Heads of State and Government might also consider launching a European Defence Review to undertake a common assessment needed to establish targets for future capabilities, rationalise procurement and to further consolidate the European defence technological and industrial base.

Finally, the European Council must reiterate the importance of a strong relationship between the EU and NATO, with both organisations playing a complementary and mutually reinforcing role in supporting international security. Bearing in mind that EU member states who are also NATO allies have one set of forces and capabilities, the Heads of State and Government should endeavour to take concrete steps to improve coordination and practical cooperation, and in particular encourage the European nations to work together to address prioritised capability shortfalls to meet common EU and NATO requirements. In the light of new fiscal realities and the many threats and complexities that characterise today's security landscape, working more in partnership to deliver Europe's capability needs, coordinating capability development and avoiding duplication, *inter alia* by ensuring that the EU's Pooling and Sharing and NATO's Smart Defence initiatives do not overlap, is an imperative necessity, not just an appealing notion.

Looking towards December

The European Council provides an opportunity to clearly articulate concrete steps to underpin the CSDP with robust and readily available military capabilities. It must also set out a clear vision and agenda for the future that will help member states focus on common priorities and will provide an incentive for long-term defence cooperation.

Placing defence issues at the top of member states' budgetary and policy priorities and mainstreaming cooperative efforts to acquire greater capabilities at lesser costs than by 'going it alone' is vital to make sure that the sobering present picture of defence investment across Europe will not become hopelessly bleak in the future.

Nevertheless, political will is as critical to ensuring adequate and credible defence capabilities as is availability of resources. This includes the will to collaborate across national boundaries, resist pressures to transfer too many resources out of the defence sector, and reallocating them more efficiently within defence budgets. Political will is also crucial to reinvigorate the EU's military rapid response capability and improve the effective employment of EU Battlegroups and their operational relevance, which can play an important role in reinforcing the interoperability between member states' armed forces.

If substantive progress is to be achieved, the implementation of summit declarations will also require a robust follow-up mechanism complete with detailed targets and timelines, as well as the sustained leadership of Heads of State and Government, military leaders and EU institutions, including reinforcing the European Defence Agency, as well as better coordination with NATO.

Its outcome will not only be vital to minimise the impact of defence cuts amid the financial crisis, but to guide a renewed impetus to invest in defence when Europe emerges from the current period of austerity capable of fulfilling its potential as a 'go-to partner' for global challenges, not just a spectator. This can only result from a strong political message coming from the summit.

MISSIONS

Eva Gross

Since 2003 the EU has deployed an increasing number of CSDP missions and operations. Against the backdrop of efforts to identify EU interests and to develop a more strategic approach to ensuring the security of EU citizens, a decade of mission experience offers lessons for the design and conduct of future CSDP missions and operations – and for their impact on conflict areas. The current CSDP stocktaking exercise – both in terms of tasks undertaken as well as geographic reach – comes at a time of shifting security threats. It also comes at a time of changing member state commitments to CSDP and security and defence more broadly. The run-up to the December Council, which has sparked discussion of the role and added value of CSDP missions in the broader EU toolbox, calls for reflection on two themes in particular: Europe's current and changing security environment and its implications for CSDP; and lessons from the past decade of CSDP that can be usefully applied to potential future missions and operations.

A security environment in flux

An assessment of the place and design of possible future CSDP missions should start with some considerations of the strategic context in which European forces are bound to operate – and where they might do so under an EU flag. As the October 2013 Final Report by the High Representative/Head of the EDA on the CSDP states, 'Europe's strategic environment today is marked by increased regional and global volatility, emerging security challenges, the US rebalancing towards the Asia-Pacific and the impact of the financial crisis'. Beyond this strategic reorientation, the increasing unwillingness of the US to engage militarily abroad in pursuit of collective interests indicates that Europeans will not only have to do more to preserve security and stability, but that they may also have to do so alone. The interventions in Libya and Mali, but also the recent non-intervention in Syria, point towards a broader trend.

In terms of geostrategic trends and Europe's concern with systemic stability, not least to preserve its sizeable trade interests, East Asian security stands out. But this is a geographic area where the EU is unlikely to play a military or what might resemble a 'traditional' great power role – or, indeed, a role through its CSDP. Instead, the EU is more likely to engage through CFSP and in regional initiatives through ASEAN. Similarly, the Gulf and the Middle East represents a second area of potential instability, but one that is in military terms more likely to involve individual member states, above all Britain and France, than the EU CSDP proper.

In purely geographic terms, then, the EU is more likely to deploy CSDP missions in its own neighbourhood – although this category is somewhat fluid as the geographical range of CSDP has come to include the neighbours' neighbours – rather than globally; and engage in rule-of-law, capacity-building and training missions rather than large-scale deterrence operations. In the future CSDP can be expected to engage in European Neighbourhood Policy (ENP) countries, and continue to deploy in the Sahel and the Horn of Africa.

In functional terms, the future is likely to require new types of crisis management missions that address complex and hybrid threats and that work closely with or interlink with other policies aimed at providing security as well as development. This could call for several types of operations: those that predominately involve partnerships and perhaps use of proxies, those that potentially take place in non-traditional, urban environments (or densely populated areas), and those that combine long-term and short-term elements. There can be expected to be an increasingly strong link, if not overlap, between development and CSDP activities.

The added value of CSDP: what tasks can the EU fulfil?

CSDP capabilities, including and most importantly civilian and military personnel, are owned by EU member states. European capitals have a choice with regard to under which institutional framework they deploy these capacities. This makes an engagement with the added value of CSDP, also against the backdrop of mission experience to date, important. In a context of diminishing budgets and financial expenditures, the debate over added value will undoubtedly gain traction. This added value has to be made clear, both in comparison to other potential institutional formats and in terms of the scope and purpose of any given CSDP mission or operation itself.

The past decade has shown that EU activity depends on timing and circumstances, and that both impact on political and strategic decisions taken by member states regarding CSDP deployments. To date, the EU has deployed where others have not been capable or willing, or where a flexible and rapid response was necessary that only the EU could deliver. This was the case with the EU's intervention in Georgia in 2008, but also with the 2005 EU mission in Aceh, Indonesia. Finally, the EU has provided added value through assuming bridging functions for the UN, and through EU-UN and EU-AU cooperation has placed itself at the vanguard when it comes to inter-organisational partnerships.

In order to further highlight its added value, the EU should take greater care in communicating what it is that individual CSDP missions are trying to achieve. In the Democratic Republic of the Congo (DRC), for instance, CSDP missions have provided a small element to a larger contribution by another organisation: the UN. This holds a broader lesson for the way EU contributions should be evaluated but also

communicated: after all, future EU engagement in large-scale Security Sector Reform (SSR) operations is unlikely, but will rather focus on smaller and targeted contributions.

At the same time, critics of CSDP have alleged that missions were deployed in an *ad hoc* and reactive manner, in crises that matched EU instruments rather than the other way around – and in response to international requests for this 'new' instrument rather than out of a broader strategic rationale. Furthermore, missions and operations were largely conducted in a permissive environment. The recent first CSDP casualty in EULEX Kosovo, but also security conditions in the Horn of Africa where the EU has deployed its latest mission, show that even seemingly 'permissive' environments pose dangers of loss of life – and that 'permissive' may no longer serve as a criterion for engagement or non-engagement.

Still, the shifting and complex environment poses the question of the level of ambition and what EU forces should be able to accomplish. This applies in particular to military and to a lesser extent to civilian instruments. Looking back on the CSDP military operations launched, a departure towards capacity building can be observed, and the question of whether decisions to launch operations like Artemis and EUFOR TCHAD would be taken again is worth asking. Furthermore, the long interval between the launch of the EU´s anti-piracy naval operation EU NAVFOR – Operation Atalanta in 2008 and the launch of CSDP missions in the Sahel (EUCAP SAHEL Niger), South Sudan (EUAVSEC South Sudan) and the Horn of Africa (EUCAP Nestor) in 2012 suggested soul-searching as much as a lack of willingness on the part of member states to deploy CSDP tools.

Despite these criticisms, and in view of CSDP accomplishments, the EU and its member states ought to continue to set high expectations for CSDP – even if not all them will be fulfilled, at least not in the short-term – and push the policy forward. The stated objectives of CSDP are and should remain ambitious, including Headline Goals/Battlegroups as well as non-traditional security objectives, including cyber and energy security.

Mission planning, conduct – and exit

The past ten years also hold important lessons, for the operational success – or, less grandly stated, result – of missions. This relates to mission tasks and mandates, but also mission design and conduct. While this debate focuses largely on technical and operational aspects, the question of political will and commitment for missions (ranging from member states´ commitment to staffing missions and providing political support for mission objectives) remains: there is little point in using the EU flag otherwise. Making missions better (and reinforcing the added value of CSDP) involves investing in realistic expectations with decision-makers, and alignment or

attention to national dynamics with a European agenda. Beyond the link between Brussels and the EU member states, however, mission experience also highlights the importance of improving the interplay between Brussels and the field in conceptualising and conducting missions.

One lesson revolves around advance planning, scenarios, and improved knowledge of conflict drivers but also local capacities. CSDP missions have in the past decade engaged in settings where host state capacities were not always able to absorb or implement EU training. Mission experience has thus shown that more efforts must be made to understand conflict drivers and to gain familiarity with a particular setting before launching a mission. Such an approach takes time, however. This indicates that more care has to be taken in the planning phase to acquire this in-depth knowledge through fact-finding missions and coordination among EU actors in Brussels and the field for the sharing of information.

While the majority of CSDP missions have been civilian missions and discussion naturally tends to focus on those, it is important to highlight also that the military should be brought in as early as possible when it comes to planning crisis response. Before delegating to others it is worth recognising that the EU has the in-house capacity to take on most crisis situations – and that to bring in external capabilities adds to the challenge or difficulty. The revised Crisis Management Procedures can play an important part here, as they should enable the EU to draw on relevant instruments in a coordinated manner but also monitor particular crisis areas or situations of fragility that then facilitate a coordinated approach.

Mission mandates should reflect EU operational aims and capacities but also an understanding of what is possible in a given context. This applies to military operations as well as civilian missions – although in the civilian case, complex tasks such as reforming a country's 'rule of law' engender not only challenges of definition but also decisions as to the particular aspects of rule of law a CSDP mission should tackle, and generally where priorities ought to be set.

Such considerations should inform decisions as to the scope and size of missions, and would ideally lead to more imaginative mandates. This requires the articulation of what aspect of rule of law, or in the case of policing what model of policing, the EU would like to achieve. This in turn should then feed into the sort of training and capacity-building exercises that CSDP is willing to undertake. In this respect there is also a need for more coherence in missions when it comes to experts deployed and the training they receive. This is especially the case for civilian missions, which cannot rely on the same sort of staffing process as the military, which receives regular training and is constantly ready to be deployed, but can interact in complex institutional and political settings.

Before the launch of a mission an envisaged end-state should also be conceptualised. This would improve not just mission design and effectiveness but also ensure that CSDP mission work is adequately followed up during the exit and transition to other instruments, as is currently under debate in for example EUJUST LEX Iraq. Finally, the buy-in of the host country is paramount, and essentially a political process: this reinforces the sense that the EU´s political and diplomatic capacity needs to come into play during the planning and conduct of missions and operations – especially when it comes to the transition from CSDP to other EU instruments.

CSDP as part of the broader EU toolbox

The connection between political and operational engagement in the conduct but also in advance planning (and exit) raises the connection between CSDP missions and operations and the broader EU toolbox. The EU has an in-house capacity to respond to crises through civilian and military means, and this is something that other organisations lack. This needs to be recognised but also operationalised more effectively, including an emphasis on civil-military coordination and cooperation to ensure the integration of objectives and instruments.

Making missions, and as a result EU action, more effective requires breaking down the 'silos' between EU instruments. Staffing and concepts differ between military and civilian missions, and while large differences between organisational cultures remain (and are inherent in the different tasks and capacities that each undertakes), civilians could learn from the military. Improving the EU's comprehensive approach and breaking down the policy silos also applies to security and development. This could also be facilitated through staff exchanges between DG DevCo and CSDP.

More thought should at times be given to CSDP's added value and its connection with other EU instruments. CSDP performs tasks that EEAS or European Commission instruments can also accomplish and, indeed, CSDP now often undertakes tasks that were not yet foreseen in 2004/05, i.e. civilian capacity-building and assistance in reforms. This parallelism means that it does not have to be CSDP that undertakes such reform but Commission instruments. In fact, improving understanding of the conflict drivers and local capacities could also lead to the realisation that a 'security fix' is not always what is necessary in a particular context – and this would help in deciding which exact CSDP instruments should be applied in a given situation.

CSDP lends visibility to EU efforts, and a sense of ownership of member states – although this means that there is a potential contradiction between conceptualising CSDP as part of the EU toolbox in pursuit of a comprehensive approach and CSDP as representing a political signal on the part of member states highlighting the importance of their engagement.

Working with partners

Working with partners, in particular the UN and AU where institutionalised cooperation is ongoing, but also with third states that contribute to CSDP missions, remains and should remain an objective for CSDP. Finally, partnership could be used more loosely as a term and refer to complementarity, where the EU takes on tasks that others cannot, or acts alongside partners but without formal coordination mechanisms – thereby feeding back to discussions about the EU's added value in international security. From a political perspective partnerships can be an important tool, as they send a strong signal towards third countries, as the partnerships and participation in CSDP missions and operations of Turkey and the US in Kosovo demonstrate, for instance.

More thought should go into the conditions under which we partner, what analysis regarding conflict drivers and end-states we share, and what coordination mechanisms are in place. This is to avoid duplication – but also takes into account the fact that the EU is not necessarily, indeed is only rarely, in the lead.

It should be stressed, however, that partnerships work best and are most effective for achieving results on the ground, if conflict analysis and approach towards a particular area is shared between the EU and its partners. If this is not the case, working with others – even though it fulfils a stated objective of the EU – replicates the divisions and contradictions that have plagued missions and EU instruments to date. More should be done, therefore, to share information and work on joint conflict analysis and the formulation of responses to particular conflicts with EU partners. An additional important aspect is getting appropriate staff from partner countries or organisations to contribute to CSDP missions.

The need for a narrative

Over the past decade the EU CSDP has broken new ground in many respects. The range and scope of CSDP activities have constantly evolved to now include maritime surveillance and a push for joined-up operations, but also engagement in a new security context. Importantly, missions' regional impact through the adoption of regional strategies has also come under attention.

At the same time, following the early years of CSDP (2003-2008) where the EU launched 27 missions, the years 2008-2012 marked a hiatus before new missions were launched in 2012 and 2013. This suggests that a recalibration of this particular instrument in terms of its tasks, its fit within the EU comprehensive approach but also the two new regional strategies, has taken place – including a shift in the level of ambition but also the commitment of member states to CSDP.

Looking to the future, this shift calls for reflection on what strategic aims the EU intends to pursue through its CSDP. Providing a narrative of what CSDP is for could help calibrate more fundamental questions over future EU priorities in its external security policy. Priorities can be geographic/local, relate to the urgency of a challenge, or centre on likely impact/opportunity.

One question to ask is whether the EU should set geographic priorities or whether its reach by definition should be global – despite the fact that the current climate of austerity and the European Security Strategy (ESS) point towards a prioritisation of the neighbourhood.

A second question concerns whether the EU should put more emphasis on values or interests. Interests sometimes, but not always, overlap with the EU's geographical neighbourhood. International law, multilateralism and stable democracies as well as human rights are value-based policies that also reflect EU interests.

Beyond a changing geopolitical landscape where the US is going to be less actively involved in European security, there is also the looming threat of weak governance and failing states that requires a careful and often long-term approach to security. This means that the EU might be required to pursue interests more vigorously in the future – but this calls for a more precise definition of what those are, and how CSDP can help protect those interests. While the December Council cannot and should not be expected to solve the question of European strategy, it could start by providing a narrative for CSDP and invigorate the policy by answering the question of 'why CSDP?'

INSTITUTIONS

Rosa Balfour

The entry into force of the Lisbon Treaty has had far-reaching implications for the EU's foreign and security policy. The transition of the past few years towards implementing the provisions of the treaty in this domain calls for an assessment of the degree to which the current institutional structures and set-ups are conducive to a more effective CSDP.

The EEAS and beyond

The creation of the European External Action Service (EEAS) in 2010 offered the opportunity to bring under the same roof the diverse policies, tools, staff and working cultures from the various EU institutions and member states dealing with or engaged in CSDP. Stabilising the new system has been a herculean task, especially during the first months of the EEAS's existence. But the complexity of the CFSP and CSDP field remains. An analysis of the effectiveness of the current institutional architecture supporting CSDP is a necessary first step to assess present achievements, ongoing constraints and problems, and to seek how to address such constraints and identify avenues for improvement.

The areas of investigation should not be limited to CSDP proper. The various non-geographical units in the EEAS dealing with security cover a broad array of fields, encompassing both military and civilian operations, intelligence, conflict prevention, peace mediation, non-proliferation, sanctions, cybersecurity as well as all logistical aspects and ancillary activities such as communication. In view of the conceptual and practical development of a 'comprehensive approach', and in the light of recent CSDP missions – less military and more targeted towards addressing circumscribed situations rather than large-scale interventions – a broader approach to understanding the institutional resources mobilised for CSDP is required.

Given the likely future development of CSDP missions, addressing non-traditional security threats which transcend state boundaries and the traditional division between internal and external policies, are the EU's institutional structures sufficiently equipped and flexible to carry out appropriate CSDP+ interventions? What good – and for that matter bad – practices can provide lessons for the future? In particular, efforts to implement a comprehensive approach should be examined from the institutional perspective. In this context, the instruments and funding for CSDP also need to be examined, especially considering the limited resources at the disposal of the EEAS to support rapid external action.

In a longer term perspective, examining the involvement of a multiplicity of actors, such as international organisations, states and non-state actors, can also generate ideas for the future development of CSDP. Which actors are important in the context of CSDP? How do they relate to each other?

The key arguments here, in a nutshell, are that there have been improvements in the institutional set-up which have the potential to enhance and give added value to the EU and its distinctive role as a foreign policy actor. But there are other areas in which the transition has shown far less satisfactory outcomes so far. Whether the glass is half-full or half-empty is essentially a matter of opinion. Open questions remain regarding the strategy and overriding aim of the EU's external action: what purpose are CSDP institutions supposed to serve?

In this contribution, three main issues are addressed. The first concerns the external role of the EU, how it interacts with the rest of the world, how it operates in third countries, the financial support this external network receives and the mechanisms governing it, and what could be improved to make CSDP more effective. The second relates to the institutional structures in Brussels governing not just CSDP and CSFP, but foreign policy understood more broadly. This implies examining the relationship between CSDP and CSFP structures, as well as between the Commission and the Council of the EU, where relevant. Here, the political relations between structures and individuals are key to understanding the functioning of the institutions. Finally, the challenge of developing strategic approaches and formulating a more general sense of purpose for the EU's external action needs to be explored.

The EU in the world

One of the most successful results of the Lisbon Treaty's foreign policy innovations can be seen in the EU delegations, which have been upgraded in legal and political terms, representing the Union abroad and coordinating the positions of the member states represented in third countries (and partially in multilateral organisations). The status of the delegations has thus been strengthened both internally and externally. However, further improvements could be enacted in this regard. In the field of CSDP, it is vital that cooperation between the CSDP mission, the EU delegation, and the EU Special Representatives (EUSRs), where relevant, is significantly enhanced, both on the ground, in terms of horizontal coordination, and with respect to communication between Headquarters in Brussels and the representatives and structures on the ground. Reporting lines are still missing, as are incentives and mechanisms to ensure basic coordination, let alone cooperation between the different parts of the institutional system. A different level and quality of cooperation would be necessary in order to implement the 'comprehensive approach' on the ground.

This fragmentation of intervention mechanisms is mirrored in the perceptions external partners have of EU action. The EU and the EEAS under its current leadership consider cooperation with external partners a key component of international action. As a consequence, the EU has stepped up its diplomacy with actors such as the African Union (which it also supports financially), the Arab League, and so on. These actors are often seen also as implementers of commonly agreed objectives, such as peacekeeping or training missions in parts of Africa, activities often funded by the EU, which *de facto* applies a 'principle of subsidiarity' to certain forms of external action. Yet these actors express confusion about their interlocutors both locally and in the EU: they are unclear about the division of labour between EU actors on the ground, as well as the 'chain of command' between CSDP missions and structures, and the relation between the mission and political and diplomatic activity more broadly.

One example that highlights the need to improve linkages and cooperation in analysis of the situation on the ground, deployment, and long-term commitment can be found in the question of 'exit strategies' for CSDP missions. While crisis response structures have been improved since the launch of the EEAS, there still remain challenges in the sequencing of EU external action. One particular issue concerns the phasing out of CSDP missions in third countries – so-called 'exit strategies' – and the phasing in of broader external assistance programmes and projects. Not only are there conceptual gaps regarding objectives, with a need to focus more strongly on conflict-sensitive programming, but the link between the crisis phase and the longer-term planning is haphazard, to say the least. This issue has also been raised in the High Representative's report on CSDP.

Currently, there is chronically little coordination between crisis management and peacebuilding, often entailing high costs for member states when continued support for CSDP missions becomes necessary to compensate for delays in phasing in post-crisis programmes. The dysfunctionalities are analytical (understanding the needs on the ground) institutional (requiring cooperation between different actors across the institutional spectrum, in Brussels and on the ground), and instrumental (revealing a key need to make financial instruments appropriate to the external environment in which they are supposed to operate and tailored to the comprehensive approach).

In this regard, two questions merit serious consideration by the EU institutions and the member states: (i) how to make better use of the CFSP budget, and (ii) how to enhance and complement it with funding channelled by the Commission.

The second example concerns the role of the EU Special Representatives (EUSRs) and their degree of integration in the EU's institutional structures. This has been a long-standing issue since the creation of the EEAS. Special Representatives are only loosely connected to the EEAS, and report back directly to the member states through the Political and Security Committee (PSC). EUSRs have been appointed mostly to

deal with specific conflict zones. Their role can be important as they are able to conduct shuttle diplomacy, connect with a wide variety of actors in third countries and conflicts (at times below the radar screens), and have more freedom of manoeuvre than traditional high-level officials. Since the creation of the EEAS some EUSR positions have been absorbed into the tasks and mandates of Heads of Delegations, but this has not proved possible in all cases, especially where conflict is transnational and the Head of Delegation's authority does not extend to the parties in conflict beyond that of his/her delegation, as in the cases of the EUSR for the Middle East or for the Southern Caucasus.

The bone of contention concerns the relationship between the EUSR and the EEAS, an issue which was underlined by the HR/VP herself in her report on the EEAS review of July 2013. The complaints cut both ways. Insufficient information about the activities of the EUSRs hampers communication between the various parts of the institutional system and lack of clarity about the reporting line above and below the EUSRs makes relations within the EEAS difficult. On the other hand, insufficient support by the institutions to the work of the EUSRs, which at times is sensitive and relies on relationships on the ground and personal traction, can undermine the EUSRs' leverage and credibility *vis-à-vis* partners and interlocutors in third countries.

The institutions underpinning CSDP

The Lisbon Treaty initiated a transition period for the EU institutions underpinning CFSP and CSDP whose impact on foreign policymaking should not be underestimated. The treaty brought the various structures dealing with crisis management and CSDP under the same roof: all are now under the umbrella of the EEAS. However, it did not transfer all external relations competences from the Commission to the EEAS nor did it diminish the role of the member states, even if its prime foreign policy decision-making body, the Political and Security Committee (PSC), is now integrated into the EEAS and has its own permanent chairperson. In terms of CSDP the key relationships that have emerged in the post-Lisbon institutional landscape are therefore those between the EEAS and the Commission and the EEAS and the member states.

In the absence of joined-up structures, coordination and cooperation with the Commission is happening on an *ad hoc* basis and, if and when it occurs, it relies on the goodwill of individuals capable and willing to work together. The new system has not created incentives for joined-up work and this has undermined performance. In the absence of further institutional reform, ways forward to enhance cooperation between the institutions include working in teams, creating networks, and stimulating common working cultures. Without these efforts, there are risks that the EU may not be able to fulfil its unique role as a conflict preventor/crisis manager/peacebuilder.

These tasks require greater commitment to and investment in conflict analysis, planning and deployment. Examples exist, such as the early warning centres for the Sahel. But on the whole CSDP is insufficiently involved in analysing emerging threats. The new crisis platforms also provide other means to improve joined-up work. Planning the phasing-out period also requires coordination and cooperation, especially between the CSDP/EEAS structures and the Commission, as illustrated above.

The challenge of cooperation should not be underestimated. Even within the EEAS there is much scope for improving civil-military relations, in a context where different working cultures have struggled to co-exist, as well as relations between the crisis management structures and the geographical desks. While moving the security, conflict prevention and crisis management structures out of the broader unit dealing with 'global issues' is seen as an improvement, the internal workings of the new arrangements still require some fine-tuning.

This is all the more important for two reasons. Firstly joined-up work, cooperation between the different parts of the system, and more synergy is the only way to operationalise the EU's distinctive assets and toolbox, thus optimising the EU as a unique actor, not just one among many. Indeed, this internal cooperation also provides the rationale for external cooperation: avoiding duplication, providing added value, cooperating with partners. Secondly, without clarity on the EU's added value, member states may disinvest (or continue not to invest, as the case may be) in the EU's assets for global action. Some member states, hitherto committed to CSDP, are questioning the degree to which the current structures correspond to their understanding of crisis management and their own national priorities.

The comprehensive approach is expected to incorporate these objectives of greater synergy and cooperation between the components within the EEAS, between the institutions, and between the EEAS and the member states. What the transition has shown is that inter-institutional coordination is not a matter for institutional structures only, but is deeply embedded in politics and in working cultures.

CSDP – at whose service?

The question of strategy is, to use a rather simple metaphor, a chicken-and egg-matter. Some may argue that the institutions in Brussels and structures on the ground can be put in place only when a strategy has been clearly identified. In other words, the structures ought to be designed with a prior purpose. In particular, the debate about EU institutions should not be self-referential but should take fully into account the aims, means and priorities of the EU.

There is much divergence regarding the purpose of EU global action. The existing bases can be found in Article 21 on the aims of EU foreign policy, Articles 26 and 28

on the member states setting the guidelines for foreign and security policy and for possible interventions, Article 42 on CSDP being an integral part of CFSP, and the Council Decision of 26 July 2010 on the EEAS. Taken together, these do form a strategy stating aims and priorities, driving forces, and tools for foreign policy.

But deeper differences are reflected in the current broader debate over the need (or otherwise) to revise the European Security Strategy and produce a new European global strategy. The questions do not revolve just around the substance of such a strategy and tools for implementation, but also around its drivers. This brings the discussion back to the complex dynamics of EU foreign policy, in other words, what EU actors – be they member states, institutions, or a combination of them – can drive a revitalised European foreign policy.

Beyond the more abstract dimension of the debate on whether the EU needs a global strategy, there are a number of more pragmatic areas where the lack of clear objectives risks undermining CSDP. CSDP missions, for example, need to be based on a framework analysis – building upon prior early warning analyses and conflict analysis – of what interventions other actors are carrying out in the specific context, what EU efforts are already deployed, and what added value the mission could bring. This would require a common political framework, encompassing the actors within the institutions and the member states, but also a clear vision of how such a CSDP mission reflects and is commensurate with the EU's global aims and vision.

III. POLITICAL AND STRATEGIC ASPECTS

PRESSURES AND CONSTRAINTS

Anand Menon[*]

The European Council meeting of December 2013 has become the focus of much excited attention. For many, the discussions on defence that will be held represent a unique opportunity for Europeans to equip themselves to confront the security challenges generated by an increasingly volatile international system. Even those apparently most sceptical about the EU's CSDP seem to concede that Europeans need to do more together in order to be able to act effectively at all. As the British government acknowledges (see William Wallace's contribution to this volume), the 'need for Europeans to work together to improve their defence capabilities has never been stronger or more compelling'. Yet, hopes of progress are mingled with fear of another failure. CSDP, after all, has experienced many false dawns. As Jan Techau has put it, CSDP watchers are approaching the summit with a mixture of 'high hopes and dampened expectations.'

This apparent paradox is best understood as reflecting the tension at the heart of CSDP which constitutes the focus of this chapter. There are, of course, good reasons why European states should collaborate more intensively if they wish to preserve their ability to deploy military force effectively. At the same time, equally strong constraints militate against them doing so. The short-term constraints on effective European action in this area are every bit as significant as the incentives to act.

Consequently, it is unrealistic to expect the summit to achieve the kind of qualitative leap forward for which some hope (and for which it is easy to see a need). Indeed, it is probably too much to hope for much in the way of practical action at all. At the very minimum, though, Heads of State and Government need to take a first step towards a collective recognition of both the need for effective European military capabilities and the centrality of collaboration in order to acquire them. The summit will have achieved something if it puts in place a long-term mechanism for collective analysis of the world Europeans inhabit, and the means they will need to acquire in order to defend their interests within it.

European security in a changing world

Europeans live in an unstable world in which they confront, in the words of the High Representative's recent report on CSDP, 'increased volatility, complexity and uncertainty.' While Europe is no longer confronted with the kind of clear, existential threat that characterised the Cold War, unrest in North Africa and the Middle East, and the danger of tensions within and among its Eastern neighbours, underline the fact that potential security threats still exist in its near abroad.

Moreover, as a trading power, Europe depends crucially on the maintenance of broader international security. European trade is global, with Asia accounting for 28% of it, as opposed to the 25% of European trade constituted by the United States. In 2010, trade with China rose markedly, while ASEAN became the EU's third largest trading partner, just behind China and US. Consequently, continued prosperity depends crucially on the maintenance of trade routes. Open sea-lanes represent a particular priority, as 90% of European trade is transported by sea.

There is no shortage, then, of challenges short of direct territorial threats that might crucially affect European interests. And the need for Europeans themselves to be able to handle at least those emanating from their immediate neighbourhood has been made more pressing by the unwillingness of the United States to act as their protector of last resort.

Certainly, as Lawrence Freedman points out, the Atlantic Alliance remains the crucial foundation of Western deterrence. Given residual threats, particularly unpredictable Russian behaviour that continues to provoke anxiety among the EU's easternmost states, NATO remains a necessary guarantee of an American commitment to the territorial integrity of its member states.

Yet, equally, Freedman's analysis (notwithstanding his caveat concerning the unpredictability of 'events') is perhaps somewhat complacent. In particular, it possibly exaggerates the ability of the Atlantic Alliance – for which we can read the willingness of the United States – to provide security for European states against anything other than direct threats to their territorial integrity.

Thus, if Europe genuinely wants to protect its interests both at home and abroad, it needs to be able to act alone. More specifically, and as numerous commentators have argued, Europe needs to be in a position to take – or at least share – responsibility (including via military intervention if necessary) for its broader neighbourhood, for the maintenance of global trade routes, and for the collective security system of the United Nations.

The limitations of national defence

Crucially, no individual member state can, acting alone, confront these myriad challenges. Consequently, and in the words of the High Representative's report, doing 'more in common, to cooperate and coordinate more, is increasingly essential.' Individual member states confront spiralling costs of state-of-the-art military hardware, rendering full spectrum capabilities increasingly unaffordable. Among the smaller ones, this has already led to the appearance of capability gaps, as often shrinking budgets can no longer finance sufficient numbers of key systems. Even in the case of Britain and France, the recent deal to build and operate aircraft carriers jointly underlines the fact that a similar logic is beginning to apply even to them. With only a few exceptions, no European government alone can launch major new programmes as the necessary investments are too high and the national market is too small. The combination of threats and reduced national means points to the unequivocal conclusion that, in security terms at least, states are increasingly pushed towards acting together.

Consequently, something more profound is needed than the kind of imperceptible incrementalism at which William Wallace hints in his contribution to this volume. In fact, the need for Europeans to take steps to ensure that they possess adequate defence capabilities is as pressing as ever, given the large gap between, on the one hand, their declining national capabilities and, on the other, the kinds of security challenge they may well face in the future.

Constraints on collaboration

Equally, however, and pulling in precisely the opposite direction, it is hard to imagine a moment in time when it was more difficult for member states to achieve such a qualitative leap forward.

For one thing, multilateral solutions to the security problems confronting them require the breaching of longstanding taboos around the sharing of control over the defence sector. Sverre Diesen, a former Chief of the Norwegian Defence Staff, has analysed the three possible solutions to the problems besetting national defence policies: (i) role specialisation; (ii) pooling and sharing; and (iii) joint force generation. Each, however, is beset by problems. While the foremost assumes joint political and military action by all partners, thereby leaving states reliant on allies, pooling and sharing generates a need for joint action with joint capabilities. Finally, joint force generation requires carefully coordinated long-term defence planning. In view of the political problems inherent in each course of action, his conclusions make for depressing reading:

> [F]rom a political point of view a strategy of cutting defence expenditure by disbanding certain marginal capabilities, simply presupposing that friends and allies will come to your assistance in a crisis, will be vastly preferable to minimizing the strategic risk at the expense of jobs in your own defence industry. In the first alternative, the downside is hypothetical and long-term – in the second it becomes a tangible fact here and now.

Political constraints are, if anything, still more marked at a time of economic downturn. Strong pressure to act in support of national economic performance militates against decisions in favour of collective defence capabilities that might bear fruit several years down the line. In face of a continued tension between the desire to protect indigenous defence industries, with all the jobs and skills they generate, and a need to procure military equipment more cheaply and quickly off the shelf, short-term economic imperatives force governments in the former direction. Even the United Kingdom, a state whose defence industry will stand to gain significantly from an opening of European markets, has already announced its intention to block Commission efforts to open up the European defence market.

Moreover, political arguments in favour of augmenting European capabilities via multinational action have become more problematic given the chequered record of recent European military interventions. Freedman points out that it is harder than ever for states to ensure the outcomes they desire from ever more complex military interventions. Simply put, the 'days in which the Atlantic countries could more or less organise things as they wished ... have passed.'

Recent experience has played a part in shaping public attitudes. As Freedman again points out, the experience of the military interventions in Iraq and Afghanistan undoubtedly played a role in shaping public attitudes towards the Syrian conflict. The vote in the House of Commons on possible intervention following the use of chemical weapons by the Assad regime, while doubtless the result of some pretty appalling parliamentary management on the part of the government, also accurately represented the majority view among public opinion.

The attitude among European publics towards investment in, and the deployment of, military force represents the final constraint on attempts to secure greater European effectiveness via concerted action. Chris Coker has written about the 'demilitarisation' of Europe as a phenomenon that has been underway for some time. On the Syrian crisis specifically, the 2013 Transatlantic Trends survey found that 72% of respondents preferred their government to stay out of the conflict in Syria completely. On defence policy more broadly, the same survey reveals that, while most respondents would prefer to maintain defence spending at current levels, 38% of Europeans favour a decrease (as compared to 26% of their American counterparts). Moreover, when asked if war was sometimes necessary to obtain justice, 68% of Americans agreed, as opposed to only 31% of Europeans.

In an age when the effectiveness of Western military intervention is far from guaranteed, with political resistance to sharing control still strong, and with public opinion reluctant to sanction either further spending or the deployment of force, it is easy to understand why, regardless of the significant incentives for greater European defence collaboration, this remains elusive.

Ways forward

The scope for progress in December is, then, limited. Equally, however, it would represent a damning failure were the European Council's first discussion of defence since 2008 to end without agreement on some practical progress. A first step that European leaders need to take is to acknowledge the threats they face and the profound limits on their ability individually to address them. As the report by the EU's High Representative puts it, Europe needs to assess and develop 'its security and defence posture in the light of ... geostrategic developments.'

There are many reasons why statements of intent at the EU level – such as the much-vaunted *European Security Strategy* of 2003 – provide guidelines as to the kind of action in which the EU should engage, while saying little or nothing about what should actually be done. Foremost among these is the absence of consensus between member states when it comes to making this kind of strategic choice.

Member states themselves have failed systematically to consider their own security interests and the capabilities they themselves will require in order to defend them. The chair of the European Council, Herman Van Rompuy, pointed out at the 2013 Annual EDA conference that the important issue when discussing defence is not CSDP *per se* but, rather, the 'state of defence in Europe.' In other words, collaboration between member states is every bit as important as the development of CSDP, and coordination between national capitals as important as institutions in Brussels.

Should Heads of State and Government manage to agree on a process to initiate such exchanges, they might be pleasantly surprised by what they find. While agreement on meaningful joint action has proven elusive since the launch of CSDP, broad convergence over the international situation confronting European states is not a chimera. As a recent study by the European Council on Foreign Relations (ECFR) has pointed out, the various defence white papers published across Europe in recent times have largely come to the same conclusions with regard to the threats Europe faces – including terrorism, failed states, piracy, tensions in the neighbourhood, and proliferation.

Effective defence planning must follow strategic analysis. Once again, the starting point must be cooperation between member states. At a minimum, national capitals must learn what they possess together in the way of capabilities. At the very least,

such a review might help prevent the acquisition of capabilities that Europeans collectively do not need. Hence the sensible emphasis in the High Representative's report on the need for more transparency between member states on issues including potential budget cuts, national defence strategies, national procurement planning and future capabilities plans.

Perhaps a defining feature of CSDP to date has been the way in which promises and pledges have been made but not acted upon. Wallace refers to the scepticism arising in London from the fact that 'rhetorical commitments to common defence ... were unaccompanied by the budgets needed or the procurement of the equipment pledged.' Clearly, British scepticism has numerous sources, but the point is well taken. It is important, therefore, that the December European Council is not simply a one-off event. Adequate follow-up is a requirement, taking the form, as suggested by the High Representative, of a strategic level 'Defence Roadmap,' along with concrete capability projects and a 'European defence reporting initiative' to synchronise budget planning cycles and set convergence benchmarks proposed by the High Representative.

Certainly, agreement to consult, albeit with effective follow-up mechanisms, would hardly represent an inspiring outcome from such a widely anticipated meeting. In addition, it would be nice to think that the assembled Heads of State and Government could identify a handful of 'flagship projects' worthy of immediate prioritisation. Experience in Libya and Mali suggests that these should focus on key enablers such as air-to-air refuelling, surveillance and reconnaissance and satellite communications. The kind of fiscal incentives suggested in the HR's report could play a role in fostering cooperation.

Finally, it is important that the summit address the need to engage effectively with public opinion. The High Representative's report stresses the importance of communicating 'to the public at large that security and defence "matters" now, and that it will matter to their future prosperity, even if our citizens do not necessarily see an immediate external military threat' and announcing that the EEAS, Secretariat General of the Council and Commission were working on a specific communication campaign. Heads of State and Government have a crucial role to play in this regard given their unique ability to engage with their publics and to set the communications agenda for their respective governments.

Conclusions

At their meeting in December 2012, member states' Heads of State and Government declared that 'in today's changing world the European Union is called upon to assume increased responsibilities in the maintenance of international peace and security in order to guarantee the security of its citizens and the promotion of its interests.' December 2013 will mark the first time they have debated defence since 2008.

The importance of the summit hardly needs elaboration. Europe's interests and continued European prosperity depend on international stability. Yet European states increasingly lack the ability to intervene using military force. Certainly, the European Union possesses many tools in its arsenal of diplomatic instruments, and it is important not to overlook the importance of trade, aid and technical assistance as means of ensuring stability and exercising influence. Yet it would be naïve to assume that European states will no longer need to deploy military force in defence of their interests. The December summit represents a real opportunity for leaders to begin to address the challenge. Starting with an explicit acknowledgement that it exists, they could start to define solutions to overcome it.

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MAPPING THE SECURITY AND DEFENCE DEBATE

Olivier de France

The agenda set out in December 2012 by the European Council has provided European soul-searching in security matters with a good sounding box. In light of the changing international context, it suggested that EU leaders focus next December on (i) increasing the impact and visibility of the Common Security and Defence Policy and its instruments, (ii) enhancing Europe's defence capabilities and (iii) strengthening the European defence industry. The conversation among the security community has since latched on to these key 'clusters'. No small measure of brain power has been expended in the past few months as experts, commentators and institutional actors alike have weighed into the debate.

The following chapter will seek to round up recent contributions and give a sense of the ground that has been covered: the challenges identified, the lines of argument laid out, and the avenues explored. Do Europeans agree about the ways in which the world is changing around them, and about what they intend to do about it? To what extent has such soul-searching yielded a degree of common purpose and shared vision? Today, it seems impossibly difficult for Europeans to meet their national and collective security needs without doing more together. Irrespective however of how clear the case for cooperation is, most states appear quite content to go about their national business in isolation. As such, Europe is faced with an inevitable conundrum in the field of capabilities: is there any agreement on how to solve it? More broadly, has a measure of consensus emerged about how Europe could chart a clear collective course to protect its common interests in the multipolar world?

The spoils of strategy

On the evidence assembled, there appears to be little disagreement about the sheer scale and speed with which the global redistribution of power has occurred in the last ten years. As 'Western-led globalisation gives way to multipolarity, (...) economic, demographic and technological trends will continue to disperse power within, between and away from states' [EGS Report, 2013]. The plate tectonics of geopolitics are shifting at an unprecedented pace, and in unpredictable ways. For Europeans, they are throwing up a series of difficult questions about what role they wish to play in the world. Coming up with satisfactory answers supposes they agree on some basic facts about how the world is changing around them.

The main shifts in the international environment have been consistently identified. They range from 'increased regional and global volatility, emerging security challenges, the US rebalancing towards the Asia-Pacific and the impact of the financial crisis' [HR/VP Final Report, 2013]. Europeans are still struggling to come to terms with the reality of their new geostrategic position and the transformation of the transatlantic relationship. A decade ago, 'the West still ran the world, the Chinese economy was less than half the size it is today, liberal interventionism had not yet learned lessons from Iraq and Afghanistan, financial and economic crisis in Europe seemed not so much improbable as inconceivable, and the US had not yet "pivoted" to Asia' [de France & Witney, 2013, 1]. The conjunction of such major internal constraints and external challenges has made it more difficult, and at the same time more necessary, for Europe to take collective responsibility in addressing its own security needs. As fiscal austerity continues to eat into defence budgets (which the end of the Cold War and lack of a conventional threat had perceptibly downsized already), the security task-list expands. And as the burden Europe shoulders increases, so have 'the resources to meet those challenges (…) been cut to the bone' [Huxham & Rempling, 2013]. Filling the resulting gap with rhetoric can be no substitute for long-term strategy.

A shared understanding of the security context is one key prerequisite. Some recent work has looked into how much consensus exists across European capitals in these matters. It has yielded new data and fresh insights [Biehl et al, 2013; Briani, Marrone, Mölling & Valasek, 2013; de France & Witney, 2012 and 2013; Klein, 2013]. The evidence tends to confirm that while there may be broad agreement on big strategic shifts, there is less agreement on what to do about them. One survey that sought to map European strategic cultures in the field of security concluded that 'if Europe, as a whole, wants to stay safe and relevant, it has to speak with one voice and bring its – combined – weight to bear. This is a widely shared view – at least in declaratory policy across the continent.' Yet 'if anything, the past few years have underlined how difficult implementation will be in practice' [Biehl et al, 2013].

Looking at national 'white papers' across all EU member states, another empirical study found that the perception of global trends converged, and that the assessment of high-level risks and threats was reasonably consistent. Weapons of mass destruction, terrorism, failed states, regional conflict and organised crime, cybersecurity, climate change and competition for resources feature across the board. And yet it also detected rather little appetite for adapting foreign policy tools and national armed forces to such geostrategic shifts. Pronouncing cybersecurity to be a crucial national security threat seems rather academic when the question of whether the military, or some other national authority, should shoulder the responsibility for dealing with it is left unresolved. In addition, the 'mutualisation of capabilities is everywhere supported, but without any attempt at addressing how much mutualisation is possible, in what areas, without unacceptable prejudice to national autonomy. Cooperation with neighbours is often endorsed, but commitment to pursue this on a European

scale is weak. Equally absent, except in a handful of cases, is any sense of continental interdependence – that is, of Europeans being in the same strategic boat' [de France & Witney, 2013].

These studies confirm perhaps that the ambition articulated in the European Security Strategy to build a 'genuinely European strategic culture' is still a work in progress. However they also show the heavy strategic premium associated with making key, long-lasting decisions about national defence without a view of the road ahead [de France & Witney, 2012]. In an era of rapid global change, they conclude that strategic thinking is probably a good thing – especially when it follows through to operational levels.

Big thinking, similarly, is required in the big questions about the EU's role and ambitions in the world. Where and how should Europe seek to uphold its interests and promote its values? 'Even in an era of globalisation', as the European Security Strategy states, 'geography is still important'. So do Europe's common interests extend beyond the area of the EU's Neighbourhood Policy (Eastern Europe, Caucasus, Maghreb, Middle East) to the Sahel, the Horn of Africa or the Gulf? The importance of engaging Europe's neighbours, the 'neighbours of the neighbours' and of addressing maritime security needs is a feature of recent institutional output [HR/VP Final Report, 2013]. To what extent is there a shared perception of the challenges, threats and opportunities that lie to the East and to the South of Europe? If it comes to weathering crises in such regions, is there any consensus on the kind of tools that Europe might and should employ (soft power, deterrence, prevention, evacuation, support, assistance and training, peacekeeping, robust peacekeeping, peace enforcement, war, post-conflict, SSR/DDR, policing), on the criteria for using them (war crimes, crimes against humanity, genocide, ethnic cleansing, 'R2P') and on the strategic partnerships that they involve? [Biscop, 2013, 2 and 3; Keohane, 2013]

The geopolitical debate that has taken shape has certainly thrown up some searching questions for Europe. Yet it remains uncertain whether Europeans are prepared to collect the spoils of the strategic discussion to thrash out a common vision for Europe in the world, and decide how it should go about implementing it. Addressing the capability conundrum is a key part of this.

The capability conundrum

Military capabilities are expensive. They are expensive to develop, they last a long time (from inception to the end of operational service, an aircraft programme might last for the best part of a century), and cost more money to maintain over their life-cycles than even to develop. In parallel, defence budgets continue to shrink. A considerable chunk of these dwindling budgets is devoted to maintaining capabilities that are ill-adapted to modern conflict [TGAE, 2013].

The situation has forced even the largest of member states to forgo not just a number of advanced military equipment systems, but also cut into their force structures. As member states opt out of submarines or main battle tanks, they implicitly at least rely on others to fill these capability gaps in the future. Yet many have cut capabilities in haphazard fashion, under pressure from national treasuries and on a strictly national basis, so that 'no effective coordination has taken place to prevent the cancellation of a particular military capability in the EU' [Marrone, 2012]. This reflects the fragmented nature of the capability landscape in Europe, characterised by '27 national forces (...) controlled by 27 national command chains, and (...) served by 27 administrative, logistical and support services, also strictly national.' Likewise it is 'more realistic to talk about 27 different European defence markets rather than about a European defence market. The roots of this are mainly the will to maintain and protect a national defence industrial base, seen as a strategic asset' [Briani, 2013, 2].

The result is a diminishing ability by EU member states to meet their national and collective security needs, which is causing concern: 'vast amounts of money still go to maintaining costly, obsolete equipment at the expense of essential investments. Still today, demand is so fragmented that we have over a dozen helicopter models in Europe, when it would make so much sense to take advantage of economies of scale, while guaranteeing supply.' As a result, 'while together we have more troops than the United States, our capacity to deploy them is more limited' [President of the European Council, EDA, 2013].

Against this background, European countries face a difficult choice. They can either 'let some capabilities go' or 'maintain them all knowing that some capabilities will have to be reduced to the point of being of no practical use'. Either way, they will simply 'no longer have adequate forces to intervene in situations where key European interests are at stake'. The only remaining option is to 'bolster their military strength through closer cooperation and partial integration' through pooling and sharing of military capabilities [Marrone & Nones, 2013, 2]. Such pooling and sharing might materialise in a number of ways, including common 'development, production and procurement of a platform or system' (e.g. the Eurofighter aircraft), pooling of R&D spending [Maulny & Matelly, 2013], multinational units (e.g. the South Eastern European Brigade), or specialisation in niche capability in exchange for other capabilities (e.g. the Lithuanian water purification unit). There is no shortage of concrete ideas being discussed on the capability side, which include air-to-air refuelling, satellite imagery, satellite communication, dual-use technology, cybersecurity, strategic and tactical airlift, precision targeting, EATC, RPAS, a European air policing wing or an EU Strike Force [TGAE, 2013; Maulny, 2013; Barcikowska, 2013, 2; Biscop, 2013, 3; de France & Witney, 2012; Linnenkamp & Mölling, 2013]. The December Council could prove to be the litmus test for these projects and show 'how seriously Europe takes its own CSDP rhetoric' [Linenkamp & Mölling, 2013].

Bilateral and regional defence cooperation has made inroads in 'the Baltic, Benelux, Nordic and Visegrad countries, the Netherlands and Germany, the Benelux, France and Germany in EATC, and Britain and France most notably are taking very concrete steps to maintain relevant capabilities by pooling and sharing them.' [Biscop, 2013, 3]. And yet the very fact that there exists today three types of fourth generation fighter jets in Europe suggests that bilateral or regional cooperation is liable to create 'mutually exclusive islands of cooperation, each with its own regulations which, in the end, would undermine the construction of an integrated European defence market' [Marrone & Nones, 2013, 2]. Conversely, it might fail to address critical capability shortfalls. One mooted avenue is creating 'synergy between the clusters and the collective European level'. This would mean 'stimulating cooperation at cluster level and directing it towards the European goals. And moving from the "tactical" level of coordination per capability area to the strategic level' [Biscop, 2013, 3]. And yet even this form of coordinated defence planning does not provide quite as comprehensive a framework as the EU in itself, whose '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' [EUISS Report, 2013].

If Europe is to remain a strategic actor in its own right, the industrial base underlying the current capability landscape also needs to remain functional. This has been underlined by a number of institutional stakeholders. To safeguard the 'security of its citizens and to protect its values and interests (...) Europe must be able to decide and to act without depending on the capabilities of third parties. Security of supply, access to critical technologies and operational sovereignty are therefore crucial' [European Commission Communication, 2013]. And yet it has become painfully clear that 'apart from a few notable exceptions, no European government alone can launch major new programmes: the necessary investments are too high and the national market is too small' [HR/VP Interim Report, 2013]. Therefore the solution can only be 'substantive and strengthened cooperation at European level, including through programmes' – without it, 'there will not be an EDTIB in the future' [HR/VP Final Report, 2013]. It hardly helps that there has been a string of 'unprecedented reductions in defence R&D investments, crucial for ensuring the ability to understand, counter and protect against future threats' [Barcikowska, 2013, 1]. A number of ideas have been touted to rekindle cooperation, such as exploring synergies between civil and defence research, funding dual-use equipments through civilian budgets [Briani, Marrone, Mölling & Valasek, 2013], fiscal incentives to encourage industrial collaboration or pre-commercial procurement schemes to develop prototypes (e.g. for UAVs) and fostering private funding in defence R&T [HR/VP Final Report, 2013].

However, achieving breakthroughs and a change of scale in the realm of industry and capabilities might well require breaking the 'dictatorship of the present' and acknowledging that 'the prevailing presentism means that we may be short-changing the future' [de Spiegeleire, 2011]. This implies that EU countries manage short-term capacity in such a way that it does not inflict critical damage on national and collec-

tive long-term capabilities. Finally, it requires that the crisis be seen not as 'an excuse to put things off but instead as an opportunity to launch initiatives, to preserve capabilities that would otherwise be lost to budget cuts' [President of the European Council, EDA, 2013].

Charting the course

Launching any such major initiative, however, requires a degree of momentum and visibility that only a European Council-level discussion can afford. Debating defence matters at the highest level in European politics would contribute to putting 'heads of state and government back in charge of defence polic[ies]', and give them 'the benefit of simplicity and political momentum' [Linnenkamp & Mölling, 2013] to 'set national defence establishments to work, with the support of the EU institutions, and oblige them to achieve results' [Biscop, 2013, 3]. It has been argued that achieving the shift towards a predominantly collective rather than national approach to dealing with European defence needs requires action at two levels: at the strategic level, for European policymakers to internalise the reality of shared interests and inexorable mutual dependence; and at the level of implementation, for defence ministries to overcome their historical and cultural antipathy to joint or complementary planning, procurement and force development [de France & Witney, 2012]. For this to work, it is crucial to build a sufficient head of steam at the level of European leaders for major fault lines to shift further downstream.

A measure of appropriation by EU leaders is also essential to increase the visibility of CSDP and engage European citizens. This will require agreeing on a number of flagship projects and concrete deliverables on the one hand, but also rallying round 'a convincing argument on why "defence matters" in times of economic and social crisis' [Barcikowska, 2013, 2]. Official discourse singles out 'individual missions and operations as the main "flagships" of CSDP' [HR/VP Final Report, 2103], which therefore 'makes it all the more urgent to identify those areas where gaps or delays are, quite visibly, irresponsible – and to convince the public at large that European nations must act jointly' [President of the European Council, EDA, 2013].

Much of the intellectual output that has appeared in relation to the December Council has steered away from discussing institutional matters in isolation. The need for appropriating the existing toolbox rather than creating a new one, on the other hand, features prominently. For example, there is 'unused potential of the Lisbon Treaty in terms of rapid deployment. The Treaty provides for the creation of a Start-Up Fund made up of Member States' contributions for CSDP tasks which are, or cannot be, charged to the Union budget. Secondly, Article 44 TEU opens up the possibility for the Council to entrust a task to a Group of Member States that are willing and have the necessary capability for such a task' [HR/VP Final Report, 2013].

That is not to say there are no institutional issues to be resolved – indeed timing and process are key concerns. Potential restructuring of the EEAS and change in Brussels personnel (the president of the Council, the High Representative, the president of the Commission and the European Parliament will change in 2014) may be 'reducing appetites' for reform [Linnenkamp & Mölling, 2013, 2]. On the other hand, it would encourage change if a way of giving the new team ownership of the process were to be found. To capitalise on the momentum that has built up ahead of the December Council, a tasking mechanism might be profitably used to set out a detailed agenda, a number of 'concrete deliverables' and a robust follow-up process to 'monitor progress, sustain momentum and provide renewed impetus at regular intervals, on the basis of input from the High Representative/Head of Agency' [HR/VP Final Report, 2013]. This would ensure the December Council is not an end point but rather a stepping stone towards 'a more regular reappraisal of security and defence' by EU leaders. A review of EU capabilities [Linnenkamp & Mölling, 2013, 2], in this respect, might be a useful way of furnishing the facts to the new team, with a mandate to engage these issues at the following December Council.

More generally, the institutional output features a number of forward-looking propositions aimed at creating the right setting for a genuine strategic conversation to take place in Europe. The recent defence report by the High Representative floats the idea of a 'Defence Roadmap', which might be approved by the European Council to provide 'strategic direction for the further development of CSDP and defence cooperation in Europe' [HR/VP Final Report, 2013]. It would aim to fashion 'a more explicitly shared view of the strategic context (...), essential to steer day-to-day choices and help shape decisions with a long-term impact on budgets, on investments, on personnel. (...) It should in any case not be an academic exercise' [President of the European Council, EDA, 2013]. It might take the form of a Strategic Defence Review [TGAE, 2013], an EU white paper [Lisek Report, EP, 2011], a 'grand' [Howorth, 2013] or 'global' strategy for Europe [EGS, 2013] that would help establish what European capabilities are for, and how they feed into the broader European project. Reviewing these capabilities might involve providing an inventory of existing and future capabilities (strictly national capabilities, pooled national capabilities, joint capabilities), identifying duplications (e.g. frigates, helicopters, fighter jets) and gaps (e.g. reconnaissance, communication, logistics). Such a process might set out to make clear that 'the increased capacity for joint action can outweigh the loss of national sovereignty' [Dickow; Linnenkamp & Mölling, 2012]. Finally, it might imply launching a process such as a European defence semester [de France & Witney, 2013] with 'specific targets and timelines' to encourage consistency in defence planning among Member States, synchronise budgets cycles and set convergence benchmarks [HR/VP Final Report, 2013]. Irrespective of the format, the discussion should provide a forum for some of the more existential issues that hamper European progress in matters of security and defence. To be pragmatically tackled, they need to be unabashedly posed.

Overall it is a rich vein of discussion that has developed over the course of the past few months, fuelled by contributions from across the defence community. It touches upon the '*political* case for defence (Europe in the world), the *operational* case (its ability to act), and the *economic* case (growth and competitiveness)' [EUISS Report, 2013] in equal measure – and ultimately on how to steer the European ship through the troubled waters of the shifting global order. It will hopefully have provided Heads of State and Government with considerable food for thought ahead of the December summit, as they debate whether the Union is still willing and able to count for something in the multipolar world.

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ANNEXES

CONFERENCE PROGRAMME

CSDP between internal constraints and external challenges: the road ahead

Conference organised jointly by King's College London and the EU Institute for Security Studies, Thursday 19 and Friday 20 September 2013, King's College London, Strand Campus.

Programme

Thursday, 19 September

12:00-13:00   *Sandwich lunch*

13:00-13:15   **Official welcome**
- Anand Menon, Professor, King's College London (KCL)
- Antonio Missiroli, Director, EU Institute for Security Studies (EUISS)

13:15-14:30   **Panel discussion on European defence: problems and perspectives**
Chair: Antonio Missiroli, EU Institute for Security Studies (EUISS)
- Wolfgang Wosolsobe (Lt. General), Director-General, EU Military Staff
- Jolyon Howorth, Visiting Professor, Political Science and International Affairs, Yale University
- Camille Grand, Director, Fondation pour la Recherche stratégique (FRS)
- Chloe Squires, Head, Security Policy Department, Foreign and Commonwealth Office

14:30-15:00   *Coffee break*

15:00-16:45   Break-out groups structured along the working group lines

16:45-17:00   *Coffee break*

17:00-18:00   Break-out groups *continued*

18:15-19:00   **Keynote speech**: The Rt. Hon. The Lord Wallace of Saltaire, PC

20:00   *Dinner*
Dinner speech: Sir Lawrence David Freedman, KCMG, CBE, PC, FBA, Vice Principal, Strategy and Development, King's College London

Friday, 20 September

09:30-10:30   **Plenary session**
Chair: Jolyon Howorth, Visiting Professor, Political Science and International Affairs, Yale University

Working Group Chairs' report:
- Clara O'Donnell, Senior Fellow, Centre for European Reform (CER) / Non-resident Fellow, Brookings Institution
- Anna Barcikowska, Associate Fellow, EU Institute for Security Studies (EUISS)
- Eva Gross, Senior Analyst, EU Institute for Security Studies (EUISS)
- Rosa Balfour, Head, Europe in the World Programme, European Policy Centre (EPC)

Respondent: Maciej Popowski, Deputy Secretary-General, European External Action Service (EEAS)

10.30-11.15   *Coffee break*

11:15-12:30   **Expert panel and Conclusions**
Chairs: Anand Menon (KCL) and Antonio Missiroli (EUISS)
- Pierre Vimont, Executive Secretary-General, European External Action Service (EEAS)
- Graham Muir, Head of Policy and Planning, European Defence Agency (EDA)
- Zoltan Martinusz, Director, Enlargement, Security, Foreign Affairs Council Support, General Secretariat of the Council of the European Union

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Abbreviations

AAR	air-to-air refuelling
ASEAN	Association of Southeast Asian Nations
AU	African Union
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
DDR	Disarmament, demobilisation and reintegration
DevCo	Development and Cooperation
DG	Directorate General
DRC	Democratic Republic of the Congo
EATC	European Air Transport Command
ECOWAS	Economic Community of West African States
EDA	European Defence Agency
EDTIB	European Defence Technological and Industrial Base
EEAS	European External Action Service
ENP	European Neighbourhood Policy
ESDP	European Security and Defence Policy
ESS	European Security Strategy
EUSR	EU Special Representative
FCO	Foreign & Commonwealth Office
HR/VP	High Representative of the Union for Foreign Affairs and Security Policy/ Vice-President of the European Commission
IPR	Intellectual Property Rights
NATO	North Atlantic Treaty Organisation
OHQ	Operational Headquarters
PSC	Political and Security Committee
R&D	Research and Development
R&T	Research and Technology
R2P	Responsibility to Protect
RPAS	remotely piloted aircraft systems

SMEs   Small and medium-sized enterprises
SSR   Security Sector Reform
UAV   Unmanned aerial vehicle
UN   United Nations
UNSOM   United Nations Assistance Mission in Somalia
USN   United States Navy

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