

EUROPE'S CHANGING 165 SECURITY LANDSCAPE

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IN SECURITY AND DEFENCE?

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WHAT ROLE WILL THE EU PLAY IN SECURITY AND DEFENCE?



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- The Ukraine crisis has reminded Europeans of the importance of defence policy, thus amplifying the main message of the December 2013 European Council on security and defence.
- Many of the proposals put forward by the December summit are currently being worked on, but the Ukraine crisis creates additional challenges for the EU, highlighting the strategic divergence within the Union and posing fundamental questions about its role as a security provider.
- Regarding concrete achievements, the EU's defence ministers recently adopted a policy framework for systematic and long-term defence cooperation, and the Commission has also begun to work energetically towards achieving its key objectives in the defence sector.
- Ultimately, however, the success of the EU's efforts will depend on the commitment of the member states.

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The European Council of December 2013 marked the preliminary culmination of the EU's efforts to breathe new life into its Common Security and Defence Policy (CSDP), and into European defence in general. There were three main reasons for putting security and defence back on the Union's agenda.

Firstly, the CSDP was in danger of fading into political irrelevance. The EU's inability to muster a response to the crisis in Libya was a particularly hard blow to its aspirations as a security provider, exposing the strategic dissonance within the Union and questioning its ability to conduct military operations. Secondly, US rebalancing towards Asia and growing instability in the EU's southern neighbourhood seemed to be rapidly changing the strategic context within which the EU operated, indicating that it might have to assume greater security responsibilities in the future. Finally, there was a broad consensus that the financial crisis and austerity would make it increasingly difficult for the member states to develop and maintain the necessary military capabilities.

Although the decisions taken in December 2013 were not very ambitious, the fact that security and defence matters were dealt with at the level of the European Council was generally seen as a good starting point for revitalising the EU's defence dimension. However, since the summit, the challenges confronting the Union have only grown: most notably, Russia's annexation of Crimea and the military conflict in Ukraine have led to a sense of insecurity in many of the Union's member states. This has underlined the importance of NATO in the European security architecture as most EU members view the alliance as the ultimate guarantee of their territorial security.

These developments inevitably influence the conditions that the EU's security and defence policy operates under, and they also pose fundamental questions about the Union's role as a security provider. With the member states highlighting the pre-eminence of NATO, where does the EU fit in? And how should the decisions of the 2013 European Council be evaluated in the light of the Ukraine crisis? Will the steps agreed at the summit enable the EU to rise to the challenges it currently faces?

This paper will deal with these questions. It starts by briefly outlining the EU's current role in the area of

security and defence, roughly dividing it into two spheres: 1) crisis management and 2) capabilities and industry. The paper then goes on to analyse each of the spheres in turn. First, it will look at the factors that have impeded EU crisis management and the proposals that were made by the European Council in December 2013 to improve the situation. It will then examine the current developments and challenges in this field, particularly against the background of the conflict in Ukraine. The same analytical steps will be applied to the area of capabilities and industry, and finally some general conclusions will be drawn.

The EU as a security provider: Crisis management, capabilities and a strong defence industrial base

Since the CSDP (then still known as ESDP) was officially established by the European Council in Cologne in 1999, the EU has had two primary objectives in the area of security and defence. On one hand it has developed the CSDP as an instrument to respond to crises in the European neighbourhood and beyond, based on the extended Petersberg tasks, which cover joint disarmament, military advice and assistance, conflict prevention and peace-keeping, as well as tasks of combat forces in crisis management. On the other hand, the EU has sought to ensure that member states are equipped with the necessary civilian and military capabilities to execute the Petersberg tasks in the context of an operation. A central role in the area of capabilities is played by the European Defence Agency (EDA), which is responsible for identifying shared capability needs and facilitating defence cooperation between the member states.

The financial crisis has forced the EU to take an even broader approach to European capabilities; it now seeks to enhance the general state of defence in Europe.¹ In this context, the EU has started to pay increasing attention to questions concerning the European defence industry and the defence market, as their smooth functioning crucially influences the ability of the member states to procure

1 Speech by President of the European Council Herman Van Rompuy at the annual conference of the European Defence Agency, 21 March 2013.

state-of-the-art military equipment. At the same time, the defence industry is increasingly viewed as a source of economic growth, technological innovation and jobs. The European Commission, as the keeper of the EU's single market, has established itself as a central actor in matters linked to the European defence industry and market although its involvement remains controversial.

Finally, in contrast to NATO, the EU does not have a clear role in collective defence or military deterrence. It has its own mutual assistance clause which obliges member states to assist any member state that falls victim to armed aggression, but this has so far remained largely symbolic. Tellingly, almost no references to it have been made during the Ukraine crisis, and the clause itself states that NATO will remain the bedrock of the collective defence arrangements of those EU member states that belong to it.

While NATO's primacy as a guarantor of territorial security in Europe is undisputed, the EU's relationship with the alliance continues to be one of the issues that encumber the Union's efforts in the security and defence field. Although many member states see NATO and the CSDP as complementary structures, some – especially the United Kingdom – fear that more intense cooperation within the EU framework will undermine the alliance and/or lead to unnecessary duplication.

A bid for more effective and visible EU crisis management

One of the main challenges of the December 2013 European Council was to put EU crisis management back on track, as activity in this field had markedly decreased. Only one new CSDP mission had been launched between December 2008 and June 2012, and of those that had been established since 2012, all were small capacity-building or training missions, although it was widely felt that especially the conflict in Mali in 2012 would have required a robust response from the EU.

Several reasons account for the EU's difficulties in the area of crisis management. First of all, the EU's foreign and security policy structures have undergone major reforms since the Lisbon Treaty came into force. The establishment and consolidation

of the European External Action Service (EEAS) in particular has consumed a lot of time and resources, and the new structures have not always worked smoothly. This has had an impact on the planning and deployment of missions.

Secondly, the financial crisis has diverted the member states' attention away from security and defence policy and limited the amount of resources they are able and willing to invest in crisis management. Furthermore, the long and costly engagements in Afghanistan and Iraq have made both the general public and policy-makers weary of participation in large-scale operations. The situation has been worsened by the unequal distribution of the cost of CSDP missions between the member states, with the main troop contributors forced to carry the greatest financial burden.

Finally, more than a decade of involvement in the CSDP has failed to create a convergence of the member states' strategic cultures, priorities or threat perceptions. This makes it difficult for them to agree on where, when and how to intervene, as was demonstrated by the EU's absence from Libya in 2011.

The proposals of the European Council in December 2013 addressed only some of these issues, concentrating mostly on institutional and technical matters. In the European Council conclusions it is noted that the procedures and rules for civilian CSDP missions should be developed further to facilitate quicker deployment. The heads of state and government also underlined the need to examine the problems related to financing CSDP missions, and suggested the review of the ATHENA mechanism in 2014 as a good opportunity to do so.

On a more general level, the European Council stressed that the EU has to be able to use its different policy instruments coherently to support its crisis management efforts (known as the 'comprehensive approach'). To this end, the High Representative and the Commission tabled a joint communication in which they made more detailed proposals for institutional fine-tuning between the many actors involved in the planning and implementation of EU crisis management. The European Council also referred to the situation of the hitherto unused EU Battlegroups. In line with the decisions taken by the Foreign Affairs Council in November 2013, the heads of state and government endorsed the idea to

increase the flexibility and modularity of the Battlegroups in order to allow the composition of the troops to be adapted to different kinds of crises and to make it possible for capable and willing member states to step in if necessary.

Finally, the heads of state and government omitted any discussion about the strategic priorities for EU crisis management. Despite the visible strategic dissonance within the EU, many experts had encouraged the European Council to provide some strategic guidance – possibly even in the form of a revision of the European Security Strategy (ESS) – to help the CSDP regain its sense of purpose. However, the European Council contented itself with inviting the High Representative to present her views on ongoing changes in the global environment and their implications for the EU during 2015.

New challenges for EU crisis management?

The events in January 2014 proved that many of the problems hampering EU crisis management persist despite the European Council's lofty aims. On 20 January, the member states' foreign ministers agreed to set up a military CSDP mission (EUFOR RCA) to stop sectarian violence in the Central African Republic. Many analysts considered the Central African conflict an ideal opportunity to use one of the EU Battlegroups, but this option was quickly rejected by the member states. All in all, the EU struggled to rally the necessary troops and logistical support for deploying EUFOR RCA.

Of course, work on the problems identified by the European Council had only just begun January 2014, which partly explains the lack of visible progress. Since then, minor steps forward have been taken. The High Representative's progress report from June 2014 confirms that the procedures and rules for civilian missions, as well as the financing system for CSDP missions, are currently being scrutinised and issues related to the usability of the Battlegroups are also being addressed. However, major innovations cannot be expected and, as the High Representative's report plainly observes, political will is still the decisive factor regarding the timely deployment of the EU's rapid response capabilities.

In this sense, the events in Ukraine have the potential to complicate matters further. The EU's

easternmost member states, Estonia, Latvia, Lithuania, Poland and Romania, feel directly threatened by Russia's assertive military posturing, and this has compelled them to attach more weight to territorial defence. The question is whether and how the feeling of facing a direct threat will affect their commitment to EU crisis management in the longer term – will they be ready to invest in, or at least consent to, EU crisis management operations that are mostly conducted outside the EU's borders with the primary aim of combatting indirect threats to European security?

Interestingly, several sources report that concerns about the developments in Crimea diminished the readiness of potential contributors to pledge troops to EUFOR RCA, with Poland, Romania and non-EU member Moldova cited as examples.² On the other hand, Estonia, Latvia, Eastern partner Georgia and even Poland were among the 13 states that sent troops or police officers to the Central African Republic, so no straight-forward conclusions can be drawn yet about the impact of the Ukraine crisis on the willingness of the member states to invest in CSDP missions. In the long run, the perceived external threat might make some member states more eager to participate in crisis management in order to underline mutual solidarity within the EU. Meanwhile, the EU's decision to set up an advisory mission for civilian security sector reform in Ukraine (EUAM Ukraine), the first CSDP mission to be launched outside Africa since 2008, can be seen as an attempt to find a relevant role for the CSDP in the East and thus demonstrate the importance of the policy to all member states.

However, regarding questions of security and defence, the states most anxious about the Russian threat have so far concentrated almost exclusively on NATO, demanding that the alliance shift its emphasis from crisis management back to its traditional core tasks of collective defence, deterrence and reassurance. The declaration adopted at the

2 Francois Ducrotté, EU Mission to the Central African Republic – EUFOR CAR Bangui (Part III), ISIS Europe Blog, <http://isiseurope.wordpress.com/2014/04/11/eu-mission-to-the-central-african-republic-eufor-car-bangui-part-iii/>; Agnieszka Nimark, EUFOR RCA: EU force or farce?, *Opiniön CIDOB*, n° 230.

NATO summit in Wales in September suggests that the alliance may re-emphasise its role in collective defence, but it is unclear how durable this shift is, as NATO is divided in a similar way as the EU when it comes to threat perceptions and strategic priorities.

Nevertheless, NATO's future direction might significantly affect the EU's role in the area of security and defence, particularly if NATO were to focus more on collective and territorial defence because this would create a strong incentive for the EU to step up its engagement in crisis management. Some analysts have already envisioned the emergence of a division of labour between NATO and the EU, with the former being responsible for the territorial security of the member states and the latter acting as a crisis manager at and beyond Europe's southern borders.³ However, at present it is difficult to evaluate the viability of such a scenario.

In view of the current challenges, EU crisis management seems to be in need of strategic orientation more than ever before. Interestingly, the prospects of a debate about the EU's strategic priorities are not as distant as they seemed in December 2013. The conclusions of the Foreign Affairs Council of November 2014 draw attention to the dramatic way in which Europe's security environment has evolved, and explicitly reiterate the invitation to the High Representative to assess the challenges and opportunities the recent developments present the EU. Most importantly, the new High Representative herself has also expressed strong interest in advancing the strategic debate. Consequently, a more extensive strategic review might be initiated in 2015, but much still depends on the member states.

Maintaining capabilities and a competent defence industry in times of austerity

The second major challenge faced by the December 2013 European Council was to counter the detrimental effects of the financial crisis and subsequent austerity policies on European civilian and military capabilities, as well as the European defence industry. Overcoming persistent gaps in European

expeditionary capabilities has long been a central goal of the EU's security and defence policy but, as indicated above, the present budgetary constraints have broadened the Union's perspective on the area of capabilities. European defence as a whole is perceived to be at risk.

In the numerous commentaries published in the run-up to the December summit, defence experts expressed particular worries about the uncoordinated manner in which EU member states have tried to make savings in the security and defence sector. Instead of working together to identify the most efficient and cost-effective way of doing things, the member states have made unilateral cuts to their budgets and capabilities, concentrating on the capabilities that they can afford. As a result, Europe as a whole is losing some expensive but crucial capabilities.⁴

Analysts have also pointed out that the structure of European military spending has become unsustainable as less and less money is spent on research and development as well as procurement.⁵ This lack of investment is putting the whole European defence industry under increasing pressure. From the European Commission's point of view, the situation is exacerbated by the fragmentation of the industry and the European defence market. The uncoordinated cuts and declining military investment are major concerns to NATO as well.

In order to facilitate practical defence cooperation between EU member states, the European Council of December 2013 urged them to increase the transparency of their defence planning and also invited the High Representative and the EDA to work out a policy framework for systematic and long-term defence cooperation. In addition, the European Council endorsed four major capability projects that aim to fulfil long-recognised European capability

3 Heather Conley, 'Is it fair to say there is no Euro-Atlantic security approach?', *Europe's World*, 8 October 2014.

4 Claudia Major & Christian Mölling, 'The Dependent State(s) of Europe: European Defence in Year Five of Austerity', in Sven Biscop & Daniel Fiott (eds.), *The State of Defence in Europe: State of Emergency?*, Academia Press: November 2013.

5 Anna Barcikowska, 'Military Capabilities and Interoperability', Eva Gross & Anand Menon, CSDP Between Internal Constraints and External Challenges, ISSUE Report N° 17, October 2013.

needs in the areas of remotely piloted aircraft systems, air-to-air refuelling, satellite communication and cyber defence.

With regards to issues concerning the European defence industry and market, the European Council approved of many of the proposals made by the Commission in its pre-summit communication “A New Deal for European Defence”. The heads of state and government reminded the Commission particularly of the need to monitor the implementation of its two defence directives from 2009, both of which are aimed at opening up the European defence market. At the same time, the European Council recognised the need for an EU-wide security of supply regime, which should alleviate the member states’ concerns about the consequences of intra-EU trade in defence goods to their national security of supply. The Commission and the European Defence Agency were given the task of developing the idea further in cooperation with other key actors.

The Commission and the European Defence Agency were also invited to work on a roadmap for the development of European defence industrial standards and to think about ways of lowering the costs of military certification. Finally, the European Council applauded the Commission’s plans to support small and medium-sized defence companies through different funding instruments and welcomed the Commission’s suggestions to fund research into dual-use goods and set up a preparatory action on CSDP-related research.

Alone or together?

Some progress has been made in the area of capabilities since December 2013: the High Representative’s June 2014 report announced that the first steps forward have been taken in all four major capability projects. In the field of civilian capabilities the EEAS is currently mapping the tasks that the EU needs to be prepared for in its civilian CSDP operations, thereby helping to identify possible capability gaps.

Most interestingly, the Foreign Affairs Council of 18 November 2014 accepted the European Council’s request and adopted a policy framework for systematic and long-term defence cooperation. The document defines defence cooperation as collaboration in developing new capabilities and enhancing the

quality, availability, interoperability and coordinated use of existing capabilities. Although the text entails several proposals for structuring defence cooperation, none of them are binding so the real value of the document is still unclear.

The timing for the adoption of the policy framework is, nevertheless, apt. The Ukraine crisis has spawned debates about the national military capacity and national military spending in several European states, and the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania and Sweden have all announced plans to increase their defence budgets and/or speed up the modernisation of their military forces. From the point of view of the EU, the renewed commitment of the member states to defence is a positive development, but there is also a danger that the new investments will be made in an equally uncoordinated manner as the preceding cuts. It is here that the policy framework for defence cooperation should prove its worth.

However, the strategic dissonance – including the differing threat perceptions – within the EU is once again likely to be a central obstacle as it means that the member states might not be interested in developing the same kind of capabilities. There is a difference between capabilities that are dedicated to territorial defence and those that are used for expeditionary operations (even though the tasks of different forces are becoming increasingly similar). These divergent priorities could impel the member states to cooperate mainly on bilateral or sub-regional levels. If such a scenario were to unfold the EU’s main task would be to ensure that the different islands of cooperation would contribute to a coherent whole. Regardless of the platform chosen by the member states, close coordination between the EU and NATO will also be essential and this is highlighted in the EU’s policy framework.

Regarding the European defence industry, the Commission reported on the advancement of its projects in June 2014, laying out four priorities: constructing a functioning internal market for defence; building an EU-wide security of supply regime; taking advantage of synergies between civilian and defence research while setting up preparatory action on CSDP-related research; and developing an industrial policy which fosters the competitiveness of the European defence industry. In each of the areas, concrete steps and deliverables were listed.

The Commission's engagement raises expectations regarding the future development of the European Defence and Technological Industrial Base (EDTIB) and the European Defence Equipment Market (EDEM). The preparatory action on CSDP-related research in particular is considered to have significant potential in the long term, as a similar preparatory action on security research already led to the integration of this branch into the EU's Seventh Research Framework Programme. Commission President Juncker's decision to merge the Commission's internal market and industry portfolios has also been received enthusiastically as it allows for better coordination of the Union's actions in the defence sector.⁶

However, the Commission can only influence the conditions under which the member states operate – it is still up to the states themselves to take advantage of the emerging opportunities. With this in mind, it has to be remembered that the member states still have many conflicting interests – both economic and political – in the defence sector. Their views on an adequate role for the EU in this field also differ.

Conclusions

The conflict in Ukraine underscores the importance of security and defence policy and thus amplifies the main message of the December 2013 European Council that defence matters. However, the crisis also comes at a time when the Union is only beginning to re-energise its defence dimension and will further complicate this process. Particularly the increasing focus of some member states on territorial defence and NATO raises important questions. In view of the future of CSDP, the way in which the EU and NATO define their roles as security providers and their mutual relationship seems crucial.

With regard to the area of capabilities, the tense situation in Europe has driven several EU members to increase their defence expenditure. The EU's aim

is to ensure that the member states make the most of their money by cooperating in the procurement and maintenance of defence equipment, regardless of the framework. The recently adopted policy framework for systematic and long-term defence cooperation should encourage the member states in this direction, but it does not bind them so the results depend entirely on the member states themselves. The same applies to the proposals regarding the European defence industry and market. The Commission seems determined to achieve progress in this area, but the commitment of the member states is decisive.

All in all, the timelines agreed by the European Council in December 2013 have ensured that work on security and defence matters continues, but the EU should also take the additional challenges posed by the changes in the strategic environment into account. The European Council of June 2015 and the preparatory phase preceding it will show whether the EU is able to adapt its policies and objectives to accommodate the recent developments.

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6 Daniel Fiott, The Juncker Commission and Europe's defence industry, *European Geostrategy*, <http://www.european-geostrategy.org/2014/09/juncker-commission-europes-defence-industry/>, 21 September 2014.