

THE STATE OF DEFENCE IN EUROPE: STATE OF EMERGENCY?

EGMONT PAPER 62

**THE STATE OF DEFENCE IN EUROPE:
STATE OF EMERGENCY?**

SVEN BISCOP & DANIEL FIOTT (eds.)



November 2013



ACADEMIA PRESS

The Egmont Papers are published by Academia Press for Egmont – The Royal Institute for International Relations. Founded in 1947 by eminent Belgian political leaders, Egmont is an independent think-tank based in Brussels. Its interdisciplinary research is conducted in a spirit of total academic freedom. A platform of quality information, a forum for debate and analysis, a melting pot of ideas in the field of international politics, Egmont’s ambition – through its publications, seminars and recommendations – is to make a useful contribution to the decision-making process.

* * *

President: Viscount Etienne DAVIGNON
Director-General: Marc OTTE
Series Editor: Prof. Dr. Sven BISCOP

* * *

Egmont – The Royal Institute for International Relations

Address Naamsestraat / Rue de Namur 69, 1000 Brussels, Belgium
Phone 00-32-(0)2.223.41.14
Fax 00-32-(0)2.223.41.16
E-mail info@egmontinstitute.be
Website: www.egmontinstitute.be

© Academia Press

Eekhout 2
9000 Gent

Tel. 09/233 80 88

Fax 09/233 14 09

Info@academiapress.be

www.academiapress.be

All authors write in a personal capacity.

Lay-out: proexsmaes.be

ISBN 978 90 382 2266 0

D/2013/4804/274

U 2124

NURI 754

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the permission of the publishers.

Table of Contents

Abbreviations	3
Introduction: One EU, One NATO – One Europe?	5
SVEN BISCOP	

Context

The Dependent State(s) of Europe: European Defence in Year Five of Austerity	13
CLAUDIA MAJOR & CHRISTIAN MÖLLING	
America’s Asian “Rebalancing” and the Future of Europe.	19
LUIS SIMÓN	
NATO post-2014: Preserving the Essentials	27
JAMIE SHEA	
Modern European Operations: From Phoney Wars to Sickle Cuts.	33
ALEXANDER MATTELAER AND JO COELMONT	

Priorities, Ambitions and Challenges

CSDP in the Eastern Neighbourhood: From Neighbours to Partners ...	41
MARGARITA ŠEŠELGYTĖ	
<i>Mare Nostrum?</i> The Search for Euro-Mediterranean Security	47
SVEN BISCOP	
Europe’s Asian Frontier	53
JONATHAN HOLSLAG	
Europeans and the “Wider North”	59
JAMES ROGERS	

Objectives and Implications

Capability Development: The Times They Are a-Changin’	67
JO COELMONT AND ALEXANDER MATTELAER	

**The European Defence Technological and Industrial Base: Five
Suggestions** 73
DANIEL FIOTT

If Security Matters, Institutions Matter 79
MARGRIET DRENT

Contributors 83



ABBREVIATIONS

A2/AD	Anti-Access Area-Denial
ASEAN	Association of Southeast Asian Nations
AU	African Union
BMD	Ballistic Missile Defence
C4ISTAR	Command, Control, Communications, Computers, Information/ Intelligence, Surveillance, Targeting Acquisition and Reconnaissance
CFSP	Common Foreign and Security Policy
CMPD	Crisis Management and Planning Department
CSDP	Common Security and Defence Policy
DCFTA	Deep and Comprehensive Free Trade Agreement
DOD	Department of Defense
DTIB	Defence Technological and Industrial Base
EaP	Eastern Partnership
EDA	European Defence Agency
EDEM	European Defence Equipment Market
EDTIB	European Defence Technological and Industrial Base
EEAS	European External Action Service
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
ESO	European Standards Organisation
EU	European Union
EUCOM	United States European Command
EUMC	European Union Military Committee
EUMS	European Union Military Staff
FDI	Foreign Direct Investment
FPAs	Framework Partnership Agreements
GBAORD	Government Budget Appropriations or Outlays on R&D
GDP	Gross Domestic Product
HR	High Representative
ISAF	International Security Assistance Force
ISR	Intelligence, Surveillance and Reconnaissance
NATO	North Atlantic Treaty Organisation
OHQ	Operational Headquarters
OSCE	Organisation for Security and Cooperation in Europe
PESCO	Permanent Structured Cooperation
PSC	Political and Security Committee
QDR	Quadrennial Defense Review
R&D	Research and Development

RPAS	Remotely Piloted Aircraft Systems
SMEs	Small and Medium-Sized Enterprises
TFEU	Treaty on the Functioning of the EU
TTIP	Transatlantic Trade and Investment Partnership
UK	United Kingdom
UN	United Nations
UNCLOS	United Nations Convention of the Law of the Sea
US	United States

INTRODUCTION: ONE EU, ONE NATO – ONE EUROPE?

SVEN BISCOP

When a doctor calls for a thorough examination of the state of a patient's health, he hopes that everything will turn out to be alright, but it really means that he fears there is a serious problem. Likewise, when Herman Van Rompuy called for the European Council of which he is the President to examine “the state of defence in Europe”,¹ he was asking for more than a routine check-up. In this joint Egmont Paper, the Institute for European Studies of the Vrije Universiteit Brussel and the Egmont Institute offer their diagnosis. In the opening essay, *Claudia Major and Christian Mölling* cannot but conclude that “the state of defence in Europe” is nearing the state of emergency. The “bonsai armies” that they fear we will end up with are nice to look at – on the national day parade for example – but not of much use.

In addition to the diagnosis though, we also want to propose a treatment. The method of examination proposed by Van Rompuy already hints at an important part of the cure. The fact is that we never examine “the state of defence in Europe”. We assess the state of the EU's CSDP, of NATO's military posture, and of course of each of our national armed forces. But we never assess Europe's military effort in its entirety. In fact, we are unable to, simply because there is no forum where we set capability targets for “defence in Europe”.

On the one hand, we pretend that it is only a specific separable (and, in the minds of many capitals, small) part of our armed forces that can be dedicated to the CSDP and the achievement of its Headline Goal, the capacity to deploy up to a corps of 60,000.² That is of course a theoretical fiction: in reality any commitment to either the CSDP or NATO or both has an impact on our entire defence budget and our entire arsenal. A decision to invest in an air-to-air refuelling project through the European Defence Agency for example implies that that sum cannot be spent in another capability area of importance for the CSDP or NATO or, usually, both, whereas once delivered the resulting air-to-air refuelling capability will be available for operations in either framework. Schemes to encourage states to join capability efforts, like the EU's Pooling & Sharing

1. In his speech at the annual conference of the European Defence Agency on 22 March 2013; see http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/136394.pdf.

2. For many Member States it is, apparently, such a small part of their forces that they seem to equate the CSDP with the Battlegroups and have all but forgotten the Headline Goal. They also tend to forget that a Battlegroup is pretty much the numbers that the Brussels police will deploy during the actual European Council – hardly a level of ambition worthy of a continent.

and NATO's Smart Defence, obviously can only make the most of opportunities to generate synergies and effects of scale if all arsenals are taken into the balance in their entirety. On the other hand, the NATO Defence Planning Process (NDPP) supposedly does encompass (nearly) the whole of our forces, but it sets targets for individual nations in function of the targets of the Alliance as a whole, and does not separately define the level of ambition of NATO's European pillar even though it becomes increasingly likely that the European Allies will have to act alone.

We are thus confronted with a curious situation. In political terms it continually is "Europe" that we refer to and expect to act. Even the US has sent a clear message to "Europe" that it should assume responsibility for the security of its own periphery and initiate the response to crises. "Europe" for Washington can mean the European Allies acting through NATO, or the EU acting through the CSDP, or an *ad hoc* coalition of European states. Washington really no longer cares under which "European" flag we act, as long as we act and the problem is dealt with without extensive American assets being drawn in. As *Luis Simón* points out in his essay, the US is 'geared towards figuring out how to get the most "bang" out of a "low cost" and "light footprint" approach to European security'. In terms of defence planning however, "Europe" does not exist. If he succeeds, Van Rompuy is to be congratulated for bringing it into being.

Defining Europe

A call to look at "the state of defence in Europe" thus implicitly is a call to define a level of ambition for "Europe", against which the existing capabilities can be assessed, shortfalls identified, and priority objectives defined. As the High Representative, Catherine Ashton, states at the outset of her *Final Report Preparing the December 2013 European Council on Security and Defence*, this 'warrant[s] a strategic debate among Heads of State and Government. Such a debate at the top level must set priorities'.³ Put differently, the key political question that the European Council needs to address, before it can address any *military-technical* question, is for which types of contingencies in which parts of the world "Europe", as a matter of priority, commits to assume responsibility, and which capabilities it commits to that end. On the basis of the answer to that question all other dimensions of the European Council's broad defence agenda can be tackled – absent that answer, Europe's defence effort will still be left hanging in the air. It is often said for example that "Europe" needs its own strategic enablers, such as air-to-air refuelling and ISTAR. But to be able to do what? Air-policing in the Baltic? Air-to-ground campaigns in the Mediterra-

3. Of 15 October 2013; see http://eeas.europa.eu/statements/docs/2013/131015_02_en.pdf.

nean? Or even further afield? And at which scale? Without an answer to such questions, it is impossible to design a sensible capability mix and decide on priority capability projects.

Yet, who is “Europe”? Who can define the level of ambition that serves as political guidance for operations undertaken and capabilities developed by Europeans through both NATO and the CSDP? Again, we are facing the same problem that there is today no institutionalised venue where Europeans can take decisions about their posture in NATO and the CSDP simultaneously – it is always either/or. Under these circumstances, the European Council is the best option. It is of course an EU body, but they are our Heads of State and Government, meeting in an intergovernmental setting, adopting not binding law but political declarations, and that by unanimity. Surely they, if anybody, have the legitimacy to declare that they will consider the political guidance which they agree upon to guide their governments’ positions in both NATO and the CSDP?

Politically, “Europe” can either mean each and every European state, or an *ad hoc* coalition of some of these states, or, when they make foreign and security policy together (which alas they do not do systematically enough), the EU. In political terms, “Europe” neither means the CSDP nor NATO: these are instruments, at the service of the makers of foreign and security policy. Instruments, moreover, both of which “Europe” is more likely to use in the near future than the US, in view of the “pivot” of its strategic focus to Asia. If Washington no longer takes the lead in setting strategy towards Europe’s neighbourhood, the only alternative actor is Europeans collectively, i.e. the EU (for individually, no European state can defend all of its interests all of the time). The European Council thus really is the best placed to address “the state of defence in Europe”.

This does not in any way prejudice how, in a real-life contingency, “Europe” will undertake action: using NATO, the CSDP, other EU instruments, the UN, *ad hoc* coalitions or a combination thereof. Indeed, if action entails larger-scale combat operations, “Europe” will need the NATO command & control structure, which is its main asset. According to *Jamie Shea*, ‘NATO’s choice, therefore, will be to focus on high-end operations built essentially around a conventional military core structure and organised through an integrated command system’. The best way to make sure that all instruments are put to use in an integrated way, from the planning of any type of action to the post-action and long-term involvement, is to *politically* put any intervention under the aegis of the EU, even when acting under national or NATO command in the case of military involvement. The fact is that in almost every scenario, the European Commission and the EEAS will either from the start or eventually have to take charge of the political, economic and social dimension, regardless of how we address the military dimension – better to integrate all from the beginning there-

fore under the political aegis of the Union. Furthermore, that flag still is much less controversial whereas there always are countries and regions in which it is advised not to operate under specific national flags or the NATO-label.

In this context, creative use of Art. 44 of the Treaty on European Union, which is mentioned in passing in the High Representative's report and is highlighted by *Margriet Drent*, can provide a flexible way of circumventing the political difficulties that continue to be an obstacle to effective coordination between NATO and the EU (or between individual Member States and the EU) for operations outside the CSDP-framework. Art. 44 allows the Council to entrust the implementation of an operation to a group of Member States. When a Member State or a coalition initiates an operation using a national or the NATO command structure, the Council could retroactively recognise it as a task 'to protect the Union's values and serve its interests' (Art. 42.5), thus placing it within the *political* aegis of the EU, but without detracting from the command & control exercised by the Member States involved, except that they commit to 'keep the Council regularly informed of [the operation's] progress' (Art 44.2). The advantages would be manifold. The military dimension of an intervention can be fully integrated from the start with the political, economic and social dimension of which the EU is best placed to take charge (as opposed to the Libyan case, when the EU put itself out of the game and only came back in at a much later stage). The EU guise will do a lot to alleviate any suspicions of hidden national or NATO/American agendas. And the Berlin Plus mechanism, which has proved far too rigid to use effectively and 'was never designed for allowing rapid response' (*Alexander Mattelaer and Jo Coelmont*), can be avoided. In any case 'the need for both institutions to become more self-reliant and less dependent on the United States' is evident, as *Jamie Shea* stresses.

Defining Europe's Ambition

That leaves the question: what are the priorities for Europe as a security provider? Ashton's report puts the emphasis on the broader neighbourhood, including the Sahel and the Horn, to which certainly the Gulf should be added, as well as the "Wider North", where "the EU until now remains merely an observer" (*James Rogers*). This is where "strategic autonomy must materialise first": a bold statement which the European Council can render more explicit, for what exactly it wanted to achieve in its neighbourhood "has hitherto remained rather vague" (*Margarita Šešelgytė*). This is where Europe commits *to take the lead* in maintaining peace and security, i.e. to initiate the necessary response to security problems, including prevention, as well as intervention, with partners if possible but alone if necessary. Further on the report refers to the soon to be adopted Maritime Security Strategy, which should of course be

integrated in the priorities. Should contributing to the collective security system of the UN not be a priority too, in line with the EU's commitment to "effective multilateralism"? All three priorities go hand in hand. 'Pivoting to Asia [ourselves] without strengthening our position in our immediate neighbourhood would be reckless and dangerous', *Jonathan Holslag* states, but *Luis Simón* equally rightly points out that 'to confine [ourselves] to a defensive mind-set and a "neighbourhood-only" approach' would be 'a fatal mistake'.

The next step is one that is curiously absent from the debate: to translate these priorities into a military level of ambition. Which capabilities are we willing to commit? How many troops do we want to be able to deploy and which permanent strategic reserve do we want to maintain? Which strategic enablers does this require? First, Europe needs a permanent strategic reserve: the ability to mount a decisive air campaign and to deploy up to an army corps, as a single force if necessary, for combat operations in Europe's broader neighbourhood, *over and above* all on-going operations. This de facto "double Headline Goal" may seem fanciful, but it is but the reflection of the rate of deployment of the last decade. Second, it needs maritime power: the ability to achieve command of the sea in the broader neighbourhood, while maintaining a global naval presence in order to permanently engage with partners, notably in Asia and the Arctic. Finally, in the "post-pivot" era it needs regional strategic autonomy: acquiring all strategic enablers, including air and maritime transport, air-to-air refuelling, and ISTAR, to allow for major army, air and naval operations in the broader neighbourhood without reliance on American assets.

This is the nature of the decisions that need to be taken and can then in turn be elaborated in the 'strategic level Defence Roadmap, approved by the European Council, setting out specific targets and timelines' that Ashton calls for – which, in addition, should include a budget as well. Based on a re-defined level of ambition, the Defence Roadmap will ipso facto provide the starting point for the update of the EDA's Capability Development Plan (expected by the autumn of 2014), as well as the "overarching framework" for the various regional and functional clusters that Ashton further recommends. The targets that Europe collectively sets itself in this Roadmap can then be incorporated as such, as an additional level, in the NDPP. Since we cannot 'continue to rely on the US to plug all gaping holes in [our] defence posture', such a "parallel planning cycle" is a necessity, *Alexander Mattelaer and Jo Coelmont* stress. 'Joint defence planning among partners' is indeed 'the added value of *genuine* Pooling and Sharing [emphasis added]' as they emphasise in their second essay.

The stark reality is though that until now most of the time most states make but paper commitments to NATO and the CSDP both and that neither the NDPP nor the Headline Goal has much impact on national defence. This is why Ashton

is right to also call for a ‘robust follow-up process’, including perhaps a “European semester on defence”. Without guarantees that notably budgets allocated to collective capability projects will not be affected by future national budget cuts, the level of trust necessary to launch such projects in the first place cannot be achieved. At the same time, ‘it is perhaps necessary to think of other possible avenues for defence-relevant financing’, such as the European Investment Bank, as *Daniel Fiott* creatively proposes. ‘Equally significant is the [Commission’s] proposal for EU-owned dual use capabilities’,⁴ adds *Margriet Drent*, which Member States would do well not to discard too easily – money should trump turf wars.

A robust ambition requires robust follow-up. The December 2013 European Council will surely not satisfy all expectations, which are very great – but then the challenge is great too. The European Council has already generated a new dynamic in the debate, including on ideas and notions which hitherto were not part of the official discussion. We hope that our collection of essays can be a useful contribution – and we definitely promise that we will provide robust follow-up too.

4. In its July 2013 Communication *A New Deal for European Defence. Towards a More Competitive and Efficient Defence and Security Sector*. COM(2013)542/2; see http://ec.europa.eu/enterprise/sectors/defence/files/communication_defence_en.pdf.

CONTEXT

THE DEPENDENT STATE(S) OF EUROPE: EUROPEAN DEFENCE IN YEAR FIVE OF AUSTERITY

CLAUDIA MAJOR & CHRISTIAN MÖLLING

In 2009, Europe's fiscal crisis hit the already long existing European defence decadence, i.e. the unwillingness of most EU Member States to generate appropriate portions of capability for defence. These two developments melted into a new paradigm: the defence economic imperative. It means that the decisions that Europeans take on military capabilities are less an expression of their long-term strategic priorities but one of immediate budget restrictions. We coined the term "Bonsai Armies" to grasp a dwindling European military might inherent in this development, which results in tiny, pretty and complete, but eventually incapable armies. Looking at the current state of European defence, we fear that the Member States may have misunderstood our concept: this was meant as a warning, not as a blue print.

The State of Defence Austerity

Defence budget squeeze: shrinking and divergence

There are two long-term repercussions of austerity for the defence budgets of European states: first, defence expenditures in Europe are dwindling, and will continue to do so. Member States continue painting positive budget futures, yet, the effects of the fiscal crisis will continue to impact for another decade or so. Moreover, inflation will turn into a net loss of buying power for what currently looks (only) like stagnation. Budget estimates arrive at a decrease (2011-2020) from €220 to €195 to €147 billion (11-33%).

Second, divergence is growing among the Europeans. Behind the overall budget squeeze hides an increasing imbalance. As some budgets are more affected by cuts than others, also the individual contributions to European defence change. The result is a growing divide among Member States: within the 2008-2013 timeframe defence spending diverged among Member States between a 40% increase and a 40% decrease. Moreover, the imbalance has a regional flavour: the cuts are heavier in the East than in the West.

Military dimension: heading towards more dependence

Every additional per cent of cuts brings EU states closer to a red line from whereon military forces and equipment cannot form a relevant capability. This is especially because Member States shrink the size of their armies but do not increase their efficiencies. With their current activities, states accelerate achieving what they fear most, that is, dependence. To be able to intervene militarily European states are becoming more dependent on each other than they have ever been before.

Beyond some spectacular cuts, the budget pressure is continuously breaking small bricks out of the wall of European defence. Because there is no concept for military burden-sharing that would frame these developments, every state chooses to specialise individually in the area it can afford – but not in what is needed to stay capable as Europe. Expensive capabilities like aircrafts, helicopters and satellites are likely to become less and less available for all. The uncontrolled cutting of military capabilities also reduces the possibilities of cooperation. It creates more collective capability gaps (e.g. RPASs) but at the same time keeps often outdated surplus material in other areas (such as tanks).

These mosaic stones of the individual changes in Europe eventually result in an overall picture according to which the Member States have significantly lowered their willingness and/or ability to deploy and sustain military forces. The levels of ambition shrunk by roughly 25% between 2008-2013.

Shrinking forces mean fewer operations. Yet, more importantly, changes in quality reduce the ability to conduct complex operations: brigade formations are key to those operations as they provide the necessary backbone – Command and Control frameworks with the associated enablers. Their availability is shrinking from 20 to 15 and fewer countries hold them. As less and less smaller states can deploy on their own, they become ever more dependent on those few who can still provide the operational framework they can plug-in to.

Industrial dimension: non-European lifelines

While the austerity measures of governments have already affected industries, the more serious impact is still to come: European countries will soon have significantly less programmes and equipment – hence less earnings for industries through production and services, and more overcapacities. This is the outcome of the tension between ongoing nationalist political approaches to the defence industry and the inevitably growing globalisation of this business. Industries react to this by reducing their share of defence business, or by transferring it outside Europe through exports. These have become a lifeline for the defence industry. Key components, technologies and raw materials have to be imported from outside Europe.

Hence, rather than enjoying strategic autonomy, European armed forces have to live with non-European dependencies in their supply lines. These dependencies are likely to increase: the EDTIB may further shrink, since the domestic consolidation into national champions, which some states favour, prevents a further Europeanisation.

Political dimension: the growing gap puts defence solidarity and policy at risk

While militarily the defence crisis increases the dependence between the Member States, it deeply divides them politically. Because of national risk perspectives, but also the style and size of cuts in budget, equipment and personnel differ considerably among the Member States, the latter are less and less able (and willing) to define and implement a common defence policy within the EU framework. The increasing inability or unwillingness of some states to contribute to joint operations reduces interoperability and expands the inner-European capability and modernisation gap. Vice versa, contributions can only come from the shrinking group of willing and capable EU members. This creates centrifugal dynamics: those who no longer contribute do not subscribe to common policies because they cannot shape it – those who still contribute are not interested in giving “free riders” a say in where and how to implement policies.

Defence cooperation: doing something instead of doing the right thing

Member States have devoted a considerable amount of rhetoric to defence cooperation and launched several processes to serve it. This applies especially to political frameworks like Weimar or Visegrad. Yet, tangible results tend to result from shared military interests, and not from political declarations. Successful projects like Air-to-Air Refuelling do not reflect a common effort to improve collective capabilities for defence but rather the highest common denominator among national interests. Such smallest possible, yet necessary, islands of cooperation for a single equipment area are not adequate for the quality of the problems – because the latter are structural and exist across the whole system of capabilities. Instead, this current patchwork without a framework risks wasting resources and duplicating efforts, while maintaining gaps.

Sovereignty – Which Future to Manage Dependencies?

Austerity increases intra-European defence dependence. Yet, the conception of sovereignty that Member States still maintain does not allow them to recognise

these dependencies and thus hinders the Europeans to manage them. Sovereignty is for most Member States not about being capable of acting effectively in order to solve problems of their societies. Rather, it means staying master of the final decision, even if this prevents or diminishes the development of a (European) capability that could engage with their own problems. Hence, Member States prefer autonomy over capability. By doing so, whether consciously or not, Member States actually pretend to be individually able to deal with security risks and threats and keep those away from their territory, people and political system.

It is thus only logical that with such a conception of sovereignty in mind, EU members avoid talking about and engaging in cooperation and specialisation. Accepting specialisation would mean acknowledging that they can no longer assure the national core of defence tasks alone. Recognising cooperation inflicts similar headaches: governments would have to admit that their ability to decide and act in security policy does not carry enough weight in view of current security problems.

Yet, states also insist on their individual right to decide because, they argue, they cannot entirely trust their partners: they fear being left alone in an operation because a partner decides to withdraw; not being able to engage in an operation, as a partner with important capabilities decides not to participate; and giving others, who do not make any contributions of their own to security, the opportunity to free ride.

However, over 20 years of experience in NATO- and EU-operations invalidates the fear of these traps: sharing has been a daily business from Bosnia to Afghanistan and Libya, and NATO and the EU have gathered experience in managing the political and military caveats. No state would have been able to carry out these operations alone. Moreover, European states have made themselves dependent on defence industries and defence contractors: states place their sovereignty in the hands of actors that do it for profit, but they do not trust partners that agree on a common objective?

Thus, states have locked themselves into a vicious circle: their clinging to national prerogatives eventually increases their dependence upon partners while also diminishing their military capacity to act. Member States have not been able to prevent capabilities from getting ever more critical, such as by increasing cooperation. Individual defence planning and cuts further the dependency. While states are rhetorically adhering to military autonomy, reality is catching up in that specialisation is already taking place in an uncontrolled way and further increases dependency. Already today European states are more dependent on each other than they have ever been before when it comes to military interventions, as demonstrated in 2011 in Libya, and again in 2013 in Mali.

Sovereignty is thus the crucial element: the way European governments will conceive it will decide the future of European defence. Put differently, the future of European defence depends on whether the Europeans are able to develop an understanding of sovereignty that enables them to compromise on autonomy in order to manage their dependencies. Four scenarios are possible:

1. *The silent death* of European defence will be the consequence if Europeans continue to neglect the dependence. The defence sector would see a decreasing effectiveness, i.e. the need for more investments. Member States would allow only for *ad hoc* cooperation. It would only take place if and as long as this is the only way to maintain a national capability.
2. *A return to the 19th century*: the current re-nationalisation of security policies points to the risk that EU states may increase these dependencies. Governments could be tempted to “sanctuarise” independence and make it the primary objective of their defence policies. Even if the governments carry on denying interdependence, defence problems will certainly not shrink to a size that national armies can manage them alone. However, military action would immediately become more difficult to organise, or even impossible.
3. *Towards a European Army*: the other extreme would be to institutionalise dependence by transferring sovereignty to the EU. It would enable a European army type organisation of the European military forces to take place. Such a development would certainly be the most efficient way of organising defence. Yet, it is highly unlikely to materialise, for the required common political vision is missing and is not likely to arrive any time soon.
4. *Pooling of sovereignty*: a more pragmatic approach to sovereignty would become possible if Member States would not have to agree on what to protect and where to use armed forces. Instead they would consent on the key notion of sovereignty as the following: to stay capable of problem-solving action by pursuing common political objectives. In order to regain sovereignty under the condition of dependency they would pool their problem-solving capabilities. Dependencies like responsibilities and access to capabilities would become organised through treaties. These arrangements would build on examples from two decades of operations – in which sovereignty management has been daily business. States can still pursue national levels of ambitions on top.

The December Council: Decision Time rather than Christmas Gifts

The 2013 EU defence summit will most likely not debate the crucial “sovereignty – dependency” conundrum. Yet, its decisions will impact upon it. The only issue that the Heads of State and Government may accept to debate are

probably capabilities. They should hence take it as a starting point. They should launch a European Defence Review, i.e. a capability assessment. It would first comprise an overview over what capabilities Europe has today and what will be available in 10 years' time. This would point out the current and future defence choices Europe has to make.

The second part of this assessment of choices would be to offer four ways of organising capabilities, beginning with national autonomy via the status quo, pooling of sovereignty to a European Army. Member States can take a progressive perspective and discuss how to increase efficiencies, instead of moaning about loss and dependence. The benchmark to measure the output that each option would deliver could be the EU Headline Goals, or recent operations like Libya (2011).

In parallel to this, Member States may have to find a way to tell their people that there is no defence Santa Claus anywhere near: their national armies cannot seriously fight without the help of others. The challenge is to communicate such a message within a broader vision of European defence, and a vision that the majority of people and particularly the younger generation understand and support: the reason why Europe needs security and defence lies in Europe itself – it is Europe as a political and social environment; its a way of life that is worth protecting. This security at home depends on activities abroad. Military means are not the only instrument at hand. Yet, they might be in the first line in order to avoid that risks materialise or arrive on European soil.

Governments may still have a Christmas gift: when their people tell them that they already knew that they were dependent on others, but they did not want to shock their governments by confronting them with the truth.

AMERICA'S ASIAN "REBALANCING" AND THE FUTURE OF EUROPE

LUIS SIMÓN

The assumption that the US strategic "rebalancing" or "pivot" to Asia will force Europeans to take their security and that of their immediate neighbourhood more seriously has become the running theme of the forthcoming European Council on defence. By outlining the links between America's evolving defence strategy, the transatlantic relationship and Europe, this contribution seeks to place that assumption in perspective. Not only does the transatlantic relationship remain important to ensuring Europe's strategic cohesion and the stability of the broader European neighbourhood. Critically, the very success of the transatlantic relationship will largely depend on the ability of Europeans to think and act beyond its neighbourhood.

US Defence Strategy: Way Forward and Challenges Ahead

The Pentagon's 2014 QDR will be a momentous one. It will have to weave together a number of hard-hitting strategic, political, technological and industrial themes. The expected withdrawal of most American and allied combat troops from Afghanistan in late 2014 will signal the declining centrality of the "War on Terror", a paradigm that has had a pervasive influence over the foreign and defence policies of the US for well over a decade.

2014 will mark the emergence of a new paradigm, increasingly organised around the so-called 'rebalancing toward the Asia-Pacific' region broadcasted by the 2012 Defence Strategic Guidance.⁵ It will fall onto the forthcoming QDR to spell out what the Asian rebalancing means in terms of force posture, structure, capability planning and, critically, how it will translate into the DoD's budget. Much of this debate will be about how new technologies and concepts can help meet China's "asymmetrical" challenge including, chiefly, its progress in the areas of A2/AD and its offensive cyber warfare capabilities. Presumably, this process shall help further animate an already undergoing trend towards long-range strike and stealthy air and undersea systems, directed energy weapons or cyber security.

5. US Department of Defence, *Sustaining US Global Leadership: Priorities for 21st Century Defence*. Washington DC, DoD, January 2012.

Another key challenge for the 2014 QDR will be to offer a blue print for US force posture and defence strategy in Central Asia post-2014. Arguments for a full military withdrawal from Afghanistan and a broader strategic retreat from Central and South Asia seem to be winning the day. However, some sort of follow-on Western military and security presence in Afghanistan will be critical to ensuring that country's stability and consolidating the progress made after more than a decade of sustained investments and efforts. The security of the broader region remains linked to the evolution of Afghanistan. And a commitment to that country's security shall have a positive effect upon the stability of other Central Asian republics and of America's relations with those countries. Despite its traditional association with the War on Terror, the increasing interdependence between Asia's maritime and continental environments makes Central (and South) Asia relevant from the perspective of the strategic rebalancing or "pivot".⁶

The need to strike the right balance in Asia's maritime and continental "theatres" is further complicated by ongoing instability across the Middle East, from Mali to Iran, through Libya and Syria. Critically, all these challenges will have to be tackled while the Pentagon is hit by sequestration and grapples with a constraining budgetary environment. With such a menu of big-ticket items on the table, one might legitimately wonder whether Washington will have any bandwidth left to think about Europe. However, the future of Europe and the evolution of the transatlantic relationship will have implications upon every single one of those big-ticket items and will therefore continue to be of great importance for the US.

The "Rebalancing" in Context: How Europe and the Middle East Still Matter

Guarded by the world's two greatest oceans and surrounded by weak and friendly neighbours, America's security depends largely on its ability to project power beyond its shores. Its advantageous geopolitical position and maritime nature give the US the kind of strategic flexibility to think of and treat the Eurasian landmass (and the world) as an integrated geopolitical unit.⁷ American strategic thinkers have traditionally attached special importance to the US being able to project strategic power to the most economically dynamic areas of the Eurasian "rimland", namely the European peninsula, the Persian Gulf and East

6. Simón, L. (2013) "Reaching Beyond the Indo-Pacific", *Comparative Strategy*, Vol. 32, No. 4: pp. 331-353; Montgomery, E.B. (2013) "Competitive Strategies against Continental Powers: The Geopolitics of Sino-Indian-American Relations", *Journal of Strategic Studies*, Vol. 36, No. 1: pp. 76-100.

7. Brzezinski, Z. (1997) *The Grand Chessboard: American Primacy and its Geostrategic Imperatives* (New York, Basic Books).

Asia.⁸ By making clear that the Asian rebalancing must not compromise America's global reach, the 2012 Defence Strategic Guidance embraces such a premise.⁹

Maintaining strategic access to Europe and the Middle East remains of great importance for America.¹⁰ Both regions are vital to the economic wellbeing of the US and the (US-led) international economic and monetary system. The US-EU economic relationship is the world's largest, accounting for one third of total goods and services trade and nearly half of global economic output. Total US investment in the EU is three times higher than in all of Asia; while EU investment in the US is around eight times the amount of EU investment in India and China together.¹¹ The ongoing negotiations on a TTIP promise to further exploit the untapped potential of the transatlantic relationship. And they also bear testament to America's recognition that its growing Pacific responsibilities cannot come at the expense of its duties as an Atlantic power. The Atlantic and Pacific are as interwoven as they have ever been at the level of US geostrategy, which remains global in nature.¹²

Its increasing energy self-reliance may well be reducing America's direct dependence on the Middle East. However, the global nature of the oil market and the effect of supply insecurity in other major markets to which the US is wedded means Washington will for many years remain committed to promoting stability in that region.¹³ Not least, US operational engagement in places like Libya (2011) or Mali (2012) and the demands on the Pentagon to maintain high readiness with a view to intervening in contingencies in Syria or Iran underscore the ongoing importance of the Middle East and call into question the ability to implement swiftly a strategic pivot to Asia.

Moreover, recent developments such as the attack on the US Embassy in Benghazi in September 2012 highlight the limitations of a light footprint. All in all, these developments point to the ongoing strategic relevance of the Middle East for the US. And the Middle East itself underscores the ongoing importance of Europe, for those two regions are very much interdependent in the US strategic mindset. Aside from offering reliable and close bases for deployments into the Middle East, political and operational support from European allies is a key asset for US influence in that region. The 2011 intervention in Libya stands as a powerful illustration of that fact.

8. Mearsheimer, J.J. (2013) "Future of the Army: The Rise of China and the Decline of the US Army", US Army War College Strategy Conference, 10 April 2013.

9. US Department of Defence, *op. cit.*, p. 2. See also Flournoy, M. and Davidson, J. (2012) "Obama's New Global Posture", *Foreign Affairs*, Vol. 91, No. 4: pp. 54-63.

10. Admiral James Stavridis, *Testimony to the House and Senate Armed Services Committees*, 2013, p. 5.

11. <http://ec.europa.eu/trade/policy/countries-and-regions/countries/united-states/>; <http://www.ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

12. Multiple interviews with US foreign policy and defence officials, Washington DC (January-September 2013).

13. Mead, W.R. (2012) "America is Stuck with the Mideast", *The Wall Street Journal*, 7 March 2012.

Europe also matters by virtue of its political, economic and cultural closeness to the US. That Europe is a stable and peaceful place and Europeans are capable of taking care of their own security have become all too familiar mantras. If taken at face value, these contentions seem perfectly logical. The problem, however, is that the main European powers differ as to how to organise the security of Europe and that of its neighbourhood. Should the US leave Europe, any attempts by Europeans to regain the security initiative in and around Europe are likely to result in uncoordinated and incoherent responses. And this could further animate instability in Europe's neighbourhood and, potentially, in Europe itself. US forward engagement has been largely responsible for upholding that continent's cohesion in the first place.¹⁴ Assuming that the economic, political and legal structures that US/NATO military power helped build in and around Europe – and the stability that sprang from them – could be safely decoupled from such power could turn out to be very damaging to US interests – and indeed to the interests of all the NATO allies.

The Transatlantic Relationship and the Asian “Rebalancing”

Beyond the strategic importance that Europe and its neighbourhood bear for the US, European allies can also play an important contribution to Asian security. European allies comprised over 90% of non-US military forces in NATO's ISAF in Afghanistan.¹⁵ Additionally, they have for well over a decade contributed substantial development aid, economic and diplomatic resources – and engaged in police training in that country. As the US ponders over what kind of commitment it will maintain in Afghanistan, a number of European allies have already pledged their willingness to continue to contribute to Afghanistan's stability and development with troops, money and ongoing diplomatic engagement.

European doings in Afghanistan must be read alongside bilateral and EU-led initiatives to strengthen economic and diplomatic ties to other Central Asian republics and develop an integrated strategy for the region. Europeans have a strategic interest in promoting stability and economic development in Central Asia, a region they see as important in their efforts to diversify their energy supplies. In wanting to assist the autonomy of Afghanistan and other Central Asian Republics and foster economic integration and political cooperation in the region, Europeans share an interest with the US. Success in that endeavour

14. Yost, D.S. (2002) “Transatlantic Relations and Peace in Europe”, *International Affairs*, Vol. 78, No. 2: pp. 277-300.

15. Stavridis, *op. cit.*, 2013, p. 2.

would come a long way in helping mitigate those countries' excessive dependence on Russia or China.

Beyond Afghanistan and Central Asia, their diplomatic weight and their naval and technological potential means there are a number of ways in which Europeans can contribute to the stability of Asia's maritime environments and to the advancement of US strategic interests alongside the Indo-Pacific axis. These range from educational exchanges, joint training and exercising, weapons transfers through contributions to maritime security.¹⁶ Secretary Panetta's farewell speech in London, in which he publicly urged Europeans to 'join the US in its pivot to Asia', is an example of Washington's increasing recognition of this fact.¹⁷ In the words of former EUCOM chief Admiral Stavridis, 'Europe is today a security exporter, possessing among the most highly trained and technologically advanced militaries in the world'.¹⁸

All in all, America's considerations about force posture and defence strategy in Europe and its expectations as to the future of the transatlantic relationship are organised around three broad themes of objectives: defending the European allies against emerging external strategic challenges (i.e. ballistic missiles or cyber-attacks) and insuring them against the re-emergence of geopolitical competition alongside Europe's eastern flank; projecting US and allied power into the European periphery (i.e. the Middle East, Africa, the Indian Ocean and the Arctic); and stimulating European allies to contribute to America's global geostrategic objectives, including in Asia.

What Future for America's Presence in Europe?¹⁹

The driving trend in US force posture and defence strategy in Europe is one of drawdown. Mounting pressures elsewhere oblige. But that does not mean the US will leave Europe. Insofar as it continues to have a key stake in the security of that continent and in the future of the transatlantic relationship, Washington will try to remain the chief guardian of European security and the leader of the transatlantic relationship.

US force posture and defense strategy are presently aimed at getting the most influence out of a light foot-print. In fact, the last few years have presided over a small but potentially significant reintroduction of US military assets and a

16. See also Holmes, J.R. (2012) "How Europe Can Support the Pivot to Asia", *The Diplomat*, 9 July 2012. See also Rogers, J. (2009) *From Suez to Shanghai: The European Union and Eurasian Maritime Security*. Occasional Paper No. 77 (Paris, EU Institute for Security Studies).

17. US Department of Defence, *Remarks by Secretary Panetta at King's College London*, 18 January 2013.

18. Stavridis, *op. cit.*, 2013, p. 5.

19. The present section draws on and summarizes a forthcoming article in the journal *Survival*.

reinvigoration of US military initiatives in Europe. The European BMD architecture has led the way, having resulted in the deployment of a radar in Turkey, interceptors in Romania and Poland and, critically, four mobile Aegis destroyers in Rota (Spain).

Beyond BMD, other recent developments include the US deployment of Patriot missile batteries and the setting up of an Aviation Detachment in Poland; NATO's drawing up of contingency plans to defend the Baltic States, at the US' insistence; the pick up in the pattern of multilateral training and exercising in the Baltic-Nordic space; America's contribution to the policing of the Baltic airspace; a growing emphasis on bilateral strategic ties with Norway, perceived in the US as the European gateway to the Arctic region; the deployment of US and allied Patriot batteries to Turkey; several US bilateral and NATO-wide initiatives in the area of cyber-security; a renewed emphasis on transatlantic training and interoperability; a consolidation of US posture in southern Europe, accompanied by greater emphasis on amphibious and special operation assets; and a reinvigoration of strategic ties to those European allies most able to project strategic power beyond Europe, particularly Britain and France.

America's evolving force posture and defense strategy in Europe reveal important adaptations to an evolving strategic context. Three main trends are worth pointing out. The first is an evolution from "presence" to "engagement", illustrated by the growing emphasis on initiatives such as cyber-defence, BMD or training, all of which are less demanding in terms of direct US military presence. The second is the shift from a land-centred posture concentrated in Central Europe to a lighter and more flexible one.

The third, and potentially the most important one, is the increasing compartmentalisation of Washington's strategic relations and partnerships in Europe, as the US leans on different European countries and sub-regional groupings for different security tasks and initiatives. This evolution relates to the resurfacing of bilateralism and sub-regional defence cooperation initiatives, such as the British-French defence agreements, Nordic Defence Cooperation or Central European Defence Cooperation. It also speaks to a broader geopolitical tendency, namely the fact that Europe and its neighbourhood are increasingly defined by a less hierarchical strategic order, one that will be more fluid and unstable than Europeans have grown accustomed to.²⁰

20. Simón, L. and Rogers, J. (2010) "The Return of European Geopolitics? All Roads Lead Through London", *RUSI Journal*, Vol. 155, No. 3: pp. 58-64.

Conclusion

For well over seven decades, US forward presence and a strong transatlantic relationship have created the necessary conditions for European economic integration and political and security cooperation. Today, the strategic rise of Asia throws up a question mark over America's presence in Europe and over the future of the transatlantic relationship. While the US is unlikely to abandon Europe to its own luck, its increasing strategic interest in Asia will unavoidably result in less attention towards Europe and its surroundings. That does create a demand for greater European efforts in the realm of security. However, there is a risk that Europeans will confound this situation and embrace an alleged "US departure" as an opportunity to confine themselves to a defensive mind-set and a "neighbourhood-only" approach to security. That would prove to be a fatal mistake.

As important as ensuring a balance of power in Europe was, the levels of security and prosperity Europeans have conquered since the end of the Second World War are ultimately explained by the fact that Western strategic, political and economic primacy was global in nature. Thus, while the transatlantic relationship continues to offer the most reliable framework to ensure strategic cohesion in and around Europe, the survival of the transatlantic relationship will largely depend on the ability of Europeans to join forces with the US to provide security beyond their immediate vicinity. In a world characterised by a relative transfer of wealth and power from west to east, this shall prove the ultimate test of the West's resilience – and of Europe's own future.

NATO POST-2014: PRESERVING THE ESSENTIALS

JAMIE SHEA

Until the Cold War came to an end in 1990, NATO could be described as a “homeland defence” organisation. Its forces were stationed inside its borders, pointing outwards to parry incoming conventional armies. After it began to engage in the Former Yugoslavia, however, NATO changed into an organisation that projected forces well beyond its borders to deal with threats before they could reach NATO territory. Consequently, the organisation became more famous for what it was doing outside Europe than inside Europe. Operations became NATO’s new *raison d’être*. In the last two decades, the Alliance has carried out 36 of these operations, ranging from maritime monitoring in the Adriatic, no-fly zones, close air support, air campaigns, training and mentoring and combating piracy on the high seas. In doing so, NATO has transformed itself as much as it has transformed the countries where it has deployed forces. Operations have brought NATO new partners from across the globe, new relationships with other international institutions such as the UN, the EU or the OSCE, and new military doctrines and capabilities that emphasise peace-building, protection of women in conflict zones and civil reconstruction alongside traditional war fighting skills. Perhaps most important of all, operations such as ISAF in Afghanistan, KFOR in Kosovo, SFOR in Bosnia or Unified Protector in Libya have been so demanding and difficult that they have served as a glue to bind Allies together in a framework of solidarity and at least imperfect burden-sharing. This has somewhat overshadowed the way in which the new security challenges of the 21st century are inevitably giving a much larger group of Allies (16 in 1999, 28 today) different interests and priorities.

In the past, there was no hiatus between NATO operations. At their high point around 2006-2007, the Alliance had two hundred thousand troops engaged beyond its borders in half a dozen simultaneous operations. As soon as one was winding down, another was building up. One operation could also facilitate another, as when NATO’s naval embargo against Libya in 2011 drew on ships and command structures that had already been in the Mediterranean supporting NATO’s Active Endeavour mission since shortly after the 9/11 terrorist attacks on the US. Consequently, the end of the ISAF mission in Afghanistan in 2014 will place NATO in an unprecedented position. For the first time since its inception in 1949, it will not have an immediate opponent or adversary to measure itself against or to serve as a rallying point for its consultations, military planning and generation of forces. Of course, operations will continue in a more minor way in Kosovo, in the Gulf of Aden and in the Mediterranean. But they

will be winding down rather than building up and many NATO Defence Ministers, such as recently the UK Defence Secretary Philip Hammond, have made it clear that, barring a new shock event like 9/11, they see very little prospect of engaging their forces overseas in the next decade or so. Wary of the human and material costs of fighting in Iraq and Afghanistan, and wary of ambitious nation-building projects that fall short of their objectives, NATO's publics have no more stomach for military humanitarianism if not tied to immediate and well proven national security interests. Any operations that do take place, such as training and security assistance for local forces, are likely to be modest and, more often than not, held in NATO countries rather than on the ground in Africa or the Middle East. Moreover, where countries do send forces, these are likely to be Special Forces for quick in/out intelligence driven operations against specific targets. As warfare moves to the shadows, countries will not seek the approval or the participation of all their EU or NATO Allies.

Because NATO has focused so much on operations in recent times and has built its institutional business model largely around enhancing its ability to perform these missions, the sudden prospect of a decline in operational tempo inevitably raises questions about the Alliance's future role and value. Three basic models for the future are currently going the rounds.

The first is a return to Europe and classical Article V territorial defence. This would certainly provide reassurance to Allies, particularly those in Central and Eastern Europe, who have seen Afghanistan as a diversion from NATO's core task of collective defence and who would welcome greater NATO visibility and activity along their Eastern borders, and *vis-à-vis* a Russia which is rapidly modernising its military forces and playing a more assertive role in its neighbourhood. Yet, at the same time, the old threat in the form of the Soviet Union is no more and the threat of armed conflict in Europe is at an all-time low. So while providing reassurance, a return to the more traditional NATO would also be compatible with declining defence budgets and a shift from conventional armies to new types of security investment such as intelligence services, beefed up police forces to fight organised or domestic terrorist crime, or reinforced frontier protection measures to keep out unwanted immigrants.

The second model is one of a NATO that overhauls its business model to deal more directly with the more diverse range of 21st century security threats. By now these have become all too familiar to security policy specialists. They are terrorism in its more fragmentary and delocalised manifestations, cyber-attacks, critical infrastructure protection, resilience to natural or man-made disasters and the proliferation of weapons of mass destruction in the hands of a larger number of state or non-state actors. Already in its most recent Strategic Concept of November 2010, the Alliance placed greater emphasis on these "emerging security challenges" and even set up a new division inside NATO HQ to deal

with them. However, the Strategic Concept did not define a level of ambition for the Alliance in these areas, nor go into much detail as to how NATO's existing assets, such as command structures and planning mechanisms, could be used to address them.

Three years on, NATO has made some progress, especially in improving its capacity to detect and defend against cyber-attacks against its own internal networks and to provide a basic level of assistance and expertise to Allies to improve their cyber defences. But, at the same time, NATO has also had to recognise that these new challenges require a very different approach than conventional types of threat. The domains are not owned by states; the private sector has often a much greater role to play in analysing threats and providing the necessary capabilities. Concepts such as solidarity, Article V collective defence and deterrence and retaliation are much more difficult to pin down than when dealing with an unambiguous, massive kinetic aggression. Within NATO countries these threats are usually dealt with by intelligence services, police departments and interior ministries that are not NATO's usual interlocutors. Therefore it seems unlikely that, after ISAF, NATO can make homeland defence against asymmetric threats into a new justification for the Alliance. Even if NATO's assets can allow it to play a useful role in some of these areas, it will not be able to claim the same leading and almost exclusive responsibility that it has long enjoyed for large scale, multinational military deployments. At the same time, the EU has also taken up the same threats with its broader panoply of instruments and better capacity to integrate the civilian and military dimensions of a comprehensive approach. This will make those Allies who are also EU members wary of building capabilities inside the Alliance which they are already investing money into building within the EU.

The above-mentioned considerations have thus put the main emphasis on the third model for NATO's future. This is one of an Alliance in readiness rather than in deployment, to use the terminology of NATO's Secretary General, Anders Fogh Rasmussen. This model essentially sees the future of NATO as a continuation of its past – only without the pressure of a major operation to generate the political attention and financial resources to sustain NATO's activity. The focus is to preserve all of the key structures that are necessary to rapidly regenerate future operations, on the assumption that if the past is any guide to the future and notwithstanding public weariness, there will eventually be crises which only well-equipped and trained and ready-to-go armed forces will be able to deal with. This crisis could involve the physical protection of NATO territory, for instance in the form of a missile attack, or require another projection of forces on NATO's borders or beyond. NATO's choice, therefore, will be to focus on high-end operations built essentially around a conventional military core structure and organised through an integrated command system.

In a way, this is what has been achieved in Afghanistan although it has been a painful process to train forces to fight, lift caveats, make command structures more flexible and create a single communications network. As the forces leave Afghanistan, they are smaller but arguably more usable than they have been for many years and with a high degree of interoperability not only between Allies but with partner countries too. NATO has designed a Connected Forces Initiative to preserve and develop these skills. The initiative is built around an ambitious programme of live exercises and training, which are also designed to develop skills which have been neglected during the ISAF years, such as major joint operations at high intensity. Defence budget cuts post-ISAF and the general neglect of training over the past decade because of the demands of the deployment in Afghanistan, will make it a challenge for NATO to implement the Connected Forces Initiative. This will put a premium on NATO's ability to convince nations to factor NATO training needs into their national training and exercises as well as to generate forces for the exercise programme in a way that shares burdens equitably and keeps the smaller and medium-sized Allies fully engaged alongside the larger US, French and UK forces. It is very difficult to plan an ambitious exercise if commanders have no idea who will be participating with what. Moreover, keeping partners, such as Australia or New Zealand who are on the other side of the world, engaged will also be a challenge, especially if all the training activities take place in Europe. Keeping the US engaged cannot be taken for granted either unless NATO is able to find a headquarters in the US to take on the NATO training role. This said, if the Connected Forces Initiative does not succeed, there is a real danger that four or five years on from ISAF, many of the Alliance forces will have returned to static or limited homeland defence roles and will not be able any longer to make a contribution to high-end force projection, even in niche roles. Small coalitions of the willing will become the order of the day.

The second challenge is in developing capabilities. The operation in Libya as well as ISAF have consistently pointed to capability gaps and shortfalls in areas such as precision-guided munitions, intelligence surveillance, and reconnaissance (such as RPAS), counter-fire capability, and heavy lift helicopters and air transport. These shortfalls have been around for a long time but the need for NATO to plug these gaps is all the more important at a time when the US is now contributing 72% of the total NATO defence budget and is also pivoting to Asia. This has revived the burden-sharing debate in the Alliance while also making it less clear to what extent US capabilities will be available to compensate for the shortfalls in the European order of battle. NATO's military authorities have also identified a requirement for €1.4 billion of essential priority infrastructure to underpin the reinforcement, deployability and protection of NATO's deployed forces. The challenge is made more difficult still by the 15%

overall reduction in European defence spending in the past decade and growing imbalances among the Europeans themselves, with France and the UK now contributing nearly 50% of overall EU defence spending. NATO has developed an ambitious goal, known as “NATO Forces 2020” for how it can acquire key multinational capabilities.

The question is can it develop a political and planning process to persuade its Member States to move in the desired direction; namely to pool and share existing assets and to develop new ones collectively? Can it overcome an attachment to national sovereignty, industrial protectionism and decades of a fragmented defence and R&D market? Is the answer “Smart Defence”, where small groups of Allies propose to develop a capability bottom-up; or is it “Framework Nation” or the “Menu of Choices” where the big nations take on a specific chunk of NATO’s military defence and organise the contribution of small and medium-sized Allies to support that capability? It is always good to experiment with different approaches, to see which one will be the most politically and financially viable but one thing is clear: NATO will need to rapidly identify the best approach and increasingly organise its defence planning and capability development work around it. The alternative is that nations will continue to cut their defence budgets and take their decisions nationally and unilaterally with the result that NATO will have too much, in some areas (jet aircraft) and too little in others (ISR – RPAS).

Thirdly, NATO will need to debate whether it keeps its military assets essentially to itself and for its own missions, or whether it is willing to act as a service organisation or facilitator on behalf of others. Traditionally, NATO has carried out training and capacity building as a consequence of its own deployments in places such as Bosnia, Kosovo or Afghanistan and as part of its exit strategy as it builds down its forces. However, Iraq, where NATO recently closed a training mission, offers an example of where NATO is able to play a post-conflict role without being involved in the initial operation. Libya, where the government has asked for NATO assistance with the development of a national guard, is an example of where NATO may be able to help some years after conducting an air campaign but without a force on the ground. If NATO is doing fewer of its own operations, this in itself does not make the world a more peaceful place. Others, such as the AU or the UN, will continue to have large numbers of forces in the field with the related need for equipment, intelligence, transport and training. What NATO has acquired in the last few years is a considerable defence infrastructure: strategic commands, military schools, specialist centres of excellence, simulation and intelligence fusion centres and top class training areas. Why would it not put all of its know-how and experience in dealing with threats such as improvised explosive devices at the service of African troops who are encountering the same problem in Mali or Somalia? NATO’s extensive

network of partnerships could also be brought to bear on this task as many partners also have the same military infrastructure and experience and this kind of “Good Samaritan” role would not only serve NATO’s direct security interests but also be a way of sustaining its partnerships post-Afghanistan as well.

Finally, relations between NATO and the EU will no doubt continue to be less than desirable because of the well-known political issues. But the declining defence budgets, the overlapping memberships and security interests and the all too present threats on the periphery of Europe will inevitably push the two institutions closer together – even without mentioning the need for both institutions to become more self-reliant and less dependent on the US. If NATO embarks on a larger training role, it will overlap with an area that the CSDP has long been dealing with and where CSDP is also expanding. If the EU, in the run up to the December 2013 European Council on Defence, wants to acquire more high-end multinational capabilities, such as RPAS or advanced sensor and intrusion mechanisms for cyber defence, it will inevitably overlap with much of the work being done in NATO. As both organisations seek to make better use of experimental formations such as EU Battlegroups or the NATO Response Force, they will both have an interest in devising common forms of certification or joint training and exercises to make optimum use of scarce funds. In the past, and notwithstanding the political obstacles, NATO and the EU were pushed together by the momentum of operations, and finding themselves on the ground together in Bosnia, Kosovo, Afghanistan or at sea in the Gulf of Aden. They will certainly be pushed together in the future by austerity and the overwhelming requirement to make defence more rational and cost-effective and to integrate further the European forces. They too must develop a common narrative to a disinterested public opinion why defence and robust armed forces still matter – when things get rough as, from time to time, they inevitably will. While continuing their own capability and reform efforts, both the CSDP and NATO need to do more to encourage and reinforce the efforts of the other. Whatever the results of the December EU Summit, they will need to be picked up and amplified at the NATO Summit in the UK in October 2014.

MODERN EUROPEAN OPERATIONS: FROM PHONEY WARS TO SICKLE CUTS

ALEXANDER MATTELAER AND JO COELMONT

Throughout the past two decades, European armed forces have been committed to containing violent conflict. From the campaigns in the Balkans and Afghanistan to the recent emergencies in Libya and Mali, they have been called upon to “do something” and fix whatever could be fixed. In the course of this process, they have been downsized, professionalised and asked to do ever more with fewer means. What can we learn from this period of intense operational engagement? Can historical trends continue indefinitely? This essay seeks to outline the principal areas of tension that have bedevilled modern European-led operations. Military campaigns never look the same, of course, but whoever ignores past experience does so at one’s peril.

Institutional Flexibility vs. Strategic Clarity

Multinational operations have become the rule for European militaries. At the same time, organisational vehicles for conducting such operations have multiplied. Whereas the UN represented the only peacekeeping framework at the end of the Cold War, NATO, the OSCE and the EU transformed into busy “crisis managers” with their own unique characteristics. Due to variations in terms of membership, policy competences and pre-existing expertise, each and every one of these organisations developed its own operational planning process and command culture. *Ad hoc* coalitions arguably represent the ultimate expression of this constant search for institutional flexibility.

As a result of this trend, a dramatic change in command relationships has taken place. Operation commanders no longer report to a single national leader. Instead, they receive their strategic guidance from a diplomatic council, of which the members frequently bicker about mission objectives and financial resources. Whether talking about the UN Security Council, the North Atlantic Council or the Council of the EU, the end result is that strategic clarity is often lost and no one feels responsible for failure. Yet grand strategy and campaign design must go hand-in-hand. This does not only require that military commanders receive sufficient authority to do their job, but also that political leaders do not shy away from making difficult choices about ends, ways and means. Occasionally a strategy decided by the lowest common denominator may do the job. Frequently it does not: grand strategy is about setting political priorities and according resources accordingly.

Provided that strategic clarity is safeguarded, the institutional flexibility available to Europeans represents a key asset. The EU's CSDP adds value on three accounts. Firstly, it constitutes a framework for launching crisis management operations in those parts of the world where other organisations are not welcome: think Rafah, Georgia, Aceh or Chad. Secondly, it holds the promise of synchronising the different instruments of European foreign policy. The counter-piracy operation *Atalanta* arguably illustrates best what the EU can deliver in terms of comprehensive action. In order to fully live up to this promise, however, it is imperative that the EEAS is endowed with greater authority to effectively coordinate these instruments and that both civilian and military instruments are appropriately resourced. Thirdly, and most fundamentally, it represents an insurance policy that Europeans can act autonomously if US leadership is absent. Given the Obama administration's decision to rebalance its strategic focus towards the Asia-Pacific region, it becomes imperative that Europe is ready to engage in the full spectrum of strategic affairs. Frankly put, this implies the collective ability to make war, should it ever prove necessary.

Prevention, Rapid Response and ... the Real World

It has become popular to rhetorically embrace the importance of preventive action and the ability to respond rapidly to unforeseen contingencies. Yet one needs to call a spade a spade. The European track record for acting preventively or rapidly is uneven at best and miserable at worst. Several European authorities accurately forecasted the degeneration of the Sahel region, yet the resulting action took so long to materialise that the conflict prevention discourse seemed farcical. The time required for setting up tiny EU operations in Africa has occasionally exceeded the eighteen-month period required for planning Operation Overlord. This is not only the EU's problem: NATO responded painfully slow to the rising tide of insurgency in Afghanistan. More than anything else, this bleak track record is the product of political disagreement. Whenever European Member States have acted quickly – in the Congo in 2003, in Lebanon in 2006 or in Libya in 2011 – it was the undisputed political willingness to act that proved to be the decisive factor.

To be proficient in mounting any operational rapid response means to have access to permanent command structures endowed with the authority to engage in prudent planning (that is, without explicit political authorisation). NATO's integrated command structure effectively constitutes the Alliance's most important asset – which is now at risk of being hollowed out by blind cost-savings. If Europeans are serious about reducing their dependency on US support, it is imperative they reinvest in standing and flexible command arrangements that are useable regardless whether political direction is exercised by the North

Atlantic Council or the Council of the EU. As the experience in Bosnia has shown, the old Berlin Plus arrangement was never designed for allowing rapid response and needs to be fundamentally rethought. A more Europeanised command architecture can also incorporate the EU's much-vaunted comprehensive approach in a manner that is institutionally coherent.

Quite apart from being able to plan ahead, the recent crisis in Mali illustrates the importance of having well-trained troops on standby to carry out time-sensitive missions at the appropriate strategic tempo and with tactical *élan*. The EU Battlegroups represented a qualitative improvement on earlier force catalogues, but have not lived up to the promise of providing a useable tool. Tailored to the historical experience of the Artemis operation, the Battlegroup concept falls short of providing decision-makers with flexible options. In their current configuration, most EU Battlegroups simply lack the fighting power for any mission that goes beyond political symbolism. From a military point of view, the real answer to the present conundrum must encompass a larger set of first entry forces on standby as well as a pool of follow-on forces from which a tailor-made task force package can be generated. Apart from encompassing the traditional land, air and maritime domains, this pool must include adequate space and cyber assets too. Last but not least, debate is required about *immediate reaction* capacity. What assets can be mobilised in near-real time and are these sufficient to safeguard collective European interests?

Financing, or How to Be Stingy and Waste Money at the Same Time

If no EU Battlegroup has ever been used, this is not just because of the military inadequacy of the concept. Above all else, this is a logical consequence of the way military operations are financed, namely on a “costs lie where they fall” basis. Rather than fostering European solidarity, this mechanism promotes a perversely uneven distribution of costs and ultimately leads to operational paralysis. The NATO Response Force is no different in this regard. At the same time, EU budgets are routinely used for financing the per diems of African troops deployed on operations, as is the case in Somalia. Again, this phenomenon is not limited to the EU. In recent years, the bill for the NATO Security Investment Programme has nothing but ballooned. Individual states behave individually stingy, but are collectively willing to spend resources in ways that cannot help but make eyes roll.

Member States are understandably reluctant to write a blank cheque when it comes to operational expenditures. Force generation conferences showcase that national interests are nearly always distributed asymmetrically. The multilateral

character of modern operations, however, incentivises Member States to free ride on the efforts of others. When this results in critical shortfalls on the macro level, expensive solutions such as outsourcing to external parties become the ultimate stopgap solution. Is it normal, for instance, that the EEAS relies on private security providers to the extent that it does? Can European operations truly depend on Russian helicopters in one theatre of operations and credibly monitor Russian forces in another? The EU lavishly funds security-related projects overseas but often struggles to convince Member States to contribute the human resources for making those a success.

European states are now obliged to invest in rapid response assets that are never used and to maintain expensive national support structures for contributing to actual operations. Talk about increased European cooperation cannot hide the fact that in-house military capabilities are currently in free-fall. The financial architecture supporting European defence efforts needs to be radically rethought. As far as operational engagement is concerned, a circumscribed expansion of common funding is required. If soldiers are committed in the name of the EU – in order to defend European interests and values – it is only reasonable to expect that at least part of this burden is borne collectively. A system of European co-financing of operational expenditures constitutes a way to distribute incentives equitably. Common funding of private “power by the hour” solutions, by contrast, is to be avoided.

Defence Planning vs. Wishful Thinking

Individual European states can still excel at the tactical level. Displaying impressive expeditionary capabilities, France successfully halted the march of Islamist rebels in Mali. In the course of the air campaign over Libya, even countries such as Belgium and Denmark proved they were able to generate significant tactical output. Yet crisis response operations are not the be all and end all of military affairs. Any successful military campaign must be the product of a balanced and flexible defence posture linking all aspects of military power to political purpose. It is at the strategic level of defence planning, however, that wishful thinking is most likely to cloud rational judgement. European cooperation has for too long served as a smokescreen masking longstanding capability shortfalls. While past operations occasionally amounted to qualified successes, European states are increasingly unable to generate what is needed for achieving their ambitions.

The list of capability shortfalls is long and well known. It ranges from mundane requirements such as tanker aircraft to the technological high-end such as cyber assets and next generation strike platforms. Put simply, most European armed

forces are hitherto falling short of transforming themselves into agile, knowledge-based militaries prepared for the future. To a large extent, this is the result of the limited scope for investment in cutting-edge technologies and the increased cost of large platforms. Yet European militaries cannot forever continue to cannibalise those arsenals they acquired during the Cold War. If there is to be an industrial and material base for sustaining future campaigns of significant magnitude, this requires renewed investment.

A radically new approach to defence planning is therefore needed. The revamped NATO Defence Planning Process offers a procedural template for doing so, starting from an output-oriented level of ambition and encompassing national as well as multinational capability targets. But can Europeans continue to rely on the US to plug all gaping holes in their defence posture? If not, this requires that Europeans launch a parallel planning cycle to take stock of where they stand without US support and to develop remedies accordingly. Such a European defence review could for example be organised under the auspices of the EDA. Above anything else, moreover, individual European nations need to take this collective exercise seriously, rather than treat capability targets as pie in the sky.

Conclusion

When looking back at the recent operations in Libya and Mali, it is difficult to avoid harsh conclusions. Never did so few do so much in the name of so many. This is not sustainable. When operational solidarity is found absent, political solidarity is put into question. It is revealing that the supposedly *common* security and defence policy of the EU is specialising in capacity-building missions while individual Member States revert to national defence planning. This creeping renationalisation of defence efforts represents a fundamental threat to European integration as a whole. The European Heads of State and Government are presented with one final opportunity to opt for a quantum leap forward. If they do not want to see the European project unravel, they should seize it.

PRIORITIES, AMBITIONS AND CHALLENGES

CSDP IN THE EASTERN NEIGHBOURHOOD: FROM NEIGHBOURS TO PARTNERS

MARGARITA ŠEŠELGYTĖ

Since the launch of the first CSDP mission in 2003, the EU has not been very eager to use its crisis management instruments in its Eastern vicinity. Two purely CSDP missions have been initiated in the region over 10 years: rule of law mission EUJUST Themis (2004-2005) and monitoring mission EUMM (2008-), both of them in Georgia. An on-going EUBAM mission to Moldova and Ukraine (2005) was launched through the ENPI. Though in general the security situation in the region is relatively stable and therefore does not require the use of advanced crisis management instruments, three frozen conflicts if unfrozen might pose a serious challenge for EU security. Moreover they are creating a negative effect on the general developments in these Eastern neighbourhood states.

The reluctance of the EU to employ its CSDP instruments in the region more actively has been determined by several reasons. First of all, the security situation in those countries did not pose an urgent need to react, except in the case of Georgia. Secondly, the Eastern neighbourhood is not equally regarded as a region of primary EU security interest by all Member States. Finally, and most importantly, Russia considers this region as a zone of its exceptional interests. Thus any political activity by any other international player in the region is perceived as a serious challenge for Russian national interests. Moreover, the main stakeholders in the region do not recognise the EU as a security player in a traditional sense, further preventing it from playing a more assertive role in the security domain of the Eastern Neighbourhood. The missions that the EU has managed to launch in the region were important in showing the EU presence and testing CFSP and CSDP instruments in the Eastern Neighbourhood, but suffered from a number of challenges which were hampering their efficiency and ability to reach their goals. First of all, CSDP instruments were poorly coordinated with the ENP instruments. Secondly, the EU lacked a strategic vision of what exactly it wanted to achieve in the region and how to best to use its various instruments for that purpose. These deficiencies have also contributed to the reluctance of the EU to rely on CSDP instruments in the region.

“Low Politics” Instruments and “High Politics” Goals in the Eastern Neighbourhood

Being a fairly modest security actor in the Eastern neighbourhood the EU nevertheless plays an increasingly important part of an economic partner and donor. During 2010-2013 the ENPI funds for the Eastern partners consisted of €1.9 billion. After the EaP summit in Warsaw in 2011 these funds were increased by €150 million for 2011-2013. The EU roots its presence in the region in the principles of the ENP, which aims to create a zone of security, stability and prosperity around the EU's borders through a Europeanisation process. In fact, this approach is quite suitable for the Eastern side of the neighbourhood as it concentrates on non-sensitive “low politics” and thereby does not provoke Russia. At the same time it provides technical assistance and financial funds essential to coping with the challenges of post-soviet societies and thus increases the security in the region in a broad sense. But it is worth admitting that despite a presumed comprehensive attitude towards security in the EU, this approach lacks comprehensiveness. The EU tries to circumvent political instruments and lacks a strategy to direct its efforts in the region towards an explicit goal. Consequently, the EU's political influence in the region has not increased significantly over the years and the overall contribution of the EU to the resolution of frozen conflicts in Eastern Europe remains somewhat vague, except probably in Transnistria.

The EU has invested a lot into the resolution of this frozen conflict by employing a wide variety of the measures available: diplomatic instruments, trade, economic aid, EUBAM with 100 staff, and it seems that those efforts begin to bear fruit. Since 2012 there have been clear signs of positive progress in the Transnistrian conflict resolution process. Although it might be argued that there are also other factors behind this success, such as low ethnic tensions within the conflict or a lack of a very strong opposition on the part of the main stakeholders, the contribution of the EU has to be admitted. The challenge is that the role of the EU and the results of its involvement in frozen conflicts in the Eastern neighbourhood depend a lot on a general attitude towards the EU in a particular country. The more a country is interested in closer ties with the EU, the more demand is created for the EU's involvement, and subsequently the more progress is achieved. That explains the almost inexistent role that the EU plays in the Nagorno-Karabach conflict. The success of the EU's efforts is also exposed to the attitudes and actions of other security stakeholders in the region. Despite strong demand for the EU's presence in the settlement of the frozen conflict in Georgia and solid commitment on the EU side (over 200 civilian monitors in EUMM) the progress is hampered by the lack of cooperation on the Russian side. The EUMM is yet to be granted access to the territories of the separatist regions even more so as fortifications are currently being built on the other side

of the border. It appears that Russia does not have a sincere interest in the ultimate resolution of the frozen conflicts in the region as this might destroy the instruments of its political leverage. Thus even the positive progress in Transnistria cannot be regarded as irreversible and might be stalled as a consequence of increasing Moldova's European aspirations, as warned by the highest Russian politicians before the forthcoming EaP summit in Vilnius. The political context in the region creates the conditions in which the EU cannot put too much emphasis on the instruments of the so called "high politics", including CSDP missions, and has to rely on the measures of "low politics", which create more demand for the EU's involvement. However the EU has to realise that even "low politics" has to be coordinated and have clear goals, as some of them might as well be those of "high politics".

Changing Paradigm: A Comprehensive Partnership

Since the revision of the ENP and the launch of EaP in 2009 the attitude towards the CSDP in the Eastern neighbourhood has been facing a gradual paradigmatic change in the EU. First of all, the ENP countries are viewed less as a problematic neighbourhood that has to be secured but more as a partner, which has to be involved in the EU's activities. Secondly, the CSDP has ceased to be considered a taboo within the cooperation initiatives between the EU and Eastern partners. The change was inspired by several processes. The first one was the launch of the EaP, which aimed to raise the level of the EU's engagement within its Eastern neighbourhood by accelerating political association and deepening economic integration,²¹ as well as acknowledging aspirations of some partners to seek a closer relationship with the EU.²² The EaP foresaw new enhanced partnership agreements, such as the DCFTA and for the first time recognised the CSDP as one of the partnership areas, which provides the ground for the FPA, partners' contribution to missions and operations and their involvement in joint exercises and trainings. The second threshold was the Lisbon Treaty which has introduced quite a number of novelties for the CSDP. New institutions dedicated exclusively to the CSDP within the structures of the EEAS such as a Deputy to the HR responsible for security issues and the CMPD aggregated additional attention and more consistent interest in CSDP matters. In parallel new institutions in the EEAS have been established within the field of the ENP (an EaP division and divisions working with bilateral cooperation projects within the

21. Joint Declaration of the Eastern Partnership Summit, Council of the European Union, Prague, 7 May 2009, http://europa.eu/rapid/press-release_PRES-09-78_en.htm.

22. Joint Declaration of the Eastern Partnership Summit, Council of the European Union, Warsaw, 29-30 September 2011, http://ec.europa.eu/europeaid/where/neighbourhood/eastern_partnership/documents/warsaw_summit_declaration_en.pdf.

CMPD). These permanent institutions have brought dynamism and a more strategic outlook in both fields.

Two processes mentioned above created favourable conditions for another innovation – a new multilateral panel for cooperation in the area of the CSDP within EaP Platform I Democracy, Good Governance and Stability, which was launched on 12 June 2013 and had its first meeting on 27 September. The panel provides a working level multilateral cooperation format between the EU and EaP countries within the field of the CSDP, which has been lacking in the EU structures. The launch of the new panel is very important for the EU presence in the ENP as it allows the EU to rely on a more comprehensive approach, including hard security issues. Moreover through the link to the EaP financial instruments the panel becomes eligible for EU funding, which has previously been unavailable for CSDP initiatives. Finally, as a multilateral and consistent approach towards CSDP issues in the EaP, the panel attracts more attention to the region in general. Deputy Secretary General for the EEAS Maciej Popowski defined the essence of the current CSDP partnerships in three words: knowledge, impact and legitimacy.²³ Partners are expected to bring to the EU their expertise, improve EU capabilities and increase the political legitimacy of the EU's missions and operations. These innovations have definitely created a more favourable environment for the cooperation between the EU and EaP countries. Although in the short run progress in cooperation will depend to a great extent on the willingness and ability of the EaP countries to contribute, in the long run the panel may contribute to the confidence building in the region and construction of joint perceptions and values.

It is imperative though that the multilateral panel would be supported by bilateral cooperation projects, as EaP countries differ a lot among themselves and have diverse expectations towards the EU. Georgia, Moldova and Ukraine are interested in advanced general cooperation with the EU, whereas Armenia, Azerbaijan, and in particular Belarus, have more reserved attitudes. Ukraine and Moldova have signed FPAs, Georgia and Armenia are currently negotiating. Georgia and Moldova see the EU within the field of the CSDP as a contributor to their security, especially in helping to solve frozen conflicts in their territories. Ukraine on the other hand has the capabilities (including those that the EU lacks) and interest to increase its role in the EU's operations. It has already participated in several rotations of the EU Battlegroups, and new commitments are foreseen for the forthcoming rotation of the BG HELBROC in 2014 and possibly in the Visegrad Battlegroup. Ukraine has contributed to the EUPM in Bosnia Herzegovina, participates in the EUNAVFOR Atalanta and prepares to

23. EEAS DSG Maciej Popowski at the seminar *Taking CSDP Partnerships Forward: The Case of the Eastern Partnership*, 2-3 July 2013, Vilnius.

join Atalanta in 2014 with a fully supported frigate. It is important to realise these differences and use the panel as a forum for information exchange enabling all the partners to take from it what best suits their needs, as well as a platform for the development of new projects.

Way ahead...

The forthcoming EaP Summit and European Council on Defence are generating more attention than general for both the CSDP and EaP. Lithuania, which currently holds the EU Council Presidency, has made the EaP one of its main presidency priorities and is an ardent advocate of these countries in various EU formats. These developments create a favourable environment for raising CSDP and EaP related issues.

Will there be anything substantially new proposed in either the EaP Summit or the EU Council on Defence on CSDP in the EaP? Current discussions in the EU institutions do not provide much ground for optimism. The EaP Summit will be devoted to political issues, such as signing and initialling Association Agreements, and will set a general direction for the cooperation between the EU and partners for several years. These directions will also influence developments in the CSDP, although the CSDP itself will not be high on the Summit agenda. The Summit declaration is not likely to offer any revolutionary changes for the CSDP, except general statements about the role of the CSDP in the region: what has been achieved since the Warsaw Summit and what lies ahead. Association Agreements include a part on the CSDP (except the one with Armenia) but they do not foresee any practical implications. The European Council on defence, on the other hand, is likely to be overshadowed by other more pressing issues for the CSDP than the EaP, such as capabilities, defence industry and general directions for the CSDP. Partnerships in the European Council (not distinguishing the EaP) will be addressed as a part of a changing paradigm in the EU to better involve its neighbours in the CSDP and to thereby increase the effectiveness and visibility of the EU's external role. It is not likely that the CSDP in the EaP will receive increased attention during the forthcoming years either, at least until the Latvian Presidency in the first part of 2015. Greek and Italian Presidencies will be putting more emphasis on the Southern part of neighbourhood.

Thus the main format for innovation within the CSDP in EaP for several years will be the panel. As the institutions are already in place the success of the panel will depend on concrete initiatives and projects, which might come both from the Partnership countries and EU members. The EU at some point will have to address one potential challenge – namely how to enhance cooperation and increase partners' interests to contribute to the CSDP. On the one hand the EU

benefits from its power of attraction especially in those countries which have overt or secret hopes of eventual membership; on the other hand it lacks enough “carrots” to encourage partners to join costly projects, such as participation in the CSDP missions. Ukraine contributes a lot at the moment, but its enthusiasm may fade. Moreover due to institutional regulations that favour EU capabilities and personnel in CSDP missions, partners face difficulties contributing even if they want. The dynamism in cooperation might be assured by employing a principle of positive discrimination, as contribution of the partners has a double goal, not only to increase the EU’s capabilities, but also to bring those countries closer to the EU and its values through cooperation. Finally, the EU Member States and those working in the EU institutions have to always remember that progress in the Eastern neighbourhood is a long, step-by-step and not a one-way process. The EU has to be prepared for set-backs. Even though the Association Agreement with the Ukraine will be signed and the ones with Moldova and Georgia initialled, there will be no guarantee that these countries will be getting closer to the EU in the future. The process of democratisation there is still fragile. Moldova – the most pro-European and successful EU Eastern partner – will be having parliamentary elections in November 2014, which might result in a government with a lesser interest to get closer to the EU. Thus, first of all, the EU institutions have to grasp the moment and do as much as possible until then. Secondly, employing a comprehensive approach to its involvement in the EaP the EU has to build its power of attraction, bringing the value systems of those countries closer to that of the EU.

MARE NOSTRUM? THE SEARCH FOR EURO-MEDITERRANEAN SECURITY

SVEN BISCOP

The military definitely is not the primary instrument to deploy in Europe's southern neighbourhood. Passions run high in on-going domestic disputes, which might easily spark into conflict (again), with obvious international ramifications. Meanwhile, the civil war in Syria, in which foreign volunteers, regional players and the great powers are already involved, grinds on. In this infinitely complex geopolitical situation, the impact of outside military intervention is even more unpredictable than usual. The intervention in Libya which Europeans initiated in 2011 proved as much. Necessary though it was, it directly aggravated the security situation in the Sahel, necessitating another European military operation in Mali in early 2013, not to forget Europe's civilian mission in Niger since August 2012. The military instrument (as always, of course) is thus to be used with extreme care.

In fact Europe must ask itself whether it has any instruments with significant leverage in the region. The "Arab Spring" has not just left large parts of the Middle East and North Africa and beyond in turmoil. It has also demonstrated the bankruptcy of the fundamentally paternalistic positive conditionality ("good behaviour" is rewarded by the proverbial carrot) of the ENP, at least in our southern periphery. The EU never did implement it as intended, too often turning a blind eye to lack of reform or worse as long as cooperation in the fight against terrorism and illegal migration was assured. As a result the supposed partnership between both shores of the Mediterranean did not substantially affect the nature of the regimes. Today positive conditionality is in any case out of sync with the times. Especially (but not only) where people have just made a revolution, they want to decide on their own future; too heavy-handed outside meddling, no matter how benevolent, is quickly perceived as insulting. Money would not change this psychological reality, and in any case we do not have it: the economic and demographic challenges are beyond Europe's means to address alone.

Before envisaging the role of the military instrument therefore, our entire strategy towards our southern neighbourhood needs urgent reassessment.

From Partnership to Diplomacy

The time has come to quietly abandon partnership (a notion which is abused at least as often as the word strategy) as the default mode of organising relations with our southern neighbours. By establishing partnerships with regimes before they changed, we took away much of the incentive to reform and simultaneously limited our own margin for manoeuvre, for once partnership has been declared it is difficult to maintain a critical distance. *Partnership* should be reserved for those States with which we share respect for the universal values on which our own society is based, and with which we can therefore systematically engage in joint action. With all other States we should maintain *diplomatic relations* so as to foster dialogue which ideally will produce the setting for occasional joint action. Partnership is the desired outcome – it is not the starting position.

Underlying the abandonment of partnership in favour of diplomacy is the recognition that our past level of ambition was unrealistically high. We should not give up on the *idea* underpinning European grand strategy (as codified in the 2003 European Security Strategy): only where States equally provide for the security, prosperity and freedom of all their citizens are lasting peace and security possible. It has in fact been validated by the “Arab Spring”, which has demonstrated that where States do not provide for their citizens, people will eventually revolt, violently or peacefully – and successfully or less successfully. At the same time though it has proved that such fundamental change cannot be engineered from the outside. External actors can support it if and when domestic forces align to make it happen. Until then, they can strive to have a moderating (but not usually a reforming) influence on the regime by maintaining a critical diplomatic stance and (by diplomatic and other measures) clearly signalling dissatisfaction in case of the derailing of democratic processes or severe human rights violations. The emergency brake of the Responsibility to Protect applies in the gravest cases: genocide, ethnic cleansing, war crimes, and crimes against humanity.

What is a realistic level of ambition for European diplomacy then? Where a revolution has taken place (in Tunisia, Egypt and Libya) our objective is the consolidation of a more equal order. Where it has not, the objective is for domestic actors to accelerate the speed of reform in order to achieve a peaceful transition instead of violent upheaval. Our leverage to contribute to these ends may be limited, but we certainly have instruments that can help nudge developments in the right direction, even though ours may not be the decisive action. Diplomacy, to start with, which we should not forget we are actually quite good at: for example, witness Catherine Ashton’s prominent (even though so far unsuccessful) mediation efforts in Egypt. Two other important instruments are the offer of technical expertise (in the police and justice as well as other sectors

of government), and the creative and targeted use of financial means (for mutually beneficial investment projects, in the transport and energy sector for example, that can attract additional regional and international funds).

To this, we should add an unequivocal ambition in the field of security: to prevent conflict and, where prevention fails, to terminate or at least to contain it, in order both to exercise our Responsibility to Protect people from war and to safeguard our vital interests. This is where the military instrument comes in, in support of diplomacy.

Defence in Support of Diplomacy

That a *European* ambition with regard to peace and security in the region is required is indeed another clear lesson of the aftermath of the “Arab Spring”. First of all, the “pivot” of the American strategic focus is evident: in none of the three recent conflicts (Libya, Mali and Syria) did Washington seek a leading role. In Libya, Europeans had to convince the US of the need to intervene, though the US then had to provide the bulk of the strategic enablers for the air campaign. The Mali scenario conformed better to US expectations: an intervention initiated and implemented by Europeans, with targeted American support (mainly ISTAR). In Syria the US had no choice but to engage once chemical weapons were used, the red line which President Obama had drawn but which he expected not to be crossed, and which was therefore intended as a diplomatic way of avoiding major US involvement.

These three conflicts further highlight that in the south Europe’s engagement cannot remain limited to the ENP countries. The stability of our immediate neighbours is linked to the stability of “the neighbours of the neighbours”, hence our “real” neighbourhood, where our vital interests are at stake, goes beyond the Mediterranean and stretches out into the Sahel, the Horn and the Gulf. Finally, it should be clear by now that no strategy towards this “broader neighbourhood” (or towards any region, for that matter) makes sense if it does not include “hard security”. Stating up front that our grand design for the neighbourhood ended where security problems began has cost us dearly in legitimacy and effectiveness.

What the “pivot” means is that in this broader neighbourhood it will increasingly be up to Europe *to take the lead* in maintaining peace and security: to develop permanent policies of stabilisation and conflict prevention for sure, but also to initiate the response to crises, and to forge a coalition to undertake the necessary action (and, if there is no other option, to act alone).

Following its mediation efforts in Egypt, Europe could first of all design a more systematic diplomatic engagement, aiming to foster cooperation between the

States of the region. It is in our immediate interest to avoid new regimes having recourse to a confrontational foreign policy as a way of distracting attention from domestic challenges, as it is in the interest of all States in the Middle East to avoid escalation of the Syrian civil war, which has already turned into a proxy war between Saudi Arabia and Iran, into a full-blown international sectarian war. Similarly, all states in the Sahel face the same challenge of roving militias in that vast territory. The military instrument has a role to play in these, notably through training missions (as they are currently training the armed forces of Somalia and Mali), which in specific cases may need to be supplemented by the provision of materiel. It would be a mistake however to assume that all problems can be solved through training. The military must therefore also provide Europe with a credible capacity for power projection: such a deterrent will strengthen our diplomacy.

Vital interests and/or the Responsibility to Protect may dictate actual intervention. Inter-state war in the region, including spill-over of a civil war, surely ought to be prevented or ended. Unless the UN Security Council seizes the matter and Europe can act as part of a broader coalition, notably with the US and regional actors, intervention is unlikely however. Addressing a civil war, particularly when the Responsibility to Protect arises, is the responsibility of regional actors first and foremost, but given the limits of will and means external intervention may prove necessary. In such cases, Europe is more likely to be the only or the leading external actor, preferably still in coalition with local and regional actors, as in Libya and Mali. The government of the country in question can of course request intervention; after Libya, a UNSC mandate is much less certain. As in Syria today, but also in Georgia (2008), the military feasibility may be constrained by the implication of external powers, by the chance that any benefits are outweighed by major negative side effects, or by an unacceptably high risk of casualties. Intervention may then be limited to preventing spill-over and possibly supporting the legitimate party in the conflict with equipment and otherwise.

Conclusion

Assuming leadership in maintaining peace and security in our broader southern neighbourhood does not mean rushing headlong into action. It does mean taking the initiative to respond to any crisis, at the earliest possible stage, in order to prevent escalation and the need for military intervention. But if all else fails, and vital interests and the Responsibility to Protect cannot otherwise be upheld, we should not shy away from military action either. In parts of this region at least, such as the Sahel, even limited military means can make a difference: if none of the parties on the ground has any air support for example, a

limited deployment on our side can tip the balance. Nevertheless it is a most sensitive region in which to intervene, which means that the cost-benefit calculation is even more difficult than usual. A coalition involving local and regional players is always advisable, in order to avoid mobilisation of public opinion against Europe. Even if our help is requested, strict political conditions and long-term follow-up are of the essence if a durable impact is to be had.

It are Europe's interests that are at stake here much more than America's – in that sense it is *mare nostrum*. But Europe will not stabilise this region against the local actors, only with them: it is *mare nostrum* as much for them as for us.

EUROPE'S ASIAN FRONTIER

JONATHAN HOLSLAG

Asia is becoming one large playing field. The rise of China has effectively connected Central, South, Southeast, and Northeast Asia by means of roads, railways, trade, personal exchanges, and regional institutions. In the previous decade, that arena used to be characterised by growing confidence and cooperation. Six elements were important in this regard. First, most governments adhered to constructive variants of nationalism and aligned national development with globalisation. As a result, they became more integrated into the global order. Between 2000 and 2012, the share of foreign investment and trade increased from 3% to 6% and from 40% to 57%. That coincided with an expansion of intra-regional trade. The share of intra-regional exports of total Asian exports expanded from 41% to 53% between 2000 and 2012. This trend was flanked by a gradual institutionalisation of cooperation and a proliferation of regional organisations. Asian countries also came to recognise non-traditional security threats as a common challenge and turned them into an opportunity for military confidence building. All that continued to make most countries more averse to the use of force and encouraged them to show restraint in the many conflicts over borders, raw materials and regional leadership.

That restraint cannot be taken for granted. There are four important elements that could lead to more conflict and instability. To begin with there is the shift in the balance of power, marked by the rise of China, the failure of South Asia, the struggling of Southeast Asia and the inevitable decline of Japan. China's ascent remains precarious and its economic growth model is unsustainable, but still it is the only major developing country that expands its industry so rapidly and advances fast in terms of technology, diplomatic influence and military prowess. In comparison, the other juggernaut, India, is struggling and falling prey to financial volatility, political fragmentation, social instability and domestic violence. The altering balance of power aggravates the traditional security dilemmas between Asian countries. Second, the growing economic distortions can cause major crises and draw pragmatic elites away from their constructive nationalism to more antagonistic variants of nationalism. Third, the increasing "militarisation" of borders and disputed areas increases the risk of mishaps that could easily escalate in a context of antagonist nationalism. Fourth, demographic pressure, demand for raw materials and environmental hazards are increasing faster than technological solutions are found.

China's growth remains the main variable. If China keeps its growth on track, continues to modernise its industrial base, attains high-income status, and grad-

ually rebalances its economy away from investment- and export-led growth, it could – theoretically – provide more opportunities to its Asian neighbours. The downside, however, is that the transition towards that economic leadership entails a long period – another decade or so – of diverting trade, industrial opportunities, and possibilities to create jobs. Furthermore, the economic power shift would imply a military power shift and most likely allow China to outpace the others in building up a presence in the disputed waters of the South and East China Sea. That could cause more balancing, confirm China's suspicion of nascent containment and lead to fiercer competition. If, however, China's growth were to slow down before it builds a strong domestic market, its leaders could try to secure their position domestically by shifting to antagonistic nationalism. Moreover, a sharp slowdown of Chinese economic growth could also destabilise many of the neighbouring states that depend heavily on exports to China and commodity prices. Like in China, the most probable result would be more antagonistic nationalism. Such a climate makes it of course much more difficult to prevent that tensions spiral out of control. This relates to tensions with China, but also to other conflict-prone relationships, such as India and Pakistan, Thailand and Cambodia, Indonesia and some of its neighbours, and so forth. A Chinese slowdown could unravel much of the cooperative mechanisms that developed in the previous decades.

This uncertainty presents Europe with several important security challenges. First, Europe has to anticipate more economic volatility. Its social stability could be affected by more assertive industrial policies as well as economic crashes. Second, Asia's turbulent transition challenges some of our core objectives, not the least to advance peace and cooperation through multilateralism. Third, we should anticipate a spill-over of instability from Asia into our backyard. Distrust and rivalry could prompt the Asian powers to try to secure their interests unilaterally in our extended neighbourhood. Economic problems in Asia could also add to more social unrest in that area. Fourth, military conflict between the Asian powers reduces our diplomatic manoeuvrability – especially if the rift between China and its neighbours were to expand and if that would be followed by more manifest American balancing. Fifth, the American pivot to Asia demands Europe to play a more active role in stabilising its neighbourhood. That could be seen as an important opportunity, but also a threat if it continues to fail to get its act together. Sixth, the tensions in Asia might lead to a more rapid militarisation of outer space and the cyber realm. Seventh, a persistent failure of South and Central Asia to work towards prosperity and stability could create a security black hole right in between Europe and Eastern Asia. Eighth, the outbreak of a regional armed conflict would come as a major threat to a region that has no contingency plans anymore for traditional wars between states and major powers.

The Response

This will be an Asian century, but it will unlikely be a century of peace. Europe should be prepared for major instability, but as long as Asia continues to grow economically, it should also be ready to reap the benefits.

The first task is therefore to advance our economic interests. Europe should serve Asia's growing consumer market more from European factories, not by relocating more capacity to Asia or allowing Asian countries to divert trade by aggressive industrial policies.

The second task is to make our main partnerships in Asia more effective instead of just bigger. Europe should continue to work towards a strong and balanced relationship with China. It would be a mistake to play up the China-threat. It is true that many Chinese policies are imperiling our economic interests and it is also true that its diplomatic choices are not always compatible with ours. Yet, Europe is equally challenged by the monetary and industrial policies of countries like Japan, South Korea, India, and, not the least, the US. Neither are we always on the same page with these countries in diplomatic matters. Important also is that we analyse China's role in Asian maritime disputes carefully. As regards the territorial disputes, China's claims and its interpretation of the UNCLOS are often as contentious as those of other countries, including, again, the US. Its efforts to project naval power into the Pacific are as legitimate or problematic as America's efforts to maintain military predominance in this area. It cannot be excluded that China soon or later will become more belligerent, as we cannot exclude that for most other Asian powers, but we should remain careful and balanced in our strategic choices.

It is thus advised to continue to invest in our partnership with China, but also to strengthen relations with other Asian protagonists. We need to avoid here to make the mistake of trying to broaden partnerships without strengthening cooperation on core economic and political issues. Europe has too often the tendency to compensate the lack of progress by setting up more dialogues. The precondition to make this possible is that the EEAS invests more in internal action, that is, the coordination with Member States and other stakeholders to generate the maximum of influence out of our resources – economic, diplomatic, and military. In the military realm we should not allow our Asian partners to approach individual Member States for *ad hoc* synergies, without being able to get meaningful strategic cooperation at the European level in return. There should thus be cogent frameworks for defence cooperation at the European level within which the Member States could engage themselves. Particular attention should go to ASEAN. Europe has to work towards a more effective partnership with ASEAN, to support the region as a buffer against Asian great power rivalry, and

help to prevent its further fragmentation, which will inevitably turn the grouping into a defenceless playground of great power politics.

One of the most important questions is whether Europe should follow the US in pivoting to the Pacific. That would not be a smart move. Three considerations should guide Europe in its response to the US pivot. First, it should ask itself how it could get the maximum of leverage over the Asian powers. Second, it should think how it could best secure its maritime lifelines to the Pacific. Third, it has to evaluate how it can make itself most useful *vis-à-vis* its main partners. Taking into consideration that Europe's long-range power projection capacity will continue to be limited, that it will have limited weight to throw in the Asian balances of power, and that it faces an increasingly growing number of major security threats, the choice for Europe should be to make itself indispensable as a security actor in its extended neighbourhood, including Africa, the Middle East, Eastern Europe, and the Arctic. This is where the Asian powers are the most vulnerable, where the EU can bolster its credibility as a security provider, and strengthen its credibility in the Atlantic partnership as the US focuses more on the Pacific. Pivoting to Asia without strengthening our position in our immediate neighbourhood would be reckless and dangerous.

What has to be done? First, Europe needs to re-energise its neighbourhood policy, restore its position as a capable partner of countries in that area, strengthen its role as an economic player, and regain confidence as a source of inspiration. Second, Europe must come up with an integrated policy to improve security in Africa and the Middle East. This involves local capacity building, conflict prevention, but also the ability to project power whenever new conflicts might erupt. Third, Europe needs to establish a defence perimeter that stretches from Gibraltar to the Gulf of Aden and from the Gulf of Aden to the Arctic. Such a defence perimeter should consist of joint security hubs. Therefore, it can depart from existing facilities of the Member States in the Mediterranean, the Gulf, Africa, and the Indian Ocean. But it will also be essential to establish some sort of presence in the Caspian Sea Region so as to monitor and contain future instability in Central Asia. Besides these hubs, a forward naval deployment is indispensable. Europe should have a significant naval presence in the northern Atlantic, the Gulf of Guinea, the Mediterranean and around the Gulf Region (Including the Western part of the Indian ocean). Such a presence could be organised around the five aircraft carriers. These hubs and this naval presence should play an important role in building security partnerships with our neighbours and conditioning the security involvement of Asian powers. Fourth, Europe needs to limit its vulnerability to possible aggression from space and cyber.

Europe thus requires the full spectrum of military capabilities. While it should be able to use its armed force constructively, to cement partnerships and so

forth, it must also be able to defend itself against a spillover of instability from Asia into its neighbourhood, and from that neighbourhood into Europe itself. In other words, it has to have the upper hand in the transit zone between Europe and the surrounding arc of disquiet and be able to deny access to those “external” powers that threaten its security.

EUROPEANS AND THE “WIDER NORTH”

JAMES ROGERS

In 1827, the British explorer, Sir William Parry – of the Royal Navy – set out on one of the first purposeful expeditions to locate the North Pole. Many came before and after him: many of those intrepid explorers also perished. While he went further north than anyone before him, he ultimately failed – although he lived to tell the tale. The North Pole was eventually found, but the extreme climate and the thick ice sheets prevented human penetration until the middle of the twentieth century, which, even then, was only in a military-strategic way. Over the past decade, however, particularly with the onset and acceleration of climate change, the north has started to open and scientists project that, by 2050, the Arctic Ocean will be ice free for much of the year. This is drawing increasing attention from local, regional and even global powers – Norway, Russia, Canada, the US, China and others – to assert their interests, both economic and political.

However, the EU – with its own territory within the Arctic Circle and hence definitively an Arctic power – has taken less interest in the affairs of its northern proximity than it otherwise might. Its much-vaunted “Northern Dimension” and nascent “Arctic Policy” have remained hamstrung as entrenched structural economic problems and the Arab revolts have concentrated European leaders’ attention on their southern rimland. Likewise, the European Commission’s Joint Communication to the European Council and the European Parliament in 2008, which outlined three themes for its northern perspective – “knowledge”, “responsibility” and “engagement” – has failed to drive Europeans forward. The EU has also failed to gain full membership of the Arctic Council, even though two of its Member States are part-located in the Arctic region and another has an overseas territory there. It remains merely an observer. The question arises: how can it become a power?

Geopolitics and the Construction of the “Wider North”

Acquiring power necessitates a thorough understanding of geopolitics. This accounts for a way of thinking that looks at the interaction between humans and their geographic surroundings – or rather, the way that geography impedes human activities, encouraging them to develop new forms of technology to overcome those constraints. Geography is – after all – “fundamental” and “pervasive” for it ‘impose[s] distinctive constraints and provide[s] distinctive opportu-

nities that have profound implications for policy and strategy'.²⁴ However, this does not necessarily mean that geography determines human possibilities, for there are many ways of reacting to geographic constraint or change. The UK and Japan, for example, are both islands, located off continents, but both developed very differently: whereas the former adopted an expansive maritime approach, the other closed in on itself for many centuries, until forced open by external powers.

This is where geostrategy comes in: those societies best able to maximise their command over the natural world are likely to be more successful than those who do not. However, as Grygiel notes: '[t]he geostrategy of a state [...] is not necessarily motivated by geographic or geopolitical factors. A state may project power to a location because of ideological reasons, interest groups, or simply the whim of its leader'.²⁵ Indeed, there is no *a priori* explicit linkage between strategy and geography; governments have often failed to properly link the two – perhaps best reflected by the historical case of Japan. Had the Japanese not adapted an insular geostrategic culture, they might have ended up more like the British – outward looking – and indeed, they did after the Meiji Restoration during the late nineteenth century.

The point here is that to flourish economically, politically and culturally, political communities must actively seek to establish their command over the natural world and – consequentially – over rival societies. However, the urge to do this is often a consequence of some form of dislocation. In Japan's case, this occurred when the US' "Black Ships" entered the Bay of Tokyo; in Britain's case when Spanish power began to surround and endanger the home islands in the sixteenth century. Further, when one society masters new ways of altering the constraining impact of geography, or when it successfully overcomes an external threat – the region in question is likely to be altered, often irrevocably.²⁶

A similar dynamic may now be underway in the extreme Northern Hemisphere. For much of modern history, this region was largely impenetrable. The inhospitable climate made human settlement very difficult. Any settlement that did occur was confined to the southern extremes of the region (like Scandinavia and the Baltic rim), which were part of alternative geopolitical sub-systems like Northern and Eastern Europe or the North Atlantic. Even as the invention of intercontinental bombers, ballistic missile technology and nuclear propulsion during the 1950s merged with the Arctic's pivotal position between Soviet

24. Gray, C.S. (1996) "The Continued Primacy of Geography", *Orbis: A Journal of World Affairs*, Vol. 40, No. 2: p. 248.

25. Grygiel, J. (2006) *The Great Powers and Geopolitical Change* (Baltimore, Maryland: Johns Hopkins University Press): p. 22.

26. Rogers, J. (2012) "A New Geography of European Power?", in Biscop, S. and Whitman, R. (eds.) *The Routledge Handbook of European Security* (Abingdon: Routledge).

Russia and the Western democracies, its geopolitical significance only grew due to the superpowers' nuclear strategies. Hidden by its murky depths, American, British and Soviet ballistic missile submarines found the Arctic Ocean a suitable location to lurk during the Cold War, only a handful of minutes striking distance from each others' strategic centres of gravity. The region's importance swiftly declined with the end of the Iron Curtain.

After a period of relative quiet, the Arctic has started to re-emerge as a region of geopolitical intrigue.²⁷ This is being driven by two interwoven factors:

1. The dense polar ice-sheets are starting to melt, meaning that except for the winter months, the Arctic Ocean will likely be navigable by the 2050s. Should even the most moderate climate projections become a reality by the middle of the twenty-first century, it is likely that the Arctic Ocean will no longer remain such an impenetrable and inhospitable space. It will always be a very difficult environment to work and live in, especially during the winter months, but it could nonetheless emerge as an alternative transit route between the centres of economic production in North-Western Europe and North-Eastern Asia.
2. As the world is becoming more multipolar, the larger surrounding powers are beginning to consider how the changing environment – both natural and geopolitical – may affect their interests in the northern zone. How will a more open and warmer north affect the geography and development of Russia, for example?

These developments may transform the Arctic from an icy wilderness to the centre-piece of a new geopolitical zone. This Wider North will likely envelop many European countries, such as Denmark (and Greenland), Finland, Iceland, Norway, Sweden, Estonia, Latvia and Lithuania, as well as the UK and the Irish Republic, given that the British Isles act as the strategic gateway between the Atlantic and Arctic Oceans.²⁸ Germany, Poland, France and the Netherlands may also be drawn in given their proximity to the Baltic Sea and the North Sea and the requirements of their economies, i.e., unfettered access to the sea for the purposes of trade. More distant countries, like Japan, South Korea, the US and Canada, all with northern vectors, may also be drawn in.

27. Emmerson, C. (2011) *The Future History of the Arctic: How Climate, Resources and Geopolitics Are Reshaping the North, and Why It Matters to the World* (London: Vintage Books).

28. Rogers, J. (2012) "Geopolitics and the 'Wider North': The United Kingdom as a 'Strategic Pivot'", *RUSI Journal*, Vol. 157, No. 6: pp. 42-53.

To 2050: Contrasting Futures

So as climate change takes its toll and as surrounding powers increase their interest in the region, what might it look like by the middle of the twentieth century? There are two main possible trajectories:

Peace in the Wider North: analysts were relieved that climate change did not have the impact on the Wider North that it was originally projected to have. While the Ultra-Plinian eruption of an Indonesian volcano in 2026 killed millions of people, it did envelop the Earth's atmosphere in a thin layer of ash, which led to the decade-long onset of a volcanic winter. The previously melting ice actually began to refreeze, closing the Northern Sea Route and derailing Moscow's efforts to lift-up Russia's northern areas through the development of new infrastructure on the Siberian coast. In any case, the eruption left the world with many other issues to deal with – such as maintaining food supply in some regions – reducing the desire of countries to engage in geopolitics in the North.

In any case, the stagnation of the Putin regime in the late 2020s further stymied Russia's ability to influence its surroundings, as the country's numerous oblasts clamoured for greater autonomy under acute agricultural and demographic pressures. Likewise, the birth of constitutional government in Beijing in the late 2030s – after the “Elders' Movement” earlier that decade – created a much less assertive China. The Chinese turned inward to refine their democratic structures and thoroughly sweep away what came to be known as the “era of repression”, even as they continued to grow in wealth and power. Analysts feared that the major powers had not forgotten their interests in the North but had merely put them on the back-burner.

Struggle in the Wider North: By 2040, Western hegemony had been greatly reduced, not least by a combination of climate change and the rise of non-Western counties, particularly China and Russia. With the Northern Sea Route having been opened, and human habitation of Russia's northern expanses been enabled, China was keen to extend its control over Eurasia's near-unlimited resources. The intensification of the Shanghai Cooperation Organisation during the 2020s finally altered the global balance of power: the agreement reached between Beijing and Moscow was undoubtedly in China's favour, but the Russian regime – long prickly and paranoid – was determined not to “surrender” to the Euro-Atlantic structures. Backed by China's industrial strength and growing military might, Russia realised that a consumer was ready and willing to procure its resources – a consumer that did not attach multiple caveats requiring political reform.

Northern and Eastern European countries looked on as the China-Russia axis solidified: a single geopolitical constellation was beginning to take control of the

Eurasian heartland, exerting pressure on all fronts. The Western maritime powers – a British-French led EU, Japan, Korea and the US – had their work cut out: not only were they busy maintaining order around the southern rimlands of Eurasia, but now they were facing a rising threat to the North and East. Beijing realised that opening another geopolitical front would serve its wider agenda in the Indo-Pacific, particularly in South-East Asia, by splitting the West’s dwindling resources. It actively supported the Russians’ northern policy, providing Moscow with the latest weapons systems, safe in the knowledge that Russia could never again challenge Chinese power. By 2050, two hostile blocs looked on at one another.

Preparing for the Emergence of the “Wider North”

Whatever future takes hold in the upper Northern Hemisphere, the EU and its Member States are unlikely to remain unaffected. Should the Wider North emerge as an integrated geopolitical space, sucking in several powerful external countries, Europeans must be ready and waiting. Rather than a reactive policy, which kicks in after something goes wrong, Europeans require a more assertive, integrated and preventative approach that places their needs and interests at the forefront.

Shrewd diplomatic action is needed, but this is not by itself enough. Military capabilities – and the techno-industrial base required to support them – are essential to undergird diplomacy, much like a police force does its part to uphold the law.²⁹ More than that, military capabilities act as a restraint on other powers’ calculations and actions, particularly those like Russia, which continues to see international relations through the lens of the “modern”. In this respect, Europeans could not do nothing better than to remember the insights of the naval strategist, Alfred Thayer Mahan, who proclaimed that: ‘[f]orce is never more operative than when it is known to exist but is not brandished’.³⁰ Unfortunately, few Europeans – even the UK and France – possess significant projection forces that are suitable for patrols or operations in the northern extremes. Norway has some capable and sophisticated military instruments, but not in a number sufficient to undergird European interests.

The Wider North may not be on the minds of European leaders at the European Council in December 2013. There are more pressing needs: like halting the general malaise in European armed forces. However, strategic thinking means

29. Cooper, R. (2004) “Hard Power, Soft Power and the Goals of Diplomacy”, in Held, D. and Koenig-Archibugi, M. (eds.) *American Power in the 21st Century* (Cambridge: Polity Press).

30. Mahan, A.T. (1912) “The Place of Force in International Relations”, *The North American Review*, Vol. 195, No. 674: p. 31.

forward planning. If the Wider North takes shape, Europeans will need to bolster the cold weather capacities of their armed forces to facilitate patrols and operations in the icy extremes, to establish and sustain a European presence, or to support smaller partners and allies and to deter foreign aggression against the EU's northern perimeters. Most importantly, enhanced situational awareness will be crucial in the years ahead, not least as other non-European, even non-Western powers, seek to muscle in and make their voices count.

OBJECTIVES AND IMPLICATIONS

CAPABILITY DEVELOPMENT: THE TIMES THEY ARE A-CHANGIN’

JO COELMONT AND ALEXANDER MATTELAER

Military capabilities cannot be discussed in isolation of the geostrategic environment, for they refer to the ability to achieve specific effects that are ultimately determined by political reality. The European capability development process can therefore not make abstraction of budgetary austerity, the turmoil following the Arab Spring or the US “pivot” to the Asia Pacific. These developments may indeed suggest that European defence approaches a state of emergency. This conclusion, however, is only a snapshot of the present. To understand where we are going requires knowing where we have been. Such a historical perspective makes clear we are witnessing a dramatic increase in the importance of strategic assets. In fact, the future acquisition of major defence systems is critically dependent on political desperation. Sovereignty only means as much as one’s ability to act permits, and this ability is dwindling fast across the European continent. Desperate times therefore call for desperate measures: the reconstitution of sovereignty as the collective ability of European nations to bring military power to bear.

Changing Paradigms

In the middle of the Cold War, it was deemed unacceptable to spend less than 4% of GDP on defence. Even in these days of relative plenty for defence planners, a transatlantic division of labour was firmly in place. European states generally concentrated their defence efforts on generating sufficient numbers of tactical assets, be it fighter squadrons or mechanised brigades. In turn, the US, and to a limited extent the UK and France, invested a large share of their resources in strategic assets, such as expeditionary logistics, C4ISTAR systems and long-range (nuclear) strike platforms. Together, Europeans and Americans maintained an integrated command structure for imbuing NATO’s common defence clause with real meaning. This package provided the baseline from which post-Cold War defence planning must inevitably depart.

For European planners, the political urge to cash in on the so-called “peace dividend” was paradoxically accompanied by a drive towards greater expeditionary deployability of a shrinking pool of tactical assets. Ever since the 1998 Saint Malo accords, it was clear that Europeans suffered from important strategic shortfalls limiting their ability to act – be it autonomously or as equal

partner of the US. The post-9/11 defence spending spree in Washington allowed for these shortfalls to be systematically covered, even if it also deepened the transatlantic gap in terms of military technology. As such, European militaries could continue to play the role of US military subcontractors in places as far away as Afghanistan. The transatlantic division of labour therefore continued well into the post-Cold War period. In many ways this trend culminated in the air campaign over Libya: an intervention initiated by European ambitions was critically reliant on US strategic assets. This dependency not only ranged from tomahawk missiles to suppress enemy air defences to RPASs to collect intelligence as far as the operational front office was concerned. It applied equally to back office functions of the logistical support and command structures (think tanker aircraft and combined air operation centres).

The US pivot to the Asia-Pacific region and the changing character of the operational environment are turning this longstanding division of labour upside down. The American willingness to pick up the slack is diminishing just as the operational importance of strategic enablers increases. This entails a true paradigm shift for European defence planners. The future availability of sufficient strategic assets will determine the European ability to act, be it nationally or collectively. And – surprise, surprise – this debate is intimately intertwined with the future of the European defence industry. As the spiralling cost of hi-tech defence systems is driving unit prices up, order numbers are going down, casting a long shadow over an industrial sector that is responsible for driving technological innovation forward.

Pooling and Sharing, or Muddling Through by Another Name?

So far, European capitals have responded to this emerging paradigm shift by putting forward the slogan of pooling and sharing. But before issuing yet another clarion call, let us look in the mirror. Pooling and sharing was launched because the original project – establishing PESCO – failed. In fact, the underlying idea of pooling and sharing has been around since the 1970s, if not earlier. Moreover, pooling and sharing cannot possibly compensate for the huge amount of budget cuts national defence has had to swallow recently. As the former Director-General of the EUMS Ton van Osch has stated, the combined European defence cuts are approximately one hundred times the size of the expected benefits of currently agreed pooling and sharing initiatives. Far too many of these individual projects are concerned with marginal savings in the field of tactical capabilities. In political terms, pooling and sharing is effectively used as a means to camouflage the imminent loss of sovereignty. Faced with

another round of cuts, Europeans planners attempt to muddle through once more. With some notable exceptions, it is still business as usual – at least for now.

This is not to say that pooling and sharing has no potential. When looking at the development and purchasing cost of satellite systems, future air systems and major naval platforms, it is not rocket science to understand that European states can get much more value for money if they spend their Euros together. Some states are already going pragmatically forward in fields such as air transport. The challenge is to move forward with European answers to the full list of strategic shortfalls. The fragmented nature of the European defence market is only sustainable as long as industrial answers can match operational requirements *within the available budgetary envelope*. In an era of falling defence expenditures, this means that deeper European cooperation is unavoidable. The added value of genuine pooling and sharing therefore resides in the spontaneous emergence of joint defence planning among partners. And if one is indeed willing to risk a quantum leap forward in terms of coordinating European defence planning, the era of austerity need not mean the end of sovereignty, on the contrary. This is of course a matter of political insight and acting accordingly. Perhaps Jean Claude Juncker was talking about more than economic reforms when he stated that ‘we all know what to do, we just don’t know how to get re-elected after we’ve done it.’

The Principle of Subsidiarity in the Realm of Defence

The history of European integration is based on the application of the Monnet method and the principle of subsidiarity, i.e. the allocation of policy competences to the lowest possible level. The former assumed the shape of economic integration only after the proposal for establishing a European defence community had been defeated. It is therefore highly symbolic that the theme of European defence has crept back on the policy agenda six decades onwards. The latter assumes a five-step process to be followed before specific policy competences are uploaded to the European level. The first requirement is that it must be beyond reasonable doubt that the European level would bring greater efficiency. Second, there must be a significant amount of damage suffered already. Third, the damage must be of such magnitude that it cannot be hidden from public view. Fourth, the political class must reach a state of desperation: nothing focuses the mind like the prospect of a hanging. Fifth and finally, there must be no possible alternative left.

So where are we with European defence? It becomes increasingly difficult to mask the dire state of affairs behind the smokescreen of pooling and sharing.

Shell-shocked by austerity, anyone interested in defence issues is near a state of despair. Under the pressure of the US pivot, Europe is now drifting towards the fifth level. For now European states are experimenting with the last possible alternative: that of regional clusters. It is no coincidence that the Lancaster House Treaties provided the first attempts at pooling and sharing of strategic assets like carrier groups and satellite communications. It is questionable however, that these clusters will be able to bring about the required critical mass for investing in the development of sufficient strategic assets. The question therefore becomes: can the European Heads of State and Government now muster the will to make the quantum leap first imagined by René Pleven?

A Question of Timing?

The upcoming European Council on defence presents the first opportunity in many years to come to terms with these thorny issues. As the defence theme has now been put on the agenda, a considerable risk has been taken already. It is now all too easy to point out that the pooling and sharing emperor has no more than a fig leaf for clothing. On the bright side, the summit creates an opportunity to provide considerable impetus to the work of the European institutions in the realm of defence. Top-down steering of the institutional staff work is required to overcome the ubiquitous turf wars and bureaucratic gridlock. The EEAS may need reminding that the comprehensive approach is not meant to prevent the EU from growing military teeth. Similarly, the Commission's efforts in safeguarding the EDTIB deserve the support of Member States. A purely market-based approach to the European defence industry is of course flawed: as defence assets ultimately qualify as the bedrock of state sovereignty, a strategic mindset is needed. The fundamental purpose of the European defence industry is to generate the toolkit required for defending Europe's vital interests – all else is secondary.

Yet the puzzle remains: how to square defence integration with the idea of state sovereignty? The answer is surprisingly simply. Under current levels of defence investment, national sovereignty is eroding to no more than a shadow of its former self. What is the ability to act of a state that has become utterly dependent on strategic enablers provided by the US, now a self-declared weary policeman? European sovereignty, if it is to mean anything substantive, must be rebuilt at a level commensurate with the magnitude of the common problem that needs to be resolved. Together, Europeans can generate the minimum mass required to hold their ground on the global level. On their own, they represent no more than the proverbial grass whereupon elephants fight. At the end of the day, on their own or even in clusters, Europeans cannot pool their strategic

shortfalls. They can only share the frustration about their collective inability to act.

“Is there really no alternative?”, the sceptics may ask. There is, in fact, one logical alternative remaining. It is the full revamping of national defence efforts, which in turn requires vastly greater investment – which even then may not suffice. This also amounts to betting the farm on European integration, for it represents the undoing of the original gamble of coal and steel. Europe’s leaders must reflect long and hard about the options they have left. Defence establishments and national industries alike suggest that time is running out. *Showdown, ladies and gentlemen!*

THE EUROPEAN DEFENCE TECHNOLOGICAL AND INDUSTRIAL BASE: FIVE SUGGESTIONS

DANIEL FIOTT

The rationale for any DTIB is to supply governments with cost efficient and high performance military equipment. DTIBs are the essential link between industry and the military; between the overalls of the factory and the camouflage of the battlefield. Without industrial capacities the production of military capabilities, as they relate to national security, both in terms of defence and force projection, is impossible. Defence firms are critical to the defence-industrial supply chain, as in Europe it is firms that largely conduct R&D activities and ultimately have the financial and human capital to develop military capabilities. Given that governments are dependent on the defence-industrial supply-chain for the accoutrement of capabilities essential to national security, and by virtue of governments being the largest consumers of military equipment, defence markets are unique in that governments tend to play a key ownership role in defence firms.

Yet some national DTIBs have come under increasing strain as the costs of equipment increase and defence budgets decrease – a combination that is making it harder for some states to maintain capabilities and production capacities commensurate with national security. Governments privilege their own DTIB as this is perceived to be a way to maintain security of supply, support national firms and protect jobs. Despite this truism, however, the “European” DTIB (EDTIB) has emerged as a policy idea in response to defence market pressures. The idea behind the EDTIB is to overcome market fragmentation by harmonising government demand where possible, promoting multinational capability programmes, ensuring security of supply and maintaining and encouraging jobs, innovation and growth. Regulatory efforts by the European Commission have also sought to forge an EDTIB and EDEM by promoting defence market liberalisation. Whether a genuine EDTIB or EDEM actually exists, however, is a point of debate.

The December Council meeting will necessarily have to address the ideas surrounding the EDTIB. While the associated debates are most likely to be marked by political entrenchment, any serious dialogue will focus on two intertwined problems associated with putting demand on a sustainable footing so as to ensure cost-efficient supply. One problem relates to whether European states can show a modicum of collective political leadership that results in a serious strategic blueprint; one which gives clearer signals to firms as to the shape and extent of future demand. The other problem relates to waning investment by

governments in defence R&D and capability development programmes. According to Eurostat, for example, total EU27 GBAORD in defence – in terms of budget provisions and not actual expenditure – decreased from €9.7 billion in 2007 to €4.3 billion in 2011 (a decrease of €5.4 billion in 4 years).

This short essay lists, in no particular order of preference, five specific but potentially feasible future work areas that could help address these two issues.

The European Investment Bank

National budgets are unlikely to yield greater resources for military capability development or for military R&D in the short to medium term. Yet, spending on defence is a critical hallmark of national sovereignty – indeed, to provide for defence is the ultimate *raison d'être* for governments – and so some degree of budgetary cooperation between Member States (less likely) or some form of innovation using common funds (potentially feasible) for defence will be required. To cushion such defence spending shortfalls there has been talk of using the EU's structural funds and financial tools where possible to support SMEs, regional clusters and the development of new technologies such as unmanned aerial vehicles. While such avenues should be explored, the use of purely Community mechanisms does raise certain restrictions and political frictions. Indeed, Community-based financial instruments cannot be used for strictly military purposes; the EU budget will not fund, say, an aircraft carrier project. Further still, some hesitantly believe that the use of Community funds will increase the hand of the European Commission in defence policy.

Given these restrictions and political frictions, it is perhaps necessary to think of other possible avenues for defence-relevant financing. In this regard, little attention has so far been given to the potential role of the European Investment Bank (EIB). Indeed, the Bank holds €242 billion of available capital and is able to borrow off of capital markets – in 2012 alone it made loans worth €52 billion. Unlike the EU Budget, and in line with Article 309 of the TFEU, there is no restriction on the EIB lending to the European defence sector, albeit with one exception: investments must yield a return. Indeed, utilising EIB loans could ensure a change of mind-set in the defence sector, as profitable projects would be underwritten by the EIB; thus reducing inefficiencies and emphasising value for money. EIB loans could be a lifeline to the EDA – the only EU-level body actively engaged in military capability development projects – which has seen its operational budget cut over successive years.

French-Italian Naval Cooperation

Europe is the world's largest trading bloc and the continent is dependent on importing and exporting supplies of goods over the high seas and oceans. Yet, Europe's collective naval industrial capacities and capabilities are under pressure. The industrial and strategic competitiveness of Europe's naval sector is of the utmost importance. The Commission estimates that there are approximately 150 large shipyards in Europe, with these yards employing around 120,000 people. While certain European states maintain a competitive advantage in the production and sale of submarines and patrol boats, the costs associated with the production of naval vessels has risen on the back of increased international competition, decreased defence spending in Europe, market fragmentation along national lines, and a lack of coherence in identifying future naval capability needs. However, any restructuring of Europe's naval sector must respect national specificities.

As major exporters of naval equipment, Germany, and with their domestic demand arrangements, the UK, will not be the obvious standard-bearers of European naval cooperation. France and Italy – countries facing substantial challenges, but with experience in cooperation (e.g. the Franco-Italian FREMM frigate programme) – could assume this responsibility. These governments could embark on a path that would synchronise procurement cycles and commonly identify future naval capability needs. Additionally, in tandem with relevant firms these governments could harmonise naval R&D efforts; ensure the standardisation of naval systems; exploit naval and civilian shipbuilding sector linkages and ensure – by drawing on sustained support from the Commission's structural funds – labour restructuring with an emphasis on ensuring a technically skilled and young workforce.

The “Groups of Directors”

No other group of individuals know the potential for and limitations of capability development, and how this relates to defence procurement and defence investments processes, like the individual national Directors for armaments, capabilities and R&T (“Groups of Directors”). Indeed, these Directors are tuned-in to the need to deliver equipment programmes to time, budget and functionality and they have the necessary links to firms and relevant national institutions such as the ministries of defence and finance. The Groups of Directors can collectively help translate strategic objectives into armament cooperation initiatives as well as promote interoperability, harmonisation and collaboration between Member States. They also know their own member state's red lines and can pragmatically delineate possible restrictions to cooperation.

Given the importance of the Groups of Directors, it is odd that they currently only meet at least twice yearly at the sub-ministerial level under EDA auspices. Even though their representatives and points of contact are involved in the policy process on a more day-to-day basis, the Groups of Directors could have a more prominent role in the development of the EDTIB. Indeed, while the Groups of Directors are hardwired into the EDA – and they will remain so – they are largely distant from the policy work that takes place in other EU institutions responsible for generating capability requirements including: the PSC; the CMPD; the EUMS and the EUMC. Bodies that identify future military capability needs and thus generate market demand. The Member States – with the EDA, Commission and the EEAS – could explore ways to better integrate the Groups of Directors into the broader defence policy work of the Union.

Security of Supply

It can be reasonably argued that an open economy and transparent procurement procedures are the most effective means of ensuring security of supply in the defence sector. Relying on the market to always ensure security of supply is risky, however. There have been many recent examples of raw material supply restrictions. Metals such as rare earth elements, titanium and platinum can be exposed to export restrictions, and such metals are key inputs in European defence-industrial production processes. The Commission's recent defence Communication proposes the monitoring of such metals as part of its Raw Materials Initiative. This is welcome news and any ideas the Commission has for recycling or substituting defence-relevant materials should be encouraged. Indeed, the Commission and EDA could jointly draw up – and revise accordingly – a “critical EDTIB inputs list” on behalf of the EU Member States.

Security of supply is, however, a broader issue than just raw material supplies. Indeed, technological know-how is also a key pillar of securing the EDTIB – the loss of know-how to competitors is strategically perilous. Thus, surveillance of non-EU Foreign Direct Investment (FDI) in Europe's defence sector, as and when it can result in potentially harmful foreign ownership of critical defence infrastructure, is an important issue. Again, the Commission raises this point in the 2013 Communication but action by the Member States is required, especially as many of them do not currently have sufficient safeguards in place. Lastly, cyber security is also a growing issue for the defence-industrial supply-chain. To this end, the EDA and the Commission could be tasked with developing an “ESO certification” to denote prime and tier firms that actively engage in supply-chain monitoring and that implement data handling security measures.

Improve Energy Efficiency

A modern EDTIB should be characterised by initiatives that improve the quality of Europe's armed forces in the field, that ensure maximum operational efficiency, that link up firms with government and EU institutions and that draw on technological advances made in the civilian sector wherever necessary. Improving the energy efficiency of Europe's armed forces and ministries of defence would tick all of these boxes. According to the Commission, Europe's militaries are the biggest public consumers of energy in the EU. The EDA surmises that the armed services of one member state alone consumes as much electricity as a large city, and that the EDA's 27 Member States in turn consume the equivalent of a small EU nation's electricity usage and spend over €1 billion annually in the process. This is not even to speak of what Europe's militaries spend each year on fossil fuels in operational theatres, or what levels of energy defence firms consume in production processes.

Dependency on fossil fuels in operational theatres is not only costly and bad for the environment, but it is strategically imprudent given the vulnerabilities associated with transporting such fuels to the frontline. Greater use of renewable energies in the field could improve operational sustainability and autonomy, even though the introduction of such energies may not immediately reduce costs. However, energy efficiency in defence does not begin and end with the armed forces. It should also include the energy efficiency of ministries of defence; especially as it relates to their substantial land holdings. The EDA has already initiated projects to increase the use of renewable energies such as solar power on defence estates, and the Commission has signalled a willingness to bring to bear its environmental expertise in this field in the future. The Member States could now press for greater energy efficiency in Europe's defence-sector.

Conclusion

The proposed work plans above are in no way an exhaustive list of ways to ensure the genuine formation and sustainability of an EDTIB. Instead, in-keeping with the spirit of pragmatism laid-down by European Council President Herman Van Rompuy when calling for the Defence Council meeting, the proposed work plans serve merely as some potential areas of future cooperation – indeed, some of the issues outlined are already on the agenda. Faced with the critical challenges that have long afflicted the European defence sector, it is too easy to call for more of that old, mercurial, mantra “political will”. That is, of course, unless the EU Member States are willing to ultimately swallow some degree of pride and endure the economic losses that will inevitably come from a

root and branch restructuring of Europe's defence markets. Such losses will come in due course at any rate, but they will be far worse through a purely national response.

IF SECURITY MATTERS, INSTITUTIONS MATTER

MARGRIET DRENT

The European Council on Defence of December 2013 should deliver concrete results and refrain from institutional tinkering. This sentiment seems clearly reflected in the Commission Communication and the HR report on the CSDP. These documents breathe a hands-on and pragmatic approach. However, since an immature and incomplete institutional set up is part of the problem of the CSDP, institutional reforms cannot be circumvented. In addition, ensuring that European defence has the capabilities it needs, requires a different take at the role of the Commission, the EDA and the Council and their competences in generating these capabilities. And last, but not least, the Treaty of Lisbon does offer the dearly needed flexibility for a credible defence, so the articles on PESCO, the start-up fund and flexible cooperation should be addressed. In short, not only security matters, but in order to reach that security, institutions matter too.

The main issue for the European Council on Defence is arguably the shortage of the right civilian and military capabilities for the EU to be a security provider and to have strategic autonomy. The keys to gaining these capabilities against the backdrop of reduced military budgets is, as mentioned in the Communication by the Commission, more cooperation and efficient use of resources. This is not new, neither is it new that the Commission is closing in on the area of defence in the EU. As both Ashton's Report and the Commission's Communication in preparation of the European Council on Defence have reiterated, the EU is a security provider. The significance of this phrase is that it does not differentiate between the EU as a provider of security for its citizens by tackling threats that affect the EU's security from the outside, but it includes a broader notion of security, protecting the security and safety of citizens regardless of the origin of the threat. Although the CSDP is the focus of the European Council, the increasing blurring of internal and external security does have implications for the security instruments needed and the institutional make up of the CSDP within the EU.

The Council on Defence of this December is going to be a next step in the "communitarisation" of EU defence, slowly but surely hollowing out the exclusivity of defence as a domain of the Member States. The Commission's role in further enforcing the 2009 defence Directives to ensure market efficiency is only one indication of a larger presence of the Commission in EU defence. Further added value of the Commission stepping into the defence sector is their role in the standardisation for products that have both civilian and military applications (so called "hybrid" standards) and making sure that there is a common

certification of defence products. The Commission (Internal Market & Services, Enterprise & Industry and Research & Innovation) and the EDA have worked together from the founding of EDA in 2004. However, increasingly it seems that the EDA is operating in the shadow of the much larger, more powerful and way better resourced Commission. The EDA has been functioning with its hands tied, because Member States have looked to curtail its scope and finances. Now, the Commission looks better equipped to take on generating capabilities for civil and military security purposes. Results oriented countries are confronted with the fact that their Council-Agency EDA is curtailed to the extent that the EU institution over which the Member States have the least say is gaining influence.

Of great importance in the communitarisation of defence is the opening up of Commission funds for CSDP-related research. Equally significant is the proposal for EU-owned dual use capabilities to provide strategic enablers. The Commission will make a joint assessment, together with the EEAS, on which dual-use capability needs there are for security and defence policies and come up with a proposal on which capabilities could be fulfilled by ‘assets directly purchased, owned and operated by the Union’.³¹ These could be most useful in the area of communication, RPAS, helicopters, satellite communication, imagery and surveillance. Interestingly, the new regulation of the EU Agency for border management of 2011 also enables this Agency to acquire, lease or co-own equipment with Member States. In 2013, Frontex launched a pilot project for leasing equipment. It is notable that in case of co-ownership with a member state, Frontex’s regulation provides for a “model agreement” in which modalities will be agreed ensuring the periods of full availability of the co-owned assets for the Agency. It seems that the 2011 Frontex regulation can be regarded as a model for how the EU could continue with owning dual-use assets to provide the whole EU security sector (including defence) with key enablers.

An element which is explicitly mentioned in the Commission’s Communication is the possibility of the EU-agencies’ involvement in defence policies. This is of course already happening. Frontex and Europol have been lending their expertise to CSDP-missions such as EULEX Kosovo, EUBAM Moldova and EUBAM Libya. However, Agencies operating in the broad security area, such as EMSA (maritime safety), Eurojust (justice cooperation), Europol (police cooperation) and Frontex often have wider remits, better access to research funds and stricter commitments of Member States for assets that are mostly also needed by defence organisations. A closer cooperation, particularly in the area of capabilities, seems logical. All these developments have institutional consequences as they cross the exclusive and shared competences of the Commission, EU Agen-

31. European Commission, *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Towards a more competitive and efficient defence and security sector*. Brussels, 2013, COM(2013) 542/2, p. 12.

cies and EEAS institutions. The European Council of December comes too soon to fully grasp the implications. In the aftermath of the European Council the political, legal, institutional and practical consequences of the EU as a security provider in the broad sense needs to be revisited.

Of course, the familiar institutional questions surrounding the CSDP are also on the table this December. The ability of the EU to anticipate and respond to each phase of a crisis life-cycle rapidly and comprehensively remains a concern. The main problem with the EU's crisis management procedures are that they take too long. The revised Crisis Management Procedures that were decided on in June 2013 tackle this to some extent by skipping a number of stages in the procedure. However, being able to do more and better advanced planning for future contingencies would increase the EU's ability to respond quickly. In fact, every assessment of the CSDP's Crisis Management Procedures leads to the same conclusion: a serious, permanent, preferably civilian-military, planning and conduct capability in Brussels is needed. However, the "H"-word is even more of a taboo than the "S"-word. The consequences of the taboo are that suboptimal compromises and small, incremental steps towards strengthening this capability are taken. One of the results of these compromises is that in March 2012, the OpsCentre was activated for the first time to coordinate the three CSDP-missions in the Horn of Africa (EUNAVFOR Atalanta, EUTM Somalia and EUCAP Nestor). The OpsCentre in Brussels is staffed by 16 personnel and functions alongside the multinationalised OHQ for Atalanta in Northwood. There had to be a first time for activation and the added value it can have for the comprehensive approach in the Horn of Africa is evident, but it is nevertheless a meagre result of the Weimar countries' (plus Spain and Italy) 2011 push for a permanent OHQ.

In their frustration that the UK did not budge from its position to block a permanent command and control capability the Weimar-countries proposed to activate a dormant provision from the Treaty of Lisbon: the article on PESCO. PESCO would have allowed for a bypassing of the British veto, but as it is clearly in the interest of the EU Member States to keep the UK on board on defence matters, confrontation on the issue was avoided. The subject of a permanent planning and conduct capability remains unmentioned in the run up to the European Council. PESCO is mentioned in HR Ashton's Report, but in a very hesitant and ambivalent way. The discouraging words '[...] the appetite to move forward seems limited at this stage' is followed under the rubric "Way forward" by the intention to '[...] discuss with the Member States their willingness to make full use of [...] PESCO'.³² In addition, Ashton revisits in her

32. *Preparing the December 2013 European Council on Security and Defence. Final Report by the High Representative/Head of EDA on the Common Security and Defence Policy*, Brussels, 15 October 2013, p. 16.

interim Report articles from the Treaty to facilitate rapid decision-making in crisis management: Article 44 on entrusting a task to a group of Member States and Article 41.3 on the creation of a start-up fund.³³ Using these Articles could facilitate willing and able countries to proceed with deploying operations, while at the same time circumventing bureaucratic hurdles in getting their preparatory activities financed.

As HR Ashton said in her report: ‘[w]e must move from discussion to delivery’, but it is not coincidental that “discussion” is often equated with institutional haggling. Decisions on the institutional set up determine the direction and scope of the EU as a security provider and are therefore among the most difficult to take. The European Council should focus on those areas where results can be expected. At the same time, the institutional range of security and defence related policies is broadening considerably from the CSDP/EEAS institutions, but also to EU Agencies and the Commission. This widens the options and creates opportunities for comprehensive policies, dual-use capability generation and even Union-owned capabilities. Developing the EU as a security provider may first and foremost revolve around concrete actions, projects and capabilities, but without using the possibilities of the EU institutional architecture, the actual delivery will be difficult. Therefore, institutions do matter.

33. *Ibid.*, p. 20.

CONTRIBUTORS

Prof. Dr. Sven BISCOF is Director of the Europe in the World Programme at the Egmont – Royal Institute for International Relations in Brussels, and teaches at Ghent University and at the College of Europe in Bruges. He is a Senior Research Associate of the Centre for European Studies at the Renmin University of China in Beijing, and a member of the Strategic Advisors Group of the Atlantic Council (Washington) and of the Scientific Council of the Institut de Recherches Stratégiques de l'École Militaire (Paris). A member of the Executive Academic Board of the European Security and Defence College, he also chairs the jury of the annual European Defence Agency – Egmont PhD Prize in European Defence, Security and Strategy.

Brig.-Gen. (Ret.) Jo COELMONT is a Senior Associate Fellow of the Egmont – Royal Institute for International Relations and of the Royal Higher Institute for Defence, both in Brussels. Previously he was the Permanent Military Representative of Belgium to the EU Military Committee.

Dr. Margriet DRENT is a Senior Research Fellow at the Research Department of the Netherlands Institute of International Relations (Clingendael) and Assistant Professor at the International Relations Department of the University of Groningen. She specialises in international security and defence issues with particular attention to the EU as a security actor. She is also a member of the Netherlands Peace and Security Committee of the Governmental Advisory Council on International Affairs (AIV). Until 2004, Margriet Drent was the Executive Director of the Groningen-based Centre for European Security Studies.

Daniel FIOTT is a Doctoral Researcher at the Institute for European Studies at the Vrije Universiteit Brussel. His research focuses on European defence-industrial cooperation and the EDTIB, and he has published numerous articles on these issues and regularly lectures on the broader theme of the EU's Common Security and Defence Policy. He is also a Senior Editor of European Geostrategy.

Prof. Dr. Jonathan HOLSLAG is a Research Fellow at the Brussels Institute of Contemporary China Studies and teaches at the Vrije Universiteit Brussel. He has published extensively on Asian affairs and is working on two new books – one on Europe's role in the changing global order and one on China's position in Asia.

Dr. Claudia MAJOR is Deputy Head of the International Security Division at the German Institute for International and Security Affairs in Berlin (SWP). Her research focuses on security and defence policy in Europe (EU and NATO), cri-

sis management, and German and French security and defence policy. She is a member of the Advisory Board for Civilian Crisis Prevention at the German Federal Foreign Office. Before joining SWP Claudia held positions at the Center for Security Studies at ETH Zurich, the German Council on Foreign Relations (Berlin), and the EU Institute for Security Studies (Paris), and she lectured at Sciences Po Paris. Claudia holds a diploma from Sciences Po Paris and the Free University Berlin and a PhD from the University of Birmingham.

Prof. Dr. Alexander MATTELAER is the Assistant Director of the Institute for European Studies and a research professor in defence planning at the Vrije Universiteit Brussel. His book *The Politico-Military Dynamics of European Crisis Response Operations* was published by Palgrave Macmillan. He obtained academic degrees from the Universities of Brussels, Bath and Leuven and received training as a civilian joint planner at the Belgian Advanced Staff College.

Dr. Christian MÖLLING is a Research Fellow with the International Security Division at SWP – German Institute for International and Security Affairs (Berlin). As a project director he heads the 4-year project “European Defence Monitoring” that studies the impact of the fiscal crisis on the EU’s military and defence industrial capabilities. His current work focuses on German and European defence policies and industries and on the future of European Defence in the context of the financial crisis. Before joining SWP he held positions as a Research Fellow at the Center for Security Studies at ETH Zurich, and the Hamburg Institute for Peace Research and Security Policy. Christian has been a Visiting Fellow i.a. to the EU Institute for Security Studies (Paris), the Royal United Services Institute (London) and the Fondation pour la Recherche Stratégique (Paris). He studied politics, economics and history at the Universities of Duisburg and Warwick and holds a doctoral degree from Ludwig-Maximilian-University Munich.

James ROGERS is co-founder and a Senior Editor of European Geostrategy. He is also a Lecturer in International Relations in the Department of Political and Strategic Studies at the Baltic Defence College in Tartu.

Dr. Margarita ŠEŠELGYTĖ is a Studies Director at the Institute of International Relations and Political Science, Vilnius University. Her main research interests are security studies, strategic culture, the Common Security and Defence Policy of the EU and regional security cooperation. She has also worked for Baltic Defence College (Tartu, Estonia), the Lithuanian Military Academy, and had several civil servant positions in the governmental institutions of the Republic of Lithuania. She has a PhD in Political Science from Vilnius University.

Dr. Jamie SHEA is the Deputy Assistant Secretary General for Emerging Security Challenges at NATO. He is a Professor at the College of Europe (Bruges), a Lecturer at the Brussels School of International Studies of the University of Kent, an Associate Professor of International Relations at the American University (Washington DC) and Director of the Brussels Overseas Study Programme, and an Adjunct Associate Professor of International Relations at James Madison College, Michigan State University and Director of the MSU Summer School in Brussels.

All contributors write in their personal capacity.

