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Insight

Does the Strategic Compass herald a stronger EU in security and defence?

by Luigi Scazzieri, 25 March 2022

The EU Strategic Compass sets out a realistic vision for EU security policy. It is now up to member-states to live up to their promises.

Vladimir Putin's attack on Ukraine marks the start of a more dangerous era in European security. The more threatening international environment created by Russia's invasion gives the newly-released EU Strategic Compass extra significance, as it sets out the EU's ambitions in security and defence over the next decade.

The starting point of the Compass is a threat analysis. The Union faces a range of "multifaceted and often interconnected" threats and challenges. The Compass rightly paints a gloomy picture: the EU is "surrounded by instability and conflicts". To its east, it faces a revanchist Russia which threatens the EU's neighbours and the Union itself. Russia also poses a threat in the south, through its interventions in Syria and Libya and its influence in the Sahel. The challenge from China is briefly sketched out, with Beijing seen as a partner in some areas, an economic competitor and a systemic rival – a characterisation that may be overtaken by events if China aligns more closely with Russia. The focus of the Compass is the EU's neighbourhood: it carries out a *tour d'horizon*, from tensions in the eastern Mediterranean and instability in the MENA region to the "dangerous mix" of terrorism, weak states and poverty in the Sahel and Central Africa. More broadly, the Compass argues that geopolitical competition has affected fields like trade and data flows, and that the EU faces a multitude of broader threats like terrorism, climate change and pandemics.

The Compass is not a detailed strategy for how the EU should deal with each of these threats and challenges. It is not a grand strategy like the 2016 Global Strategy or even a regional strategy. Instead, the Compass acknowledges that the EU is currently "collectively underequipped to counter the whole range of threats and challenges it faces" and focuses on the tools the Union needs to deal with these. In practical terms, the Compass sets out steps that the EU will take in four areas: 1) military capability development; 2) strengthening EU military and civilian operations; 3) fostering resilience; and 4) strengthening partnerships.

Capability development

The proposals on capability development are the most concrete and promising in the Compass. The Compass stresses that member-states need to spend more – and do so more co-operatively – to achieve economies of scale. Currently, joint R&D is only 6 per cent of total defence R&D; joint procurement, 11 per cent of total procurement. The Compass identifies priority areas for co-operation between member-states, including strategic airlift, space communication, cyber defence, and intelligence, surveillance and reconnaissance (ISR). The challenge will be to embed EU initiatives in national defence planning so that member-states are encouraged to work together.

The Compass proposes several practical measures that should, if implemented, help improve EU capabilities and facilitate co-operation. The EU will try to encourage co-operation by organising annual defence ministerial meetings on EU capability initiatives and by establishing a defence innovation hub in the European Defence Agency. The Compass hints that the EU may increase the size of the European Defence Fund (EDF), which is supposed to foster joint investment in R&D and military capability development. The Commission is also working on new financing solutions for defence capabilities and a VAT waiver for defence equipment. A new bonus system for the EDF would allocate more of its funds to projects involving member-states jointly acquiring or owning capabilities.

The impact of these measures will depend on whether they see the light of day and in what form. The need for member-states to increase defence spending is even more pressing after Russia's invasion of Ukraine. But, while some EU states have already announced rises in spending, not all will be able or willing to do so in the deteriorating economic environment – joint EU action will be more important than ever.

Resilience

The Compass' proposals indicate that enhancing resilience to threats will be a major area of focus for the EU in the coming years. The EU plans to boost its own intelligence capabilities, and will carry out threat reviews at least every three years. The EU will develop a "hybrid toolbox" to help respond to threats like disinformation and election interference, for example by creating 'hybrid rapid response teams'. The EU also plans to strengthen its cyber-defence policy through regular exercises and the Commission is developing a 'cyber resilience act' to set standards that would help counter disinformation and election manipulation. Space is also a priority, and the Compass lays out plans to develop a new space strategy for security and defence to build a shared understanding of threats, enhance capabilities, and react more quickly.

If the EU does all these things, it will consolidate its role as an enabler of more resilient societies and a provider of security in areas that do not have a military dimension, like cybersecurity. Nevertheless, all hybrid threats are ultimately inherently political. Creating toolboxes and carrying out exercises should help, but the main difficulty for member-states will be agreeing on a case-by-case basis on how to respond, which will mean having to agree on the attribution of attacks that may be ambiguous.

Operations

The Compass aims to strengthen the EU's ability to carry out operations. The flagship proposal is for a 5000-strong military force, the 'rapid deployment capacity' (RDC). The RDC, which is scheduled to be operational by 2025, will be made up of reformed EU Battlegroups (military units that have been operational since 2007 but have never been used), and additional forces. The RDC will draw on a larger pool of available forces, and include land, air and maritime components. Crucially, the RDC will be able

to call on strategic enablers like airlift, which until now have been provided by the US. The components of the RDC will regularly train together in live exercises to increase their readiness and ability to operate together. The Compass also sets out the ambition to strengthen the EU's HQ, to plan and command larger military operations.

Making the RDC fully operational by 2025 will be challenging, as recognised by EU Military Committee head General Graziano. In particular, it will not be easy to procure all the strategic enablers that the RDC will need to operate independently by that date. It is also uncertain whether member-states will be willing to commit the required forces to the EU HQ and to the RDC force pool (which will have to be substantially larger than 5000) – given that they will face competing demands to allocate personnel to NATO HQ and NATO formations.

The bigger issue is that deployment of the RDC, like any EU operation, will require consensus between the member-states. The Compass proposes moving towards "more flexible decision-making", including constructive abstention and EU-endorsed 'coalitions of the willing'. But these options are not new. The recourse to EU-endorsed coalitions of the willing also requires consensus. And even if some member-states were to abstain, for the RDC to be deployed it would be necessary for member-states with the required capabilities to be willing to commit troops to a mission. The need for consensus will continue to push member-states to act in NATO or in ad-hoc formats outside the EU, especially when it comes to heavy-footprint military operations.

Nevertheless, the Compass identifies some good ways of strengthening European operations. The most promising idea is to increase co-ordination between EU operations, member-states' forces and ad-hoc coalitions operating in the same geographical space. For example, the Compass envisages that the EU could contribute financially to supporting member-states' operations through the newly launched European Peace Facility – potentially encouraging them to undertake more ambitious missions. Using EU funds to pay for exercises would also contribute to greater interoperability and readiness of EU forces. And using EU funds to pay for a larger share of the costs of EU operations could encourage member-states to contribute more to them and make it easier to generate consensus.

Partnerships

The section on partnerships is the least concrete. The Compass singles out the partnership with NATO as most important, and lays out plans for more intense dialogue, meetings, joint statements and joint visits, and for more practical co-operation in areas like maritime security, and countering hybrid threats like disinformation. But a deeper EU-NATO partnership will remain difficult so long as Turkey and Cyprus block it. The EU also intends to reinforce partnerships with a range of international institutions and groupings, from the UN to ASEAN, although few details are given. The Compass also emphasises strengthening relations with bilateral partners, pointing to the US as the most important, along with Norway, Canada, and Japan. The EU says it remains open to building a partnership with the UK. The Compass talks of "tailored partnerships" in the Western Balkans, the eastern and southern neighbourhood, Africa, Asia and Latin America, but there is little detail about what they would involve.

The core of the Union's partnerships strategy is providing greater practical support to partners in training and equipping military forces and strengthening them against non-military threats. The main tools are the EU's budget for external relations and the European Peace Facility, through which the EU is providing €1 billion of military assistance to Ukraine. But the Compass does not meaningfully engage with the question of how security assistance can be effective, after recent Western failures. Western trained armies

collapsed in Iraq in 2014 and in Afghanistan in 2021, and EU-trained forces carried out a coup in Mali. At the same time, focusing on providing military training can foster instability if it comes at the expense of a political stabilisation strategy. The context in which the EU acts is not always as clear as in Ukraine, where the EU is helping a legitimate democratic government against an external aggressor. Helping a military junta survive against insurgent groups is very different.

The Compass and European security

The Strategic Compass is unlikely to end transatlantic and European debates about the EU's role in European security. The EU has a role in defending member-states under the framework of its 'mutual assistance clause', and the Compass says that member-states will continue to carry out advance scenario planning and exercises such as cyber-exercises. But the Compass does not in any way pitch the EU as an alternative to NATO, repeatedly emphasising the complementarity between the two. Nevertheless, the EU's ambitions to be a military player endure and could create friction between EU member-states and the US, and within Europe, if they lead to competition for resources and personnel with NATO. There may also be disagreements if the EU expands its investments in defence capabilities, as funds would almost certainly be tied to strengthening the EU defence industry and therefore buying European rather than US equipment. None of these issues will be major sources of friction under the Biden administration, which supports a larger EU role in defence, but they could become more controversial if a Trump-like president comes to power in 2024 and demands that Europeans 'buy American', or accuses them of wasting money on duplicating NATO activities.

Nevertheless, even if the Compass does not put an end to divisions about Europe's security role, several factors should dampen tensions in the near term. First, even though formal EU-NATO co-operation will be limited by the Turkish and Cypriot vetoes, an implicit division of labour is likely to develop. A reinvigorated NATO will deal with deterrence and defence, while the EU will leverage its financial muscle for capability development, take the lead in strengthening Europe against non-military threats, and project stability across its neighbourhood through financial and military assistance. Second, even though some duplication between the EU and NATO will probably occur, its political impact will probably be diminished as growing defence budgets should ease resource constraints.

The Strategic Compass is not a silver bullet for EU security and defence policy. So long as EU security policy remains based on consensus, EU actions will reflect the lowest common denominator of what member-states can agree to. This was high in the case of Russia's invasion of Ukraine, but there is no guarantee that the circumstances of Russia's aggression, which were uniquely favourable to EU unity, will be repeated. The Compass, unlike other strategic documents, cannot be accused of over-ambition. While the EU still wants to be able to carry out military operations, it is no longer discussing large scale operations of 60,000 as set out in the never-reached 1999 Helsinki Goals. Instead, the EU has now positioned itself as the enabler of a stronger European defence, by facilitating joint investment and capability development, fostering resilience at home, and strengthening partners abroad.

The Strategic Compass presents a realistic way forward for EU security policy in the near-term. If it is fully implemented, the EU will be a stronger security provider, and will be better placed to take on more demanding tasks, including in the military field, if circumstances required it to do so. Implementation of the Compass lies in the hands of the member-states. Unlike the 2016 EU Global Strategy, they have formally endorsed the Compass, meaning that they should be more willing to fully adopt its prescriptions. Now, they have to transform words into actions.

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