



## **Bridging the Channel: How Europeans and the UK can work together on defence capability development**

by Sophia Besch, 15 October 2021

Since Brexit, the UK has been reluctant to engage with the EU in defence industrial co-operation. Aside from being disappointed with the EU's offer to third countries, UK policy-makers and defence industry representatives are sceptical of the benefits of working with the EU on capability development.

In this Centre for European Reform policy brief, '[Bridging the Channel: How Europe and the UK can work together on defence capability development](#)', kindly supported by the Konrad-Adenauer-Stiftung, Sophia Besch, senior research fellow at the CER, argues that the absence of a formal EU-UK defence industrial agreement need not mean co-operation must stall. She considers the ways in which the UK and its European partner countries could work together outside the EU after Brexit.

The Commission does not yet have much influence over the European arms market, and bilateral and multilateral defence industrial co-operation continues to take place largely outside EU structures. In the light of their considerable capability shortfalls, Europeans cannot afford to be ideological about the form that defence industrial co-operation takes. Keeping Britain closely aligned is beneficial to both sides. Several European member-states are already looking to strengthen their bilateral ties with the UK. London may also want to invest in reviving and improving co-operation in multilateral forums outside the EU. In doing so, it should strive for maximum co-ordination with the EU's initiatives, advocating specifically for close alignment between EU and NATO efforts.

The combination of Brexit (which means the UK is no longer at the EU table) and new Brussels-led defence initiatives (which mean that there is funding in place to incentivise co-operation inside the EU) add a layer of difficulty and increase uncertainty. Intensifying defence industrial co-operation outside the EU's structures is not without risk for both sides. Intergovernmental arrangements could circumvent EU planning procedures and make it harder to coherently fill European capability gaps. And the EU's defence initiatives could eventually lead to a restructuring of the European defence market and effectively exclude outsiders.

To avoid these dangers, the UK and the EU governments should identify potential co-operation projects early, and consider the broader picture of European capability shortfalls. It is not inconceivable that

in the future, Brussels and London may want closer ties. In the meantime, the UK should follow the US' example in pursuing close institutional links to the EU's projects. In turn, the EU should be open to revising its third-country access agreements if they prove too exclusive. Ultimately the success of UK-EU engagement in this area will be determined by the broader state of UK-EU ties. Contentious Brexit negotiations and diplomatic errors like the AUKUS announcement make things difficult. Despite Britain's 'tilt' to the Indo-Pacific, it cannot afford to neglect its role as a reliable and trustworthy partner in Europe.

The author of the paper, Sophia Besch, said: *EU member-states might be tempted to see defence industrial co-operation with the UK as a zero-sum game, in which the more the UK benefits from collaboration, the more the EU loses out. For the UK, working with the US rather than the EU might be seen as a way to show the EU that the UK is better off as a non-member. But European defence industrial co-operation is a potential win-win area that does not need to suffer from Brexit. Both sides should strengthen bilateral ties and intergovernmental forums and invest in a relationship of mutual trust.*

**Note for editors:**

For further information on the new research and to request an interview with Sophia Besch @[SophiaBesch](#), please contact Rosie Giorgi in the CER press office on [pressoffice@cer.eu](mailto:pressoffice@cer.eu) or +44 (0) 20 7233 1199.

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