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Willing and able? EU defence in 2020

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Daniel Keohane and Tomas Valasek

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ABOUT THE AUTHORS

Daniel Keohane is a research fellow at the EU Institute for Security Studies. He was previously a senior research fellow at the Centre for European Reform, and a research associate at the Institute for National Strategic Studies, National Defence University in Washington DC. His previous CER publications include 'The EU and counter-terrorism', May 2005; (as co-author) 'A European way of war', May 2004; and 'The EU and armaments co-operation', December 2002.

Tomas Valasek is director of foreign policy and defence at the Centre for European Reform. He previously worked as policy director and head of the security and defence policy at the Slovak Ministry of Defence. His previous CER publications include 'France, NATO and European defence', May 2008; 'The roadmap to better EU-NATO relations', December 2007; and (as co-author) 'Preparing for the multipolar world: European foreign and security policy in 2020', December 2007.

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1   Introduction

What is EU defence? In principle, defence forms only one part of the European Union's foreign and security policy. This policy uses a wide range of tools from diplomats and development workers to judges and police, and – when necessary – soldiers. The EU works on the assumption that terrorism or collapsing states cannot be tackled using only military means. The European Union's broad approach to international security is more similar to that of the United Nations than to NATO, which has a much narrower approach. The alliance mainly uses military resources, although it strives to work with non-military organisations. As the British defence minister, Des Browne, put it: "Working with our EU partners comprehensively, we have an opportunity to bring to bear capabilities that NATO does not have and is unlikely ever to have."[1]

[1] *House of Commons Hansard debates, response by Desmond Browne MP to parliamentary question from Liam Fox MP, January 21st 2008, http://www.publications. parliament.uk/pa/cm200708/ cmhansrd/cm080121/ debtext/80121-0002.htm.*

In practice, the European security and defence policy (ESDP) is a crisis management policy, helping to prevent conflict and re-build societies emerging from war. Since its first peacekeeping operation in 2003, the EU has completed or is carrying out around 20 ESDP missions. They have been relatively small in size; the largest was a 7,000-strong peacekeeping operation in Bosnia (which now numbers 2,500). But the smaller missions – like the one that prevented ethnic conflict in Macedonia – have been among the most useful.

Their complexity and range has been interesting, too. The EU has helped reform the Congolese army and the Georgian judicial system; train Afghan and Iraqi police forces; monitor the Rafah border

crossing in Gaza; and oversee the implementation of a peace agreement in Aceh in Indonesia.

Demand for EU action is growing. In February 2008, EU governments ordered 1,800 police, judges and customs officials to Kosovo, where they are to operate alongside 16,000 NATO peacekeepers, to help prevent a return to violence in that country. They also started deploying a peacekeeping force to Eastern Chad, which will be composed of 3,700 soldiers. Later in 2008 the EU will help to reform the Guinea Bissau army and police forces.

For all these notable achievements, the EU has not yet carried out a military operation on anything like the scale of the NATO operation in Afghanistan or the UN mission in Congo. For instance, NATO is leading 43,000 soldiers in Afghanistan, some of whom are fighting in extremely dangerous conditions, while the UN has 16,600 peacekeepers in Congo. It may be that the EU does not need to carry out military operations of a similar size and nature to the UN or NATO. Perhaps it will continue concentrating mainly on smaller humanitarian and state-building operations for many years to come, for which there is already considerable demand. But looking to 2020, this assumption seems risky for at least two reasons.

[2] European Council, 'A secure Europe in a better world – European Security Strategy', December 12th 2003.

First, the world in and around Europe may well be a more dangerous place by 2020. The threats identified in the European security strategy (ESS), a document agreed by EU governments in 2003, remain unresolved.[2] The risk of the spread of weapons of mass destruction (WMD) has probably increased, as has the demand for interventions on behalf of human rights (as in Darfur). The possibility of ethnically-motivated violence remains high (in Kosovo, but also Bosnia and elsewhere). Other challenges have become more salient since 2003 (climate change, energy security) while some old ones, prematurely consigned to history, have returned (a nationalist Russia). An unstable mix of demographic, economic and political pressures in Europe's neighbourhood mean that the EU's already challenging security agenda could be more difficult by 2020, and new risks will surely emerge (see chapter two).[3]

[3] Nicole Gnesotto and Giovanni Grevi, 'The new global puzzle – what world for the EU in 2025?', European Union Institute for Security Studies, October 2006.

Second, the EU will increasingly have to assume roles previously played in and around Europe by the United States. The US is thinly stretched by the demands of the wars in Afghanistan and Iraq. In the medium term it will not be as willing as in the past to take on new military responsibilities.[4] When and if it does, these are unlikely to focus on Europe or its neighbourhood. US military priorities these days are not in the Balkans or North Africa, but in Asia and the Middle East.

[4] See Kori Schake, 'The US elections and Europe: The coming crisis of high expectations', CER essay, November 2007.

While no future security challenge can be resolved by force alone, on occasion EU governments may need to deploy robust armed forces. For instance, the experience of multinational peacekeeping in places such as Afghanistan, Lebanon and Somalia has shown that well-intentioned missions can quickly turn into situations that resemble war-fighting. Or the EU may need to intervene in a nearby country with a large-scale force to separate sides in a civil war, or to prevent a humanitarian crisis. If it were really necessary, would the EU be prepared to fight? No one knows, since the EU has not yet carried out combat missions.

And even if the EU governments were willing to fight, would they be able? The EU-27 governments collectively spend €200 billion on defence.[5] But despite these hefty financial resources, Europeans do not have nearly enough soldiers with the necessary skills. The EU-27 governments have close to 2 million personnel in their armed forces, but they can barely deploy and sustain 100,000 soldiers around the globe. Many of the rest are inexperienced draftees.

[5] European Defence Agency, 'European - United States defence expenditure in 2006', European Defence Agency, December 21st 2007, http://www.eda.europa.eu/.

Eurosceptics will scoff at the idea of a more assertive EU defence policy. When not accusing EU defence of being an anti-NATO plot, they tend to say that Europeans lack the resources, and the will to fight without the Americans. Conversely, another group of Europeans fear that EU foreign policy is already becoming 'militarised'. They do not want the EU to fight, and would prefer that soldiers carried out nothing more than peacekeeping missions – if they must be used at all. But both eurosceptics and europacifists are missing the point.

Europeans will increasingly have to take more responsibility for their own security, as they are doing in Bosnia. They will also increasingly be asked to intervene to protect refugees, as they are doing in Chad. They will probably frequently be asked to keep the peace in difficult places, like the Israeli-Lebanese border, where Europeans lead a UN operation. European governments will probably have to carry out many more autonomous military operations in the future, especially in their turbulent neighbourhood. And sometimes those missions may not only involve peacekeeping, but also fighting. If they wish to meet these growing demands on their defence policy in a more effective way by 2020, EU governments have little choice: they are condemned to co-operate.

2   EU defence in 2020

Under what conditions and where should EU governments be prepared to use their armed forces in 2020? Europe should be worried about the spread of weapons of mass destruction (WMD), failing states, terrorism and the possible re-emergence of major wars between states by 2020. In fact it already is. The European security strategy outlines five key threats to European security: terrorism; proliferation of WMD; regional conflicts; state failure; and organised crime. The 2003 ESS did not predict a major inter-state war involving European governments. But since then, a resurgent, nationalist Russia has threatened to point nuclear missiles at EU member-states, has used military force against one neighbour, Georgia, and questioned the territoral integrity of another, Ukraine. So the spectre of state-to-state conflict needs to be considered too. The ESS also says that the EU cannot afford to be myopic – what happens in North Korea and South Asia is of direct relevance to the EU.

However, Europe cannot cope with all the potential threats facing the world, nor should it aspire to. The US, similarly, does not plan to intervene in every conflict around the world, and even if it wanted to, it would not have the resources to act. As Frederick the Great told his generals "to defend everything is to defend nothing". If the EU is to be effective in the future, it will need a clear sense of its security priorities, and what it is prepared to do. It is much easier to predict what the EU will not do. For example, the EU will not fight wars in East Asia.

The EU should be most concerned about future developments in its common neighbourhood with Russia, and in the broader Middle East (including North Africa). By 2020, sub-Saharan Africa will be increasingly important too, not only for humanitarian reasons, but

also because it supplies energy to meet Europe's growing demand, and because its poverty breeds terrorism. As the ESS puts it: "even in an era of globalisation, geography is still important". Enlargement brings the EU closer to the arc of instability that runs around its eastern, south-eastern and southern flanks. Romania and Bulgaria joined the Union in 2007, while Croatia, Turkey and other countries of the Western Balkans may enter in the coming decades. The EU will therefore have many weak and malfunctioning states close to its borders. It is bound to become more involved in countries such as Belarus, Georgia and Moldova. Across the Atlantic, the US will remain focused on countries such as Afghanistan, Iraq, Iran and North Korea, and potential conflicts such as China-Taiwan and India-Pakistan. Washington will be reluctant to become too involved in conflicts around the EU's eastern and southern flanks.

The EU will need to develop a more effective set of policies for stabilising North Africa, the Balkans and the countries that lie between its eastern border and Russia. Many of these policies will involve trade, aid and political dialogue. But the EU's strategy for its neighbourhood will also have to include a military component. Europeans should not expect the US to put out fires in their own backyard. After all, the principal rationale for the Anglo-French initiative at St Malo in 1998 – which begat the European security and defence policy – was to improve on the EU's poor performance in coping with the Balkan crises of the 1990s.

The EU's efforts to tackle conflicts in its hinterland may require more than 'mere' peacekeeping. For example, if the delicate situation in Kosovo turned into a civil war someday, the EU should be ready to intervene with forces that could separate the warring factions. In such situations the British soldiers might be fighting alongside those from France, Germany, Italy and Spain, but not necessarily with American troops.

Many European countries will continue to take part in operations under the UN or NATO. Even France, whose diplomacy since the mid-1990s has tended to favour EU defence over NATO, continues to contribute more personnel and money into NATO than ESDP.[6] By 2020, this is likely to change somewhat. The trend in Europe is towards more common operations at the expense of national ones (because of costs and higher legitimacy) and, where common operations are concerned, towards more EU missions at the expense of NATO (in part because NATO is keen to shift responsibility for some of its operations to the EU). But non-EU missions will remain a part of the mix.

★ **Europe's neighbourhood with Russia**

Russia's own trajectory may take it into some form of a confrontation with the West by 2020. Over the past several years, the Putin government has behaved with increasing hostility to the United States and, to a lesser extent, Europe. Russia's current mindset can probably best be described as 19th century great power nationalism. Observers differ on whether this aggressive nationalism is meant for domestic political audiences, or whether Russia really has an appetite for confrontation in the future (but history shows that one often leads to the other). Equally, it is unclear whether Russia's tough rhetoric to the West masks weakness or strength. While Russia spends more on defence (almost $60 billion) than Britain or France,[7] its military is largely unreformed since the Soviet days, and Russian military sources themselves say much of the equipment is in a very poor shape. Russian Deputy Prime Minister Sergei Ivanov said in February 2008 that Russia's fleet of military transport planes is so old that none may be flying by 2015.[8] It is possible that Russia is sounding tough as a defensive move, to forestall what it may see as European or US challenges to the post-Putin regime.

[6] Leo Michel, 'Sarko's window of opportunity', European Voice, June 28th 2007.

[7] Christopher Langton et al, 'The military balance 2007', International Institute for Strategic Studies, 2007.

[8] RFE/RL Newsline, Vol.12, No 39. Part I, February 27th 2008 http://www.rferl.org/newsline/2008/02/270208/asp.

What is clear is that 'Putinism' in one shape or another, and its associated foreign policy, is set to stay for a while, possibly until 2020. The Russian military, though having wasted much – possibly most – of the new funds Putin put in the defence budget, will grow stronger nonetheless. And both the EU and Russia would like to be the dominant influence on the neighbourhood countries between them. As Charles Grant wrote, Moscow "will see itself as competing … against the EU (and the US) in the Southern Caucasus and in the countries that lie between itself and the EU".[9]

[9] *Charles Grant with Tomas Valasek, 'Preparing for the multipolar world: European foreign and security policy in 2020', CER essay, December 2007.*

For the EU, this rivalry is likely to be more political than military. Should Moscow overtly undermine the independence of countries like Georgia or Ukraine, the European Union would probably respond by freezing relations, not by using military force. Nevertheless, the EU should be ready to put troops into places like Moldova or Nagorno Karabakh, where the resolution of frozen conflicts may necessitate the deployment of a peacekeeping force. The EU will also have a strong role to play reforming the armed forces of countries in the belt between the EU and Russia. Georgia, Moldova and Ukraine will continue to need European money and expertise as they seek to reshape Soviet-era militaries into lighter, expeditionary forces capable of dealing with regional conflicts.

As for Russia itself, there is little, if any, military role for the EU. If the Europeans felt the need for military planning and operations with regard to Russia, they would probably prefer to act individually or through NATO rather than through the EU. But the EU would feel the impact nevertheless. If Russia were to threaten Europe, some EU member-states would prioritise NATO commitments over EU ones. This matters because defence budgets are stretched extremely thin. If governments devoted more resources to NATO territorial defence, they would have less available for EU peacekeeping missions. Russia's military

resurgence could therefore put an onus on the EU to harmonise its military plans, standards and hardware with NATO, to avoid duplication of resources.

★ The Middle East

By 2020 the peace process between Israel and the Palestinian territories may have advanced to the point of producing an independent Palestinian state. The probability of this happening is impossible to assess. After so many false starts, neither the Israeli nor Palestinian leaders seem to believe in the possibility of peace with much conviction. The international community, too, has been suffering from 'Middle East fatigue'. But the conflict continues to radicalise Muslims across the world, and as such it impacts on security globally. So periodically new attempts at peace appear, like the US-organised Annapolis conference in 2007.

If by 2020 the peace process yields an independent Palestinian state, Israel may request international peacekeepers to be deployed on its borders. If so, the EU should be ready to send a combined military and police force. Its job would be to prevent weapons smuggling, and to stop rocket attacks on Israel. The EU already runs an operation at the Rafah border crossing (currently suspended because of the violence in Gaza), which monitors the traffic between Egypt and Gaza. European soldiers are also leading the UN peacekeeping mission on the Israeli-Lebanese border.

By 2020, the Middle East may have several new nuclear powers. If Iran acquires the capacity to build a nuclear weapon, which appears to be its objective, it will likely prompt others in the region to follow suit. Egypt and Saudi Arabia, for instance, do not want Iran (a non-Arab country) to become the regional superpower.

But with each new nuclear power in the Middle East, the possibility of a nuclear weapon ending up in the hands of terrorists increases.

Europe therefore will likely still be patrolling the sea passages from the Middle East to Europe, to intercept shipments of WMD or their component parts. The EU member-states are already doing so through the international 'proliferation security initiative', which the US set up in 2003. Because the United States will probably want to keep up its military presence in the seas around the Middle East, Europeans are likely to run their contributions either as a direct co-operation with the US or through NATO, rather than through the EU. However, if the US needed the Europeans to take sole responsibility for Mediterranean patrols in the future, they should be prepared to do so. One member of the European Parliament – and former head of UN forces in Bosnia – Phillipe Morillon has proposed that the EU should set itself "the medium-term objective of providing support, with a European or even a Euro-Mediterranean fleet, for the US Sixth Fleet in the Mediterranean, until possibly taking over from it if the Americans so requested."[10]

10 European Parliament, 'Draft report on the new European security and defence architecture', February 5th 2003.

In 2020, the EU might also be more involved in Iraq than it is today (it is currently training Iraqi police, judges and prison officers). The EU-27 and the European Commission have pledged €14.2 billion worth of financial assistance to Iraq since 2003 (including grants, debt relief and loans). After years of seemingly endless violence, the US in 2008 had more success in pacifying Iraq. But to build on these improvements Iraq will need more police and military trainers, and possibly more combat troops. So the EU needs to think again about its future strategy for Iraq. As Richard Gowan of the US Center on International Co-operation has pointed out: "You can pull out of Iraq, but you can't make the problem go away."[11] If Iraq failed as a state, it would destabilise the Middle East and greatly complicate the EU's relationship with key countries such as Iran and Turkey. So the EU may have to send more troops and trainers to Iraq in the coming years.

11 Richard Gowan, 'The EU and Iraq: Starting to find a strategy?', European Council on Foreign Relations, January 26th 2008.

★ **Oil, gas and Africa**

The European Commission says that by 2020 the EU will be importing at least 70 per cent of the oil and gas it will consume.[12] Russia, North and West Africa as well as the Middle East will supply almost all of these imports. Gas will be the most sought-after commodity between now and 2020, and while Russia provides most of Europe's supplies for now, by 2020 gas-rich Algeria is set to emerge as a key supplier, and join oil-exporting Nigeria as one of Europe's most important energy providers.

12 European Commission, 'A European strategy for sustainable, competitive and secure energy', March 8th 2006.

By 2020 the EU could be faced with the need to intervene militarily to protect these energy sources. Already, Nigeria's oil fields and pipelines are regularly attacked by local forces hostile to the Nigerian government. The government has trouble projecting authority throughout its territory, including places like the Niger delta where some of the most important oil fields lie. So Western energy firms operating in the country have resorted to hiring large private security forces to protect their assets.

Algeria, an important gas source, has suffered a series of major terrorist attacks. Foreigners as well as pipelines have been targeted. In one such attack, on December 11th 2007, a double car bomb attack killed over 30 people, including 17 employees of the United Nations.

Will the EU assume responsibility for helping to protect energy supplies with force? It is bound to be a controversial question because the EU would certainly be accused of trading blood for oil. And that is a politically powerful charge, one that could discourage governments from sending troops. Many EU member-states are reluctant to put militaries in any line of fire (see below). So Europe will probably focus on strengthening local security forces rather than deploying soldiers itself.

To a large degree the same principle holds true for EU humanitarian interventions in Africa. Although the EU has deployed peacekeepers to protect refugees in Chad, it has prioritised building up African military and police forces. This takes the form of expert advice, financial assistance, equipment transfers or logistical help, such as lending transport planes. For example, the EU has supplied equipment and expertise to the African Union peacekeeping operation in Darfur. It has conducted three security sector reform missions in Congo to help strengthen the country's military and police, and it is about to do the same in Guinea Bissau. The EU has also set up a 'peace facility' worth €250 million to finance peacekeeping operations managed by the African Union and other sub-regional organisations.

Will the EU fight wars?

The EU has shown that it can act outside Europe. As outlined above, it will probably have to deploy military forces abroad frequently in the future. Furthermore, the EU is working hard to improve its mix of military and non-military resources – such as police, judges and aid workers – for coping with crises. This makes sense since all international security problems require a combination of policy responses. The reforms contained in the Lisbon treaty would help the EU to further develop its holistic approach to international security. The treaty – in limbo after Ireland voted against it in a referendum in June 2008 – would merge some of the diplomatic and military power of the member-states with the vast development assistance, state-building and reconstruction resources of the European Commission.[13]

13 The Lisbon treaty would create a European external action service, by merging those parts of the Council of the European Union that deal with foreign policy with the European Commission's directorate-general for external relations.

But will the EU ever do more than peacekeeping? To date, the member-states have been very reluctant to send the EU into a war. It has become a cliché that Europe lacks the military capabilities and the will to conduct large-scale combat operations

(see chapter four). Critics of EU defence policy point to the 'cosmetic' nature of some current EU missions, such as the 2006 deployment to Congo. They argue that the German-led force, while intervening at one point to protect a presidential candidate (and a few European diplomats) from crowd violence, in general stayed far from harm's way. The mission was more about "European form than African substance, comforting rhetoric than relevant action", Jean-Yves Haine and Bastian Giegerich concluded.[14] Likewise, US scholar and former senior State Department official, Kori Schake, has described the small-scale missions undertaken by the EU so far as "luxury indulgences" because they are neither central to Europe's security, nor sufficient to solve the problems in those crisis areas. Therefore the EU has "actually increased scepticism about its seriousness of purpose rather than built a foundation for more complex and more demanding undertakings".[15]

14 Jean-Yves Haine and Bastian Giegerich, 'In Congo, a cosmetic EU operation', International Herald Tribune, June 12th 2006.

15 Kori Schake, 'An American eulogy for European defence.' Anne Deighton and Victor Mauer, 'Securing Europe? Implementing the European security strategy', Zürcher Beiträge zur Sicherheitspolitik Nr. 77 (Zurich contributions to security policy), Center for Security Studies, Switzerland, 2006.

The critics are right: the use of force has been largely absent from EU thinking on foreign and security policy to date. For this reason the authors of the European security strategy found it hard in 2003 to say anything clear on the subject. They concluded somewhat vaguely that "with the new threats the first line of defence will often be abroad", and the EU should "develop a strategic culture that fosters early, rapid, and when necessary, robust intervention".

The European defence community has debated ever since the strategy's release whether 'robust' also means 'using force'. Future events may settle the question for them. If the need arises, for example, to counter WMD proliferation in the Middle East, the likelihood is that the US would lead such missions. If the Americans chose to be supported by an international military

coalition, NATO would probably be the lead institution. But if the US were preoccupied with other security concerns in the world (like North Korea), and if the Europeans were faced with a compelling terrorist or WMD threat in an area such as North Africa, they might have no other option but to act alone. EU governments have committed themselves to use force to stop WMD proliferation. The EU's WMD strategy, agreed by EU governments at the Thessaloniki summit in June 2003, says that coercive measures can be used – as a last resort – for preserving international non-proliferation regimes.[16]

16 The Presidency Conclusions from the Thessaloniki European Council, June 19th-20th 2003, say: "The European Council endorses the....declaration....on non-proliferation of weapons of mass destruction adopted by General Affairs Council on June 16th 2003". This declaration mentions "as a last resort, coercive measures in accordance with the UN charter".

The difficulty is that EU governments have very different military strengths, and diverse attitudes towards the use of military force. Lawrence Freedman of King's College London has argued that these differences mean that the EU would produce a dysfunctional military doctrine – a necessary requirement before using force – if it tried to create one.[17] Since the EU is now conducting peacekeeping operations, elements of an EU military doctrine for future missions are bound to emerge from these experiences. But peacekeeping is not the same as war-fighting. Offensive operations bring up unique and difficult questions: how many dead soldiers will the various countries tolerate? And how many civilian deaths are acceptable? The risk that the 27 governments would disagree and thus produce a dysfunctional EU doctrine is high.

17 Lawrence Freedman, 'Can the EU develop an effective military doctrine?', in 'A European way of war', CER pamphlet, May 2004.

Also, even if the EU had a military doctrine, member-states would not necessarily share the same commitment to participate in EU operations. The former German defence minister, Volker Rühe, infamously remarked in the mid-1990s that the EU should not try to "re-invent the *Afrika Korps*", meaning that the EU should not get involved in operations in Africa. His remark seems outdated, even ironic, now that Germany has led an EU operation in Congo in 2006. But his general point holds true. The public will not always be aware why EU missions in faraway places are important. If disaster struck during an EU operation, and there were a number of casualties, the commitment of those governments involved would be severely tested.[18]

18 Richard Gowan, 'Is the EU ready to take casualties?', The Globalist, September 15th 2006, http://www.theglobalist.com/StoryId.aspx?StoryId=5080.

However, the responsibility for fighting – if the EU resorts to force – would at any rate be spread unevenly. Some countries like France and the UK are simply more willing to fight and more capable of doing so. They would probably lead any high-intensity operations, since they account for half of EU defence spending, have the most advanced military capabilities, and have the most experience of leading high-intensity missions. Aside from contributing to various military coalitions, Britain and France have acted alone. Britain sent troops to Sierra Leone in 2000, while France deployed soldiers to the Côte d'Ivoire in 2002.

The countries most willing and able to use force should lead a debate in the EU on when the European Union should fight wars. That is not to suggest that the EU should be in the business of waging imperialistic campaigns, like Britain and France in the 19th century. The EU is not a super-state with its own zones of interest. The public in Europe would not support that kind of EU defence policy either.[19] Rather the 'war-fighting' debate should be about if and under which circumstances the EU would have to use high-intensity military forces when intervening in another country – for example to separate warring factions in a civil war, or, in extremis, to stop the proliferation of WMD.

19 Eurobarometer polls usually show high support for EU defence policy per se, but it is questionable how many Europeans actually know what the EU is contributing to global security.

Thinking about robust EU operations is important for three reasons. First, Europe's neighbourhood might become more unstable in the

coming years, and the EU may be forced to act. If EU governments are to manage future shocks, they should be prepared to discuss the full range of potential military responses. Second, it makes sound military sense to be prepared for the worst. Even on relatively benign peacekeeping missions, there is always a chance that soldiers may come under attack and they need to be equipped and trained for such eventualities. Third, the point of EU defence policy should not be to improve 'brand Europe', or to generate a feel-good factor among European bureaucrats.[20] If EU governments really do plan to contribute more to international security, then they cannot avoid discussing the use of force – or using force when the circumstances absolutely require the EU to do so.

[20] *Jean-Yves Haine and Bastian Giegerich, 'In Congo, a cosmetic EU operation', International Herald Tribune, June 12th 2006.*

3   The EU, NATO and the US in 2020

There is no doubt that the EU and NATO will change considerably by 2020. Both organisations will be coping with a new set of challenges to global security. Also, the membership of both organisations might grow in the future. The EU may have 30 or more members by 2020, including Turkey. NATO could include non-transatlantic countries like Australia or Japan. New members would change both the strategic focus and internal politics of the EU and NATO.

The future of NATO

NATO has found it difficult to adjust to the post-Cold War world. It has survived by expanding into new types of missions (like protecting human rights in Kosovo) and new regions (like Afghanistan). However, the alliance is running short on useable military forces, and allies are unwilling to underwrite new missions. The Afghanistan operation in particular has shown allied solidarity to be weak. Germany and France[21] have been largely ignoring calls from the US, Canada, UK and the Netherlands to come to their help in Afghanistan's south, where the fighting has been at its most intense.

[21] *France announced in April 2008 that it would send 700 additional troops to Afghanistan – but not to the volatile south.*

Another contentious issue between the allies is the informal division of labour, in which the US fights wars and Europeans send in peacekeepers to sort out the aftermath. The arrangement leads many Europeans to suspect that the US is using NATO missions as a means for getting European troops to serve

American strategic interests.[22] They point to the example of Afghanistan, where European governments complain they have little influence over US policy in the country, despite providing thousands of peacekeepers. This division of labour is not sustainable. The US needs to do a better job sharing control over missions where Europeans are heavily involved. And EU member-states need greater military power, to counter US assertions that Europe should be left out of political decisions because, with few exceptions (the British, French and the Dutch), it tends to bring very little useful military force to the table.[23]

[22] William Pfaff, 'A growing rift', International Herald Tribune, February 11th 2008.

[23] The Times has even suggested that NATO needs to be re-designed into two groups of members: "The first tier countries would provide, and decide when to deploy, properly equipped and operationally compatible fighting forces. Those unable or unwilling to fight would make up a NATO second tier, concentrating on aid and nation-building" ('NATO II', The Times, February 8th 2008).

Between now and 2020, NATO will act in those prospective scenarios where neither the EU nor the US want to act alone (because they need additional force or legitimacy). This is assuming that the US does not succumb to the temptation to form 'coalitions of the willing'. But Iraq has shown such coalitions to be too fragile (the vast majority of coalition forces left within three years, leaving the US practically alone with a small UK force), and they do nothing to legitimise the mission in the eyes of the world. One possible scenario in which the Americans and Europeans might conduct high-intensity military operations together would be a collapsing Pakistan. Suppose that an Islamabad government started to lose control of the country, and the prospect of extremists acquiring nuclear weapons became real. Under such circumstances, US and European ground forces could conceivably seek to intervene to restore order in that large country. Instability could also affect key large countries such as Indonesia, the Philippines, or Congo. All these cases would require large multinational deployments, perhaps led by NATO.

There may also be future threats that would revive NATO's role in defending Europe, as opposed to intervening elsewhere. If Iran developed inter-continental missiles with nuclear warheads, the organisation would surely move to build missile defences. Since NATO has already conducted studies in this area it would make sense for the allies to develop their missile defences together. Likewise a more aggressive Russia may help to re-energise NATO's territorial defence role. One point of friction could be the Arctic, and its mineral resources. In 2007 Russia claimed control over a large part of the Arctic, arguing that it is a part of the Russian landmass and that under international law it belongs to Moscow.

Russia's claim to a large part of the Arctic challenges the territory and mineral resources of European countries themselves, particularly Denmark and Norway (not an EU member-state but a NATO ally, as well as an active participant in Europe's security and defence policy). The size of the Arctic's oil reserves is unclear but one US geological survey estimates them to be around 50 billion barrels of oil or, as one analyst put it, "the equivalent of a small Persian Gulf state in the North Atlantic".[24] By 2020, the legal status of the Arctic's resources may still be uncertain. Countries around it are likely to try to create 'facts on the ground' like Russia did, when it planted a flag on the seabed underneath the North Pole. Denmark and Norway (as well as Canada and the US) could enhance their military presence in the region, increasing the possibility of skirmishes with Russian forces.

[24] Dave Cohen, 'An oil & gas Shangri-la in the Arctic?', ASPO-USA/Energy bulletin, October 10th 2007.

By 2020, however, NATO will also further evolve from a strictly military alliance to one playing a broader political role as well. It already does: by asking the candidates for membership to reform their militaries and their political systems, NATO has helped to transform much of Central and Eastern Europe. The enlargement process continues: in 2008, NATO invited two more countries, Albania and Croatia, to join.

EU-NATO relations

Both the EU and NATO would benefit from working closely together on a range of security issues, from counter-terrorism to the proliferation of weapons of mass destruction. Ideally, the two institutions would co-ordinate much more closely: the EU countries should be able to switch seamlessly between acting through NATO or acting under the EU flag. That would require EU and NATO member-states to use the same military standards for all their equipment and procedures (the EU already uses most, but not all, NATO standards). The two organisations should fully co-ordinate their roles in helping the member-states improve their military capabilities, and occasionally pool their resources into standby rapid-reaction forces.[25] They should also be discussing strategy, so that they have a common understanding of the day's issues.

25 See Tomas Valasek, 'France, NATO and European defence', CER policy brief, May 2008.

Unfortunately, EU-NATO co-operation is currently limited to joint operations – of which there is just one, in Bosnia – and military capabilities. This is mainly because of a dispute between Turkey (in NATO but not the EU) and Cyprus (in the EU but not NATO). As a result, Brussels' two security organisations do not discuss many subjects, such as Afghanistan, Darfur and Iraq. Presently, there are a number of political obstacles to deeper co-operation, which is a shame, since they could do a lot of things to help each other. For instance, Afghanistan needs more police, judges, engineers and development advisers – resources available to the EU but not to NATO (although the EU has deployed 160 police to Afghanistan).[26]

26 Daniel Keohane, 'Unblocking EU-NATO co-operation', CER bulletin, June/July 2006.

But there are other longer-term challenges facing the EU-NATO relationship. Both the EU and NATO find it hard to get their members to provide the military capabilities that they need. So they should ensure that if faced with future shortfalls they do not compete to use the same equipment. The two organisations are

encouraging their members to acquire much of the same types of equipment, such as transport and tanker aircraft and precision-guided munitions. They should also co-ordinate their military plans to avoid competition for member-states' soldiers. For example, if instability in Europe's neighbourhood required the EU to intervene more often, then EU governments would probably be less willing to send their soldiers on NATO missions elsewhere around the world. A situation could even require Europeans to pull troops out of NATO missions, such as the current Afghanistan operation, which could have major implications for transatlantic relations.

All this will require greater dialogue between the EU and NATO. Since his election in May 2007, President Sarkozy of France has dramatically changed the context of EU-NATO relations. This is because he unexpectedly announced in August 2007 that France might return to NATO's integrated military structure – from which General de Gaulle withdrew France in 1966.

The change in French attitudes towards NATO has since been matched by a change in US views of EU defence. The US has sometimes been hesitant about a military role for the EU, for fear that it would undermine NATO. But over time, it has accepted that an effective EU defence policy is in the US interest. Victoria Nuland, the US ambassador to NATO, told an audience in Paris that the Bush administration supported a strong EU defence policy. She said: "I am here today in Paris to say that we agree with France – Europe needs, the United States needs, NATO needs, the democratic world needs – a stronger, more capable European defence capacity. An ESDP with only soft power is not enough."[27] On the back of President Sarkozy's proposals and the change in US attitudes, the hope is that the EU and NATO can find more effective ways of working together in the future, given that many of their agendas overlap.

27 Ambassador Victoria Nuland, Speech to Press Club and AmCham, Paris, February 22nd 2008.

EU-US co-operation

Another important factor will be the development of EU-US relations in the future, especially on security issues. For subjects such as counter-terrorism, the EU-US framework makes more sense than EU-NATO (since the Atlantic alliance has no say over its member-states' laws or police co-operation). The EU, on the other hand, does much in that domain.

EU justice and interior ministers meet regularly to pass laws and to agree common policies for police and judicial co-operation (as do their foreign and defence counterparts for their policy areas). The EU is the only organisation in which European governments can collectively 'join up' the counter-terrorism parts of their law enforcement, border control, immigration, foreign and defence policies.[28] Furthermore, the US has signed agreements with the EU on sharing passenger data, screening shipping cargoes and procedures for extraditing terrorist suspects. A nascent co-operation between the US Department of Homeland Security and the EU institutions is already in place. The EU and the US should develop these types of foreign policy, border, justice and policing co-operation further.

More generally, the EU and the US should at some point start discussing global issues with each other. Charles Grant and Mark Leonard have pointed out that NATO is not the place where Europeans or Americans want to talk about big strategic questions. None of the existing transatlantic institutions allows for high-level strategic discussions on important subjects such as democracy in the Middle East or the rise of China.[29] The close EU-US co-operation on the Iranian nuclear issue points to the way forward: a deepening of the EU-US strategic dialogue on security. This would help avoid transatlantic misunderstandings on key questions of threats and responses. A deepening of EU-US co-operation would also encourage the EU

[28] Daniel Keohane, 'The EU and counter-terrorism', CER working paper, May 2005.

[29] Charles Grant and Mark Leonard, 'What new transatlantic institutions?', CER bulletin, April/May 2005.

and NATO to find ways of complementing each other's efforts when their security agendas overlapped.

The shift of economic and political power from west to east means that the West may look for ways to shore up its weakening power vis-à-vis China, India and other rising powers.[30] For many western countries, stronger European-US co-operation is the most sensible answer, and there is no shortage of proposals on how this co-operation should be organised. A recent report written by five former allied chiefs-of-staff proposes that the US, NATO and the EU establish a permanent co-ordinating body.[31] The French academic, François Heisbourg, has proposed that the EU and the US set up their own secretariat to co-ordinate the full range of policy areas that concern the two sides, including trade and aid as well as international security.[32] France's former prime minister, Edouard Balladur, has even suggested that Europe and the US should form one union because "history is starting to be made without the West, and perhaps one day it will be made against it".[33]

[30] On current trends, in 2020, the US, China and the EU will each have a little under 20 per cent of global GDP, while India will have almost 10 per cent and Japan about 5 per cent (Figures quoted in Charles Grant with Katinka Barysch, 'Can Europe and China shape the new world order?', CER pamphlet, May 2008).

[31] Gen Dr Klaus Naumann and others, 'Towards a grand strategy for an uncertain world, renewing transatlantic partnership', Noaber Foundation, 2007, http://www.csis.org/media/csis/events/080110_grand_strategy.pdf.

[32] François Heisbourg, 'The European security strategy is not a security strategy', A European way of war, CER pamphlet, May 2004.

[33] John Vinocur, 'A Union of the West? Balladur says it's time', International Herald Tribune, January 7th 2008.

4   European military capabilities

Ultimately, the quality of the US-European relationship, and the ability of EU countries to provide for their own defence, will depend on Europe acquiring the right kind of weapons and expertise for tomorrow's conflicts.

How exactly wars will be fought in 2020 is not easy to predict. Defence ministries will certainly employ new types of technology. The Pentagon, for example, is developing laser weapons, miniature robotics and hydrogen fuel cells that would power ships and aircraft much more efficiently than diesel or petrol. Some European governments lead the world in certain technologies with potential military application.[34] But on the whole, European governments lack the resources to adopt the whole range of US technological ambitions. At the same time, Europe cannot afford to fall too far behind the new developments lest it be overtaken by today's developing countries. Advanced technologies are spreading around the globe. China for instance, is building and deploying navigation and reconnaissance satellites at a rate of 15 per year.[35]

[34] *The French, for example, have conducted experiments with transferring energy from satellite to satellite using laser beams. This could help to keep military satellites longer in orbit or to make them more manoeuvrable.*

[35] *'Annual report to Congress: Military power of the People's Republic of China', US Department of Defence, 2008. http://www.defenselink.mil/ pubs/pdfs/China_Military_Report _08.pdf.*

In particular, satellites and information and communication networks will become increasingly important. They are already fully integrated into US military practice. Whereas coalition forces used 21 satellites during the 1991 Gulf War, the number climbed to

36 *All figures taken from Michael O'Hanlon, 'Neither star wars nor sanctuary: Constraining the military uses of space', Brookings Institution Press, 2004.*

over 50 satellites for the 2003 Iraq war.[36] While the Pentagon used less than 1,000 precision-guided missiles in the 1999 Kosovo conflict, US forces launched over 5,000 such weapons in Afghanistan in 2001, and over 6,000 in the 2003 Iraq war. European countries, too, are increasingly moving into satellite-guided ammunition. Precision bombing protects the soldier (because one needs to make fewer sorties into enemy territory to destroy a target) and helps to protect civilians in conflict zones (because militaries can hit targets with less damage to surrounding areas).

Another crucial technological issue will be the use of unmanned aerial vehicles (UAVs). Currently, armed forces mainly use these pilotless aircraft to survey battlefields. But like any aircraft, the UAVs can be configured for attack. The Americans are increasingly equipping their UAVs with missiles, and the UK has bought several such aircraft too. In the future, unmanned aircraft will to some extent replace manned fighter jets like the Eurofighter and Rafale, since UAVs allow air forces to strike equally precisely without putting pilots at risk.

37 *Anthony Seaboyer and Oliver Thränert, 'What missile proliferation means for Europe', Survival, Summer 2006.*

The spread of missile technology could transform the nature of future warfare. Western intelligence services estimate that Iran and North Korea will have intercontinental missiles by 2020.[37] The two countries could thus strike at targets in Europe. A direct attack is not likely, although it remains a sobering possibility. But countries with long-range missiles will probably try to deter EU governments from intervening in other countries. If Europe wants to retain its relative freedom to carry out military operations abroad it should invest in some form of missile defence. Most EU governments signed a NATO *communiqué* in June 2007, which calls on the alliance to explore how American missile defence bases in Europe could protect the continent as well

as the US.[38] European governments should continue developing their own, more limited, missile defences, and find ways of plugging them into the US system. And, as discussed below, the EU may want to consider building early-warning satellites, which provide crucial information on launches of enemy missiles.

38 *NATO news, 'NATO agrees on missile defence way forward', NATO, June 14th 2007, http://www.nato.int/docu/update/2007/06-june/e0614a.html.*

A programme for military reform

European governments, with few exceptions, have been slow to reform their armies. All EU member-states – some with more success than others – are moving away from heavy, large forces built for the defence of the home territory towards lighter, more mobile militaries better suited for international deployments. Europe's armies are also making better use of new technologies. But if Europe wishes to continue to fight alongside the Americans, or to conduct a wide range of missions alone, the reforms need to go much deeper. European countries that have fallen behind the rest of the continent (like the new member-states of Central Europe) need to work especially hard to keep up with the continent's leaders (like the Netherlands or the UK).

There are grounds for cautious optimism. The EU recognises military reform as an absolute precondition for meeting its security aims. Both the EU and NATO are urging their member-states towards reform by issuing collective reform targets, and monitoring progress in meeting them. The process of military reform in Europe continues, albeit at a tortuously slow pace. EU member-states have not met their initial 'headline goal' – a list of military capabilities that EU governments agreed to acquire by 2003, and on current trends they probably will not meet the revised 2010 goal either.

But with each new mission the EU launches, the task of military reform becomes more evident. Europe's military operations to date

have pointed out real weaknesses. In 2008 the EU had to delay its mission to Chad because member-states could not find enough working helicopters. Europe's credibility as a military actor will suffer unless member-states accelerate reform.

The EU's missions have also provided valuable lessons on which types of equipment are useful, and which skills the troops need to perform their missions adequately. The operations made clear that by 2020 European armed forces will need a better mixture of regular war-fighting capabilities and peacekeeping skills. EU member-states will not fight other nations; most of the time they will keep peace, distribute aid or protect refugees. But they will be doing so in highly dangerous places, where they can easily run into armed enemies. So Europe's soldiers will need to be able to build roads, hospitals or even governments, while at the same time remaining fit to fight a full-blown conflict at a moment's notice. These skills are quite different from those which armies have been trained in over past decades.

Politicians in Europe by and large prefer improvements to armed forces to come without significant increases in defence budgets. As things stand, governments of the EU-27 collectively spend approximately €200 billion a year on defence, which is a significant amount of money. For all its weaknesses, the EU remains the

39 *European Defence Agency, 'European – United States defence expenditure 2006', December 21st 2007.*

world's second highest spender after the US, which devoted €491 billion to defence in 2006.[39] Yet the EU can only deploy a small portion of its 2 million-strong armed forces abroad (about 380,000 soldiers). And because soldiers also need time to train and to rest, the actual figure the EU can put in the field at any one time is closer to 100,000 – a measly

40 *All figures taken from European Defence Agency, '2006 national breakdowns of European defence expenditure', December 21st 2007.*

5 per cent of Europe's armed forces. (The average number of European troops deployed in 2006 was almost 98,000, so it becomes apparent that EU armed forces are fully stretched).[40]

Clearly, EU member-states should be able to do a lot more with existing forces and budgets. Michael O'Hanlon from the Brookings Institution has recommended that over the next decade EU governments spend 10 per cent of their annual defence budgets on the most urgently needed equipment.[41] His list includes long-range transport planes and ships, unmanned aerial vehicles, precision-guided missiles and radars. To pay for this, he says defence ministries should cut their manpower by a quarter, and focus on developing highly trained combat troops. If defence ministries followed this plan, by 2020 Europe would have more than 200,000 high-quality, professional soldiers, able to operate on short notice anywhere around the globe.

41 *Michael O'Hanlon in 'A European way of war', CER pamphlet, May 2004.*

These forces should use the latest sophisticated technology and new war-fighting concepts. But it is not necessary for Europe to mimic the US armed forces. Britain's relatively inexpensive, yet highly deployable and effective armed forces are a better model for other European countries to emulate. British armed forces account for no more than a quarter of Europe's defence spending, but around half of its useful deployable strength. Another good model is the US Marine Corps, which costs less than €13 billion ($20 billion) a year. Yet the 175,000 marines are a highly effective force. When in 2008 Europe could not find enough fresh troops for Afghanistan, the US deployed 3,000 marines there at short notice.

Europe also gets less military power for its money than the US because member-states make little effort to co-ordinate their weapons purchases. Too many countries order essentially the same weapons from too many different suppliers. To illustrate: the EU-27 currently spend roughly €30 billion a year on some 89 equipment programmes; the US spends much more, €83 billion annually, on only 27 projects. In other words, EU governments collectively spend just over a third what the US spends on equipment procurement – on three times as many programmes. Meanwhile, the cost of defence equipment is rising by 6 to 8 per cent a year, and current missions

are consuming money that had been set aside for buying new equipment. This is putting EU military establishments under enormous strain. The UK Ministry of Defence estimates that it would need €3 billion more to buy all the equipment under contract in the next decade.[42] Defence ministries around Europe will clearly have to save money by getting rid of unneeded forces, pooling capabilities with neighbours and more intelligent procurement (see below).

[42] *'Fears over defence industrial strategy', Financial Times, February 6th 2008.*

The new European soldier

By 2020 there should be much greater integration between European armed forces. Rather than one 'European army', Europe should have a collection of interlocking 'European armies', with individual countries specialising in a particular skill. Some kinds of equipment, like transport aircraft or communication satellites, will be jointly owned.

The cost of current operations will force many EU governments to pool their militaries. The €200 billion that the EU governments spend each year on defence clearly should buy a lot more equipment than it currently does. Every EU member-state – bar Britain and France – plans to carry out military operations only in coalition with other EU or NATO countries. Thus, the creation of joint military units makes military as well as budgetary sense. They help to ensure that soldiers from different countries work well together on the ground, since they would train together and use the same equipment.

Tentative efforts to encourage greater military co-operation are already under way. The EU has started to form special battle groups: 1,500-strong, rapid-reaction forces capable of long-distance deployment. Most of the battle groups are multinational, so they force countries to pool their militaries, even if only on temporary basis. If successful, the battle groups might convince EU

defence ministries to develop more ambitious joint units. For example, France, Italy and Spain could combine to form a Mediterranean fleet of frigates. France and Germany already train their Tiger helicopter pilots together, and could use the same combat helicopter units.

Countries that contribute forces to EU battle groups should think about forming multinational divisions (10,000 troops) together. A similar exercise is under way at NATO, whose response force – also a composite force assembled from contributions from various member-states – consist of around 10,000 troops.[43] EU and NATO rapid reaction forces should eventually be built to the same standard; Europe should have the option of seamlessly switching between using the EU or NATO for its operations.

[43] *NATO, as the EU with battle groups, has found generating the needed contributions difficult. In 2007, NATO admitted that its response force was some 25 per cent undermanned because member-states had failed to provide sufficient forces.*

All EU countries will need to reform their armed forces by 2020. This is due to the pressing need to spend money on new equipment, the increasing difficulty of attracting young people to join armed forces (changing demographics mean that most EU member-states will have less eligible young people in 2020), and the rising cost of hiring IT-savvy soldiers. EU defence ministries need to reduce the numbers serving in their armed forces. They could start by scrapping their remaining conscript troops, as they are normally useless for foreign missions. There are roughly 220,000 conscripts in the EU (mostly in Germany but also in Greece and elsewhere). This is twice the number of troops EU governments can collectively deploy at any one time.[44]

[44] *Based on figures from the International Institute for Strategic Studies, 'The military balance 2008', edited by James Hackett.*

Smaller countries in particular should specialise in certain key military tasks because they cannot afford to acquire the full range of new military equipment. These niche capabilities include anti-

submarine warfare, field hospitals, jamming enemy radar and protection against chemical and biological weapons. Small-scale specialisation is already under way; the Czechs have taken the lead in providing defence against chemical, biological and nuclear weapons, and Estonia is focusing on cyber-warfare. In the future, some smaller countries may find that the budgetary pressure is such that they can no longer afford to keep certain armed services. Denmark has already had an internal discussion about scrapping its air force. Leaving air power to others, would allow it to invest more in land and sea forces. These are not easy decisions for any government to take, given that defence policy is at the heart of national sovereignty. But more pooling of defence capabilities is inevitable, even if it will be politically very difficult.

The profile of European soldiers in the future will undoubtedly change. European armies will employ many more women, ethnic minorities, scientists, information technology experts and linguists. In addition, the EU has the ability to draw on a pool of *gendarmerie* paramilitary policemen. In 2005, France, Italy, the Netherlands, Portugal and Spain created the European *gendarmerie* force. It can put 800 military policemen in an area of crisis at short notice, and up to 2,300 if given more time. The experience of state-building operations in Africa and elsewhere over the last decade has taught EU governments that they needed not only peacekeepers, but also forces that can combine both military and policing tasks. The governments also learned that they needed judges, engineers, central bankers and development advisers to successfully carry out these missions. By 2020, EU governments should aim to be able to deploy 10,000 policemen plus a 'civil reaction force' of 50,000 aid workers, doctors and administrators at a few weeks' notice.

New European military capabilities

By 2020 EU countries will have a number of new strategic capabilities such as: A400M and C-17 transport planes; A330 air

tankers; Eurofighter, Rafale and Joint Strike Fighter jets; and Franco-British aircraft carriers. EU defence ministries will also be able to use Galileo – a satellite navigation system – to guide their 'smart' bombs and define their positions. All this equipment dramatically adds to the military prowess of Europe's armies.

However, some EU defence ministries could save money by scrapping a number of outdated types of defence equipment. For example, there are 10,000 main battle tanks and arsenals full of 'dumb' bombs across Europe. Most of the tanks are useless for modern (and future) military operations, and are being slowly replaced with lighter, faster armoured vehicles. 'Dumb' bombs will probably be banned under either national military doctrines or international law by 2020, because of the much higher risk of civilian casualties compared with 'smart' satellite-guided bombs. In contrast to battle tanks and 'dumb' bombs, EU countries have only five C-17 transport planes which can carry the heaviest loads – the UK is leasing them from the US (which has over 200 C-17s). Transport planes are crucial for most types of military operations, including humanitarian missions. One of the reasons EU governments could not get aid quickly to South East Asia after the 2004 tsunami was the lack of long-range transport planes.

A number of member-states would also save money by pooling some of their military equipment. Aircraft, for example, are very expensive to maintain. So the EU could set up a shared pool of transport aircraft, starting with the 180 A400M transport aircraft which six different EU countries plan to buy. The fleet would be available to EU members, to the EU collectively or to NATO. To save money, some countries could operate their A400Ms from one main base, using a single planning, servicing and logistics organisation to support the force. The European Defence Agency is already drafting proposals for pooling some A400Ms. Meanwhile NATO is planning a similar arrangement for a fleet of C-17s – the alliance would jointly own the planes, and it would operate and maintain them at one central location instead of spreading the

aircraft and maintenance centres all over Europe. These planes could be put at the disposal of the EU under pre-agreed rules between the EU and NATO.

Aside from transport planes and logistics, there are at least three new types of military equipment Europe may need to buy by 2020: information and communications technology (ICT); space-based satellites systems; and missile defence.

Information and communications technology allows commanders in distant headquarters to see their forces as well as their opponents. Computers also help guide weapons precisely to their targets. In essence, ICT helps defence planners run more effective military operations, and keeps the number of casualties on the ground to a minimum.

To make better use of the technology, defence ministries will need to hire more ICT experts, and they will also have to protect their networks better. If an enemy hacked into a defence ministry's ICT system, he could greatly disrupt, or even prevent, a military operation.[45] In addition, future commanders will need to become better versed in data management. Too much information or badly ordered information can be dangerous, so soldiers will need to learn to avoid overloading and confusing their colleagues.

[45] *Already, Germany and the US suspect China of breaking into their sensitive government systems ('China's cyber attacks', Strategic Comments, International Institute for Strategic Studies, September 2007).*

The second area where Europe will need to make significant advances is satellite systems. Space-based intelligence, navigation and telecommunications systems should greatly increase the effectiveness of European armed forces.

The debate on EU military satellites to date has created more friction than capabilities. The former French President Jacques Chirac has argued that unless Europe develops its own satellite capabilities, it will remain a "vassal" of the US. But his broader point stands: most intelligence which European forces use in allied operations comes from the US. For missions not involving American forces, Europe does need better observation and communication capacity.

The French and the Germans already have observation satellites in orbit. To link them all, the EU has been building the Global Monitoring for Environment and Security (GMES), an integrated ground system. But it may make more sense to build a common satellite network in the first place, rather than expensively and imperfectly link differing national systems. Europe already does virtually all its war-fighting jointly, under either the EU or NATO banner. So a common satellite system would mirror the way in which Europe organises militaries on the ground. Since 1999, the governments of Belgium, France, Germany, Italy and Spain have been working on an agreement to define common requirements for future observation systems. A common statement of requirements is a necessary condition for a shared satellite system.[46]

[46] *Britain has not been party to these negotiations since it receives privileged access to imagery from US spy satellites. Hence the British reluctance to develop national or European capabilities for satellite photography.*

The EU will also need more communication satellites before 2020. Their use in recent operations has greatly increased. The more troops the EU puts in the field, and the more they come to rely on advanced ICT for their work, the more bandwidth it takes to keep EU military operations connected and running. Some of this bandwidth can be leased from commercial providers. But militaries frequently need special dedicated bandwidth to keep their communications secure and error-proof.[47] The next generation of these military communication satellites should be built jointly under EU auspices.

[47] *European Parliament, 'The costs of non-Europe in the field of satellite-based systems', December 2007.*

While communication and observation satellites should be the EU's priority, Europe may also need by 2020 to buy 'early warning' satellites. These are used to detect missile launches, and

would form part of a future defence system protecting Europe from enemy missile strikes from countries like Iran. Tehran is building advanced missiles, which may eventually be able to hit targets in Europe.

The US plans to deploy a handful of interceptor missiles and associated radar in Europe before 2011. A number of America's allies like the UK or Poland think that Europe, too, should be protected from enemy missiles, and that the planned US installations could form the core of such future defence system. But the US should not be expected to provide all the necessary components for a European missile shield. Europe will need to build its share. So EU member-states should consider building a network of early warning satellites. These would give Europe the ability to independently monitor and verify missile launches. And they would make the overall US-European missile defence system more reliable.

A new market and a changed industry

Few EU countries buy their weapons from foreign defence companies, unless they do not have a defence industry, or their national companies do not make the product the government needs. Most tend to favour their national suppliers irrespective of the price or quality of equipment they produce. They can do so legally: defence goods are exempt from the EU's single market rules because of their sensitivity. But the absence of cross-border competition makes European weapons expensive. Keith Hartley of York University has estimated that a single defence market could save EU governments 20 per cent of their procurement funds, some €6 billion a year. So in July 2006, the European Defence Agency (EDA) introduced a defence procurement 'code of conduct' to open up the European defence market. The basic idea behind the code was to ensure that defence companies from any country could compete for most defence contracts across Europe, excluding multinational equipment programmes and the most

sensitive goods like encryption devices. The code works rather simply: countries that join the code undertake to open all non-essential defence contracts worth over €1 million to foreign bidders. And the EDA created a website where those contracts are advertised to potential suppliers.

However, the EDA's code is voluntary, and the member-states are not obliged to comply with it. In fact, they have so far shown very little enthusiasm for awarding contracts to outside suppliers. Although 15 member-states posted 227 tenders worth some €10 billion on the EDA's web site in its first year, only two of the 26 contracts awarded were cross-border.[48]

48 *'A successful first year of operation of the code of conduct on defence procurement',* European Defence Agency, EBB Newsletter, November 2007.

The European Commission therefore proposed new legislation in December 2007, designed to regulate and integrate the less sensitive parts of Europe's defence markets. Unlike the EDA's code, the Commission's directive would be legally binding. The Commission already regulates contracts for some non-sensitive military goods such as boots or catering services. It also has a foot in the broader defence market since it oversees some types of 'dual-use' products (those that can be used for both civilian and military purposes).

The new directive would create specific rules for trade in defence goods. It would make it more difficult for governments to deny foreign bids on national security grounds, thus opening the door to more cross-border purchases. The measure is nearly certain to be adopted in some form, and Europe in 2020 will probably be trading defence goods far more freely across internal borders than is the case today. Cash-strapped defence ministries should welcome greater cross-border competition as it would help ensure lower prices.

If defence ministries invest in new types of defence equipment and co-ordinate their purchasing, Europe's defence industry will change substantially by 2020. It is questionable whether or not Europe can

sustain the four large aerospace contractors (BAE Systems, EADS, Finmeccanica and Thales) that currently dominate the European defence industry. For instance, BAE makes as much profit now in the US as it does in Europe. The land and naval sectors could see an even greater wave of mergers since they remain even more fragmented than aerospace. There are 23 military shipyards in Europe. EU defence ministries also have 16 separate armoured vehicle programmes, with virtually no collaboration between member-states. That should all change by 2020.

Furthermore, a number of civil companies, from sectors as diverse as information technology and services, could develop large defence businesses. For example, telecoms giants like Nokia could become major players in military communications; a vehicle manufacturer like Volkswagen could dominate the military vehicle business; while a healthcare company like Bupa could develop a pan-European military health services business.

Nothing would change Europe's defence industry more by 2020 than the full opening of the US defence market to European suppliers. Currently, US companies account for around half of European military purchases, but European firms account for closer to 5 per cent of the Pentagon's buys. The Department of Defence has been traditionally reluctant to buy from European bidders because Congress, which holds the purse, has guarded US defence jobs jealously and frowns on contracts for foreigners.

However, by 2020 this might change. Washington is coping with a far greater bill for its operations in Afghanistan and Iraq than it expected. It also faces a growing budget deficit. The Pentagon must find new ways to ensure that it can pay for its vast number of military programmes (the order book in 2006 was worth some $1.5 trillion). One solution lies in encouraging more industrial competition for defence contracts. When European defence companies compete with American ones, the Pentagon has more control of the cost of weapons it wants to buy.

US defence officials have already become more friendly to European suppliers. An EU-US consortium has been selected to build the future presidential helicopter. Even more importantly, a consortium led by EADS has won a massive contract to supply the US Air Force with the next generation of refuelling aircraft. These joint bids may over time result in more than transatlantic joint ventures, and lead to transatlantic defence mergers. The US taxpayer would benefit from renewed competition in the US defence market. European defence companies would profit from gaining better access to the world's largest defence budget, and they could in theory pass on part of the profits to European governments in the form of lower per-unit costs for European defence equipment.

5 Conclusion: Three things the EU should do now

Between now and 2020 Europe will face a vast number of security challenges, both predictable and unpredictable. It will cope with them from a position of decreasing relative strength – decreasing because of uncertainties about the US military commitment to Europe, and because of the relative decline in European economic and political might compared to rising powers such as China and India.

The EU is also struggling to reconcile the two rationales that have driven European defence initiatives to date. Some countries, like Belgium or (until recently) France, have pushed for stronger European defences because they want to lessen US influence in Europe. Others, like the UK, want stronger European defences because they fear that the US is less and less interested in defending Europe. Each impulse drives EU defence policy in a slightly different direction. Those who fear that the US will be less engaged in Europe are increasing their military strength while keeping a strong link to the US through NATO. Those who want to see less US involvement in European security are challenging NATO by building an alternative European military bureaucracy, or by launching 'flag-planting' EU missions in Africa and elsewhere.

Neither instinct dominates – the EU is too complicated a beast to produce a clear outcome – but both instincts, in their own way, contributed to building a strong European defence policy. It has not been as friendly to NATO, or generated as many capabilities, as the UK would have liked. And it has not become the sort of alternative to NATO that France under Jacques Chirac would have preferred. But ESDP is here. And when trouble breaks out in or around the continent, most Europeans now look to the EU to act.

The more missions the EU carries out, the more substance EU defence will acquire. Already the EU has started over 20 ESDP operations. In different ways the European Defence Agency and the European Commission are trying to open up a highly protectionist defence market, which will help improve many defence ministries' bottom lines. And EU armies are acquiring much needed resources, such as the A400M transport plane. To safeguard these successes, and to give Europe the necessary means to tackle the vast array of challenges it could face between now and 2020, EU member-states should do at least three things in the short term: re-organise and improve their resources; develop a doctrine for comprehensive crisis management; and invest more in prevention.

Re-organise and improve resources

EU governments must continue striving to improve their military strength. They need to buy new military equipment (see chapter four) and use existing assets in more efficient ways. Military reform should not be forgotten: for any given level of spending, much more can be achieved by militaries and ministries that have been modernised. Those countries that have not abolished conscription should do so: what Europe needs are professional, mobile troops who are ready and able to go anywhere in the world. The liberalisation of defence procurement markets would allow governments to make some improvements in capabilities without increasing defence budgets. So would more role specialisation, and the pooling of military assets, particularly in non-sensitive areas (such as maintenance, transport, medical, catering and support operations).

Military reform itself can be expensive. So EU member-states may need to not only spend their defence money more intelligently, but also to spend more overall. NATO wants its member-states to set aside 2 per cent of their respective GDPs on defence. The alliance has not had much success getting its member-states to meet that goal; only a handful of European governments (like Britain, France and

Greece) spend above the 2 per cent mark; some like Germany or Belgium are closer to 1 per cent. But the EU may have more powerful incentives in its arsenal. The 'structured co-operation' on defence, a concept introduced in the Lisbon treaty, could be made conditional on meeting the 2 per cent threshold. However, EU governments may deem this too controversial (due to other budgetary pressures such as health and education) or too exclusive (some member-states that are contributing large numbers of their troops to ESDP missions would struggle to reach a 2 per cent threshold). In that case, governments could at least agree that they should spend a minimum of 20 per cent of their defence budgets on equipment procurement and technology research. Those states that do not spend enough would initially see themselves excluded from a European defence *avant-garde*, but they would have a strong reason to catch up.

EU governments must also continue to develop their civil capabilities, such as judges, police, administrators and aid workers. Many of the above recommendations on the military side will come to nothing if Europe does not do a better job of using its civilian assets in crisis operations. The EU now has a special unit in the Council of Ministers responsible for co-ordinating the member-states' civilian personnel during EU missions. But much more effort is needed; the military and civilian parts of the EU's own bureaucracy still do not co-operate well. More importantly, their work has made little difference to EU missions, where co-operation between the military and civilians remains problematic.

The challenge in developing civil capabilities is two-fold: it is far more difficult to find trained and available civilian personnel than soldiers, and the two often have trouble working together in the field, because they have different institutional cultures and habits. For soldiers and civilians to co-operate better, national governments need to break down the institutional barriers between the ministries of defence, foreign affairs, interior and development (and other relevant agencies). The UK shows the way; it has formed a special

unit where defence, foreign affairs and development officials meet regularly to discuss current operations and how each department can contribute to them. More contacts of this sort are needed.

Also, European governments find it difficult to produce enough policemen for EU operations because they are already busy at home, and governments cannot spare too many police for international deployments. Most civilian agencies are simply not geared up, philosophically or practically, for deploying their personnel abroad. Unlike armed forces, police or judges operate by laws and regulations that were not designed for deployment abroad. Civilians find it too difficult to temporarily leave their jobs for a foreign operation. So the EU has often been forced to recruit those with the right skills but without a job. As a result, it sometimes deploys less than the best.

The EU should advise member-states on how to improve co-ordination between civilian and military agencies, and on how to prepare civilian agencies for deploying their personnel abroad. This could be done by a small EU advisory team, which would impart to national governments the lessons in civil-military co-operation learned from ESDP missions abroad. And it could also spread best practices in the EU on drafting rules for the deployment of civilian personnel abroad. NATO has a similar process in place; its defence planners regularly visit the member-states' defence ministries to do a health check and advise on where and how improvements could be made – all this, of course, on a strictly voluntary basis.

These changes would address deficiencies at national level. But there are at least two ambitious ideas for an EU-wide civilian force that governments could consider before 2020. One is a 'European civil protection force', proposed by the former European commissioner and French foreign minister, Michel Barnier. This force, which would pool existing national forces and equipment, would respond quickly to natural disasters and humanitarian crises

both within and outside the European Union.[49] The second idea is that of an EU 'peace corps', which would encourage trained specialists to volunteer to carry out tasks such as conflict mediation, aid work, reconstruction and education.[50] The second idea in particular would be relatively easy to implement, and the EU should try it.

The Lisbon treaty, if it came into force, would re-organise all the EU's available resources for international security in a more coherent way. This is because the external action service proposed in the treaty should join up the diplomatic and military power co-ordinated through the Council of the EU with the development assistance, state-building and reconstruction funds of the European Commission. A discussion about linking the resources of various institutions must also include the links between internal and external security for issues such as counter-terrorism.

The EU could create a cross-institutional group, a European Security Committee (ESC), to bring together EU policy-makers dealing with both internal and external security issues. The chairmanship of the ESC could alternate between the EU's High Representative for foreign policy and the chair of the interior and justice ministers' council. Other members of the ESC could include: the justice commissioner, the chairman of the EU military committee, and the heads of Europol and Eurojust (the EU's police and judicial co-operation agencies).

Develop a doctrine for comprehensive crisis management

The wars in Iraq and Afghanistan, as well as the military interventions in the Balkans in the 1990s, have shown that when it comes to post-Cold War conflicts, defence, diplomacy and development need to be integrated in order to have a chance of long-

[49] *Michel Barnier, 'For a European civil protection force: Europe aid', European Commission, May 2006. http://ec.europa.eu/ commission_barroso/president/ pdf/rapport_barnier_en.pdf.*

[50] *Catriona Gourlay, 'Feasibility study on the European Civil Peace Corps', ISIS Europe, March 2004.*

term success. It is no longer enough to fly in, fight and leave a country; peace requires economic growth and stability. As Paddy Ashdown, the former high representative in Bosnia, has written, international operations like Afghanistan today are not about military security: "It is human security that matters. That includes electricity, the rule of law, effective governance and the chance of a job in a growing economy."[51]

51 Paddy Ashdown, 'A strategy to save Afghanistan', Financial Times, February 12th 2008.

Military forces alone are unable to deliver peace and long-term stability, while those working in development can do little to help the poor and vulnerable in unstable countries. So the EU needs to think of the military and its civilian experts as one unified crisis intervention force. The problem is that, although this so-called comprehensive approach obviously looks good on paper, it is extremely difficult to put into practice, as the EU has found. Someone who is very familiar with the challenges – the head of EU military staff, Lt Gen David Leakey – wrote that movement towards better co-operation between civilians and soldiers is "improbable while factions are stuck in the mindset of separate and compartmented civilian and military operations".[52] So breaking down administrative and cultural barriers between the two sides should be the EU's top priority.

52 Lt Gen David Leakey, 'Joint and separate priorities for the EU and NATO in 2008', Revisiting NATO-ESDP relations - SDA Discussion Paper 2008 (Part I), March 2008.

A comprehensive approach that brings together defence, diplomacy and development policies would require considerable resources. Since the end of the Cold War, there are fewer wars in the world, but the existing conflicts tend to be very complex and difficult to solve. It can take years or even decades to rebuild a country and create the conditions for peace. Unfortunately, the military and financial capacities of developed countries are increasingly overstretched. NATO is still involved in Kosovo, almost ten years after it intervened, and may stay for another decade. There is no clear prospect of NATO leaving Afghanistan either, while the withdrawal of American troops from Iraq could leave behind chaos.

The EU already has some experience of joining up peacekeeping operations with development projects in Afghanistan, the Balkans and Congo. However, when EU governments take on a peacekeeping operation, like the current one in Chad, it would make sense for the European Commission to re-direct some extra development money to the same area. The European Commission will spend €311 million on development assistance to Chad between 2008 and 2013, which is an increase of almost €40 million over the 2002-07 aid budget. That figure is not a small amount of money, but it is less than a tenth of the figure EU member-states and the European Commission pledged to Afghanistan between 2002 and 2006, some €3.7 billion. And even Afghanistan should be put in perspective: Paddy Ashdown says that in Afghanistan the international community has put "one 25th the troops and one 50th of the aid per head of population that we put into Kosovo and Bosnia."[53]

53 Paddy Ashdown, 'We are failing in Afghanistan', The Guardian, July 19th 2007.

Based on their experiences in Afghanistan, the Balkans, Congo, Chad and other places, EU governments should develop a crisis management doctrine. Part of that discussion should be about developing military doctrine, the 'if, when and how' of using military force for EU operations. The European security strategy rightly says that the EU needs to "develop a strategic culture that fosters early, rapid, and when necessary, robust intervention". But it would be a mistake to focus only on military doctrine. Most crises in which the EU intervenes would require a variety of tools. As a result, an EU crisis management doctrine should guide policy-makers to know when and how to use the various military and civilian resources during different stages of crises.

The EU should also re-think the way it plans and commands its foreign missions. The Council of Ministers' staff includes a small team of officers, whose job is to prepare plans for the deployment of both

civilian and military personnel. France is now pushing for this small planning team to be expanded. It has a good case: the EU is conducting more and more missions, and its planners will be come busier.

Invest more in prevention

Everyone knows that prevention is better than finding a cure. The European security strategy says that the EU should "be able to act before countries around us deteriorate, when signs of proliferation are detected, and before humanitarian emergencies arise. Preventive engagement can avoid more serious problems in the future." In other words the EU should invest much more in prevention than it

currently does. At the very least, the EU should spend more money on conflict prevention, security sector reform and the rule of law in developing countries, as well as on disarmament and non-proliferation projects. For instance, according to EuropeAid, in 2006 the European Commission spent only 6 per cent (€448 million) of its overall external assistance budget on 'conflict prevention and state fragility'.[54]

[54] *European Commission, 'The annual report 2007 on the European Community's development policy and the implementation of external assistance in 2006', EuropeAid Annual Report 2007. http://ec.europa.eu/europeaid/ multimedia/publications/ documents/annual-reports/ europeaid_annual_report_2007_ en.pdf.*

As François Heisbourg has proposed, EU governments should start by auditing the security dimension of EU foreign aid to determine the precise interaction of their aid with their security policies. Policy changes that might arise from such an audit could increase Europe's strategic influence and effectiveness. For example, after an audit of its aid policies, the EU might decide to target more assistance towards places such as Sierra Leone or Liberia, which could prove crucial for sustaining the current cease-fires in their civil wars. The objective would not be to criticise past aid policies – which were not usually conducted for security reasons – but to assess the impact of development projects on security objectives.

Second, such an audit should attempt to incorporate the security dimension into future development programmes. This is not conditionality in the traditional sense – where the recipient country has to fulfil specific conditions to receive assistance – but a discipline which the donors (in this case the EU) would impose upon themselves. However, such a 'security impact' study of development assistance should not prejudge the nature of specific aid programmes. Development assistance is not, and should not be, a simple tool of security policy since it serves mainly to counter poverty. Furthermore, targeting aid towards specific countries for security reasons should not mean that Europe's traditional concentration on some of the poorer countries in Africa or Asia would suffer, since preventing state failure is both a security objective and a humanitarian goal.

The EU could learn from the example of Washington. The US spends much less on external development assistance, but it focuses its aid on regions most important to its foreign policy and security. For example, the US has spent roughly $7 billion since 1992 on the important Co-operative Threat Reduction Initiative in the former USSR. This US programme has helped countries to improve the safety of their nuclear plants and weapons systems, and to control and monitor their nuclear materials. The EU, in stark contrast, is spending a measly €30 million on securing nuclear materials in Russia and other CIS states between 2005 and 2010.[55]

[55] *Council of the European Union, 'Six-monthly progress report on the implementation of the EU strategy against the proliferation of weapons of mass destruction', December 2007, http://register.consilium.europa.eu /pdf/en/07/st16/st16411.en07.pdf.*

ESDP: Condemned to co-operate

The improvements suggested above are necessary but not sufficient in themselves to prepare the EU for the full spectrum of crises which will likely arise by 2020. The EU should also do more to ready itself for combat operations. As noted earlier, the world will remain a dangerous place, and the US will not always be there to

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Conclusion: Three things the EU should do now   51

help Europe sort out trouble on or around the continent. In the future, European governments will be called on to carry out more autonomous operations, and these missions might sometimes also involve fighting.

So the EU governments should be working on an agreement on the circumstances under which they are willing to use military force. They should be explaining to their voters that the world remains fraught with risks, and that the European Union, too, may occasionally have to use military force to defuse those risks. And they should be building smaller, more multinational, and better-equipped armed forces to deal with future threats.

So far, progress on all these counts has been elusive. There is little appetite in Europe for using force under the EU flag instead of non-combat missions, of which the EU does plenty. And European governments give military reform less attention than they ought to. But as EU missions expand from Europe ever further east and south, the risk of involvement in combat will rise. So EU member-states will have to confront divergent attitudes within Europe towards the use of force. NATO's experience provides a cautionary tale for the EU. The alliance suffered when divisions over military strategy in Afghanistan led to serious tensions among allies. A similar thing could easily happen with future ESDP missions. So the EU should try to resolve the most glaring disagreements by launching a debate on the circumstances under which EU troops resort to force.

Also, with each new mission the need for better trained troops will become more pressing. Already, in Chad, the EU has run into trouble recruiting sufficient troops. More such problems beckon unless member-states do a better job reforming their militaries.

Now that the member-states have created the ESDP, most Europeans – and, increasingly, the United States, too – expect the European Union to take on a bigger share of the security challenges, even the difficult ones. And there will be no shortage of

new and old challenges between now and 2020. So European countries are condemned to step up their military co-operation to keep Europe secure.

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NEW IDEAS FOR A NEW EUROPE

Willing and able?
EU defence in 2020

Daniel Keohane and Tomas Valasek

Demand for military forces is growing. And the Europeans increasingly turn to the EU when in need of troops for peacekeeping or for delivering humanitarian aid. But will the EU be able to keep up with the demand? Daniel Keohane and Tomas Valasek argue that it is possible, but only if the EU governments reform and pool their militaries, and if the EU and NATO co-ordinate their work more effectively. They also warn the Europeans to stop assuming that the EU will never fight a shooting war, and call on the EU to start a debate on when to use hard military force.

Daniel Keohane is a research fellow at the EU Institute for Security Studies. **Tomas Valasek** is director of foreign policy and defence at the Centre for European Reform.

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