

# **Europe's military revolution**

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## ACKNOWLEDGEMENTS

The authors would like to thank the following for commenting on drafts of this pamphlet: Sophia Clement, Steven Everts, Heather Grabbe, Ben Hall, Richard Hatfield, Jolyon Howorth, Daniel Keohane, Alasdair Murray and Adam Thomson. Any errors are, of course, the responsibility of the authors.

The Centre for European Reform is grateful to the Western European Union Institute for Security Studies for supporting the publication of this pamphlet.

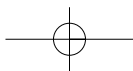
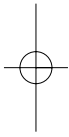
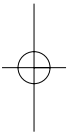
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## A summary of recommendations

- ★ The EU's defence ministers should meet on their own at least twice a year, as a Council of Defence Ministers. This would encourage a collective ethos and facilitate peer group pressure, so that the governments would be more likely to deliver on the military capabilities that they have promised for the headline goal.
- ★ The member-states should enhance the status of the EU's Political and Security Committee (known as the COPS, from its French acronym) by sending the highest-level diplomats to work full time in this Brussels-based body. In giving advice to the foreign and defence ministers, the COPS should draw together and co-ordinate the inter-governmental and Community sides of EU foreign policy. When considering defence or the purely diplomatic aspects of foreign policy, the COPS would meet on an "inter-governmental" basis and take decisions by unanimity. When dealing with economic (or "Community") instruments, such as trade sanctions or humanitarian assistance, it would work on the basis of a proposal from the Commission and qualified majority voting.
- ★ In the long run, a single person should replace the High Representative for foreign policy and the EU commissioner for external relations. This individual would be appointed by the heads of government and report to the EU foreign and defence ministers. But he or she would also serve as a member of the Commission. This new High Representative would help to bring together the inter-governmental and "Community" sides of EU foreign and defence policy, and represent the Union to the rest of the world.
- ★ Within the Council of Ministers secretariat, the EU should establish a special Monitoring Group, consisting of force-planning experts from national capitals. Its prime task would be to monitor the progress of the member-states in fulfilling their promises on military capabilities. It would arrange for the various governments to report

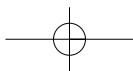
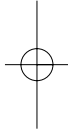
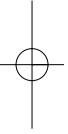
on each other in specific areas, and publish comparative data on the efficiency of the national defence bureaucracies and organisations. By naming and shaming under-performing governments, the Monitoring Group would encourage peer group pressure among the member-states.

- ★ This force planning unit should also think of suitable areas in which several member-states—or even the entire Union—could pool assets or develop common military capabilities. One example would be the provision and maintenance of a fleet of transport aircraft.
- ★ The EU should encourage its member-states to maintain the size and effectiveness of their defence budgets. Those governments which currently spend above 2 per cent of their GDPs on defence (a figure which happens to be close to the EU average) should undertake not to cut defence budgets. And those which currently spend less should aspire to raise their budgets to 2 per cent of GDP. Furthermore, all governments should agree to a target of spending 25 per cent of their defence budgets on equipment and R&D. They should also maintain the pace of military reform, for example by reducing the role of conscription and by developing the means to deploy force at a distance.
- ★ At the next inter-governmental conference, the EU should amend its treaties to reflect the ambitions of the European Security and Defence Policy, and the new institutional arrangements.
- ★ The EU should scrap the assembly of the Western European Union, transferring its consultative powers to the European Parliament.
- ★ In the Balkans, the Europeans and the Americans should prepare for an orderly transition, so that in the long run the EU can take over responsibility for peacekeeping.
- ★ When the EU is contemplating intervention in a crisis, Britain, France and Germany have a responsibility to provide leadership to their EU partners.
- ★ In the long run, the EU should consider establishing a special EU

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defence budget, to finance the cost of common weapons programmes, common capabilities or forces, and EU military missions. This would be funded by the governments and kept separate from the normal EU budget.





# 1 Introduction

The creation of the single European currency, a revolutionary innovation for the European Union (EU), has provoked tumultuous debate across the continent and beyond. Yet the EU's plans for a common defence policy have—thus far—attracted less attention. These plans are also of revolutionary significance because they could, in the long run, transform the nature of the European Union, its relations with other parts of the world and, in particular, the shape of transatlantic relations.

Much of the history of the European Union over the past 50 years has been about its members getting together to agree on common rules for economic policy-making. After the initial European Coal and Steel Community came the customs union, the Common Agricultural Policy, the single market, the euro and, most recently, plans to co-ordinate policies for economic reform.

By contrast, the principal challenges facing the EU in the next few decades are likely to be external. For the EU is taking on responsibility for the prosperity, stability and security of most of the European continent. Its progressive enlargement into Eastern Europe, the Balkans and the Eastern Mediterranean will take it closer to regions of instability and turmoil. The Union has little choice but to develop some kind of strategic relationship with Russia. And if any part of the developed world is likely to take much interest in or responsibility for humanitarian crises in Africa, it will be Europe. Furthermore, as the euro gradually becomes accepted as an international currency, the task of managing the euro vis-à-vis the dollar and other currencies will become increasingly important.

Thus Europe's politicians, officials and strategic thinkers will have to expend large amounts of energy on the development of the EU's external policies. For decades, other countries have complained about the incoherence of EU foreign policy (Henry Kissinger's famous comment from the early 1970s, that when he wanted to speak to Europe, he did not know whom to call, was disingenuous, since he has never favoured a

strong Europe). In recent years, the EU governments have taken hesitant steps towards strengthening the “Common Foreign and Security Policy” (CFSP) that the 1992 Maastricht treaty proclaimed as a goal.

The 1997 Amsterdam treaty created the post of the High Representative for foreign policy, to act as a kind of spokesman for the EU. The treaty also established a Policy Unit to report to “Mr CFSP” (as the High Representative is known), and introduced qualified majority voting for implementing the details of common foreign policies. It said that the EU could “avail itself” of the Western European Union (WEU) to organise military missions for the purpose of “humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management,

including peacemaking”.<sup>1</sup> These are known as the “Petersberg” tasks, after a hotel complex near Bonn where the WEU first defined them in 1992.

*<sup>1</sup>The WEU is a defence organisation which has ten EU countries as full members, and which is now being wound down and partially merged with the EU*

Ever since the December 1998 British-French declaration at Saint Malo, which launched the plan for the EU to take on a role in defence, the Union’s efforts to enhance its external identity have intensified. The Union has undertaken to create a rapid reaction capability of corps strength, which means about 60,000 troops, by 2003, as part of its new objective of a “European Security and Defence Policy” (ESDP). This corps capability is generally known as the EU’s “Rapid Reaction Force”.

Despite the progress made over the past two years, it is likely to be many more years before the EU can conduct significant military operations without the help of NATO or the US. And it will be a very long time before the Union’s Common Foreign and Security Policy is what it claims to be.

Nevertheless, it is the nature of the EU to evolve slowly, with plenty of slips and false starts along the way. The Union’s heads of government first proclaimed their commitment to Economic and Monetary Union in 1969. Their first efforts ended in failure, but 30 years later a new currency was born. The construction of a workable ESDP, as part of the broader effort to create a common foreign policy, could easily take a similar period of time. Speaking in Warsaw in October 2000, British prime minister Tony Blair said that Europe should become “a superpower but not a super-

state”. Today the Union remains a long way from being a superpower in any field other than economics. Yet there is little doubt that the EU has started off on the path towards becoming a military power to be reckoned with.

### **Why bother?**

When confronted with Europe’s plans for a common defence policy, and the evident difficulty of implementing them, some Americans ask: “Why bother?” They point out that NATO is a fairly effective organisation, with Europeans and Americans working together inside it. “Doesn’t Europe have enough on its plate without having to sweat over the creation of a new defence organisation?” is a frequently heard question in Washington DC. The questions are fair and Europeans sometimes find them hard to answer—partly because there is not a single answer.

For anyone who believes in a more united Europe, it is self-evident that closer co-operation on defence must be desirable in itself. But other Europeans emphasise pragmatic rather than “idealist” arguments, pointing out that the member-states can achieve far more in foreign and defence policy by working together than on their own. And the pragmatists stress the growing number of external challenges which require a concerted response—whether in the Balkans, in the Middle East, in Africa or elsewhere.

Evidently, the idealist and pragmatic arguments are perfectly compatible. Indeed, we see merit in both. There is a third argument, which is that Europe needs a “political union” so that it can hold its own against the United States. Those who hold this view—and they include a few French Gaullists as well as left-wingers in many EU countries—argue that the point of a stronger CFSP is that it will allow Europe to resist American political hegemony.

There is a fine line between the sentiment that the process of integration should allow the Europeans to re-balance the transatlantic relationship—a feeling widely shared in Europe, including among staunch Atlanticists—and the “anti-American” rationale for a European defence which would enable Europe to stand up to the US. This fine line causes understandable concern among Americans. But the latter view is not widely held in Europe. Few of the politicians and officials working on the ESDP are

motivated by anti-American sentiment, and nor are the authors of this pamphlet. They and we believe that a Europe which is capable of looking after its own defence will be a better partner for the US.

The Europeans have been vague on the likely uses of the Rapid Reaction Force. Numerous official documents have said that it should be capable of fulfilling the so-called Petersberg tasks, yet “peacemaking”, one of those tasks, could in theory cover anything from Operation Alba—which in 1997 involved the Italians leading a 6,000-strong European force into Albania to suppress anarchy—to an attack on the Sierra Leone rebels who are resisting the authority of UN peace keepers, to a Gulf War-type conflict.

This vagueness is not necessarily a problem. All the governments concerned know that in the foreseeable future Europe will be capable of only modest military operations. There is no great value in defining now exactly what the force will be used for. History will surely throw up unexpected events and challenges. And in any case, if the EU succeeds in building a defence capability, it will be by slow, steady, incremental evolution. This movement has built up a strong momentum. And that is the revolution in Europe's military affairs.

### **The Blair initiative**

Surprisingly, the country driving forward Europe's new defence policy has been one of the most eurosceptic member-states. Britain's defence establishment is wedded to a “special relationship” with the Americans. British governments—both Conservative and Labour—have long believed that NATO should be the mainstay of European defence. They worried that any EU involvement in military matters would undermine NATO and annoy the Americans. Neither the British nor other EU governments ever took the WEU very seriously, which is why it never achieved a great deal.

While the British have, traditionally, opposed a direct EU role in defence, the French and the Germans have argued for one. During the negotiation of the Maastricht treaty in 1991, Britain blocked Franco-German plans to merge the EU with the WEU, so that the former could itself conduct military operations. The Maastricht treaty allowed the EU to ask the WEU to implement decisions with defence implications, but in practice this never happened.

At the Amsterdam summit of June 1997, Tony Blair—elected to office a few weeks previously—maintained the Conservative government’s position of blocking Franco-German plans to enhance the EU’s role in defence. But when, early in 1998, Blair began to look for ways of engaging more constructively in the European Union, he thought about defence. At the Cardiff summit in June 1988 Blair spoke to his fellow heads of government in very general terms about European defence. He went further in October 1998, at an informal gathering of EU leaders in Pörtlach, Austria. He said that Britain would favour an EU role in defence, so long as it was militarily serious rather than symbolic, inter-governmental in nature, and not detrimental to NATO.

Blair’s friends in the Clinton administration were not happy about this dramatic shift in the British position (of which more below). But despite his innate atlanticism, Blair did not allow American concerns to deflect him from his European purpose. Why did Tony Blair turn British policy on its head?

Ever since becoming prime minister, Blair has wanted Britain to become an actively engaged member of the European Union. He wants the British to leave behind the half-hearted, prevaricating attitude to “Europe” which has bedevilled their three decades of membership. He believes that Britain can and should be one of the EU’s leading member-states, with as much clout as France or Germany.

However, for reasons that are beyond the scope of this pamphlet, Blair decided not to seek membership of the single currency during his first term. Given the crucial importance of the euro, this self-exclusion makes it hard for Britain (or Blair) to play the leading role that he desires. Furthermore, Britain has also opted out of parts of the Schengen agreement—including its provisions for the abolition of passport controls—which was in 1997 incorporated into the EU’s treaties.

So Blair needed to find an area in which the British could exert leadership and appear to be “good Europeans”. Defence was the obvious choice. Britain’s armed forces have an excellent reputation. President Chirac had praised them, in 1996, as a role model for the reform of the French armed forces. The British people have generally viewed the EU as being about other countries (often France and Germany) taking the initiative, leaving

Britain with the choice of either following or remaining on the sidelines. Blair saw that defence was an area where Britain could set an example and other countries would follow, and where a UK-led scheme might help to shift British perceptions of the EU.

Furthermore, co-operation on defence policy would be inter-governmental, so that the European Commission—the *bête noire* of British eurosceptics—need not be involved. It is also fair to say that although Blair had no background in defence policy, as a prime minister he soon developed a keen interest. He showed this during the Kosovo conflict of spring 1999, when he argued—against most of the other NATO powers, including the US—that the allies should prepare for a ground war; and during the Comprehensive Spending Review in the summer of 2000, when he helped the Ministry of Defence to secure a slightly higher budget from the Treasury.

But it would be wrong to suppose that Blair shifted British policy simply because of a desire to lead in Europe. The British prime minister was also driven by a practical concern to improve the way in which the EU conducted its foreign policy. His experiences in dealing with Kosovo certainly had an influence. By the time of the Pörtlach summit, Blair's government was thinking about a NATO air operation against Serbia, and it was well aware that Europe on its own was not capable of doing much. This awareness energised the British government's thinking on European defence, and reinforced its view that the focus should be on boosting military capabilities. At the same time British forces were working closely with the French on putting together the Kosovo "extraction force", which was designed to pull out the observers of the Organisation for Security and Co-operation in Europe; this positive experience helped to make the Ministry of Defence more enthusiastic about European defence.

Blair and his ministers also looked back on the complex diplomatic dealings over Kosovo in early 1998, when they had been struck by the impotence of the EU. The Americans had dominated the field, partly because the Europeans were incapable of getting their act together. Some of the Britons involved wondered whether the EU would have been able to wield more diplomatic clout if it had had a military capability. So long as the EU could deploy force only through requesting action from the WEU—an obscure body which, although an indirect link between the

EU and NATO, frightened no one—the Union’s diplomatic *démarches* were unlikely to impress thuggish rulers. This thinking led senior figures in the British government to warm to the Franco-German argument that the EU should take over most of the WEU.

The new British policy had other origins. One group of officials within the Foreign Office was concerned about America’s commitment to European defence. They argued that the best way to prevent America from disengaging was for the Europeans to build up their own military capabilities and thus better “share the burden” of maintaining European security.

Indeed, a crucial trait of British thinking on European defence, ever since the summer of 1998, has been that capabilities are as important as institutions—if not more important. Earlier Franco-German schemes for European defence had tended to emphasise institutions; attempts to build common capabilities, such as the Franco-German Eurocorps, had initially placed a premium on symbolism rather than effectiveness. The British understood that the best way to get the Americans on board was to stress that European defence was about boosting Europe’s military capabilities; the EU states would then be more useful partners to the US.

This shift in British policy has been crucial to the momentum that has built up behind the ESDP. The *volte-face* was so sudden, unexpected and complete that many other governments took a couple of months to appreciate its significance. But when France—which had long favoured a more autonomous and capable European defence—understood that Britain’s shift was genuine, it was keen to support and to work with the Blair initiative. And it was natural for Britain to seek to team up with France in order to make the new policy work. This was also an opportunity for both countries to revitalise their relationship. The result was a genuine meeting of minds in Saint Malo, in December 1998, and thus the assertive and clear declaration by the two governments that the EU should develop the “capacity for autonomous action, backed up by credible military forces.”

### **European convergence**

Britain and France are the only EU countries with significant capabilities for deploying armed forces at a distance (“power-projection”, in the

defence jargon). Given that the EU is now more likely to want to deploy force outside the NATO area than in territorial defence, British and French views on military matters carry more weight than those of the other EU members. Since these two countries had been at opposite ends of the spectrum on European defence, their agreement in Saint Malo surprised, intrigued and delighted their European partners. Thus after the Saint Malo declaration, first Germany and then the other member-states threw their weight behind the British-French initiative.

The seeds sown in Saint Malo grew so well because they fell on fertile ground. The EU's institutions and governments proved open to a revival of the idea that the Union should play a role in defence. They had completed the work of creating the single currency, which was officially launched in January 1999. More importantly, there was a growing realisation that the EU had to improve its performance on foreign policy. The problem was not just the Kosovo diplomacy which had irked Blair and others. A succession of problems during the 1990s, mostly in the Balkans, had led to a sense of shame about the EU's incapacity to manage crises effectively.

The 1992–95 Bosnian war proved particularly traumatic for the EU. Only a few months after the EU had proclaimed its commitment to a Common Foreign and Security Policy, at the Maastricht summit in December 1991, Bosnia went up in flames. Despite the Europeans' best efforts to negotiate a settlement—sometimes frustrated by American opposition to their diplomacy—and their commitment of thousands of troops to the UN peacekeeping force, the EU was perceived to have failed. They needed NATO's military intervention to bring the war to an end in the autumn of 1995. But that was not quite in time to prevent the massacre of about 7,000 Bosnian Muslims at Srebrenica, despite the presence there of Dutch troops who were supposedly protecting them on behalf of the UN. Policy-makers across Europe were determined to prevent a repetition of such horrors.

In March 1999, shortly after the British-French defence initiative had got under way, NATO went to war over Kosovo. The three-month bombing campaign highlighted—once again—the inability of the Europeans to fight a sustained strategic campaign without help from the Americans. As a result, other governments went along with the British insistence that the



new European defence policy should focus primarily on improving European capabilities.

There is another, more general explanation for the relatively rapid progress of the Saint Malo initiative: the profound but little-noticed convergence of the member-states' foreign policies—and of the way they organise their armed forces—over the past decade. The leading European countries have all changed their foreign and defence policies since the collapse of East European Communism and the war to expel Iraq from Kuwait. Those countries which were most focused on territorial defence have shifted the structure of their armed forces so that they are better able to deploy them outside the NATO area. And those countries which were reluctant to commit forces to multilateral missions that are intended to deal with humanitarian crises are now much more willing to do so.

Take France, which General de Gaulle had pulled out of NATO's military organisation in 1966. President Chirac very nearly pushed France back in in 1995-97. However, a row over whether a European or an American should run NATO's southern command led Chirac to hold back, while the Socialist government which took office in France in 1997 was uninterested in pursuing the *rapprochement* with NATO. Yet Lionel Jospin and his ministers did not question the thrust of Chirac's policy: France has rejoined some of NATO's military bodies and abolished conscription so that it can create a British-style professional army. During the Kosovo air campaign of 1999 France put its forces under US command, and its air force contributed more to that campaign than any country other than the US. This marked improvement in relations between France and NATO has helped the European Security and Defence Policy, making it easier politically for every EU country to follow NATO military standards, and for the US to accept the idea of an autonomous European defence.

German defence policy, too, has ceased to be exceptional. In 1991 most German people approved of the position of the Kohl government, which was not to send troops to fight Iraq in the Gulf War. But the Germans have become increasingly supportive of common western military operations to contain international crises. Gerhard Schröder's coalition of Social Democrats and Greens committed combat aircraft to NATO's campaign against Serbia in 1999, and during 2000 Germany had about 8,000 troops keeping the peace in Bosnia and Kosovo.

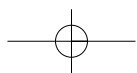
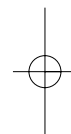
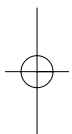
The Schröder government had inherited a conscript-based army that was designed for static defence against an invading aggressor. Moreover, the Kohl government's budget cuts had seriously squeezed both investments in and the maintenance of equipment. So the red-green coalition set up an independent commission on the reform of the armed forces under the chairmanship of former president Richard von Weizsäcker. In May 2000 this commission proposed cutting the total number of soldiers from 320,000 to 240,000, and the number of conscripts to 30,000, while at the same time increasing the number of troops available for crisis-management operations from 60,000 to 140,000. The government decided to opt for a more modest cut in the overall size of the army (to 285,000) and in the number of conscripts (to 80,000), and postponed other painful reforms. Nevertheless it was clear that Germany's armed forces were preparing—albeit slowly—for a larger role in future crisis management missions.

While Britain has become readier to co-operate with its European partners, Spain has become a full member of NATO's military structures and begun to professionalise its army. Italy has shown a notable willingness to send soldiers all over the world—including to East Timor—for peacekeeping missions, and has announced plans to end conscription. Italy's centre-left government stood by its NATO allies during the Kosovo campaign, despite domestic political opposition. The other EU countries, too, are avoiding the kinds of quirky or populist policies that could make it hard for the Union to develop a common line on foreign policy. Even Greece, which has long sympathised with the Serb cause, felt the need to show solidarity with its EU and NATO allies during the Kosovo campaign. The EU's four non-allied members—Austria, Finland, Ireland and Sweden—are unlikely to join NATO in the near future, but they have all contributed to the NATO-led force in Kosovo and promised troops for the Rapid Reaction Force.

This increasingly common outlook has made it easier for EU governments to push ahead with their plans for European defence. Indeed, all 15 EU governments have shown a striking unity of purpose in the pursuit of this goal. The principal policy disagreements among the member-states on how to build the ESDP have been more or less settled.

This pamphlet examines the institutional questions which the Europeans will have to resolve if they are to improve their ability to manage crises

effectively. It then looks at how the Europeans can best boost their military capabilities. And it concludes with a discussion of some of the fundamental strategic questions faced by both Europeans and Americans. But first, a little history will help to underline how seriously today's Europe is trying to develop a credible defence policy, compared with the half-hearted attempts of yesterday.



## 2 Some history, before and after Saint Malo

The Saint Malo declaration of December 1998, adopted by Tony Blair, Jacques Chirac and Lionel Jospin, was the starting point for much of what has happened since in European defence. However, prior to analysing the rapid progress of the past two years, it is worth reflecting on why so little progress was made during the previous 50.

The European Union has seldom tried to address defence issues seriously, nor to develop military expertise and capabilities. The insertion of the word “defence” into the Maastricht treaty was little more than a symbolic assertion, and it was not meant to translate into deeds except in the very distant future. Article J4 reads: “The Common Foreign and Security Policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence.” This convoluted wording bears testimony to the hesitation of the Europeans, as well as the divisiveness of the issue among them.

These doubts over the prospect of closer European defence co-operation have deep geopolitical roots, stretching back to the immediate post-war period. In 1948 the west Europeans formed the Western European Union as an alliance against the growing Soviet threat, but they knew that they had neither the forces nor the resources to contain it. They saw no solution other than a permanent US commitment to the defence of Europe, which came in 1949, with the signing of the North Atlantic Treaty. The WEU then transferred most of its functions to the newly established NATO, and from then on Europe essentially deferred the problem of its own defence to the United States and the Atlantic Alliance.

This situation was both a blessing, and the root of a serious political imbalance in the process of European integration. On the one hand, NATO provided the security umbrella under which the European

Economic Community<sup>2</sup> could develop as a peaceful entity, focused on the economic goal of restoring the continent's prosperity, and the political objective of fostering peace and reconciliation among its members, notably France and Germany. Europe was lucky to be allowed to concentrate its energies on these inward-looking activities, and to be spared the more demanding and divisive dilemmas which defence would have entailed.

<sup>2</sup> *The European Economic Community, founded in 1957, switched its name to the European Community in 1987 and to the European Union in 1993*

<sup>3</sup> *It would be an oversimplification to view the failure of the EDC as a missed opportunity to set up a genuinely European defence: the resulting European army—without British participation—would have been assigned to NATO and put under American, rather than European, command. It would have been a common army without a collective European political authority to answer to, a contradiction which doomed it from the start*

Indeed in the early 1950s, during the debate on the putative European Defence Community (EDC), the Europeans—and especially the French—could not reconcile their apprehension of a resurgent German power with the need to bring their neighbour into the EDC as an equal partner, anchored in the West and helping to balance the Soviet threat. In any case the EDC suffered from other weaknesses, notably Britain's abstention, which made it all the harder for France to back the project. So France's Parliament refused to ratify the EDC treaty and Germany's rearmament took place within the framework of NATO, rather than in a predominantly European context.<sup>3</sup>

It was not an unmitigated good that Europe, spared the challenge of coping with its own defence, could enjoy the luxury of developing its identity as a "civilian power". For this had negative effects on the European mind-set in general, and on European integration in particular.

First, the Europeans' dependency on the United States tended to narrow their strategic horizons, and to weaken their sense of responsibility. Security problems that required military action could be divided into those outside Europe, which the US was largely in charge of, and European security, which was of concern to the Europeans, but only in a limited way. Whatever the Europeans thought about any problem, the ultimate answer would always come from Washington.

Second, the Europeans came to approach foreign policy through the prism of common norms and multilateral bargaining processes, which fitted well with the EU's internal decision-making style, as well as its original estrangement from high politics. Thus the Union did

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well in a field such as trade negotiations, where it soon became a force to be reckoned with. But the EU totally lacked the experience of, and the feel for, foreign policy as power politics, let alone as an activity which could involve the use of force.

To be fair, a few member-states had maintained these kinds of instincts at the national level. Even so, it is hard to appreciate how much the European diplomacies—including those of Britain and France—atrophied during the Cold War, as they lost the experience of carrying out any enterprise of strategic significance other than as a junior partner. (France's role in Africa hardly qualified as strategically significant; only Britain has undertaken a large-scale and high-risk military operation in the last 30 years, that to recover the Falkland Isles, but the circumstances were highly unusual and are unlikely to repeat themselves.)

During the Cold War, the drawbacks of the Europeans' dependency on the Americans—in terms of self-esteem, sense of responsibility, and influence—were demonstrably outweighed by the benefits of the protection they enjoyed from the US. De Gaulle did challenge that situation, on the grounds that, in typically tautological style, France's defence had to be French (*"il faut que la défense de la France soit française"*<sup>4</sup>). He went a long way towards asserting his country's autonomy within NATO, though never to the point of openly denouncing the Alliance.

Nowadays, almost nobody is suggesting a Gaullist stance for Europe. Yet the general's idea that dependence on another power for one's own security may weaken public support for defence, and the credibility of one's diplomacy, is still relevant, albeit in very different circumstances, to the current European debate. Kissinger had perceptively observed in 1965 that these fears lay at the heart of de Gaulle's policies, whose obsession was not to weaken NATO or challenge the US, but rather to reconcile France and its defence, and to make both stronger.<sup>5</sup>

During the 1980s many Europeans began to think of security and defence as an anomaly, a missing element in the construction of Europe. At the start of that decade Germany and France intensified their bilateral military co-operation—a process which culminated in the creation of the

<sup>4</sup> *Speech to the Ecole militaire, November 1959*

<sup>5</sup> *In his book "The troubled partnership", Kissinger argued that de Gaulle was not motivated by anti-Americanism but by his obsession with restoring French unity and influence*

German-French Eurocorps in 1991—and resuscitated a dormant WEU as a forum where European ministers could discuss security issues. These were days of rapid achievement and high expectations for a Europe which had agreed the Single European Act in 1985 and was committed to a single market by the end of 1992. The fall of the Berlin wall and the collapse of Communism cast an optimistic light over the Maastricht negotiations, in which, for the first time, the governments seriously considered a defence role for the EU.

However, American hostility plus determined opposition from the British forced a cautious and evolutionary approach on the EU governments. The Maastricht and Amsterdam treaties left the relationship between the WEU and the EU loosely defined; and the latter's identity as a civilian power that was focused on setting rules and norms, rather than political—and still less military—action, was left largely undisturbed.

### **From Saint Malo to Cologne**

The Saint Malo declaration signalled a new direction for the European Union. It said that the EU needed “the capacity for autonomous action, backed up by credible military forces, the means to decide to use them and a readiness to do so, in order to respond to international crises.” So that the EU could take action when the whole of NATO was not engaged, “the Union must be given appropriate structures and a capacity for analysis of situations, sources of intelligence and a capability for relevant strategic planning, without unnecessary duplication.” The rationale was so that “Europe can make its voice heard in world affairs”, and to contribute to “the vitality of a modernised Atlantic Alliance”.

The Americans swallowed these principles at the Washington summit in April 1999. NATO's 19 nations—including Turkey—agreed that they were ready to “adopt the necessary arrangements for access by the European Union to the collective assets and capabilities of the alliance, for operations in which the alliance as a whole is not engaged militarily as an alliance.” Henceforth three sorts of multinational military operation involving Europeans would be feasible: a NATO mission; an “autonomous” EU mission; or an EU mission that used NATO assets. The summit agreed that, for the last of those categories, NATO's Council would provide for:



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- ★ Assured EU access to NATO planning capabilities able to contribute to military planning for EU-led operations;
- ★ The presumption of availability to the EU of pre-identified NATO capabilities and common assets for use in EU-led operations;
- ★ Identification of a range of European command options for EU-led operations, further developing the role of D-SACEUR [the Deputy Supreme Allied Commander in Europe, who is always a European and who will have ultimate charge of EU-led missions] in order for him to assume fully and effectively his European responsibilities;
- ★ The further adaptation of NATO's defence planning systems to incorporate more comprehensively the availability of forces for EU-led operations.

Germany held the EU presidency during the first half of 1999. Germany's coalition of Social Democrats and Greens, which had taken power in September 1998, had initially been sceptical about the Saint Malo declaration. But early in 1999 Chancellor Gerhard Schröder and Rudolf Scharping, his pro-European defence minister, concluded that the initiative offered a real chance to overcome the sometimes painful tensions that had in the past torn Germany between French and British views on European defence. So Germany worked hard during its presidency to extend the Saint Malo initiative to an EU-wide framework, which it succeeded in doing at the Cologne summit in June 1999.

The Cologne summit defined the Union's objective as a "European Security and Defence Policy" (ESDP), to avoid using the vague-sounding "European Security and Defence Identity", which since 1994 had been current within NATO. So that the EU could conduct Petersberg operations effectively, the summit decided to establish a set of new institutions in Brussels. A Political and Security Committee (generally known as COPS—an abbreviation of the French *Comité Politique de Sécurité*), consisting of national representatives with political and military expertise, would co-ordinate the CFSP on a daily basis. A new EU Military Committee, made up of the national chiefs of staff or their deputies, would give military advice to the Political and Security Committee. There would also be an EU Military Staff to assist the new committees and ministerial meetings. This staff would be drawn, in part, from the WEU's existing personnel.

Javier Solana, who had been NATO's secretary-general, was appointed as the EU's first High Representative for foreign policy. The fact that the

governments chose a politician rather than an official implied that they were fairly serious about creating a more coherent CFSP. The governments also made Solana secretary-general of the WEU, reflecting their view that defence co-operation should be consolidated under the aegis of the EU.

The Cologne summit declared that if the EU's plans proceeded as intended, "by the end of the year 2000...the WEU as an organisation would have completed its purpose. The different status of member-states with regard to collective defence guarantees will not be affected." That meant that when the WEU was folded into the EU, the latter's neutral states would not automatically be bound by Article V of the WEU or NATO treaties, both of which oblige signatories to defend each other from attack.

The summit agreed that European defence policies would require "the possibility of all EU member-states, including non-allied members, to participate fully and on an equal footing in EU operations." Thus Austria, Denmark, Finland, Ireland and Sweden, which had been observers in

<sup>6</sup> *Denmark, uniquely, is a member of NATO but not of the WEU* rather than members of the WEU, gained full membership of the EU's new defence organisation.<sup>6</sup>

The summit also welcomed the efforts of the countries in the Eurocorps—Spain, Belgium and Luxembourg had joined this Franco-German project—to refashion it into a more modern and mobile military force. A few weeks earlier, the Franco-German summit in Toulouse had pledged to turn the Eurocorps into a rapid reaction corps that would be tailored for use outside the NATO area, and whose headquarters would be available to command international peacekeeping operations. Indeed, an adapted version of the Eurocorps headquarters took over command of the NATO force in Kosovo in the first half of 2000.

### From Helsinki to Feira

While the Cologne summit decided on the institutional framework for European defence, the Helsinki summit of December 1999 tackled the issues of boosting Europe's military capabilities. The EU's leaders signed up to a "headline goal", promising that by 2003 the member-states should be:

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- ★ able to deploy rapidly and then sustain forces capable of the full range of Petersberg tasks as set out in the Amsterdam treaty, including the most demanding, in operations up to corps level (up to 15 brigades or 50,000 to 60,000 persons). These forces should be militarily self-sustaining with the necessary command, control and intelligence capabilities, logistics, other combat support services and additionally, as appropriate, air and naval elements. Member-states should be able to deploy in full at this level within 60 days, and within this to provide smaller rapid response elements available and deployable at very high readiness. They must be able to sustain such a deployment for at least one year. This will require an additional pool of deployable units (and supporting elements) at lower readiness to provide replacements for the additional forces.
- ★ Member states have also decided to develop rapidly collective capability goals in the fields of command and control, intelligence and strategic transport.

The headline goal is quite ambitious: sustaining 50-60,000 troops in the field for a year implies a total pool of at least 200,000 available troops, plus three mobile corps headquarters that can rotate in and out of the area concerned (the Europeans currently have two: the British-led NATO Allied Command Europe Rapid Reaction Corps, and the French- and German-led Eurocorps). Europe's defence ministries deliberately set a goal that exceeded the EU's current capabilities, to focus minds on military reform; but they made sure that the goal did not exceed current capabilities by too much. However, the targets set for command and control, intelligence and strategic transport are ambitious—namely, what is required to deploy and sustain a core-sized force for a year in the most demanding circumstances.

The Helsinki summit also decided to define “non-military” headline goals for crisis-management, such as the deployment of civilian police to a trouble-zone, the training of local administrators or the provision of judicial officers. (The following autumn the EU adopted the objective of being able to deploy 5,000 civilian police in support of crisis-management operations.) These non-military capabilities, although crucial for the success of future EU interventions in humanitarian crises, are beyond the scope of this pamphlet.

The summit also went some way towards resolving the problem posed by the European members of NATO which are not in the EU—the Czech

Republic, Hungary, Iceland, Norway, Poland and Turkey. They are associate members of the WEU, and as such have the right to attend virtually all WEU meetings. The Turks have refused to accept any form of membership of the EU's new defence organisation which is less strong than associate membership of the WEU. They have on many occasions threatened to block NATO support for EU missions unless they get a form of membership that they consider satisfactory. The Turkish cause has often received strong backing from the Americans, although France has stressed that NATO members outside the EU should not receive privileges that are denied to EU applicants that are outside NATO.

The principles agreed at Helsinki, and developed further in subsequent negotiations within NATO and the EU, are a pretty good deal for the Turks. In essence, the non-EU members of NATO will be consulted before the EU launches a military mission. But the EU's Council of Ministers—consisting only of full EU members—must take the formal decision to launch a mission. If the governments of Turkey, Norway, Poland and so on contribute troops to the military operation, they will be fully involved in its management. Although complex, the provisions of this Helsinki agreement are worth quoting at some length:

- ★ With European NATO members who are not members of the EU, and other countries that are candidates for accession to the EU, appropriate structures will be established for dialogue and information on issues related to security and defence policy and crisis management. In the event of a crisis, these structures will serve for consultation in the period leading up to a decision of the Council.
- ★ Upon a decision by the Council to launch an operation, the non-EU European NATO members will participate if they so wish, in the event of an operation requiring recourse to NATO assets and capabilities. They will, on a decision of the Council, be invited to take part in operations where the EU does not use NATO assets.
- ★ Other countries who are candidates for accession to the EU may also be invited by the Council to take part in EU-led operations once the Council has decided to launch such an operation.
- ★ Russia, Ukraine and other European states engaged in political dialogue with the Union and other interested states may be invited to take part in the EU-led operations.

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- ★ All the states that have confirmed their participation in an EU-led operation by deploying significant military forces will have the same rights and obligations as the EU participating member-states in the day-to-day conduct of such an operation.
- ★ In the case of an EU-led operation, an ad hoc committee of contributors will be set up for the day-to-day conduct of the operation. All EU member-states are entitled to attend the ad-hoc committee, whether or not they are participating in the operation, while only contributing states will take part in the day-to-day conduct of the operation.
- ★ The decision to end an operation will be taken by the Council after consultation between the participating states within the committee of contributors.

Thus the Helsinki summit made huge progress towards the European Security and Defence Policy. The EU kept up the pace in the year following Helsinki. In March 2000, the institutions first envisaged in Cologne—the Political and Security Committee, the Military Committee and the Military Staff—began to operate on an interim basis, within the Council of Ministers Secretariat, under the aegis of Javier Solana. Shortly afterwards the British, French and German governments gave commitments that they would invest in and buy the Airbus A400M military transport plane. That made it quite likely that this project—which also involves Spain, Italy, Belgium, Luxembourg and Turkey—would get off the ground. And that implied that Europe's governments were serious about improving their capacity to lift military cargo by air.

During the early months of 2000, one long-running difference of view between the British and Americans, on the one hand, and the French, on the other, threatened to become a disruptive row. The Anglo-Saxons argued that NATO and the EU should start discussing how to link up with each other. The sooner that happened, they thought, the less would be the danger of the EU duplicating unnecessarily what NATO did; and the less would be the danger of the EU's defence institutions growing up in ways that could grate against those of NATO.

The French opposed the early establishment of formal contacts, arguing that until the EU had got its new institutions up and running, the two organisations should remain at arm's length. They feared that the ESDP—a new and fragile flower—could easily be squashed, or at least *otanisé*

(NATO-ised), if it had too much contact too soon with such a large and powerful body as NATO. They worried that NATO's bureaucrats were overly keen to get their feet inside the EU's door.

In the end everyone proved amenable to a compromise that was blessed at the June 2000 EU summit at Santa Maria da Feira in Portugal. Four ad hoc working groups were set up—with the new Political and Security Committee taking the leading role on the EU side—to prepare the ground for permanent arrangements between the two organisations. The four groups have been working on:

- ★ *Security.* This group has been drafting an EU-NATO security agreement, to cover exchanges of information, and the access of EU and member-state personnel to NATO planning bodies.
- ★ *Capability goals.* The task of this group has been to ensure that the EU's efforts to fulfil its headline and capabilities goals, on the one hand, and NATO's own Defence Capabilities Initiative, and its Planning and Review Process, on the other, complement and assist each other.
- ★ *EU access to NATO assets and capabilities.* This group has been trying to put some details on the broad principles agreed at the Washington summit of April 1999.
- ★ *Defining the permanent arrangements to link the EU and NATO.* One of this group's jobs has been to examine the structures and consultation procedures that should link the two bodies in times of crisis and non-crisis.

The summit also committed EU governments to a "Capabilities Commitment Conference", at the end November 2000, at which governments would pledge troops for the Rapid Reaction Force.

### **The Nice summit**

Both the capabilities conference and the Nice summit in December made great progress towards the implementation of the ESDP, as did several ministerial meetings in the last months of the year. Ironically, however, the public perception of the European defence initiative at this time—

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especially in Britain—was that it was bogged down by rows and divisions among the governments. One reason for this largely false perception was that the capabilities conference awoke the sleeping dragons of Britain's eurosceptic press. The British media, which had largely ignored the Saint Malo initiative and its consequences, suddenly became obsessed with the "European army" which was apparently a French plot to destroy NATO and send the Americans home.

Much of the press reporting was hugely inaccurate. Nevertheless, in November there were some real arguments between the French and the Americans, particularly over the details of the planning arrangements for the Rapid Reaction Force, and the British, as so often, found themselves caught in the middle. At one point the Americans demanded that the EU should be obliged, even for an autonomous mission, to turn to NATO's SHAPE (The Supreme Headquarters Allied Powers Europe) for operational planning. The Europeans resisted, and ultimately persuaded the Americans to accept a provision whereby the EU could, if it wished, resort to SHAPE's expertise on such missions.

In fact the Europeans do not intend to duplicate SHAPE. For an autonomous EU mission they would either want to turn to SHAPE, or use the planning capacities of a multinational or national headquarters. But it is true that at one point Alain Richard, the French defence minister, said to William Cohen, then the American defence secretary, that in the long run the EU might have its own operational planning capability. This comment, though presumably not of immediate relevance—and a long way from French government policy—appears to have rekindled American fears about where the ESDP was leading. So a few days before the Nice summit Cohen delivered a stern speech in Brussels, complaining that the European defence initiative could lead to NATO becoming "a relic".

The effect of this speech on British politics was similar to that of petrol thrown on hot embers. It undermined the government's response to the eurosceptics, which had been to claim that the Clinton administration backed European defence. Cohen soon softened his line, under pressure from the White House, but the row over his speech constrained the British government's freedom of manoeuvre in the run-up to the Nice summit.

Then President Chirac, on his arrival at Nice, declared that EU military planning should be “independent” of SHAPE. This statement caused further media excitement—but was almost certainly a slip rather than Chirac attempting to shift French policy. French officials had already signed up to a deal on EU access to NATO planning with which the British were happy.

The Nice summit did agree on a revision of the EU treaties, including some tidying up of the articles that deal with defence. And it approved 60 pages of documents on the nitty-gritty of the implementation of the defence initiative. These included a report from the French presidency which declared—in order to reassure worried people in places like Britain and Denmark—that EU military operations would “not involve the establishment of a European army. The commitment of national resources by member-states to such operations will be based on their sovereign decisions.”

The documents also included the “Military Capabilities Commitment Declaration” that had come out of the capabilities conference, plus an appendix on the review mechanism for implementing the headline goal. And there were annexes on the “strengthening of EU capabilities for civilian aspects of crisis management”, the Political and Security Committee, the EU Military Committee, the EU Military Staff, the links between the EU and NATO members not in the Union, and “standing arrangements for consultation between the EU and NATO”.

This last annex specified that the NATO secretary-general should attend the EU General Affairs Council, especially when it consists (as it now occasionally does) of the defence ministers, and that the chair of the NATO Military Committee and the D-SACEUR should attend meetings of the EU Military Committee. The annex also lays down procedures for regular contacts between the two secretaries-general (the EU’s High Representative is also its secretary-general), the two secretariats, the two military committees and the two military staffs; and also between the Political and Security Committee and NATO’s North Atlantic Council (which normally consists of the permanent representatives to NATO).

This annex has an appendix on the sensitive issue of the terms under which NATO would lend its planning capabilities, other assets and



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command structures to the EU. Despite the tensions that there had been between France and the US, when NATO defence ministers met in Brussels on December 15th, the Americans approved the EU documents on NATO-EU relations.

However, NATO as a whole could not approve the documents. For Turkey vetoed the arrangements which would allow the EU, in normal circumstances, “assured access” to NATO planning. Even a personal telephone call from President Clinton to Bulent Ecevit, the Turkish prime minister, could not persuade the Turks to lift their veto. Turkey was still not happy with the role it had been offered in the EU’s new defence arrangements. It wanted the right to veto the deployment of an autonomous EU force in any place that could affect its own security (it was perhaps thinking of Cyprus). European ministers retorted that, since Turkey was not a member of the EU, it could not expect to be able to veto autonomous EU missions.

Many European and even American diplomats became frustrated with Turkish obduracy. The Turks did not seem to make much effort to explain their position to other countries or the world’s media. They were probably hoping that the incoming Bush administration would increase pressure on the Europeans to give them a better deal. At any rate, many EU governments found Turkish signals confusing. A few days after Turkey had pledged 5,000 troops for the Rapid Reaction Force at the capabilities conference, Ecevit made a speech condemning the whole idea of such a force.

As 2000 drew to a close, a mere two years after the Saint Malo declaration, European governments had fulfilled almost all their immediate objectives in European defence. The ongoing dispute with the Turks notwithstanding, a new institutional framework—covering, among other things, the EU’s relations with NATO—was in place. And the EU’s plans for building the Rapid Reaction Force were proceeding smoothly.

### **Squaring the Americans**

The 1989-93 administration of President George Bush senior, although broadly sympathetic to the EU, never liked the idea of European defence. During the negotiation of the Maastricht treaty in 1991, it sent a letter to the EU governments, warning them to steer clear of French ideas for the

EU to take on a role in defence, and specifically of merging the EU and the WEU. Such a move, the administration warned, might provide “back-door” US security guarantees to future members of the EU which were not in NATO.

But the Clinton administration was more sympathetic. During the NATO summit of 1994 it signed up to the idea of a “European Security and Defence Identity” (ESDI) within NATO, and introduced a scheme for “Combined Joint Task Forces”: for “non-Article V missions”, that is those concerned with humanitarian crises rather than collective self-defence, either NATO *or the WEU* would be able to lead task forces of “coalitions of the willing”. The composition of the headquarters in charge of the task forces would depend on the countries that provided troops. Thus for a WEU-led task force there could be a chain of command that consisted only of Europeans. And then in Berlin in June 1996 NATO went a step further, agreeing to identify pre-designated European commanders within the NATO structure who would prepare for WEU contingencies. The essence of the agreement later reached at NATO’s 1999 Washington summit was to allow the EU, rather than the WEU, to lead such task forces.

Nevertheless when, in December 1998, Clinton’s advisers first heard about the Saint Malo declaration, they were not amused. They claim that the British did not warn them in advance, which Blair’s advisers deny. In any case, sharp words were exchanged, especially because of the prominence of the word “autonomous” in the declaration. Blair’s negotiators at Saint Malo leaned rather further to the French than some British officials would have liked. The justification was that they needed to convince the French that they were serious about European defence: so abrupt had been the shift in the British position, that at that time the French took some persuading.

Madeleine Albright, Clinton’s Secretary of State, soon encapsulated America’s concerns with her “Three Ds”, the expression of a somewhat rigid “NATO first” reaction to Saint Malo. Her first D was “No Decoupling” of the Europeans’ defence efforts from NATO. This referred to a general American worry that if the Europeans focused on EU defence they would lose interest in NATO. This first D also covered the more specific fear of a “European caucus” within NATO. The Americans do not want the EU members to turn up to a NATO meeting with a pre-cooked line and say that it is not negotiable.

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Evidently, such an unconstructive attitude from the Europeans would prevent NATO from working effectively. But it is also highly unlikely: European positions are never “set in concrete”, as the Americans put it, and are in practice subject to a considerable level of US influence. It is common sense that the Europeans should run their own deliberations in a transparent manner, so that the US is not presented with an unexpected *fait accompli*. In fact the controversy over the “European caucus” largely disappeared from the transatlantic debate during 2000.

Albright’s second D was “No Duplication”. The Americans worried that if the EU started replicating things that NATO did, for example by setting up a large group of military planners that resembled SHAPE, or by pursuing Franco-German ideas for a European network of reconnaissance satellites, the Europeans would be wasting money that could be better spent on buying up-to-date equipment. And the EU would then be more likely to develop independently of, and thus in conflict with, NATO.

The Europeans retorted that if they were going to be capable of running autonomous military missions, they would have to duplicate a few of the things that NATO does. For example, they would need some transport aircraft, as well as a small military staff to give advice to the foreign and defence ministers. But they pointed out that whatever Europe developed on its own would be made available to NATO, if and when that alliance needed it.

The Kosovo campaign reminded the Americans that the Europeans can do very little without American support in logistics, command and control, and intelligence, and that they are many years away from being able to mount a large-scale military operation without American help—and thus consent. By the time the Clinton administration left office, it had become relatively relaxed about duplication and the Europeans’ aspirations for autonomy. It understood that none of the EU governments had the spare cash to pay for copying a lot of what NATO does. Indeed, all of these governments, including that of France, know that the cost of European defence will be prohibitively high unless the EU can “piggy-back” on NATO’s, and, critically, American assets, including intelligence and command structures.

Albright’s third D was “No Discrimination”, against non-EU NATO members, by which she meant principally Turkey. As already mentioned,

the EU has tried hard to accommodate the Turks, as well as the other non-EU members of NATO, by associating them with the EU's decision-shaping process. But the EU governments have made it clear that there will inevitably be some discrimination: so long as a country is not a member of the EU, it cannot expect to vote in the Council of Ministers on whether to approve an EU action.

Another bone of contention between Europeans and Americans was whether NATO or the EU should be "the organisation of first choice" during a crisis. Should NATO meet first, and decide if the crisis should be handed over to the EU? Or should the EU meet first, and decide whether or not it could cope on its own? This theological argument has little to do with common sense or the real world. In any serious crisis, both organisations and the governments of their members would certainly be very busy and in constant touch. In any case, a majority of NATO members are also in the EU, and vice versa. And both organisations require the consent of all their members in order to approve a military action. Given that most EU members are firmly of the view that the EU should not act militarily unless NATO decides not to, it is inconceivable that the EU could launch an autonomous EU mission against the wishes of the US. The establishment of the four NATO-EU working groups in the summer of 2000, and the various agreements reached at the end of the year, left most American policy-makers reasonably satisfied on the issue of NATO's relationship with the EU.

The EU's headline goal succeeded in shifting the majority view among both Republican and Democrat foreign policy experts towards being generally favourable to European defence. The concept of the Rapid Reaction Force showed that the EU was concerned with military effectiveness. It is too soon to judge the attitude of the new Bush administration. However, some of its senior figures appear supportive of European defence. Robert Zoellick, one of Bush's long-standing foreign-policy advisers and his new Trade Representative, has often argued that the Europeans are more likely to spend money on boosting military capabilities if they are going to be able to use them autonomously under an EU banner.

Others in the Bush administration are clearly more sceptical about European defence. Several senior Republicans, including Donald Rumsfeld, the new defence secretary, attended the Wehrkunde conference

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in Munich in February. Rumsfeld did not attack the ESDP, but he did say he was “a little worried”. He said that the Europeans’ plans should strengthen NATO, should not duplicate the alliance and should embrace non-EU members. Many of the Republicans present doubted that the EU’s plans really would improve military capabilities. The European ministers at this conference presented a united response, arguing that the ESDP was not trying to usurp NATO’s role and that it would in fact strengthen the alliance by augmenting its capabilities.

Rumsfeld admitted that he was new to the debate and said that he wanted to listen to the European case. It was evident that some of the Republicans, having been out of office for eight years, had not followed the discussions on European defence closely. The fact that many of the Americans in Munich talked about ESDI—a term that has been little used in Europe in recent years—rather than ESDP is an indication that the Europeans will have to make a serious effort to educate, inform and convince the new administration about their plans.

Some Americans remain downright hostile to the ESDP. Few in Congress understand it. And many right-wing Republicans are vigorously opposed to a more autonomous European defence. They regard a strong Europe as inherently undesirable. They think that the US can more easily play off one EU member against another if Europe is divided. And they worry that a united Europe with an effective CFSP might challenge American leadership of the alliance and thwart US ambitions in many parts of the world.

If the Bush administration decided to oppose European defence policy, it could certainly make life difficult for the Europeans, for example by being reluctant to release NATO or US assets to the EU. But we think it would be unlikely to succeed in deflecting the Europeans from their purpose. Tony Blair has made the defence initiative a central part of his strategy for boosting British influence in Europe. France and Germany would also be likely to stand firm against US pressure. But in any case, so long as the Europeans deliver on the capabilities, we think the Bush administration will in the end support the ESDP.

### Questions ahead

For all the progress that has been made in the past two years, the success—or otherwise—of EU defence will depend on how European governments deal with a number of outstanding questions. One of the most important, as discussed above, is whether the US maintains its benign attitude. But even if the US does remain supportive, there are other potential pitfalls and difficulties ahead. These include:

- ★ Will the Europeans find the money that is needed to fulfil the promises of the headline goal? The trend of defence budgets in recent years has been downward. There are signs that some member-states may now be prepared to devote more resources to defence, but Germany is not among them. Under the four-year German spending programme agreed in June 1999, the defence budget was cut from DM 47 billion in 1999 to DM 43.7 billion in 2003. Compared with earlier budget perspectives, this amounted to a cumulative reduction of almost DM 19 billion over four years. Germany's economy is so large that changes in its defence budget have a big impact on the EU's overall level of defence spending. Spain is another problem: it devotes just 1.3 per cent of its GDP to defence, only half the level of Britain and France.
- ★ Can the EU set up a review mechanism which ensures that each member-state delivers on its capability targets? The EU's methods will have to build on the member-states' sense of loyalty to their common objective. The ESDP will depend on techniques such as "peer group pressure" and "exchange of best practice"—starting to prove their worth in the field of economic reform—to encourage the governments to deliver on their promises.
- ★ Will the Turks become reconciled to the institutional arrangements that are on offer? Will the prospect of eventual EU membership soften Turkish hostility to European defence, or will that hostility in itself make Turkey's accession an ever more distant prospect? The EU has no choice but to tell the Turks that the new arrangements will inevitably "discriminate" against them, since they cannot become full participants in the defence policy of an institution to which they do not belong. The EU should point out to Turkish diplomats—and to the Turkish army—the irony of their position: the longer they block

arrangements which would allow the EU to draw on NATO's planning expertise, the stronger becomes the case for the EU building up its own equivalent of SHAPE. More generally, the EU should emphasise that a more constructive attitude from Turkey would win it friends in Europe and assist the cause of its EU candidacy. Finally, the EU should ask the Bush administration to apply some pressure to Turkey to sign up to the deal on EU-NATO relations which the US and other Alliance countries not in the EU found perfectly acceptable.

- ★ Will the partnership between Britain and France, which has driven forward the ESDP, founder over diverging long-term objectives? For over two years the *entente* between the two countries which stood at opposite poles of the range of views on European defence has held firm. There have been many arguments, but each has been resolved in a manner that is satisfactory to both governments. Britain and France certainly agree on short- and medium-term goals for European defence. But what of the long term? Some of the ESDP's critics argue that the French remain fixed on giving the EU the autonomy to run large-scale military missions, but that the British persist in assuming that the EU would act autonomously only on small-scale operations. The critics may have a point, in that the British sometimes seem congenitally incapable of thinking long term. Nevertheless the British understand very well, as do the French, that whatever dreams some Frenchmen may occasionally have, for the foreseeable future neither France nor any other country has the resources to turn the EU into a serious military rival to NATO. In any case, the British and French positions on European defence have converged a great deal in the past few years; the process of working together in an EU framework is likely to promote further convergence.
- ★ Will the EU's four non-allied members pose difficulties for the new defence arrangements? They are all fully involved in the ESDP, despite their absence from NATO, an organisation which will in practice be an integral part of it (at least until such time as the Europeans have made a lot of progress in developing autonomous capabilities). Although the four have contributed to NATO-led peacekeeping operations, they are not used to working with NATO.

Austria's denial of its airspace to NATO aircraft during the bombing of Serbia, in spring 1999, still riles many EU governments. However, Austria has pledged troops for the Rapid Reaction Force.

- ★ What kind of intelligence-sharing capacity should the EU develop? The EU will not be able to run effective military operations unless it has access to high-quality intelligence assessments. But NATO and the member-states will not want to share intelligence with Javier

<sup>7</sup> See *"Intimate Relations: Can the UK maintain its privileged access to US intelligence while playing a leading role in European defence?"*, Grant, CER, May 2000

Solana and his staff unless they can demonstrate that tough security arrangements are in place. Ever since the Saint Malo declaration, Britain and France have been committed to giving the EU "a capacity for analysis of....sources of intelligence". But the French and the Germans think that that should include some independent satellite surveillance capacity, while the British are happy to rely on photos from US satellites.<sup>7</sup>

- ★ Will America's plans for National Missile Defence (NMD) cause problems for the ESDP? President Bush is likely to build some sort of system that is designed to protect America from the threat of ballistic missiles. Britain and France agree, to some degree, that the Americans exaggerate the threat, that the technology will not work for many years to come and that any American abandonment of the Anti-Ballistic Missile treaty would damage multilateral arms control in general. However, Britain's likely involvement in NMD could well create tensions between Britain and France. Neither that, nor the fact that NMD is likely to sour transatlantic relations, would help Europe's embryonic defence policy, though neither is likely to hinder it significantly.

- ★ To what extent, if any, will defence industries form part of the ESDP? Many in continental Europe believe that the EU's defence policy should have an industrial component; many British policy-makers are much more cautious. During 2000 Germany's Daimler Benz Aerospace merged with France's Aérospatiale-Matra to form European Aerospace and Defence Systems (EADS). BAE Systems (formerly British Aerospace) appears more interested in transatlantic alliances, an attitude which causes concern in continental countries. In October 1998 Britain, France, Italy and Germany signed a treaty to create OCCAR, an agency that manages joint weapons



programmes. Those four plus Spain and Sweden signed another agreement, to harmonise export control and security procedures, in July 2000. These moves should make it easier for the European industry to consolidate. But there is little prospect of the countries concerned abandoning a national approach to arms procurement, or agreeing to allow the EU's internal market rules to apply to the defence industry. Furthermore, the lure of American technology and the size of the American market mean that many European companies are becoming more interested in transatlantic consolidation than further European mergers: France's Thales (formerly Thomson-CSF) is developing close links with Raytheon, while BAE Systems is now the 6th largest defence contractor in the US. However, industrial programmes that are linked to the ESDP—such as the A400M transport plane—are likely to promote pan-European defence industrial restructuring.

- ★ Should the EU change its treaties in order to accommodate the ESDP? The inter-governmental conference that concluded at Nice in December 2000 said very little about the new ESDP. Most legal experts say that the EU does not need to change its treaties in order to integrate the WEU. However, if governments duck the challenge of writing into the treaties what they are actually doing in the area of defence, they could be deemed guilty, once again, of pushing ahead with European integration on the sly. Furthermore, the governments will have to decide what to do with Article V of the WEU treaty, which commits the WEU's ten full members to defend each other from attack. That treaty remains in force, despite the fact that much of the WEU's organisation is merging with the EU.

Notwithstanding this plethora of thorny questions, it should not be forgotten that the achievements of the past two years have been real and impressive. A general convergence of both foreign policies and the structures of armed forces has created a climate in which progress is possible. At least three more specific factors are also worth highlighting.

One is that trusted EU technique of setting a deadline. The targets for the creation of a customs union (1970), a single market (1992) and the single currency (1999) made a real impact, through concentrating the minds of

politicians. The target of 2003 for the Rapid Reaction Force already appears to be having a similar galvanising effect.

Another factor is that there has been some real leadership—not from EU institutions, which lack the competence—but initially from Britain and France, and subsequently from Germany and Italy too. For example, much of the preparatory work for the four EU-NATO working groups that were set up at the Feira summit was handled in informal meetings of Britain, France, Germany and Italy. Policy can shift faster when only a few countries are in the vanguard. Of course, that only works if the other countries are prepared to follow. So far, the EU's smaller countries have broadly accepted what the big ones have proposed. And the large ones have made a good job of exercising a reasonable influence on the process, involving the smaller countries when appropriate, and avoiding the creation of a formal *directoire*.

Thirdly, the EU's evolving and fluid institutional set-up has made it easier to develop fresh policies. New teams of people and new committees have emerged in the Council of Ministers secretariat, under the authority of the High Representative—who is himself an innovation. These new institutions have helped to maintain the momentum behind Europe's military revolution. To secure it as a permanent element of Europe's integration, however, the institutions will have to be strengthened and improved.

### 3 The political and institutional challenge

The European Union prefers compromise to confrontation, and norms to force. It has no tradition of power politics or energetic political action. Its civil service is void of any military or strategic culture, and is notably lax at protecting the security of the information it handles. So the EU is not the obvious institution in which to develop a military organisation.

This does not mean that it was wrong for the member-states to choose the Union as the vehicle for their aspirations to handle crises more effectively and to improve their military capabilities. On the contrary: the European Union enjoys a political legitimacy, and commands a loyalty from its member-states, that the WEU could never match. The WEU suffered from the various degrees of membership with which it emerged from the Maastricht negotiation, and the Byzantine complexity of its links to the EU and to NATO.<sup>8</sup> Although a specialised defence organisation, the WEU lacked the clout, the critical mass, or the political visibility which could command respect from individuals, states, or other organisations (neither the EU, nor NATO ever condescended to treating the WEU seriously, though the EU and NATO do treat each other with respect).

It is nonetheless an enormous challenge to graft a defence culture, and a military decision-making structure, onto the existing European Union. In a similar vein, it proved extremely difficult to import police co-operation into the EU system in the early 1990s. This is not yet fully integrated into the EU machinery, and has tended to develop a life of its own within specialised bodies, such as the “K4” committee or Europol, outside the mainstream EU structures. As the EU’s defence initiative has unfolded, the same kind of difficulties—compounded by the political sensitivity of defence, both within member-states, and in relation to NATO and the United States—have already become evident.

<sup>8</sup> *European NATO members that were not in the EU were granted “associate status”, allowing them to participate fully in WEU activities. EU members which did not belong to the WEU were invited to join the organisation, and those which declined—Denmark and Ireland—became observers, as did Austria, Finland and Sweden when they joined the EU in 1995*

The temptation to relegate defence into an entirely separate area of decision-making was discarded at the start. It could have become a “fourth pillar”, alongside the three which already exist (the first or “Community” pillar, for normal EU business; the second, for the CFSP; and the third for police and judicial co-operation). But defence is now firmly established within the institutional framework of the second pillar. The principal structures comprise:

*At ministerial level, the EU's General Affairs Council, which normally consists of the foreign ministers, has overall responsibility for the ESDP. So far there has been no agreement that the defence ministers should regularly have their own meetings, in an EU Defence Council. This is an anomaly, perhaps due to the desire of foreign ministries to remain in control, or to a—more commendable—shyness from the defence ministers about proclaiming the existence of a new council before there are substantive issues for it to discuss. The defence ministers did have their own—extremely useful—meeting during the capabilities conference in November 2000, though their decisions had to be formally adopted by a subsequent meeting of the General Affairs Council. A Council of Defence Ministers should meet as such at least twice a year, to ensure that an effective process of peer review helps governments to fulfill the capabilities targets.*

The EU should be less obsessed than NATO has been with preserving the integrity and independence of its military chain of command from civilian oversight. The tradition of most European countries, in contrast to the US, is that a political authority should supervise military action; during the Kosovo air campaign, the French government was not the only European government which wanted to know what the targets were. During a major war, when speed of decision is crucial, there may be no time to keep politicians informed of operational details; but during most conceivable Petersberg missions, when the work of the armed forces will often be highly political, the General Affairs Council should make an effort to know what is going on.

*Underneath the General Affairs Council, the Political and Security Committee (known as the COPS) is the key body that prepares ministerial decisions. The COPS has the task not only of helping to formulate and implement the CFSP, but also of managing the new defence arrangements. It is taking on that first task from the Political Committee, which consists*

of the political directors, the senior officials in charge of preparing *national* foreign policies who are based in national capitals.

The exact distribution of responsibilities between the COPS and the political directors remains unclear, and will probably evolve over time. But most of the officials sitting on the COPS report to their government's political director. The political directors have less at stake in developing a common foreign policy than the diplomats who comprise the COPS, which meets twice a week in Brussels. The examples of the NATO council and Coreper (the committee of permanent representatives to the EU) suggest that a group of senior diplomats based in Brussels tends to develop a collective ethos of its own; they often end up representing their institution's interests vis-a-vis their capitals, rather than the opposite.<sup>9</sup> And that is exactly why there are strong forces in many foreign ministries which oppose the COPS developing into a powerful committee on the lines of Coreper.

<sup>9</sup> Jobyon Howorth has called this "supranational inter-governmentalism". See his "European integration and defence: the ultimate challenge", WEU Institute for Security Studies, November 2000

*A Military Committee of very senior officers advises the EU on military matters.* The COPS takes this advice, integrates it with other material and channels it to ministers. The EU countries that are also Alliance members mostly send the same representatives to the new EU body as to the NATO Military Committee (although France has opted for a separate representative). The point of this "double-hatting" is to encourage the EU and NATO to co-operate closely. For example, it should make it easier for the EU to rely on NATO for the means that it does not intend to duplicate, such as planning and command functions.

*An EU Military Staff informs and prepares the deliberations of the Military Committee and the COPS on defence issues.* This will ultimately consist of about 135 officers and support staff. The model for the EU Military Staff is the NATO international military staff—an advisory body which prepares discussions of the NATO Military Committee—rather than SHAPE, which the EU has no intention of duplicating. An annexe approved at the Nice summit defines the role of the staff as the performance of early warning, situation assessment and strategic planning for Petersberg tasks, including the identification of the relevant forces; and also as the implementation of the policies and decisions of the EU Military Committee.

The head of the Military Staff, a three star general, is the senior military adviser to the High Representative. He will also participate in the COPS and, when it is relevant, in meetings of the Council of Ministers. The first incumbent, General Rainer Schuwirth, was appointed in November 2000. His deputy is a British brigadier, Graham Messervy Whiting. The EU's military staff will neither exercise command responsibilities, nor conduct detailed operational planning. For those functions, the EU will have to rely either on NATO, or on national commands and headquarters. The EU staff will be the link between the EU political authorities and whoever is called upon to prepare and command EU operations.

An EU Situation Centre is linked to both the Military Staff and Solana's Policy Unit. Run jointly by civilian and military personnel, the Situation Centre's job is to co-ordinate and process information that is relevant to a crisis, and pass it on to the relevant institutions. One of its tasks is to integrate and assess intelligence from the various member-states and from NATO.

*The CFSP High Representative, Javier Solana, will be an essential part of the future EU defence organisation. On top of his foreign policy responsibilities—defined by the Amsterdam treaty—he has to play a leadership role in establishing the new defence organisation, and in defining the ESDP itself. The Nice treaty says that the High Representative may chair the COPS, especially in times of crisis.*

### **Two tribes**

The EU can thus draw upon a wide array of mostly-new institutions to implement its defence policies: both specialised bodies, such as the Military Committee and the Military Staff; and others that are used for managing the broader Common Foreign and Security Policy, such as the COPS, the General Affairs Council and the High Representative. The Military Committee, the Military Staff and the COPS were due to become fully operational during the Swedish presidency of the EU, in the first half of 2001.

However, in establishing the new institutions, the governments have missed an opportunity to revamp the entire organisation of the CFSP. The problem is not just the status of the COPS. A more fundamental problem is the evident need to bridge the gap between the CFSP and the external policies of the first pillar, so that EU can co-ordinate the use of its various foreign

policy tools. As things currently stand, the “political” foreign policy of the EU, based in the Council of Ministers secretariat, has few links to the policies on trade, aid, humanitarian assistance, technical co-operation and borders that are carried out under the leadership of the Commission. As a result, the EU is pursuing a bifurcated foreign policy: politics is dealt with in the inter-governmental second pillar as a declaratory and penniless exercise; substantive and funded external policies belong to the first pillar and are implemented by the Commission.

Each of the two branches of the EU’s foreign policy is in need of deep reform. On the Community side, external assistance and aid programmes are implemented much too slowly by an understaffed Commission bureaucracy. Since the resignation of Jacques Santer and his fellow commissioners, that bureaucracy has been playing by the book and observing every minute regulatory prescription. Thus the backlog of unspent funds has grown—with the complicity of member-states, which are often keen to micro-manage aid programmes—at a time when they are urgently needed in places like Kosovo.<sup>10</sup> Meanwhile the CFSP is unfocused and has neither a sense of priority, nor an adequate mechanism for implementation, nor sufficient funding. Nor did it have—until the appointment of Solana—a face to present to the rest of the world.

*<sup>10</sup> In the last five years, the average delay in disbursement of committed funds has increased from 3 to 4.5 years, according to Commissioner Chris Patten (Speech to the RIIA, June 2000)*

The defects and under-performance of both sides of the EU’s foreign policy, worrisome as they are when considered in isolation, have been magnified by the poor quality of the links between them. The inter-governmental CFSP and *communautaire* external relations sometimes ignore each other or act at cross-purposes. In the Middle East, for example, the EU foreign ministers have made Miguel Angel Moratinos their special representative. But the Commission controls aid for the Palestinians and trade agreements—some of which determine whether food grown by Israeli settlers can enter the EU.

The fact that there is little co-ordination between the Council and the Commission makes it hard for the EU to extract diplomatic leverage from its economic influence. These two sides are managed by two different foreign policy tribes, both in Brussels and in capitals: the EU specialists and the Commission on the one hand, and the security policy experts and the political directors on the other.

The Amsterdam treaty may have even reinforced this unfortunate divide.

For it sought to remedy the increasingly awkward representation of the CFSP abroad—a combination of the Presidency, the *troika* (the foreign ministers of the past, present and future presidencies) and ad hoc mechanisms—by creating the role of the High Representative for the CFSP, who doubles up as secretary-general of the Council. This was in itself a sensible move, but the result appears to be deepening the divide between the CFSP and Commission-run side of EU foreign policy. Patten and Solana have got on well on a personal basis. But in structural terms there is a built-in antagonism between the commissioner for external relations and the High Representative. However worthy the intentions of the current office holders, this antagonism is unavoidable.

The EU's growing involvement in defence may make matters even worse. For now that defence is an important part of the CFSP and of Solana's job, the instinctive attitude of the member-states is to keep the Commission at arm's length from both. This is only to be deplored: as more defence responsibilities are entrusted to the EU, the involvement of the Commission in the CFSP should increase rather than diminish. For the EU's unique advantage, compared to other security institutions, is that it alone—assuming it ends up having a serious defence capacity—can command the whole spectrum of means for dealing with crises, from soft measures, such as long-term aid, help with conflict resolution or humanitarian assistance, to intervention with police forces or soldiers. In theory it is well-placed to integrate the military and civilian sides of future crisis management operations. But the member-states have been reluctant to translate this theory into practice.

For the foreseeable future any conceivable EU military activity will involve peacekeeping or humanitarian operations, so it will need a significant civilian backup. This will have to come from the Community side of the Union. Civilian support is more likely to be effective if the Commission is actively involved at an early stage in the definition and implementation of the ESDP. As Chris Patten has convincingly argued, “in defence, it is impossible to separate purely military matters from related issues in which

<sup>11</sup> *Speech to the RIIA, June 2000*

we *are* competent, and have a real contribution to make. Military and non-military actions cannot be placed in neatly-separated boxes”.<sup>11</sup> Indeed, to divide them thus is to undermine the EU's comparative advantage. The member-states should, rather, strengthen that advantage by allowing the Commission (and EU resources)



to support their defence policy from an early stage; and that will happen only if the Commission has a say in shaping it.

Community institutions could also assist the Union in its efforts to build up military capabilities. For example, the Commission could carry out an inventory of the various EU tools which could be available to help. In 1996 the Bangemann Report, named after the then industry commissioner, argued forcefully for the Commission to become a leading force in the restructuring of the European arms industry. The member-states were then not ready to accept his idea, and nor are they now. But the report prompted a useful debate, highlighting that a number of EU instruments are available to stimulate industrial consolidation, or to ease the pain of restructuring armed forces or base closures.

A few such examples include:

★ *more co-ordination of policies on arms transfers*, both within the EU, to underpin industrial consolidation, and through common rules on exports, as part of a more effective EU non-proliferation policy;

★ *co-ordination of trade policies vis-à-vis the US*, on the grounds that it would be easier to tackle the protectionism of the US defence market collectively, rather than on a bilateral basis;

★ *EU funds for research and development*, which could be used to support R&D on military technologies; and

★ *structural funds*, which could be targeted on areas suffering from base closures, just as the existing CONVER programme supports defence industry restructuring.<sup>12</sup>

*<sup>12</sup> An EU programme conceived of after German unification, to support the conversion of defence industries, and partly aimed at the largely obsolete*

### **Beefing up the COPS**

The COPS has a crucial role to play in driving forward the CFSP, but is a problematic institution. If the governments had had the courage to create a high-level COPS, rather than one which looks like remaining—at least for now—under the thumb of political directors, the CFSP decision-making process could have been simplified and streamlined. But they did not, which means that the CFSP chain of

*and unprofitable former GDR industry*

command—already one of the most confused, and the most burdened with groups and committees in the entire EU system—is having to graft on yet another layer of decision-making. The Political Committee is not the only body which has the right to oversee the COPS. Coreper, although principally a first-pillar body, insists on acting as a kind of gatekeeper to the foreign ministers. Coreper's aim of ensuring that the work of the various pillars is co-ordinated is in itself laudable. But it lacks the political and military expertise of the COPS, and if in a crisis it insisted on too much oversight, it could prevent the COPS from acting speedily.

Furthermore, the initial workings of the COPS have shown that it is distant from the mainstream EU institutions, notably the Commission, despite the presence of a Commission representative on the committee. To be fair to the COPS, most of its work during its short life has been concerned with setting up the new arrangements for the ESDP. When that is sorted out it should have more time to focus on the EU foreign policy in general.

The COPS should formally replace the Political Committee. The treaty changes decided in Nice went some way towards this objective, with the new Article 25 specifying that the COPS “shall monitor the international situation in the areas covered by the CFSP and contribute to the definition of policies by delivering opinions to the Council at the request of the Council or on its own initiative”. Under the responsibility of the Council, the committee should exercise “political control and strategic direction of crisis management operations”.

However, this treaty change means only that an effective COPS is *possible*. The political directors could still choose to represent their countries within the COPS, thereby perpetuating the Political Committee by another name. As yet, most countries are sending diplomats who are less senior than their EU or NATO ambassadors, or their political directors, to sit on the COPS. This means that the political directors will be able to try and micro-manage EU foreign policy from national capitals.

The process of reinforcing the COPS, so that it becomes the linchpin of decision-making for the EU's foreign policy, will be long and arduous. If governments sent diplomats of the top ambassadorial rank to the COPS, the committee could start to play such a role—and it would help to ensure that Coreper could not pull rank on it. A stronger COPS would encourage

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the emergence of a CFSP that was driven from Brussels rather than national capitals.

Eventually, the COPS could play a crucial role in tying together the two halves of EU foreign policy. The committee should be able to operate in two modes: inter-governmentally, with decisions taken by consensus, for all military and “hard” foreign policy—for example the commitment of forces or statements of principle on issues that bear upon security, such as disarmament or non-proliferation; and in a Community mode, upon a proposal of the Commission and by qualified majority, for all “soft” foreign policy and decisions on implementation which involve Community resources and policies, such as the provision of aid to refugees, reconstruction measures or trade restrictions on countries that violate human rights. The General Affairs Council already operates according to two sets of procedures.

To be credible, the COPS should command both hard and soft types of foreign policy instrument. It should be able to refer both kinds of decision to foreign and defence ministers in the General Affairs Council.<sup>13</sup> The EU will not gain credibility in foreign affairs unless the ideological battles between the *communautaire* and the ‘inter-governmentalist’ schools of thought are overcome. The COPS should therefore become the single, competent, high-level preparatory group that achieves this purpose.

This means that those who are ideologically resistant to any involvement of the Commission or the Parliament in foreign policy or defence will have to give some ground. Their attitude is unsustainable in the long run, for—were it to prevail—it would prevent the Union from playing to its strengths, namely the diversity of its external instruments and financial resources, which are second to none among international organisations.

Conversely, those who defend the autonomy and sacred character of the Community’s traditional decision-making system will also have to compromise. They will have to accept that there is a case for retaining inter-governmental decision-making procedures for “hard” foreign policy and defence, and that decisions made in this framework are binding on all parts of the EU’s institutional system.

<sup>13</sup> *There would be no need for Coreper to review the COPS’s decisions to ensure consistency with Community policies, since the COPS would do that itself. Coreper should exercise only a minimal oversight of the COPS’s decisions, as it does for other high-level bodies such as the Economic and Financial Committee*

### **A new kind of High Representative**

In the very long run, the union should take this argument to its logical conclusion, and merge the jobs of Javier Solana and Chris Patten. These days, soldiers are often “double-hatted”, available at the same time to serve their country, NATO, the EU or the UN. So there should be nothing shocking about double-hatting the High Representative. The heads of government would appoint this individual, subject to the approval of the president of the Commission. He or she would report to the foreign or defence ministers, but would also attend Commission meetings as the commissioner for external relations. This double-hatting should allow the incumbent to make a good job of marshalling all the EU's resources behind its diplomatic initiatives.

He or she would have so much work to do—travelling, co-ordinating the two sides of EU foreign policy and fostering the Union's defence capabilities—that there would need to be two deputies. One would have the specific task of chairing the COPS and liaising with the various commissioners, while the other would focus on the military side.

The new High Representative should enjoy more autonomy to implement EU policies than does Solana or Patten currently. For instance, in the various places where the EU undertakes reconstruction, or provides aid of various sorts, such as Bosnia or Kosovo, he should have a much greater authority to direct the EU's efforts on the ground. When there is an urgent need, he should be able to dispense sums of money. And he should be able to appoint special representatives, like Moratinos, rather than wait for the Council of Ministers to do so. Such representatives should report directly to the High Representative, as do comparable representatives to UN secretary-general Kofi Annan, rather than—as Moratinos does—to all the EU foreign ministers.

The High Representative would have a strong incentive to get on well with the President of the Commission. Otherwise, it would be hard for him to do his job effectively. If they did fall out, the president would not be able to sack the High Representative, though he could ask the European Council to do so. The world would see the High Representative, rather than the Commission president or any vestiges of the rotating presidency, as the Union's foreign minister. One job for the High Representative would be to bring together the external relations directorate of the

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Commission, the relevant parts of the Council secretariat and diplomats seconded from member-states into a single EU Diplomatic Service.

### **Parliaments and treaties**

Three further institutional dilemmas concern the assemblies and treaties of the EU and the WEU.

*The WEU Assembly and the European Parliament.* The merger of the WEU's organisation and the Council of Ministers secretariat is underway. However the WEU Assembly, which consists of national parliamentarians, continues to meet in Paris. Until the WEU treaty is changed the Assembly is obliged to continue meeting. The EU governments are unwilling to transfer its purely consultative role to the European Parliament.

However, if the Parliament was allowed to consider security and defence issues in an informed way, it might become more responsible. Its recent discussions of a security code for the High Representative's office—during which some MEPs appeared oblivious of the need for secrecy in matters of intelligence—suggest that it has a lot to learn in this area. The apparent desire of the governments to prevent the European Parliament from talking about defence is misguided. It increases the chances of the Parliament opposing the new defence policy, and of generally being a nuisance. The WEU Assembly should therefore be abolished, and its consultative role in defence policy should be shifted to the European Parliament. The broader issue of how national parliamentarians can be involved in EU decision-making and -shaping is due to be tackled at the inter-governmental conference of 2004.

*Should the EU treaties reflect recent developments in European defence?*

At their Nice summit, in December 2000, EU governments were not prepared to write the objectives of the ESDP into their new treaty. However, they did follow a Dutch proposal to adapt some articles to take into account the de facto abolition of the WEU; those clauses which dealt with the EU resorting to the WEU, and the possible merger of the two organisations, were deleted. This is better than no change at all, but falls short of revising the treaties so that they genuinely reflect the EU's progress in the field of defence.

Legally, according to expert advice from the Council of Ministers

secretariat, the governments were not required to make major changes to the treaties. To do so certainly could have entailed major risks, perhaps overburdening the inter-governmental conference by opening another difficult debate. It would also have provoked the fire of groups opposed to the aggrandisement of “Brussels”, such as British and Danish eurosceptics, and some unreconstructed French Gaullists. In Denmark and Ireland, there would have to be a referendum specifically to ratify any treaty change that enhanced the EU’s role in defence.

Conversely, the governments’ reluctance for the new treaty to reflect what they are doing in defence may prompt accusations of “integration by stealth” and “denial of democratic debate” by exactly the same people. The newly-established defence and security policy, which should be relatively easy to defend, has not been submitted to the full-scale public debate which it merits. At the next inter-governmental conference, EU leaders should update the treaties in the light of what the ESDP has achieved—and then make every effort to explain to voters the point of common defence policies.

*What should the governments do about Article V of the WEU treaty?* It is increasingly evident that membership of the EU entails a measure of implicit solidarity: if one member of the EU was attacked, one can hardly conceive of the others sitting idle or looking the other way. The old concept of neutrality no longer makes much sense in an EU that can deploy a Rapid Reaction Force. So should not the implicit become explicit, with the EU treaties incorporating the mutual self-defence clause of the WEU treaty? The difficulty is that this would force a major and unwelcome change on the members who regard themselves as “non-allied”, and who have—alongside Denmark—never signed Article V of the WEU treaty. Such a change could also upset some Americans, who would worry about the EU counting on the US to underwrite the security of any country which joined the EU.

The best balance between these two sets of arguments is probably to leave the WEU treaty’s Article V in place, but at the same time to reaffirm its validity. Then, if there was ever a need in the future to resuscitate the article, no one could argue that it had become obsolete or invalid. It is possible to imagine a scenario in which one or other EU member created difficulties and argued that the Union was *not* a security community.

Then Article V could conceivably provide a framework for some sort of variable geometry that would bypass such a problem.

### **An EU defence budget**

In the long run, there is no reason why the EU should not consider the case for a common defence budget. Three arguments may make it a valid option.

- ★ A common budget could help to fund joint armaments projects, such as the A400M transport aircraft. The disparities in the levels of defence spending are far greater among EU countries (1:3) than between the Europeans as a whole and the United States (1:1.5). The intra-European disparities on procurement spending are even worse. Common funding of some major procurement or research programmes could help to level out these European disparities. Seen from the perspective of high-spending countries such as Britain or France, an EU defence budget would be a way of preventing other countries from “free-riding” on their backs. Such a budget might also help small countries to understand that they, too, have a stake in European defence.
- ★ The EU should consider funding common operations. Whereas in NATO the cost of an operation is supported by each participating nation individually, the WEU had contemplated the possibility of joint funding. It had even devised a scale of assessment based on equality among all major nations (Germany, France, Britain, Italy and Spain would have each paid for a similar share of the cost of common operations). The Amsterdam treaty says that the funding of Petersberg tasks should be based on a formula that is linked to GNP. If EU operations were funded through an EU defence budget, it would—again—help to ensure that the most militarily capable member-states did not pay disproportionately.
- ★ The creation of an EU defence budget might be a way of getting some European countries to spend more on military capabilities. In Germany, for example, the idea of Europe is generally popular, while the idea of a large national defence budget is generally unpopular. German voters are more likely to support spending on military equipment or peacekeeping if it is for the European cause. The same argument could apply in several other European countries, such as Italy, though not in Britain.

Any such EU defence budget should be funded directly by national governments, as is the NATO budget. It should therefore be distinct from the normal EU budget, which is funded from the EU's "own resources" (a slice of VAT revenues and of customs dues, and a contribution based on GNP size). The European Parliament should have the right only to be consulted on the defence budget; it would not have the power to alter the size of the budget or the ultimate use of the money within it.

European defence will inevitably remain, for some time to come, a primarily inter-governmental concern. That is why EU defence and finance ministers, rather than EU institutions, should for the foreseeable future control any EU defence budget. Public opinion in several countries, and not only Britain, would be reluctant to see the Commission and the Parliament manage an EU defence budget; or to see the normal EU budget increased to include a line on defence.

Indeed, given the sensitivity of defence, it is right that national governments should take a lead—as they have done—in building the ESDP. Our point in this chapter has been that EU institutions should not be completely excluded from the process, which appears to be the intention of some governments. What counts is the EU's ability to integrate its various "pillars", organisations and decision-making processes. The involvement of the Commission would assist this integration.

Altogether, the EU should look beyond its headline goal and take a broad view of the potential contribution that its institutions and policies can make to the improvement of Europe's defence capabilities. The new arrangements for the ESDP must not be left to wither on their own, cut off from the rest of the EU system; the WEU was undermined by that kind of isolation. The EU's new defence bodies should be encouraged not to confine their work to the preparation of military operations. They should look for support and contributions from, and learn to work with, all parts of the EU system, including the Commission.



## 4 Is Europe serious about boosting its military capabilities?

From the outset, the Europeans have insisted that the priority of their new defence policy was to enhance military capabilities. "Let me assure you of this," said Tony Blair in March 1999, "European defence is not about new institutional fixes. It is about new capabilities, both military and diplomatic".<sup>14</sup> The headline goal, approved in December 1999, will serve as the essential yardstick to measure Europe's success in developing its security and defence policy.

The short story about European capabilities is that the spring 1999 Kosovo air operation highlighted glaring transatlantic disparities in military power, and specifically in high-tech intelligence-gathering, command systems and precision-guided weaponry. Kosovo brought home to the Europeans that the gap had widened since the end of the Cold War and that they needed to react. But European defence budgets show few signs of growing substantially in the foreseeable future. The EU defence initiative may therefore only temporarily slow the budgetary decline, whereas the United States increased defence spending by many billions of dollars after the Kosovo campaign. Seen in this light, the European aspiration to improve military capabilities seems condemned to failure.

However, a broader view of the strategic dilemmas confronting Europe in the last decade puts the transatlantic gap in a different perspective. For the end of the Cold War has forced Europe to make a much bigger reassessment of its military needs than the US, and the fact that the Europeans are still undergoing a painful restructuring of their forces accounts for some of the existing capabilities gap. In addition, there are various ways of measuring the gap, some of which give more credit to the Europeans than a superficial comparison of their and the Americans' performances during the Kosovo air campaign would suggest. And finally, Europe's problem lies much more in the way its

armed forces are structured and specialised, than in its overall level of defence spending—which is, on the whole, not unreasonable.

First, one should not overlook the magnitude of the strategic demands that the end of the Cold War imposed on the European military establishments. They had been focused mostly on the need to fight continental wars close to home. This tendency was reinforced by their mission of collective defence through NATO. The Alliance also encouraged role specialisation, pushing the Europeans to provide troops, tanks, air-defence, anti-submarine and other defensive assets for a static “homeland defence” role. Intelligence satellites, command systems and offensive counter-operations were left to the Americans. By contrast, geography had forced the US to develop expeditionary forces from the start. In Europe, only Britain and to some degree France had such a tradition, albeit on a much smaller scale.

After the end of the Cold War the Europeans suddenly found themselves with large, mostly conscript armies that were ill-suited to deployment outside the NATO area, and which needed complete restructuring. For some Europeans, the first wake-up call in this respect was not Kosovo, but rather the Gulf War, in which even those willing to intervene were able to contribute very little alongside the Americans. France, in particular, found that it had no day-and-night, all-weather conventional attack aircraft; during the Cold War the part of its air force with such capabilities was devoted essentially to nuclear missions. France also realised that its out-of-area intervention forces, mainly light infantry, would not be much use against armour such as that possessed by the Iraqis.

Lessons learned from the Gulf War weighed heavily on the subsequent restructuring of the French forces. President Chirac specifically referred to them when he announced his proposal to abandon conscription in February 1996: he underlined that with an army twice as large as Britain's, France could commit only a third as many forces to the Gulf campaign. Chirac argued that this discrepancy justified the switch to an all-professional army.

The challenge for the Europeans, therefore, has been to turn their large, static, and defensive force structures into leaner armies that are better able to “project power” beyond their borders. A very daring challenge which, even before the Kosovo campaign, they had started to meet. Between

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1989 and 1999, the Netherlands, Belgium, France, Spain and Italy had decided to turn their armies into smaller, all-professional forces. Even so, they still had a long way to go: France's transition to a professional army, decided in 1996, will be completed only in 2002; Spain has hardly started its own transition; and Italy is still thinking about starting. Belgium's shift, which coincided with a steep decline in defence spending, seriously weakened its armed forces. Professional armies are expensive and the actual process of transition is also costly. Experience suggests that only when defence spending has been maintained or increased has such restructuring been successful.

If one admits that, in all fairness, the Europeans had to face a more demanding post-Cold War adjustment, does that account for all or most of the transatlantic gap in military capabilities, which is generally seen as widening? The answer to this question depends on which measure of military capabilities one chooses, and on the reference period. If one first looks at overall levels of military spending, in 1999 the EU countries spent \$163 billion, 57.5 per cent of the \$283 billion spent by the US on defence. True, this proportion is down from 60 per cent in the mid-1990s, signalling a diminished effort on the part of the Europeans. On the other hand, in the mid-1980s, at the peak of what some have called "the second Cold War", they were spending the equivalent of 55 per cent of the US defence budget. In other words, the current European figure is well within the Cold War norm, and does not in itself suggest a growing transatlantic gap.<sup>15</sup>

<sup>15</sup> *The Europeans were spending less than half what the US spent throughout the 1950s and 1960s, and only reached half the US level in the 1970s*

There are good arguments to support the view that this level of spending ought to be enough to meet Europe's strategic challenges.

Europe does not have the level of commitments that the US has in Asia and the Middle East; it has very few troops stationed outside its territory; it has less than a tenth of the number of American nuclear weapons; and it does not have the same geo-strategic reasons to invest as heavily as the US does in naval dominance. Indeed, the Europeans look with some puzzlement at the US debate on defence budgets, which they perceive to be dominated by an exaggerated assessment of the threats, and which sometimes seems only to pit those who want to spend more on defence against those who want to spend a lot more. In the world's league table of defence spending, the US spends more than the next eight countries added together.<sup>16</sup>

<sup>16</sup> *IJSS Military Balance, 2000-2001*

Thus the Europeans' current focus on seeking to spend better, rather than more, may be not only a function of political realism, which precludes any systematic increase in defence budgets, but also a fair reflection of Europe's current strategic requirements. The real problem is not that the Europeans spend less but that they get less value for the money they spend. George Robertson, Britain's defence secretary from 1997-99, was the first to frame the debate in terms that could address this "output gap": he noted that in return for spending 55-60 per cent of what the US spends on defence, the Europeans get a much smaller proportion of actual military capabilities, in every conceivable category. Indeed, the European capability in deploying forces at a distance, one of the most relevant in light of the current challenges, may be as low as ten percent of the Americans'.

This output gap has two causes. The first is that the European Union is composed of 15 sovereign states, each with its own armed forces, defence ministry, military staff, support organisations and procurement system. Thus the returns on Europe's defence spending are hampered by overhead costs that are multiplied among the member-states, by poor economies of scale, by the increased unitary costs of armaments which cannot be procured in large enough batches, and by weapons programmes which are stretched out over long periods so that they can be accommodated within small national budgets.

The second cause is that many European governments spend their defence budgets on the wrong things. As a rule, European armies are too numerous (with two million personnel under arms, Europe fields one third more soldiers than the US). The Europeans do not devote enough of their defence budgets to procurement, or research and development; nor do they spend enough money per soldier (that is a rough indicator of how well-paid, -trained, -equipped and—hopefully—effective a force is).

European defence budgets differ greatly in what the money is spent on. The ratio of what is spent on the procurement of equipment to overall defence spending varies from 25-50 per cent for Finland, Sweden and the UK, to a much lower level of about 15 per cent for Italy and Germany (not to mention Belgium and Ireland, respectively at 10 per cent and 7 per cent). France, now in-between these two groups, is perhaps in danger of drifting from the first to the second. The ratio of R&D to defence spending varies from around 12 per cent for France and Britain, to 2-5 per cent for

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Germany, Italy, Spain and Sweden to much less for everybody else.

The Europeans have simply failed to develop the capabilities that are necessary for operations in places such as Kosovo. The problem is not just that the individual member-states cannot provide specific capabilities; it is also that the various national forces are not capable of working together in a multinational framework. For example they do not have a common communications system that would enable them to talk to each other on a secure basis in Kosovo.

The true deficiencies revealed in Kosovo are not necessarily the ones that the initial “lessons learned” seemed to suggest; they are both less spectacular, but also, in some ways, more worrying.

The initial lessons focused on the growing technological gap between the two sides of the Atlantic, especially in such areas as high-precision bombing, intelligence and command and control. The reality was a little different, however. It is true that in the Kosovo air campaign, the Americans flew only half the air combat missions, but 80 per cent of the strike missions. And more than 90 per cent of the “smart” weapons were launched by US aircraft. On the other hand, France alone executed half of the 20 per cent of the strike missions that were European. Both the UK and Germany could have assumed a larger share had their governments so chosen. In particular, Britain’s restrictive rules of engagement meant that its Harrier bombers were not as fully committed as they might have been. France had learned from her problems during the Gulf War, and acquired the all-weather, day-and-night capabilities which she had lacked at the start of the decade.

In fact the main bottlenecks which prevented a larger European contribution were in mundane rather than hi-tech capabilities, including air tankers and bombs guided by the Global Positioning System (a relatively low-tech and inexpensive piece of equipment by today’s standards). Many of the European shortfalls can be described as “support” and “combat support”, meaning the units and equipment that are required to sustain forces in the field—such as the mechanics who look after aircraft stationed away from their home base, logistics experts, field hospitals, ammunition, spare parts, and so on.

The Europeans did not fare badly in tactical intelligence, where a

combination of their reconnaissance aircraft (mostly French) and their unmanned aerial vehicles (mostly German) accounted for around 40 per cent of allied capabilities. However, there were capabilities which Europe entirely lacked, and which proved essential to the success of the air operation, such as aircraft dedicated to jamming enemy radars, of which Europe has none, and spy satellites, of which the US has a quasi-monopoly.

The ground operation to deploy the KFOR peacekeeping force holds less dire lessons for Europe. True, the Europeans had problems mobilising the 30,000 or so troops which they initially contributed, prompting George Robertson to observe that since this was less than 2 per cent of the overall European military manpower, these difficulties were a matter of great concern. On the other hand, it took an unusually long time for the US to commit a Marine expeditionary group to the KFOR peacekeeping operation, which in fact caused the final deployment to be delayed by 24 hours. In addition, the performance of the European forces on the ground in Kosovo, as in Bosnia, does not pale in comparison to the Americans'. Quite the contrary: in many instances European peacekeepers have proved more flexible and adaptable, better able to understand what is happening on the ground and less obsessed with self-protection.<sup>17</sup> The EU nations provide about 80 per cent of the peacekeeping troops in Bosnia and Kosovo—and are paying for about 80 per cent of the economic reconstruction.

*<sup>17</sup> According to a senior European commander, nearly half the US contingent is pinned down by its self-protection mission, leaving only the other half available for actual peacekeeping duties. Even so, this is a marked improvement over the early days of the Bosnia IFOR operation, when the US forces' obsession with self-protection led them to adopt the narrowest interpretation of their mission*

Europe's capability shortfalls have been subject to intensive scrutiny, both at the national and NATO levels. The spring 1999 US-led Defence Capabilities Initiative (DCI) within NATO sought to address 58 areas where European—and in several instances American—forces have been found lacking. American officials, especially in the Pentagon, recognise that NATO and the EU can play complementary roles. They accept that the EU may be more effective in exerting collective political pressure on individual countries to address specific shortfalls.

It is a fact of life that NATO's collectively-agreed "force goals" do not command much loyalty from national bureaucracies—or even from

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Alliance ministers, who have stopped discussing the DCI at their meetings. On the other hand, the EU framework, closer as it is to domestic politics, may be more conducive to effective peer pressure. American officials have insisted only that the EU and NATO co-ordinate their efforts to generate the required capabilities, which is fair enough.

What, then, can the EU do to address these various shortfalls? We shall look in turn at the headline goal, at defence budgets, at common capabilities and at the reform of armed forces.

### **The headline goal**

The Helsinki headline goal was an inspired idea. It managed to gather together the capability improvements required from the various countries into an all-embracing and politically attractive package. It would have been much harder to gain the attention of politicians or of public opinion through cataloguing a set of deficiencies that need remedying. The Europeans have wisely chosen a top-down process, starting with the definition of a politically-motivating overarching goal, later to be broken down and refined into specific objectives that are ascribed to individual countries.

This process culminated on November 20, 2000, at the capabilities pledging conference in Brussels. EU defence ministers sought to reconcile the requirements of the Rapid Reaction Force with the national commitments on offer. The following day EU ministers met those from the six NATO European countries not in the EU, some of which made additional pledges of their own. The Czech Republic, for instance, offered a brigade for rapid deployment. There was yet another meeting between EU ministers and those from applicant countries that are not in NATO, most of which made rather unspecific pledges.

This conference proved to be a significant success for European defence in general, and for the French presidency of the EU in particular. The presidency had all along insisted that the conference should focus on actual figures and concrete commitments rather than abstract pledges. Thanks in part to the deft diplomacy of Alain Richard, the French defence minister, the EU and NATO worked together smoothly throughout this process—in a sensitive field which the latter, with its long experience of defence planning, tends to regard as its own.

The member-states pledged about 100,000 troops, 400 combat aircraft and 100 ships, for an EU "force catalogue". This is in effect a pool of assets which the EU can draw upon for future contingencies. Each of the big three EU members offered 12-13,000 troops. Every EU member bar Denmark pledged some soldiers. As a result, the EU should be able to fulfil the headline goal in quantitative terms; a reaction force of 60,000 requires a significantly larger pool of troops to draw upon, given that the nature of the particular operation will determine the types of troops required. However, if the EU is serious about being able to sustain its force in the field for a year, it will ultimately need a pool of about 200,000 troops.

The Brussels meeting produced a Military Capabilities Commitment Declaration, which specified the main qualitative shortfalls that had been identified. The governments declared that, in order to fulfil the most demanding of the Petersberg tasks, they would have to improve the availability, deployability, sustainability and inter-operability of their forces. They specified areas such as munitions, weapons, the protection of forces and medical services as requiring more work. And they agreed to redouble their efforts to pursue the Helsinki "collective capability goals" of intelligence, command and control, and air and sea lift, which would, they said, require work to continue well beyond 2003.

On intelligence, the ministers noted that, in addition to the image interpretation capabilities of the WEU Satellite Centre at Torrejon, the member-states had offered various resources, but that the Union needed more "strategic intelligence", meaning satellites. On command and control, the declaration notes that member-states had offered a "satisfactory" number of national or multinational headquarters; but it adds that, in addition to "possible recourse to NATO capabilities" the Union would need "the best possible command and control resources at its disposal". As for strategic air and sea transport, the declaration welcomes the A400M project but notes the huge shortfall of European capability. Governments committed themselves not only to strengthening their own armed forces, but also to "carrying out existing or planned projects implementing multinational solutions, including in the field of pooling resources".

The declaration did not say a great deal about shortfalls in some of the areas which require high-tech equipment, such as combat search and



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rescue, suppression of enemy air defences, defence against ground-to-ground missiles, and precision-guided missiles. However, many of these capabilities are more likely to be relevant to NATO missions than to EU ones. The Rapid Reaction Force would probably not need a great deal of high-tech equipment for the relatively modest kinds of operation on which it is likely to be acting autonomously. In a large-scale military confrontation, any EU force is likely to want to draw upon NATO capabilities.

The ministers also agreed to set up a review mechanism which would follow up the objectives agreed in November. This would have three aims. One would be “to enable the EU to monitor and facilitate progress towards the honouring of undertakings to achieve the overall goal, in both quantitative and qualitative terms.” The EU Military Committee would play a leading role in managing the review mechanism, checking whether commitments to the force catalogue had been fulfilled. The second aim would be to evaluate and review the defined goals in the light of changed circumstances, and ensure that the various national pledges are modified accordingly.

The third aim would be to ensure consistency between the EU’s efforts and those of NATO. The EU-NATO ad hoc working group on capabilities, consisting of representatives from the 23 governments in the EU and NATO, will ensure that there is transparency and consistency between NATO’s force goals and the various national commitments to the EU’s headline goal.

At a more technical level, an expert group consisting of specialists from the 15 member-states, the EU military staff and NATO will work on making sure that each government can deliver on its promises to the headline goal force catalogue and to the collective capability goals. A similar group worked on the elaboration of the headline goal prior to the capabilities conference. The expert group will report to the EU Military Committee, which will “be required to spot any shortcomings and to make recommendations to the COPS, regarding measures guaranteeing that member-states’ undertakings are consistent with requirements.”

This review process is crucial, so that the headline goal can be refined into rigorous and detailed force objectives which go beyond those agreed in

November 2000, and so that the EU and its member-states can be energised into reaching their target by the set date of 2003. However, as currently envisaged, the EU Military Staff is likely to lack the force planning expertise that would ensure a rigorous follow-up of each nation's progress towards the headline goal.

Therefore, the expert group of specialists should become the nucleus of a Monitoring Group, an autonomous unit of EU force planners which would try and ensure that pledged capabilities are really available. The officials in this group should be detached from national capitals and based permanently in the Council of Ministers secretariat. These experts would have to be prepared to be proactive and assertive in their dealings with the national governments. But they would have no powers over the member-states; their sole weapon would be to name and shame.

A true test of the seriousness of the various capabilities pledged by the member-states will require exercises and manoeuvres on the ground. So the EU will need to develop a programme of field exercises that would be co-ordinated with NATO. A large-scale exercise, demonstrating the achievement of the headline goal, could be staged in 2003.

### Defence budgets

After the Cologne summit, several governments looked at the possibility of the EU adopting "convergence criteria" as a means of boosting the Europe's military capabilities. François Heisbourg of the Geneva Centre for Security Studies pointed out that if every EU member spent the same proportion of its defence budget on procurement and military R&D as Britain did, EU spending in those areas would rise from \$35.6 billion a year to \$52.1 billion. He also suggested a criterion based on the ratio of the size of the armed forces to the population as a whole—a higher ratio would imply smaller but better-equipped and therefore more useful armed forces.<sup>18</sup>

<sup>18</sup> *CER Bulletin No 6, June–July 1998. See also "European Defence: Making it work", François Heisbourg and others, WEU Institute for Security Studies, September 2000*

European governments discussed these ideas in the summer of 1999, but they did not get very far. Some governments worried that such criteria might lead to the EU telling them what they could and could not spend their budgets on. The British thought that the money that went into defence budgets would be harder to define than the capabilities that came

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out the other side. And the Germans did not want to be lectured on their diminishing defence budget.

The comparison that some made with the Maastricht treaty “convergence criteria” for monetary union was a little misleading: the Maastricht criteria energised governments into fulfilling them because they were the key to the prize of the single currency, a highly symbolic, make-or-break objective. There is no equivalent mechanism that can provide such incentives in the field of defence. The reward for meeting targets is to be recognised as doing one’s fair share towards achieving common objectives, and to be seen as being “serious” about defence.

<b>DEFENCE BUDGETS 2000</b>				
	<i>Defence budget in US\$m</i>	<i>Defence budget as percentage of GDP (1999)</i>	<i>Percentage of defence budget spent on equipment</i>	<i>Percentage of defence budget spent on R &amp; D</i>
Austria	1,497	0.8%	20.0%	0.6%
Belgium	2,402	1.5%	9.7%	0.04%
Denmark	2,283	1.6%	14.5%	0.04%
Finland	1,583	1.4%	39.4%	0.5%
France	26,538	2.7%	20.0%	11.5%
Germany	22,871	1.6%	14.9%	5.6%
Greece	3,195	5.0%	42.3%	0.7%
Ireland	711	0.9%	6.6%	0.0%
Italy	15,704	2.0%	14.5%	2.1%
Luxembourg	99	0.8%	6.0%	0.0%
Netherlands	6,047	1.8%	2.6%	1.0%
Portugal	1,524	2.2%	24.3%	0.2%
Spain	6,857	1.3%	15.5%	2.5%
Sweden	4,405	2.3%	49.4%	2.3%
UK	33,890	2.6%	25.1%	11.8%
US	287,466	3.1%	18.0%	11.7%

*All figures taken from the IISS Military Balance 2000-2001*

In a non-mechanical way, however, “peer pressure” on defence budgets may well prove a promising means of encouraging “best practice”. What

some have called “soft convergence” is starting to show its worth in fields such as European social and employment policy. In defence, a combination of the headline goal, peer pressure and the sense of shame which stems from Europe’s mediocre performance in the Kosovo air campaign may have arrested the long decline of budgets. Eight of NATO’s eleven EU members plan to spend more money (in real terms) on defence in 2001—including Britain, Italy and Spain. In at least some of these countries, for example the Netherlands, the headline goal targets have helped defence ministries to win extra money from finance ministries. The German budget, after several years of decline, appears to have stabilised, while France is due to spend more on weapons procurement in 2001.

In the long run, European governments should consider committing themselves to some precise budgetary targets. For example, they could undertake not to cut the percentage of GDP that they spend on defence, and those which currently spend less than 2 per cent of their GDP (the EU norm is just under 2 per cent) could attempt to reach that level. And every government could aspire to spend 25 per cent of its defence budget on procurement and R&D.

### **Common capabilities**

Europe’s defence initiative is not going to lead to the merger of the various national defence organisations, such as armies and ministries. European co-operation cannot suppress the excess costs and unnecessary duplications that stem from the multiplication of member-states and poor co-ordination between them. But the ESDP should attempt to minimise some of the existing overheads through ideas such as pooling, joint procurement, the development of common capabilities, role specialisation or comparable collective schemes.

The work on the headline goal has already generated much thinking along these lines. Bureaucracies and ministers have sought to come up with their own identifiable contribution to a politically visible and rewarding process. Each country has thus done its best to produce initiatives in support of the headline goal, often in conjunction with one or two others. Examples include:

- ★ A French-German initiative, building on a German idea, to set up a European military air transport command. This follows the decision

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of Britain, Belgium, France, Germany, Italy, and Spain to develop and procure the A400M, to replace their ageing military transport fleets. German defence minister Rudolf Scharping is championing this idea. The success of NATO's common fleet of AWACS early-warning aircraft is a pertinent model for the EU to follow.

- ★ The Netherlands, France and Germany are exploring similar ideas for sea-lift capabilities.
- ★ France and Germany, as part of a joint effort to develop an autonomous European capability for satellites, are planning a division of labour: France's optical Helios II, to be launched in 2003 (with a possible Italian and Spanish participation) would be complemented by a German radar satellite that would be able to look through clouds. The idea is reminiscent of earlier German-French schemes of the mid-1990s, with two differences: each project will be solely entrusted to one of them, rather than shared between a leader and a minority shareholder; and the German radar is to be purchased on the commercial market, rather than developed from scratch.
- ★ Belgium and the Netherlands have offered several joint commitments to the headline goal, building on the fact that they have already merged the command of a significant part of their maritime and air forces.
- ★ Britain and Germany have undertaken to work together on the suppression of enemy air defences. In time this could lead to, for example, the development of a joint missile that would destroy ground-based radar sites.
- ★ Britain and the Netherlands are thinking about pooling the maintenance operations which support their Apache helicopters.
- ★ The Eurocorps, now being revamped for greater mobility, will play a significant role in generating capabilities for the headline goal. It is the largest European multinational force, and it has the only purely European corps size headquarters that is available to both the European Union and NATO.

The lesson of this incomplete list is that—for now—European governments find it much easier to collaborate with small groups of fellow member-states rather than at 15 through EU structures. They are increasingly open-minded to new co-operative schemes and to reviving old ones. The audit of existing European capabilities conducted by the WEU in 1999, together with NATO's own evaluations as part of its routine force planning process, have highlighted the gaps and thus areas where cross-border collaboration may prove fruitful. Encouragingly, fewer co-operative schemes are being pursued for purely symbolic reasons than in the past.

The creation of new, multinational organisations has ceased to be praised for its own sake, while military utility is the watchword. Other, more flexible arrangements now seem to be gaining ground, such as the joint pledging of a given capability by a small group of nations, which will then rotate their forces or apportion the required effort among themselves. The Nordic countries, for example, have pledged joint capabilities to the headline goal. The idea of informal role specialisation, such as the one envisaged by Germany and France in the field of military satellites, also appears to be increasingly popular.

Before governments consider joint units or commands for forces using the same equipment, such as the A400M, less dramatic but nevertheless significant and cost-saving options should be considered, such as: one principal maintenance centre for the whole fleet; joint tenders for important refitting operations; and "mission credit" arrangements, whereby one participant is encouraged to offer transport missions to another, gaining in exchange a right to call on the other to perform a similar job in the future (French and German air transport squadrons have already developed such arrangements).

In the long run this approach could lead towards the pooling of assets, as well as other innovative schemes, such as joint commands, and perhaps units. Air Marshal Sir Timothy Garden and Lord John Roper have proposed taking advantage of existing co-operative programmes, such as the Eurofighter, to move in this direction: they suggest that the four countries building the Eurofighter should integrate their maintenance and support operations for these aircraft, and ultimately form a single force.<sup>19</sup> Their arguments are partly financial: joint maintenance, support, and, in the future, modernisation programmes,

<sup>19</sup> CER

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would save money. But they are also strategic: such a force would help to provide the Europeans with exactly what they needed during the Kosovo crisis, namely the ability to conduct strategic air operations and to project power at a distance.

In all these schemes, the leading consideration should be enhanced capabilities and better value for money. In itself neither pooling nor joint procurement guarantees better value for money—and historically they have often resulted in the opposite. Furthermore, to combine together existing European units and their capability shortfalls would not remedy their limitations, and could even complicate their workings. As a general rule, the best opportunities for making savings lie with missing or insufficient capabilities, which governments could invest in jointly. This could apply to medium- and long-range airlift and sealift, observation satellites, electronic warfare (and specifically, airborne radar jammers), combat search and rescue, command and control systems, logistics and support. In these areas, innovative options such as joint procurement, pooling and role specialisation may well prove beneficial.

### **Reforming armed forces**

Fulfilling the headline goal is important, but only part of a solution to a much wider problem: how to remedy the structural weaknesses of Europe's armed forces, and how to begin to close the transatlantic "output gap". The best way of improving European capabilities is to engage in root-and-branch reform of the armed forces and defence organisations in each country. This is essentially a national process. To what extent can the European Security and Defence Policy encourage reform? The short answer is that the EU has already had an influence, but that the initial, positive results will be hard to translate into a sustained and vigorous momentum.

The EU has helped to increased awareness that reform is needed, particularly in countries where reform is a divisive issue. In Germany, the emerging European defence policy has probably stimulated and accelerated the national debate on military reform. That debate has led to the questioning of two strongly-held principles: that Germany needs large ground forces that are suitable for collective defence in the centre of Europe; and the reliance of this force on conscription. These two principles had to a large extent narrowed Germany's post-Cold War options. They have not yet been abandoned, but at least are no longer taboo.

The European initiative has quietly encouraged a new consensus on the type of missions which EU forces could be called upon to perform, and on the general direction of the reforms required for such missions. This convergence on a common understanding of Europe's strategic needs is implicit in the agreement among 15 governments on the scenarios and requirements for the headline goal. The most demanding scenario is a forced separation of parties in a civil war, meaning that an EU mission might have to impose a settlement on hostile forces. Similarly, the range of future EU missions has not been geographically limited in advance—despite the widely held view in the US that Europe is ever more inward-orientated. All this convergence has been towards more ambitious standards, with the more neutral countries ready to participate.

There has also been a convergence on the types of armed force that Europe needs: much smaller forces, with fewer heavy weapons systems, but more deployable and sustainable in the field. That means reducing overall numbers and trading as many conscripts as possible for professional soldiers, while at the same time improving support, transport, command systems and intelligence.

Some have proposed formalising this emerging consensus in the form of a European white paper on defence. However, such an attempt would be premature and potentially counter-productive. Countries accept that national positions should evolve on sensitive issues, such as the scope of the missions that the EU would perform, or the relevance of conscription in the current strategic environment; the shift of the “neutrals” on the former, and of Germany on the latter, bears testimony to this evolution. But they would probably be reluctant to formalise this movement in a document that is likely to be controversial for national governments and their public opinions.

In sum, since early 1999, when the Saint Malo initiative became a European process under the German presidency of the EU, the member-states have converged their defence policies in a less than spectacular, but real way. Remarkably, this convergence has occurred not through formal criteria, or commonly-agreed statements, but through practical discussions among the governments and real policy shifts within member-states. The kinds of military reform which are being debated or are underway, the scenarios devised for implementing the headline goal, and the concrete



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contributions that defence ministries are pledging show a growing level of common understanding among the member-states (including, remarkably, the non-NATO members). There is even some evidence of convergence on the most contentious and difficult issue, that of budgets. But all this is, in fact, a fragile achievement, and one which cannot be sustained unless governments commit sufficient resources to reform their armed services.

### **Making peer group pressure effective**

One problem with the EU's new defence institutions is that they have been tailored mainly to prepare and direct operations, rather than to enhance capabilities. For the time being there are no institutions specifically designed to drive forward this process.

So how can the EU maintain the momentum of the peer pressure—not only to ensure that pledges made for the headline goal are fulfilled, but also to encourage the broader objectives of armed-forces reform, better-shaped budgets and co-operative programmes to develop common capabilities and armaments?

The EU expects NATO's teams of force planners to support its own efforts on capabilities. Indeed, it would be counter-productive if a separate force-planning process was to be established within the EU, resulting in two parallel—and potentially different—sets of EU-driven and NATO-driven requirements. The NATO planners should certainly contribute expertise and advice to the EU process, but will that be enough? Between the technical advice from NATO, and ministerial discussions on how best to fulfil the “headline goal”, is there not a need for an EU expert staff? Should not the EU at least be able to assess the advice coming out of NATO? And how far should it defer to expertise coming from an organisation whose aims may not always coincide with its own? For example, NATO is not likely to recommend that the Europeans procure military observation satellites, important though they may be to European autonomy.

Furthermore, the NATO defence planning process is traditionally cautious in defining requirements and assessing member-states' contributions. So it is unlikely to come up with the kinds of innovative suggestions which may suit the Europeans' situation, such as the pooling of assets, joint support or maintenance units, or possibly some drastic role specialisation,

especially for smaller countries. All this calls for a modest but autonomous force planning unit within the Council secretariat, which we suggest should be called a Monitoring Group.<sup>20</sup>

Its role could be more than verifying the substance of the contributions pledged to the headline goal. Working closely with the EU's Military

<sup>20</sup> *There are several kinds of defence planner. Military planners wear uniforms and are either operational planners, such as those at NATO's SHAPE; or strategic planners, who set guidelines for the operational planners, and present a series of options to the relevant political authority. The EU does not intend to have its own operational planners, but will have a small group of strategic planners. There are also force planners, usually civilians, who try to balance budgetary resources with future force requirements. At present the EU does not intend to build up its own group of force planners*

Committee and its Military Staff, the group could also examine the performance and efficiency of the various national defence establishments. The results, suitably packaged into evaluations and comparisons, could have a real impact on the thinking of the governments.

Independent assessments would undoubtedly show that Germany needed to do more to restructure its armed forces, to catch up with France and Britain. But they might also highlight issues such as the shortfall in Britain's capacity to deploy combat support, for example field hospitals, and the sorry state of its battlefield communication systems. This unit could also put the spotlight on France's inability to restructure the civilian branch of its defence establishment, especially its vastly oversized armaments directorate; and on France's poor arms procurement planning, which traditionally boils down to a series of wish lists of too many programmes, stretched out over too many years, and a system which cannot choose between them.

The Monitoring Group should avoid the simplifications which stem from an over-emphasis on numerical criteria; it should rather apply qualitative judgements and always be both independent and highly professional. This unit would set down themes rather than perform the investigations itself. Investigations would fall to the member-states, volunteering in a "cross-assessment mode", so that experts from two countries would assess each others' performances in a given area. The Brussels team would then consolidate the results. There would also be a case for involving people from the member-states' defence ministries, national parliaments, think-tanks and audit offices in the assessments.

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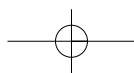
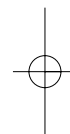
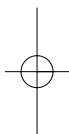
The Monitoring Group should work with national and NATO planners on proposals for improving the contributions from individual countries. The group should also suggest innovative schemes, including the pooling of assets and joint acquisitions in areas where European shortfalls have been identified.<sup>21</sup> Specifically, the sort of ideas which John Roper and Tim Garden have promoted should be explored more systematically. In particular, a joint air transport command, focused on the A400M, appears to be a distinct possibility. Similar options should be looked at by the countries involved in Eurofighter.

<sup>21</sup> See "Europe's military ambitions" by Klaus Naumann in *CER Bulletin No 9, June-July 2000*. General Naumann argues the case for pooling European military capabilities

These review mechanisms should move gradually beyond the headline goal and specific military capabilities. The process should address defence budgets and other structural aspects of national defence systems, relying on an informal, collective, mutual examination. The exchange of "best practice" would aim to promote the cause of defence reform within each EU member-state.

Finally, it may be helpful for a small group of countries to give a lead in this work. It would be unrealistic to expect all members to contribute in the same form, and to the same degree, to the peer group pressure. "Variable geometry" could play its part, with a sub-group of members developing closer co-operation on force planning and mutual evaluation, just as smaller groups have already pledged collective contributions to the headline goal. For example, Germany, France and Britain—which between them account for 65 per cent of defence spending in the EU—could develop tri-partite co-operation. The review mechanisms would have to ensure that such advanced groups spread their expertise through to all 15 members. The Council of Defence Ministers should meet regularly to monitor and drive forward the process of peer review.

All the above is a reflection of how much the tasks of security policy have changed since the end of the Cold War. These changes are bound to affect an alliance that was set up to organise collective defence.



## 5 The strategic challenge for Europe and America

For both Europe and the United States, the emergence of an autonomous European defence capability constitutes a major strategic challenge. The US has to learn to accommodate an evolving and often unwieldy partner, within the Atlantic Alliance and within its own strategic concepts. Europe has to learn to develop the mentality of the major power which she could become.

The fact that the gestation period of European defence will be—at best—lengthy makes it particularly hard for each of them to meet these challenges. The Europeans will demand to be treated as if they already had reached their aspired status, long before they have, while the Americans will be tempted to opt for a mixture of resentful unilateralism and patronising encouragement.

Both will have to learn to look beyond an alliance that was built on common perceptions of the Cold War threat, and a consensus on the appropriate response to that threat, to one which can accommodate varying notions on how security is threatened and how it should best be protected. These differences will not diminish. It is all too easily assumed that once the EU has equipped itself with the credible means for military action, it will move into line with US views and strategies.

But in fact the opposite may well be true. No doubt the humiliating experience of the Kosovo conflict, and its domination by US forces and technology, served as a catalyst for more European defence co-operation. But there is another, more subterranean yet even more powerful motive for the new emphasis on European defence: the growing sense that America and Europe no longer automatically see eye-to-eye in security matters.

This should not come as a surprise. The unifying threat of the Soviet Union faded over a decade ago, and while the traditions and mind-sets

formed by that experience survived the absence of the danger for some time, they cannot do so forever. It is the nature of today's threats that they no longer unify but divide; witness the painful differences among Europeans as well as between Europe and the United States during the early phases of the wars of Yugoslav secession. If the Kosovo crisis found them united, it was not because events in the region affected both sides of the Atlantic in the same way, or because of any intrinsic strategic value of Balkan territory, but because the governments elevated the crisis into a test for the credibility of an Alliance which they could not allow to collapse. There are not many instances when this is likely to be the case.

The new threats no longer unite because they are rarely existential for all NATO's members, and sometimes concern very few of them. In most instances, their source is geographically defined, and they will affect members which are geographically distant in very different ways—with the greatest distance provided by the Atlantic Ocean. In the new environment of limited insecurity and limited threats, the behaviour of allies is shaped less by military statistics than by cultural patterns, traditions and historical experience, coupled with specific regional interests and economic ambitions. These divergences are now coming to the fore in the Alliance, albeit still in subdued form. Three examples illustrate this change.

### *Rogue states*

Americans are worried about the threat of missile attack from "rogue states" (now officially renamed "states of concern") and are determined to set up a protective system of missile defence, even if the "rogues" are puny compared to the power and reach of the lone superpower. Europeans tend to be geographically closer to the missile-carrying members of the rogue club, and so should theoretically fear them more—yet they are less, and often not at all, concerned.

Even if the Europeans were concerned, their method of dealing with this kind of threat would be very different. They know there is no such thing as invulnerability anywhere on the old continent, and they would instead seek to defuse the threat through dialogue, *détente* and material incentives. They prefer to try and address the root causes of "rogue" behaviour, rather than to pounce on its manifestations. The idea of trying to protect the nations of Europe through investment in a missile defence system might gain support from some specialists, but few European policy-makers

and—as far as one can tell—few members of the public see the need.

### *Spending on security*

Europeans and Americans spend money on security in very different ways. The US gives priority to the hard stuff—soldiers and weapons—while cutting down on soft security instruments like development assistance and its cultural and diplomatic presence. It is precisely here that European governments invest heavily. They spend roughly 60 percent of the US defence budget on military tasks, but 400 percent of what the US spends in the soft security domain of development assistance.

This difference reflects, in part, a European reluctance to project hard power. The Americans have been right to chide their allies for this reluctance, but, as this pamphlet has argued, the EU states are showing signs of starting to overcome it. However, this difference also reflects more fundamental notions of how best to deal with insecurity. The Europeans' instinct is to appeal to the self-interest of "states of concern", rather than to frighten them; they doubt the automatic utility of military force in a crisis, however helpful it might be in specific circumstances. In other words: even where Europeans recognise the same threat as their American ally, they are more likely to doubt that it can be usefully dealt with through military power.

### *Attitudes to multilateralism*

The third example of a different security outlook is the importance Europeans and Americans attach to multilateral institutions. Europeans believe that such institutions generally offer the best approach to international order and to crisis management. Europeans believe that multilateralism enhances their influence; Americans fear that it limits theirs. This difference, of course, is partly the result of the discrepancies in power: smaller nations huddle together while superpowers call the shots. But it also represents a deep European conviction that international order in the age of globalisation can best be advanced, and crises avoided, through the extension of international rules and institutions. That explains the shock experienced by the Europeans when the US Senate refused to ratify the Comprehensive Test Ban Treaty, as well as their insistence that the Anti-Ballistic Missile treaty should not be sacrificed, as many Republicans demand, for the sake of National Missile Defence.

Of course, these different instincts and preferences already existed during the Cold War. But then the need to address the one central threat always brought the Europeans into line with their American protector. When survival is thought to be at stake, differences of instinct and mentality disappear. Now that survival is no longer at issue, these differences have tumbled into the open.

Differences need not destroy alliances. On the contrary, they may offer an opportunity for modernising and revitalising them. When the European penchant for negotiation and accommodation has run its course, the use of force becomes unavoidable. And if America wants to consolidate a military victory into the long-term stabilisation of a troubled region, it will need to use soft power as well as military dominance.

This might suggest a division of labour, with the US taking responsibility for military action and the Europeans for post-intervention stabilisation (or, as one senior European analyst put it, “the Americans make war, we do the dishes”). But these roles could scarcely be accommodated within a single alliance. Rather, Americans and Europeans need to learn from each other. Europe should (re)discover that hard power is the necessary ingredient of a credible foreign policy. And Americans need to (re)learn that confrontation is no substitute for engagement.

During this process of transatlantic cross-fertilisation, the challenge for the Europeans will be to retain the original ethos behind European integration—that it is a peaceful process based upon the self-limitation of power—while accepting the responsibility of exercising power abroad, including its military dimension. In other words, Europe should not seek to mimic the US approach—let alone American military capabilities, which would be impossible, given existing disparities—but rather, forge its own strategy and style. Europe should develop its know-how and capabilities in peacekeeping, learn to integrate the use of force with soft-power instruments, and accept confrontation when it is necessary, while recognising its limits.

For the US, the challenge is the inverse: to build increasingly on international structures as a means to contain and defuse conflict, while reserving the right to resort to military force in a crisis when there is no alternative. The Europeans are making serious efforts to redress the



balance between the hard and soft power that they can deploy; so should the Americans.

Yet the gap between the two approaches will not disappear entirely. It will be a permanent condition of the European-American alliance. NATO will have to keep on trying to promote a consensus on its members' responses to crises; but it will also have to learn to live with a greater diversity of approaches. Whether the Alliance can succeed in applying such a pluralistic attitude to the emerging EU defence policy will be a major test of its future relevance and strength.

### **Autonomy is the benchmark**

This difference of attitude is one reason why a European defence policy must be based on the principle that the EU can operate autonomously. Since transatlantic approaches to security, and the choice of means for dealing with problems, are no longer necessarily identical, it is increasingly counterproductive to insist—as the Clinton administration originally did—that any European effort should complement rather than duplicate what NATO does. If different security outlooks are to coexist in the same alliance, its philosophy must be flexibility rather than uniformity.

The second reason is that, unless autonomy is the goal, the effort to create a European defence capability is bound to be half-hearted. Europeans have for too long been accustomed to rely on the US to make up for their military deficiencies. Any defence initiative that sought only to complement US assets would not be sufficiently motivating to sustain the considerable effort that is needed to create truly modern European armed forces. Unless the European governments aspire to be able to act on their own, they are likely to go only halfway, believing that the US will make up the difference. While there is no guarantee that they will go the whole way if autonomy is the target, the chances are significantly improved.

So if the US wants to see an improvement in the overall military capacity of the Alliance, it should take the Europeans at their word. Their public commitment to an autonomous capability for other-than-existential threats (that is, those for which the NATO treaty's Article V is not relevant) should become the yardstick for measuring their success.

To the credit of the Clinton administration, this is the position it reached

at the end of its tenure: what is good for EU defence is also good for NATO defence. Originally Washington had demanded “no decoupling, no duplication, and no discrimination” (see Chapter 2). But such conditions are relevant only within the context of today's NATO. Taken literally, they would cement the present arrangements for ever. If Europe is serious about creating an independent defence capability, NATO will have to prepare to change. There will have to be a certain duplication of assets; a measure of discrimination, in the sense of keeping European NATO countries that are not in the EU at a distance from the Union's decision-making; and a degree of decoupling from the US, in conflicts which do not fall into the Article V category.

This prospect should not worry Atlanticists. Autonomy in the sense of EU countries managing a major military operation that is independent of NATO is a long way off. For the next ten years or so, any European force will have to draw on NATO and US assets, in areas such as intelligence, transport and communications. Certainly for this period, and probably for longer, the United States and other non-EU NATO members will not have to worry about an EU decision to project force to a distant theatre without their consent. Since NATO would have to authorise the release of any assets that the EU requires, the Europeans will need consenting allies; all NATO members will have a veto, and the US will have the biggest.

In the much longer run the objective of autonomy should become reality. But even then autonomy will not mean that EU members would always aim to act alone; on the contrary, such cases would be few and far between. But if the Europeans had that option they would secure a more balanced influence on whatever joint endeavour they engage in with the United States. An alliance in which the Europeans feel that they are real partners, and in which the Americans feel that they do not have to carry an unfair burden, would be the best basis for their future relationship.

So the US can remain confident that it will retain its influence on European military operations. Perhaps this confidence will make it easier for American leaders to be patient with a Europe that will claim to be an independent actor in military affairs long before it has the necessary weight. Indeed, a wise US leadership would use the long transition period to gradually adapt the Alliance, so that ultimately it can accommodate a militarily autonomous EU as an equal partner.

The EU is right to have set itself the target of mounting autonomous military operations. This is a familiar method in the history of European integration. Just like a sailor who throws a boat's anchor far ahead in order to pull himself towards it, so EU governments have the habit of fixing ambitious targets in the hope of getting there some time—and they have usually reached them. Without such boldness there would be no internal market and no common European currency today.

Hence the move towards closer defence co-operation in the EU only makes sense if the aim is ambitious. Europe's allies should not worry when the Europeans are overly ambitious, but rather, when they trim their sails.

### **The price of failure**

Of course, the greater the ambition, the greater the possibility of failure. That risk remains considerable. If the governments fail to go a good way towards meeting the headline goal, the Union will suffer more damage than if they had refrained from formulating the goal in the first place.

What would constitute failure? Not the inability to launch and complete a major, autonomous mission, of a similar scope to that of the Kosovo air campaign, for that would surprise no one. But suppose that, despite the 2003 targets, governments fail to mobilise the funds that are required to improve their capabilities; suppose that a crisis erupts and that the EU dispatches a fairly modest version of the Rapid Reaction Force, with or without the help of NATO; and then suppose that the mission fails—perhaps because of under-resourced and unmodernised forces and equipment. If the EU was perceived as responsible for the failure, the damage would be considerable.

For one thing, transatlantic relations would suffer severely. American politicians and officials have continued to sign communiqués welcoming European defence co-operation because they hope the dividend will be more military capabilities for the Alliance as a whole. Should these expectations turn into illusions, American respect for European governments, and any willingness to grant them more say in running the Alliance, would evaporate. For a long time, moreover, the Europeans would not be able to count on US support, nor even acquiescence, if they

sought to revive the idea of a European defence community. Failure in the defence field would also harm, in American eyes—but not only their eyes—respect for the EU as a major actor in international affairs.

The impact of failure on Europe's integration could be more dire still. Britain, having given the initial impetus to this EU project, could be severely tempted, regardless of the party in power, to turn its back on Europe and snuggle up to the US on matters of foreign and defence policy. More generally, a failure to develop a credible defence capability would be a huge setback for the Union as a whole—and the first time that a major project backed by all the members had collapsed. It would end, at least for a long time, the claim that the EU is something more than an economic and financial power.

Yet the magnitude of the likely damage, to the Alliance as well as to the EU, is also cause for optimism. The high cost of failure gives the governments a bigger incentive to meet the conditions for success. Indeed, as they work out the composition of the Rapid Reaction Force, analyse the necessary procurements and define a common doctrine, they are becoming ever-more deeply committed. Already, the intense preparations are forging a unity of purpose and attitude which is striking to anyone who remembers the traditional European cacophonies of even the recent past. We hope that a broad political constituency—extending far beyond defence specialists—will mobilise support for European defence and thus help to ensure the success of the headline goal.

The test of Europe's seriousness may well come sooner rather than later, if and when the United States decides to withdraw its troops from NATO's multilateral SFOR and KFOR forces in the Balkans. Many in the US Congress are only too eager to bring home American forces, a move that has become more likely under the Bush administration (During the election campaign, Bush hinted that US forces should be withdrawn from the Balkans. But he later acknowledged that any such decision ought to be agreed among NATO allies, and that allied unity was a predominant concern). An American withdrawal would force the Europeans, albeit under a NATO hat, to show what their headline goal was worth. There is not much time for Europe, therefore, to get serious.

Of course, a sudden and unilateral withdrawal of US forces from the

Balkans would constitute a major crisis for the alliance. But the departure of Milosevic means that the probability of a new military confrontation has significantly receded. Therefore both sides of the Atlantic should consider the possibility of an orderly devolution process, whereby Europeans would progressively take on more military responsibilities in the Balkans. Indeed, such a “Europeanisation” of NATO operations, to start with in Bosnia, and at some point in Kosovo, would help to demonstrate on the ground that the headline goal had been successfully implemented.

### **What’s in it for America?**

It is fairly obvious that the EU would benefit from its members creating a serious force for intervening in crises, as the first major step towards a common defence capability. The force would certainly increase the weight of the Union within and outside NATO; perhaps establish a better relationship with the US than the current, irritating one of dependence; and probably advance the Europeans’ understanding of the EU’s responsibility for promoting order, not just in Europe but also in a global context.

For the United States, the increase in Europe’s weight and sense of responsibility should be welcomed rather than resented. True, America’s role in the NATO alliance—that ingenious device through which the United States has retained, with the blessing of the European powers, an institutionalised influence over the continent—would be curtailed. NATO would have to adapt, to become a framework in which two major powers, instead of one very big and 18 smaller ones, co-ordinate—as well as differ over—policies, strategies and responses to crises. But the gains for the US of a Europe that becomes gradually more capable of looking after its own defence far outweigh the inconvenience of adaptation.

For a start, the Alliance as a whole would benefit from enhanced military capabilities, especially for European contingencies. The US could then afford to leave many of the likely instabilities in and around Europe in the care of its allies. This is already the case when it comes to most of the non-military means of promoting stability.

Successive US administrations have quite rightly regarded the actual or envisaged extension of EU membership as a major stabiliser in volatile regions. The US has pushed the Union to adopt a more active enlargement

policy towards the democracies of Central and Eastern Europe, South-Eastern Europe and even Turkey, often ignoring the genuine danger that too-rapid enlargement could undermine the Union's institutional cohesion. The Stability Pact for the Balkans, the most ambitious project to date for the political, social and economic modernisation of what has traditionally been a European backwater, is largely an EU undertaking.

The EU's defence initiative, even before it has put down firm roots, holds another advantage for US policy. The addition of defence to the informal *acquis* that would-be EU members have to endorse takes some pressure off NATO's commitment to enlarge. An EU committed to its own defence, although not offering the same formal guarantees as NATO, offers candidate countries the perspective of belonging to a genuine security community.

These points illustrate the strategic utility of European defence to the US. However, there is a more fundamental reason why America should welcome this development wholeheartedly. The United States has been the midwife of European integration. The effort to create a European Community needed and received continuous and bipartisan support from the other side of the Atlantic. The creation of a Europe not just whole and free, but also united, is the greatest success story of American foreign policy over the past century. The Union must become a fully-fledged international actor in order for that objective to be fulfilled. It cannot forever forego the responsibility of ensuring its own security. Only then will the EU qualify to be the partner that America has publicly longed for.

Still, two reservations linger on the western shore of the Atlantic. The first, rarely articulated but widely felt, is that a more weighty Europe would mean that the US would have to take greater account of European preferences; and that its margin of manoeuvre would thus be limited. However, even the leadership role that the US plays in today's Alliance does not work without the Americans paying due consideration to the views and susceptibilities of European allies. The fear that the US would find its hands tied by a more powerful Europe is greatly exaggerated. Nevertheless it is true that a more unified Europe would have to be treated with greater consideration.

The American tendency to unilateralism, more often manifest in the

Congress than in the executive branch, is in any case becoming anachronistic in the globalised world with its criss-crossing interdependencies. Both Europe and the US have an overriding interest in a functioning, resilient international regime. Only in the military field does America really retain an option for unilateral action. But political rhetoric no longer reflects political reality. While the US may enjoy the ability to undertake unilateral military interventions, its political leaders have been increasingly loath to act alone—from the Gulf to the Balkans and even to the Caribbean isle of Haiti. Unilateral action in foreign policy, whether of the military or the non-military sort, is seldom the best option, even for the last superpower.

The other, often-articulated American misgiving about the EU's defence ambitions stems from the concern that this new Europe will become inward-looking. Some Americans think that the Europeans may be just about willing to address contingencies in their near-abroad, but that they lack the ambition (as well as the wish to acquire the relevant means) to intervene in crises and re-establish order further afield. Of course there is some truth in that complaint. But the inward-looking tendency of the Europeans should not be exaggerated: when in 1999 the UN required peacekeepers for East Timor, five European countries provided troops, but America did not. Senior figures in the British government envisage deploying the Rapid Reaction Force in Africa. The Europeans currently participate in 15 UN peacekeeping missions around the world, the Americans in none.

It is true that many member-states would prefer the geographical scope of the EU's force deployment to be limited to adjacent regions. But the logic and the dynamic of EU enlargement mean that once-adjacent regions are becoming part of the EU. In other words, the parameters of Union concerns and commitments are expanding. Since the inclusion of Finland in 1995, the Union has had a 700 mile border with Russia. Once Poland, Lithuania and Slovakia join, Ukraine enters the "adjacent" category. When Cyprus, another serious candidate for membership, is included, the Union borders on the Middle East. And if, as the US is urging, Turkey should one day join, the Union will have common frontiers with Syria, Iran and Iraq!

Even if the Union's members prefer not to be dragged into now-distant

regions of turbulence, the enlargement process moves them willy-nilly towards parts of the world which the US rightly views as threats to international order and security. Inevitably, if slowly, the EU is becoming America's indispensable partner in dealing with security challenges that lie beyond Europe. That this partner should be able to contain crises and project force on its own must be in the American interest.

### **The challenge of leadership**

The emergence of a Europe that is capable of organising its own defence will require adjustments from the United States, and an evolution of the Atlantic Alliance. The main challenge, however, will be to the Europeans themselves.

This is not merely or even primarily a matter of their finding the will and the means to mount an autonomous military intervention in a crisis. The main challenge is to give direction and credibility to this capacity once it has been established. It is about leadership.

At one level, of course, EU governments are addressing this issue by setting up the various new bodies for crisis anticipation and policy co-ordination in Brussels. Elsewhere in this pamphlet, we have pointed to deficiencies in these structures which need to be remedied, and in particular to the schism between the supranational Commission and the inter-governmental Council of Ministers and its High Representative. But even if, one day, a more convincing and efficient organisation emerges, this will not in itself provide the political authority for sending a European force into harm's way, for leading it to success, and for bringing it back home.

That authority cannot come out of committees, but requires, rather, credible political leadership. One of the central dilemmas the Union faces in acquiring its new role in security policy is that none of the institutions entrusted with running the EU—neither the European Council, nor the Commission, nor the High Representative nor the General Affairs Council—can provide that leadership. These are all useful bodies for generating the means to deal with a crisis, for co-ordinating policy and for implementing decisions. But the political authority to lead, to build coalitions, to push governments to fulfill deadlines, to generate support and, if need be, take the blame for failure has to come from another source.



That source must be the nation state, the traditional source of leadership in emergencies that involve military force. If there was one dominant member of the Union, just as one country's leadership was accepted in NATO during the Cold War, it could provide that kind of leadership. However, no single European state has that kind of authority, or will ever acquire it.

That is why leadership must come from a group of member-states, a group which is able to agree on a common action, which carries authority with the others, and has credibility with the outside world. This group consists of Britain, France and Germany. Were any one of them to oppose a common action, it would destroy the cohesion and credibility of any EU military undertaking. Thus each of these three wields an effective veto. But if these three are determined to go ahead, no other member would have the clout to stop them. Each of the three commands a defence budget that is at least 50 per cent bigger than that of any other EU state.

One of the problems afflicting the development of common foreign policies has been that the large countries have tended to work outside the framework of EU institutions. They do not want those institutions—in which the smaller countries potentially have much influence—to constrain their freedom of action. Of course, the EU is more likely to achieve effective common foreign and defence policies if the big three work within the EU framework. But that will require the smaller countries to allow them to take a lead. Some smaller countries will be reluctant to do so, but others will understand that if the Union is going to integrate in a sovereignty-sensitive area such as defence, member-states with more capability must be allowed more say.

Moreover, the big three together represent a broad coalition of interests within the EU, each of them bringing different perspectives, traditions and inclinations on the use of force: Britain is more global and Atlanticist, France keener on an “autonomous” Europe and Germany embodies the virtue of the European Union as a civilian power. As a result, when these three agree, they represent a wide range of concerns among the EU membership as a whole. No other group of EU states is in that position. Therefore France, Britain and Germany represent a natural leadership group in crisis management that involves military operations.

Membership of this group, however, does not entail the power to command subordinates but rather the responsibility to lead. This is a doubly heavy responsibility. For if these three fail to agree in a crisis, Europe will in fact be opting out, while if they are united on the need to take action, Europe will be committed. They will have to learn to think for the Union as a whole, taking the concerns of other members into account. They will also have to be willing to carry the largest burden, and to take the greatest risks. They will have to exercise their leadership in an informal, transparent and inclusive manner. And if a conflict is looming, the three will have to make sure that long before the question of military intervention arises, the Union is working on a strategy for tackling the crisis with all the means at its disposal, including non-military tools. At the moment, none of the three is prepared for this unenviable, yet inevitable task.

Thus the road on which the EU members have taken their first, tentative steps will be long and arduous. They will have to meet the ambitious goals they have set themselves for 2003, put together the related equipment programmes, reform their armed forces and mobilise the necessary funds. As for relations with Europe's indispensable ally, the United States, new forms of co-operation will have to be developed within NATO.

The cumbersome decision-making machinery in Brussels will have to be reorganised, so that the Union can bring together its civilian and military resources to deal with future crises. And within the Union, the three major countries will have to assume the prime responsibility for coping with future conflicts, and the others will have to concur, if the EU is to be capable of credible action.

This, then, is Europe's military revolution. It has only just begun.

