



# Britain and France should not give up on EU defence co-operation

By Clara Marina O'Donnell

★ Faced with the sustained reluctance of many European governments to improve their armed forces, Britain and France are becoming increasingly disillusioned with EU defence co-operation and the potential for working with their neighbours.

★ But although EU defence efforts have delivered less than had been hoped, they have spurred European countries into becoming somewhat more active in defence. And at a time when turmoil is engulfing the Arab world and Washington is increasingly reluctant to carry the burden for Europe's security, limited improvements are better than none.

★ So Britain and France should stay committed to the various EU initiatives which have worked in the past. They should support Poland's efforts to develop EU battlegroups. They should get their EU partners to use the European Defence Agency to its full potential. And they should implement the concept of permanent structured co-operation in order to strengthen military capabilities.

The United Kingdom and France have spent the last 60 years encouraging their European neighbours to become more active players in defence.<sup>1</sup> During the Cold War, there was a perception in London and Paris – as well as Washington – that NATO allies were not contributing sufficiently to transatlantic security. This belief became more prominent with the collapse of the Soviet Union, as most European governments cut their defence spending and many chose not to equip their armed forces for potential post-Cold War conflicts.

<sup>1</sup> Some arguments in this paper first appeared in 'Britain's coalition government and EU defence co-operation: Undermining British interests', *International Affairs*, March 2011.

In the late 1990s, Britain and France turned to the EU in the hope that it could help strengthen European military commitments. Although France had long been a supporter of independent European defence efforts, until 1998 the UK had been keen to maintain all efforts to improve European armed forces within NATO – mostly out of concern that autonomous European military co-operation might undermine the US commitment to Europe. But the Balkan wars made the UK realise that – in the post-Cold War world – the US might not always be prepared to stabilise Europe's

neighbourhood. In addition, American policy-makers were telling their British partners in private that unless Europeans became more active in defence, NATO was not going to last. So, in the hope that the EU might help galvanise the political will for reform, the UK agreed to launch the EU's Common Security and Defence Policy (CSDP).

Over the following years, although Britain and France did not agree on all aspects of EU defence co-operation, they supported a variety of initiatives designed to develop a global strategic culture amongst their European allies, improve their military capabilities and increase the number of European troops deployed abroad. In 1999, London and Paris worked closely with their partners to set up what was known as the 'Helsinki Headline Goal', which aimed to give the EU the ability to deploy up to 60,000 troops and sustain them for a year by 2003. In 2004, Britain and France played a central role in creating the European Defence Agency (EDA), which was designed to increase the level of co-operation between armed forces and national defence industries in Europe. Both countries supported the drafting of the 2003 European Security Strategy and its 2008 update, which set out global security ambitions for the EU.

And the UK convinced its neighbours to set up rapidly deployable combat units of 1,500 troops known as EU ‘battlegroups’.

In the run up to the Lisbon treaty, London and Paris also supported the concept of permanent structured co-operation (PESCO). This innovation, which has been introduced by the treaty but remains to be implemented, is designed to allow a core group of EU members to deepen their military co-operation. To qualify for membership of the core group, countries would have to meet certain criteria which demonstrated their commitment to defence. Prior to the new treaty, Britain and France had hoped that – as had been the case with the eurozone – the pull of a core group would drive EU member-states to meet the various criteria, thereby strengthening European military capabilities.

### Much talk, little action

But many of these British and French efforts have failed to gain much traction. Despite repeated promises within both the EU and NATO to contribute more actively to global security over the last decade, many European governments have continued to cut back defence spending. They have refused to buy much of the military equipment needed to deploy their forces abroad. And they have remained unwilling to send their troops to dangerous places.

<sup>2</sup> Data based on current prices, ‘Financial and economic data relating to NATO defence’, NATO, March 2011, [http://www.nato.int/nato-static/assets/pdf/pdf\\_2011\\_03/20110309\\_PR\\_CP\\_2011\\_027.pdf](http://www.nato.int/nato-static/assets/pdf/pdf_2011_03/20110309_PR_CP_2011_027.pdf).

Officially, European members of NATO remain committed to spending at least 2 per cent of their GDP on defence. Aside from France and the UK, however, by 2008 only Bulgaria, Greece and Turkey still reached the 2 per cent benchmark.<sup>2</sup> Germany, meanwhile, only spent

1.3 per cent, while Spain only managed 1.2 per cent. Since then, the economic crisis has made the 2 per cent target even more elusive. Faced with the need to rein in public spending, governments across Europe have been introducing new, and often large, cuts to their defence budgets. Bulgaria fell below the 2 per cent threshold in 2009, and Turkey followed suit in 2010.<sup>3</sup> In addition, Italy reduced its military spending by around 7 per cent in 2009 and Spain is

<sup>3</sup> Although Albania, which joined NATO in 2009, did reach the 2 per cent target.

<sup>4</sup> James Blitz and Daniel Dombey, ‘Uncertain destination of Atlantic journey’, *Financial Times*, November 16<sup>th</sup> 2010.

<sup>5</sup> ‘France to slash defence spending’, *Agence France Presse*, July 1<sup>st</sup> 2010.

making a similar cut this year, while Germany is lowering its budget by 27 per cent by 2014.<sup>4</sup> Even Britain and France have been unable to remain immune from the need for fiscal retrenchment. Britain is reducing its military spending by over 7 per cent over four years. So far France has introduced a relatively modest cut of 3.6 per cent over three years, but additional reductions are expected to follow.<sup>5</sup>

Not only have most European members of NATO cut their military budgets to the bone, many have done little to transform their armed forces from large, immobile militaries geared to resist a Soviet invasion into agile forces capable of addressing crises across the globe. In early 2010, Karl-Heinz Kamp, from the NATO Defence College, estimated that only 3 to 5 per cent of the two million troops in Europe were deployable in combat overseas.<sup>6</sup> Within both NATO and the EU, European governments have repeatedly identified the military equipment that they need to deploy forces abroad, such as surveillance equipment – which has notably been lacking in the recent international military deployment in Libya – and large transport aircraft. But they have frequently shied away from buying it, leaving many EU and NATO targets woefully unfulfilled. The EU’s objective to deploy 60,000 people has been quietly shelved. Although EU battlegroups have been on standby since 2007, they have never been used. And according to EU and British officials, many are inadequately equipped for combat operations.

<sup>6</sup> Nick Amies, ‘NATO unity threatened by defence budget and equipment shortfalls’, *Deutsche Welle*, March 3<sup>rd</sup> 2010.

Despite numerous NATO and EU promises to rationalise defence spending through closer co-operation, European countries have continued to provide for their armed forces mostly at a national level. More than 95 per cent of all military equipment belongs to individual member-states rather than to the EU or NATO.<sup>7</sup> Many European countries have maintained their own naval and land defence industries. And in 2009, EU governments still bought 75 per cent of their military equipment alone.<sup>8</sup>

<sup>7</sup> Tomas Valasek, ‘Surviving austerity: The case for a new approach to EU military collaboration’, CER report, April 2011.

<sup>8</sup> European Defence Agency, ‘Defence data 2009’, 2010.

In response to the economic crisis, European governments have once more signed up to a variety of EU and NATO initiatives designed to facilitate cost-saving joint efforts amongst their militaries. Since last autumn, EU circles have been buzzing with talk of increasing ‘pooling and sharing’ amongst armed forces. The EU Military Committee, with the help of the EU Military Staff, has collected around 300 ideas from member-states for strengthening defence collaboration – be it in the form of joint training and exercises or sharing military equipment and logistics. The European Defence Agency is now taking the lead on this work and exploring concrete options for closer co-operation amongst European armed forces. The agency has even brought in a team of senior experts, who are visiting European capitals to help identify options for common initiatives. In NATO, the buzzword has been ‘smart defence’. NATO officials are working on a different list of about 150 areas where NATO armed forces could strengthen their joint efforts. They aim to deliver about a dozen concrete suggestions for the alliances’s summit in Chicago in May 2012. (According to NATO and EU officials, the

two organisations have been co-ordinating their efforts in an attempt to avoid any duplication.)

But despite the new buzzwords, only Britain, France and the Nordics countries have so far agreed to increase significantly co-operation between their armed forces. In November 2010, President Nicolas Sarkozy and Prime Minister David Cameron announced that their countries would create a joint expeditionary force, share aircraft carriers, collaborate on research for their nuclear deterrents, and consolidate part of their defence industries. Denmark, Finland, Iceland, Norway and Sweden have been exploring options for a variety of joint military efforts within 'NORDEFECO', a Nordic defence co-operation framework which they established in 2009. But according to both senior EU and national officials, many other European capitals still lack the appetite for defence collaborations. Although EU member-states have submitted some 300 ideas for closer co-operation to the EU, most of them are not serious proposals. And there is a significant risk that governments will simply let their armed forces deteriorate further.

Moreover, few European countries have been keen to embrace the expeditionary and robust military culture espoused by London and Paris. Most states have contributed to the NATO mission in Afghanistan since 2001. And just under 20 European NATO countries also sent troops to Iraq in 2003. But many governments have deployed only limited numbers of personnel. In addition, they have been reluctant to send their armed forces to the most violent areas. European countries have been even more averse to incur the costs and risks of conflict when deploying under the EU flag. Over the last decade, European governments have agreed to set up 24 CSDP missions – some military, others civilian – to help solve a variety of crises across the world. But many EU operations have been too short or too small to make a lasting impact on the

<sup>9</sup> 'Overview of the missions and operations of the European Union October 2011', EU external action service website, <http://consilium.europa.eu/leas/security-defence/eu-operations.aspx?lang=en>.

ground. For example, the EU has less than 200 police officers training police forces in Afghanistan.<sup>9</sup> It only has about 60 officials advising Iraqis on how to improve their judiciary and policing. And when the EU launched a mission to train Somali security forces in an attempt to stabilise Somalia, even EU officials

had to acknowledge that the mission – now made up of 121 EU soldiers – was largely a symbolic gesture.

In spring 2011, as Muammar Gaddafi used force to suppress a popular revolt against his regime, Britain and France found themselves once more struggling to convince their European partners to embark on military action. The unwillingness of many European countries to use force to protect civilians led London and Paris to set up an ad-hoc coalition. To the great surprise of the British and French governments, Germany even refused to endorse the mission's mandate at the UN Security Council. And although

European governments subsequently agreed to place the ad-hoc military operation under NATO command, London and Paris continued to struggle to get their NATO allies to take part in the operation. During the five months bombing campaign which led to Gaddafi's demise – in addition to Britain and France – Belgium, Denmark, Norway and Italy were the only European countries to drop bombs over Libya.<sup>10</sup> And more than half of European NATO countries did not provide any military support at all – this at a time when, for the first occasion in NATO's history, the US refused to play a leading role in a major operation of the alliance.

<sup>10</sup> 'NATO after Libya. A troubling victory', *The Economist*, September 3<sup>rd</sup> 2011.

### Britain walks away from CSDP, and France is not far behind

Faced with the sustained reluctance of many European countries to become more active in defence, the UK and France have been growing increasingly disillusioned with EU efforts, and their allies more broadly.

Frustrations are strongest in the UK. Even before Libya, most British policy-makers and the armed forces had concluded that many European countries would never become credible military partners and that CSDP was therefore not worth their time. British support for EU defence co-operation had already significantly waned by the time the Labour government left office in 2010. Amongst other things, the UK had decided that the European Defence Agency – which was struggling to get EU member-states to work more closely together – was a waste of money. The ministry of defence had started trying to reduce the agency's budget and refused to take part in many EDA projects. Britain had also significantly cut back its contributions to many CSDP military and civilian deployments, in the belief that the operations did not support the UK's strategic interests.

Upon gaining office in May 2010, the Conservative-led coalition discovered that Labour had left the defence budget with unfunded liabilities of around £37 billion over the next decade. The government nevertheless significantly cut back defence spending in an attempt to grapple with the economic crisis. As a result of the ministry of defence's financial troubles, the coalition has been showing an unprecedented interest in cost-saving joint military efforts. But within Europe, the British government only wants to work with France and to a lesser extent Denmark, Estonia, Norway, Turkey and the Netherlands. The former secretary of state for defence, Liam Fox, has repeatedly stated that these are the only European countries Britain now considers as willing to fight and invest in defence. In addition, the UK has a strong preference for working with them bilaterally, having concluded that large multinational initiatives are too costly and prone to delays.

Under the coalition, Britain has not become completely opposed to CSDP (which has been a relief amongst EU officials in light of the strong euroscepticism within the

Conservative party). The UK still thinks a few CSDP operations are helpful, in particular those in the Balkans and the naval mission combating piracy off the coast of Somalia. Britain also supports the EU's pooling and sharing initiatives. But London has lost all interest in implementing the concept of permanent structured co-operation. And it is thinking about leaving the EDA in 2012. Convinced like their Labour predecessors that the EDA is a waste of money, the Conservatives were keen to leave the organisation as soon as they gained office. They have only agreed to give the agency a trial period at the request of the Liberal Democrats, their junior coalition partners – and the only party in the UK which still maintains a certain interest in CSDP.

In France, policy-makers are less publicly vocal about their frustrations towards European neighbours than their British counterparts. But a growing disillusionment is palpable, and it is particularly striking in light of the entrenched support for European defence co-operation across the French political spectrum in recent decades.

There remains significant rhetorical support within Nicolas Sarkozy's government and the opposition socialists for CSDP. And in many quarters, genuine commitment can still be found, not least from the current foreign minister, Alain Juppé, and within the defence ministry. The government presented the enhancement of bilateral defence co-operation with Britain last November as supporting EU defence efforts – in stark contrast to Liam Fox who portrayed the agreement as a strictly bilateral deal. Within weeks, Paris also reaffirmed its political support for EU defence co-operation through a letter co-authored with the German and Polish authorities – referred to as the Weimar initiative – asking EU High Representative Catherine Ashton to deepen CSDP. France remains amongst the few EU member-states calling for an increase in the European Defence Agency's budget. And it remains involved in many CSDP operations. Paris even lobbied its European partners to send an EU military mission to Libya to complement NATO efforts. (Although in the end, the mission was not deployed.)

Nevertheless, French experts and officials concede that government circles in France – and President Nicolas Sarkozy in particular – are becoming increasingly sceptical about the prospect of persuading European allies to strengthen their contributions to European and global security. Many French policy-makers were deeply frustrated when EU member-states refused to strengthen CSDP in exchange for France's reintegration into NATO's strategic command in 2009. And the fall-out from Libya has significantly strengthened the perception amongst French officials that European defence co-operation is a lost cause.

### **Do not give up**

British and French exasperation towards some of their European neighbours is understandable. Moreover, as

both countries attempt to secure savings at a time of fiscal retrenchment, it makes sense for them to deepen their bilateral defence co-operation. But London and Paris would be wrong to give up completely on their European partners. Even countries which the UK and France might not consider key military partners have provided help in military operations in recent years and made some improvements to their armed forces. As mentioned earlier, Belgium has been one of the most active participants in the bombing campaign over Libya. Despite being neutral, Ireland generally has about 800 soldiers – out of military force totalling 8500 – performing well in peacekeeping operations at any one time. Dublin also provided a significant contribution to the EU military deployment to Chad in 2008. And Germany, much criticised in London for its limited contributions to global security, is using its defence cuts as an opportunity to reform its armed forces. Angela Merkel's government aims to eliminate conscription and double the number of German troops which can be deployed abroad.

Similarly, London and Paris should not give up on EU defence efforts. True, CSDP has failed to deliver many of its objectives. But it has spurred European countries into making at least some positive reforms. For example, Sweden has taken advantage of the EU battlegroup initiative to completely overhaul its armed forces so that they can be deployed abroad. EU battlegroups have also led Spain to make its forces more rapidly deployable, Finland to upgrade its transport aircraft, Poland to buy similar planes and set up a joint operations command centre and Italy to set up a joint force headquarters.

The European Defence Agency, meanwhile, has helped train helicopter pilots from various EU countries so that these could participate in military operations in Afghanistan. It has developed a laboratory for forensic research on improvised explosive devices, which deployed to Afghanistan this autumn. It has a number of other projects aimed at addressing some of the shortfalls in European military capabilities, including satellite communications, maritime surveillance and air transport. The agency has also helped to break some of the many barriers within the European defence market. Amongst other things, since 2005, the EDA has got governments to open a substantial amount of their defence procurement to competition across the EU through a voluntary code of conduct. This even paved the way for member-states to agree to an EU directive in 2008 aimed at further increasing competition within the defence sector. (Although the European Commission is responsible for liberalising the EU's single market, until 2008 it had remained broadly disengaged from the defence sector as member-states were wary of outside interference in an industry central to their national security.)

According to some British officials, even permanent structured co-operation has encouraged countries to improve their military capabilities – even though the concept introduced by the Lisbon treaty has still not

been implemented. After PESCO was first discussed during the Convention on the Future of Europe in 2002 and 2003, the lure of joining a core group played a central role in the decision of several EU member-states to field EU battlegroups. (At the time of the Constitutional treaty, member-states thought that battlegroups might be part of the qualifying criteria to join the core group.)

Although some EU missions have been too small to make a lasting impact on the ground, some have been very effective. A large EU military mission has been maintaining stability in Bosnia and Herzegovina since 2004. Another EU military deployment prevented Macedonia from sliding into chaos in 2003. And an EU naval operation is helping combat piracy in the Gulf of Aden. On the civilian side, the EU has nearly 3,000 experts helping Kosovo reform its police, judiciary and customs. A CSDP police mission has been monitoring the ceasefire in Georgia since the Russian-Georgian war of 2008 – something which Russia would never have allowed NATO to do. And another EU operation played a key role in stabilising Aceh in 2005 by monitoring the implementation of the peace agreement reached by the Indonesian government and the Free Aceh Movement.

In addition, CSDP missions have enabled certain European countries – not least the neutral states – to contribute to military operations in which they might otherwise not have engaged. EU deployments have also allowed countries with limited experience in expeditionary operations to gain valuable training.

### Wrong lessons from Libya

Furthermore, at a time when turmoil has engulfed the Arab world and Washington is increasingly reluctant to carry the burden for Europe's security, Britain and France should exploit any initiative which has succeeded in improving European military capabilities – even if those improvements have been modest.

The popular uprisings which have occurred across North Africa and the Middle East since early 2011 have created a significant opportunity for democracy to spread across the region. But they have also created a new source of instability within Europe's neighbourhood, which will have repercussions for years to come. Although Europeans are bound to tread carefully, it is possible that they may be forced to consider further military operations over the next few years, particularly if European security or energy interests were put at risk. In addition, Arab countries where regimes have been toppled might call upon the international community for help as they attempt to introduce democracy – be it in the form of peacekeepers or guidance on how to reform their armed forces and security services.

Washington's unwillingness to play a leading role in the bombing campaign in Libya suggests that there may be other times when Europeans need to take the

lead or act alone. In addition, senior US officials now publicly ask whether NATO can survive if Europeans do not halt the deterioration in their military capabilities. In June 2011, just before leaving his post as secretary of defence, Robert Gates issued a stinging critique of his European allies. He argued that while the US had been willing to make up about half of NATO military spending during the Cold War, it was unacceptable that American funds should now account for 75 per cent. Future US leaders, Gates warned, "may not consider the return on America's investment in NATO worth the cost".<sup>11</sup> Although many in the US remain committed to the transatlantic alliance, such questions will only become more frequent as the US continues to shift its main security focus to Asia and the Middle East while cutting its own defence budget over the next few years.

*11 Speech by Robert Gates on the future of NATO, Brussels, June 10<sup>th</sup> 2011.*

And although Britain and France remain the two largest defence spenders in Europe, even their armed forces are increasingly coming under strain – Britain's in particular. As a result of its involvement in Afghanistan and Libya, the British military is so stretched that it cannot intervene elsewhere. In addition, much of the military equipment that the UK has been using in Libya is due to be decommissioned as part of continuing defence cuts, raising questions about how effectively Britain would be able to conduct similar missions in the future.

### Use every trick in the book

As much as it might pain British and French policy-makers, neither country can afford to give up on its European neighbours under current circumstances. In addition to strengthening their bilateral defence co-operation, London and Paris must keep trying to limit the deterioration of their partners' armed forces. And as part of their efforts, they should keep exploiting the various EU initiatives which have managed to deliver some improvements in European military capabilities in the past. The Polish EU presidency, which began in July, may still offer opportunities to re-invigorate CSDP.

In contrast to France and the UK, Poland has become increasingly supportive of EU defence co-operation in recent years. And even though the rotating presidency has less influence on EU defence policy since the Lisbon treaty came into force, in the run-up to July, Warsaw was still keen to use its turn at the helm to strengthen CSDP. The presidency has got off to a bumpy start. Only weeks after it began, Britain opposed an effort by Warsaw to create an EU permanent operational headquarters. Poland – and several other EU member-states, including France – believes that the lack of such headquarters prevents the EU from deploying speedily. (Currently when EU member-states decide to launch a CSDP military mission, they can use NATO's command structure or one of five national headquarters which have been earmarked to conduct EU missions.) The UK

has always considered EU operational headquarters as a waste of money and a duplication of NATO structures. From the British government's perspective, the Polish suggestion was particularly unpalatable at a time of budgetary austerity. But Poland, Germany, Italy, Spain and France are still pushing for the idea. In September, they asked High Representative Ashton to explore all the options available for creating an operational headquarters, including through permanent structured co-operation. This would allow member-states to circumvent British opposition. But such a plan risks encountering significant hostility from London.

The lack of permanent operational headquarters has delayed some EU military deployments in the past. Indeed, although in theory the EU should be able to seamlessly access NATO and national command structures, in practice this has not always been the case. But the real limitations on the EU's ability to undertake military operations so far have been the lack of adequate military capabilities and political will. And at a time when European governments are introducing extensive defence spending cuts, they cannot afford to get side-tracked by debates on the less critical shortcomings of CSDP.

As a result, over the next months, Britain and France must work with Poland to refocus the EU debate on military capabilities. Britain should adopt a more constructive stance towards operational headquarters and agree to explore the matter so long as other EU countries improve their armed forces beforehand. Instead of asking EU officials to explore options for using Permanent Structured Co-operation to set up headquarters, London, Paris and Warsaw should try to use PESCO to add momentum to the EU's pooling and sharing efforts. As discussed earlier, the pull of a core defence group has managed to trigger reforms from EU ministries of defence in the past. So the UK, France and Poland should convince their EU partners to set up a core defence group based on two qualifying criteria: EU governments must have a minimum threshold of deployable forces, and they must commit to offsetting their current budget cuts through at least one joint-effort with neighbours.

In addition, Britain and France should fully support some of Warsaw's other ideas to strengthen CSDP, in particular those designed to make it easier to call upon EU battlegroups. Warsaw has notably suggested that a civilian component should be added to the combat units so that battlegroups could contribute more effectively to crises which require significant co-ordination between civilians and the military. Another welcome Polish suggestion is to encourage EU member-states which form a multinational battlegroup to keep the same formations in the future. Currently battlegroups are often made up of contributions from several EU countries. But when

the battlegroup's rotation period ends, it is often disbanded and some of the experience gained by member-states' armed forces from training together is lost. This could be avoided if EU countries kept the same partners for several battlegroup rotations.

London and Paris should also work with Warsaw to encourage member-states to use the EDA to its full potential as they explore initiatives for 'pooling and sharing'. The EDA will only be able to help EU countries identify cost-saving projects if governments engage with it – something they have often failed to do in the past. London and Paris should also encourage their neighbours to use the EDA to help them manage some of the cost-saving projects once they have been identified. In light of the complexities of large multilateral programmes, governments will be keen to pursue many pooling and sharing efforts bilaterally. But for the most expensive capabilities – such as strategic airlift – many governments will still at times need to work within wider groups. And the EDA can offer a helpful framework to launch those larger joint programmes, particularly for pieces of military equipment for which the US has limited interest in collaborating, such as some aspects of satellite communications. Britain and France should also work with their EU partners to strengthen the EDA's efforts in liberalising the European defence market.

Finally, the British and French governments should collaborate with Poland and the EU institutions to set up credible CSDP missions to assist the new governments in Tunisia, Egypt, and Libya – if requested to do so. Such assistance could take the form of advice on reforming the security services and the judicial system, or even peacekeeping. Certain member-states will balk at the prospect of deploying new EU missions at a time of budgetary austerity. But the EU has valuable experience in police training and judicial reform. And it would be a much cheaper way of upholding European security than standing back and running the risk of its southern neighbourhood drifting into chaos.

CSDP will not lead to a dramatic change in European armed forces in the near future. But over the last decade, EU defence co-operation has spurred European countries into becoming somewhat more active in defence. And at a time of significant cut-backs in military spending on both sides of the Atlantic, even modest improvements to European military capabilities will be better than none.

*Clara Marina O'Donnell is a research fellow at the Centre for European Reform and a non resident fellow at the Brookings Institution.*

*October 2011*