



CENTRE FOR EUROPEAN REFORM

working paper

European defence post-Kosovo?

Charles Grant

Charles Grant is director of the Centre for European Reform
and a former defence editor of *The Economist*

THE IMPACT OF THE WAR IN KOSOVO

The European Union has long talked about building a defence capability, but done very little about it.¹ In the first week of June 1999, however, two events gave a boost to the EU's military aspirations. At the Cologne summit EU leaders agreed on a scheme that would enable the EU to deploy military force. At the same time NATO's victory over the Serbs – after 11 weeks of bombing – created favourable circumstances for the implementation of that scheme. Yet much work remains to be done before the EU can become a credible military organisation. The point of this paper is to suggest some concrete steps which would help the EU to move towards that goal.

The past 15 years of European integration have been essentially about economics. The successive projects for a single market and then a single currency have driven the EU forwards. In the coming decades, however, the EU will to a large extent be preoccupied with the development of its external dimension. It will have to deal with challenges such as the euro's role in the world monetary system, the never-ending process of EU enlargement, the reconstruction of the Balkans and the necessity of working out special relationships with Russia and Turkey that fall short of full membership. A central task for the EU will be to achieve a more effective and coherent Common Foreign and Security Policy (CFSP), through both better institutional machinery and improved military capabilities.

Why this external emphasis? The EU's leaders know that one of its biggest failures to date has been the incoherence and ineffectiveness of its CFSP. That failing is sometimes more evident to those outside the EU than to those inside. It was Henry Kissinger who famously remarked in the 1970s that when he wanted to speak to Europe he did not know whom to call. A quarter of a century later, there is still no easy answer to that question.

The Kosovo conflict brought home to the EU's countries that many – though far from all – of their fundamental foreign policy interests are similar. All the EU's governments, and most of its public opinions, were horrified by the ethnic cleansing, worried by the floods of refugees and determined that something should be done to stop Milosevic. The governments understand that they will often have a better chance of achieving their objectives if they combine their efforts. For example, if all the member-states pursued separate and independent policies on how to restore economic and political stability to former-Yugoslavia, they would be unlikely to achieve a great deal.

Another reason for the EU's increasingly foreign focus is the combined effect of the collapse of Communism and the rise of Islamic fundamentalism over the past decade. They have helped to create a zone of instability that runs from former Yugoslavia, through Turkey to the Middle East and along the northern rim of Africa. Political and social disorder in this belt cannot but impact the EU –either through influxes of refugees, or threats to EU nationals, or TV images which demand intervention. If European governments ignore warfare, ethnic cleansing or the abuse of human rights

¹ The author would like to thank the following for their advice and comments: Gordon Adams, Gilles Andréani, Alexandra Ashbourne, Alyson Bailes, Amaya Bloch-Lainé, Steven Everts, Maurice Fraser, Nicole Gnesotto, Ben Hall, François Heisbourg, Xavier Pasco, Kori Schake, Philippe de Schouteete and Adam Thomson.

in the near vicinity of the EU, both they and the EU are likely to become discredited in the eyes of their citizens.

So the likelihood of the EU wanting to intervene in its backyard has grown. And the decline of Russian power has made such interventions more feasible. During the Cold War western intervention in the internal affairs of another country, especially one allied to the Soviet Union (such as Czechoslovakia in 1968) could have triggered a global conflict and was therefore unthinkable. But it is now perfectly possible for the West to intervene in another country's affairs for humanitarian reasons, at least in some parts of the world, as the war in Kosovo has shown. Tony Blair's speech in Chicago last April was one indication of how the world is groping towards a new doctrine of humanitarian intervention.

Another factor behind the EU's renewed efforts to build an external identity is that American attitudes have shifted. The Bush administration was generally hostile to the Europeans' military aspirations. Indeed, in an effort to thwart Franco-German efforts to give the EU a role in European defence, the Bush team intervened in 1991 with strongly-worded letters to the allies. The Clinton administration, however, has been relatively relaxed about an EU defence capability: it has concerns about some details but reckons that it would be counter-productive to oppose it in principle. The Europeans' recent defence initiative would probably not have progressed so far if the Americans had been strongly opposed.

Events in Kosovo have highlighted the EU's diplomatic and military weaknesses, which are related. An EU that was less impotent militarily would have more diplomatic clout. If the EU had been a stronger and more united entity when Yugoslavia broke up in 1991, Europe might have been spared the successive wars in Slovenia, Croatia, Bosnia and Kosovo. Tony Blair's frustration with the EU's inability to play an active role in last year's Kosovo diplomacy has spurred him to work for an EU defence capability. The NATO victory against Serbia has helped those aspiring to build such capabilities, for at least five reasons.

- The Europeans surprised themselves and the United States by maintaining a common front throughout the bombing. There were strains, but no cracks within the alliance. The French made a significant contribution to the air campaign and did not – as they have so often done over Iraq – play *cavalier seul*. The Luftwaffe took part in its first combat missions since 1945 and Germany's socialist-green coalition, despite some wobbles, maintained its support for the NATO bombing. The Italian government, which (like that of France) included communist ministers and was clearly uncomfortable with the bombing, opened its air bases to NATO bombers. Even in Greece, where almost everyone opposed the bombing, the government provided logistical support and signed up to all NATO's decisions. Alliance solidarity survived disasters such as the bombing of Kosovar refugees and the Chinese embassy in Belgrade. The fact that the Europeans did not “let down” the Americans will help to make the US relatively well disposed to the idea of European defence. The fact that European leaders – more or less – avoided public squabbles will help the Europeans to believe that they are capable of building a defence capability.
- The war highlighted the fact that, militarily, the Europeans remain largely dependent on the Americans. The EU countries spend \$140 billion a year on defence, compared with America's \$290 billion, yet possess about ten percent of America's capacity to deploy and sustain troops outside the NATO area. Of the

European nations, only Britain and France can readily deploy more than a few thousand soldiers at a distance. During the air war over Kosovo, 85 percent of the munitions delivered by NATO were American. No European country has yet managed to deploy an airborne ground surveillance system similar that carried in America's J-STARS aircraft. Britain is the only EU country with long-range cruise missiles. France is the only one with a military reconnaissance satellite. This evident imbalance between Europe and America should motivate the Europeans to spend more on the kinds of forces and weapons they will need to enhance their military capability.

- NATO works well when America provides strong and clear leadership. But such leadership was patently lacking during the Kosovo war. There were moments when the Clinton administration seemed to be more concerned about short-term shifts in opinion polls and calculations of Al Gore's electoral interests than the fundamental issue of whether the alliance would win, and therefore survive. European governments grumbled about the quality of the national security team of Madeleine Albright, Sandy Berger and William Cohen. They complained that, at times, President Clinton did not seem to be able to focus his mind on the war. The antics of the Republican party, which was deeply divided over the war, passing contradictory motions in Congress, did nothing to improve perceptions of America. The war has reminded the EU's governments that America cannot always be counted on to do what is right for the alliance (politicians and officials who were involved in the Bosnia conflict will have needed little reminding). This may encourage European leaders to put some effort into their defence initiative.
- The EU, which had attracted opprobrium for its failed efforts to prevent the outbreak of fighting in Yugoslavia in 1991, played a respectable role in the diplomacy which ended the Kosovo war. The EU's envoy, Martti Ahtisaari, helped to hammer out a common position with Victor Chernomyrdin (the Russian envoy) and Strobe Talbott (the US deputy secretary of state) that the Finnish president and Chernomyrdin could present to Milosevic. Ahtisaari's role has shown the world that the EU is not just a trading block but also an – as yet modest – diplomatic force.
- Tony Blair is one of the big winners of the Kosovo war. He was by far the most committed of any western leader to the objective of victory at any cost. As soon as he saw that an air war might not ensure victory, he argued forcefully that the option of ground troops had to be considered. This irked allies who were unenthusiastic for a ground war – including his friend Bill Clinton (with whom relations were, at times, strained). If the alliance had failed to win decisively, Blair's prestige would have suffered more than that of the other leaders. Conversely, now that the alliance has won, he is a more substantial and influential world leader than he was. He has been the prime mover of the EU's recent efforts to build a defence capability, and a stronger Blair can only boost those efforts.

SOME BACKGROUND: WHAT HAS ALREADY BEEN AGREED

Since Tony Blair first unveiled his thinking on the need to boost the EU's role in defence, at the Pörschach summit in October 1998, the Europeans have made rapid progress towards that goal – at the Franco-British summit in St Malo in December, at the NATO summit in Washington in April 1999 and at the European Council in Cologne in June.

The point of this initiative on European defence is to help the EU develop a more effective CFSP. One reason why the EU's diplomatic pronouncements carry little weight is that it cannot back them up with battalions. It is true that the EU can call upon the Western European Union (a defence club of ten EU members and a little over a hundred staff) to provide a force, but the WEU can do very little without subcontracting its work to NATO. So at present the EU cannot deploy force easily, quickly or impressively.

The essence of the new thinking is this: if there is a crisis which requires a military mission, and the Americans do not want to send troops, the Europeans should be able to use NATO to manage a task force on their behalf. The plan also allows for the possibility of the EU running “autonomous” military missions that do not involve NATO. But even the French – who like to stress the possibility of autonomous action – do not want the EU to duplicate most of the things that NATO does. That would cost too much. Though politicians will not readily admit this, one great advantage of the “St Malo initiative” for the Europeans is that it will allow them to piggy-back off NATO's strengths, and America's relatively high levels of defence spending.

The big institutional change will be a merger of the Western European Union with the EU's “second pillar”. That pillar is an inter-governmental organisation for foreign-policy co-ordination, in which the European Commission plays only a minor role. However, no one envisages that the EU will become involved in large-scale warfare on its own. The governments of the EU and the US assume that, if the Europeans faced a serious military challenge, the Europeans would want America present and America would want to be there. These EU missions are likely to be relatively modest affairs, probably involving no more than a few tens of thousands of soldiers, in support of the so-called “Petersberg” tasks, which the Amsterdam treaty defined as “humanitarian and rescue tasks, peace-keeping tasks and tasks of combat forces in crisis management, including peace-making.”

For example, one might suppose that a worsening of the Algerian civil war could necessitate an evacuation of EU citizens; the Americans would probably want to leave that task to the Europeans. Or one could imagine another mission like Operation Alba in 1997, when the Italians led a European force into Albania to quell anarchy. Or the NATO peacekeeping force in Bosnia, which now consists mainly of European troops, could become an entirely European force under the aegis of the EU. Or the creation of a confederal Cyprus might require a military force to police a new boundary, with half the troops from Turkey and half from the EU.

The St Malo declaration said that the European Union 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 Americans signed up to these principles at the Washington summit in April. NATO’s 19 nations 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.” NATO’s Council would provide for:

- “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 will be responsible for running EU-led missions] in order for him to assume fully and effectively his European responsibilities;
- And the further adaptation of NATO’s defence planning systems to incorporate more comprehensively the availability of forces for EU-led operations.”

Six weeks later, in Cologne, EU leaders agreed on a set of principles to ensure that the EU “can decide and conduct [Petersberg] operations effectively”. The EU would have strategic planners, a crisis-management centre and an intelligence gathering unit – essentially the main operating units of WEU. A “Political and Security Committee” would be established in Brussels, consisting of national representatives with political and military expertise, to manage the CFSP on a daily basis. A new EU “Military Committee” of the chiefs of staff or their deputies would give military advice to the Political and Security Committee.

The summit concluded that “our aim is to take the necessary decisions by the end of the year 2000. In that event 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 means that the EU’s neutral states will not be required to sign up to article 5 of the WEU or NATO treaties, both of which oblige the signatories to defend each other from attack. What now happens to the WEU treaty remains unclear: it may be left in existence, as a symbol of European defence aspirations, while the WEU organisation merges with the EU; or a version of it may be appended to the EU treaties as a protocol to be signed by the ten existing members of the WEU.

The Cologne 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.” The neutrals – Austria, Finland, Ireland and Sweden, which are (together with Denmark, in NATO but not the WEU) observers in rather than members of the WEU – have thus gained full membership of the EU’s defence club.

A greater problem is 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 its meetings. The Cologne summit called for “satisfactory arrangements....to ensure their fullest possible involvement in EU-led operations, building on existing consultation arrangements within the WEU.” However it will be hard to satisfy the Turks: any

form of membership of the new arrangements that seemed less strong than associate membership of the WEU would be unacceptable to them, yet no EU member wants Turkey to attend every meeting of the second pillar.

The Cologne summit took another step towards enhancing the EU's external identity by appointing Javier Solana (currently NATO's secretary-general) as the first "High Representative" or Mr CFSP. As the chief spin doctor of the EU's foreign policy, he will have a crucial role to play in shaping perceptions of the EU.

Solana and his successors in this job will require finely-tuned personal skills. The High Representative will report to the EU foreign ministers and will have to be careful not step beyond the limits they set. But he will have to be tough enough to provide some leadership to the EU governments and, when necessary, to knock heads together to encourage them to forge a common view. He will have to work with and not against the clutch of European Commissioners covering external relations, and the new NATO secretary-general. Mr CFSP will have to be capable of giving a stern warning to the leader of any non-EU country which misbehaves, for example by mistreating a minority. Therefore, as is explained below, it is important that he plays a central role in the EU's new defence arrangements.

Tony Blair has rightly stressed that the European defence initiative should be as much about boosting military capabilities as designing new architecture. Encouragingly, this British emphasis has met a favourable response from other governments. April's NATO summit agreed to a "defence capabilities initiative", while the Franco-German summit in Toulouse at the end of May stressed that Europe should acquire the necessary military means to cope with crises. At the Cologne summit the EU agreed to "the reinforcement of our capabilities in the field of intelligence, strategic transport and command and control."

Many Americans are fed up with the Europeans for, as they see it, being incapable of looking after their own security. The best way for the Europeans to convince the US to support their defence initiative is to demonstrate that it will improve their military capabilities.

The Europeans also need to give the Americans every reassurance that their defence plans are not designed to weaken NATO. To the contrary, they should strengthen NATO – by linking it more closely to the EU; by giving it a new task, that of helping the EU to sort out small-scale security problems; by eliminating the WEU, which has the potential to duplicate some of what NATO does; and, above all, by encouraging the Europeans to improve the quality of their armed forces.

BUILDING NEW INSTITUTIONS

The successive meetings at St Malo, Washington and Cologne have settled some broad principles for the future of European defence. But much work remains to be done over the next year and a half, as Europe's governments work to implement these principles. Institutional priorities should include:

An EU Council of Defence Ministers. The conclusions of the Cologne summit do not envisage a separate Council of Defence Ministers. They assume rather that defence ministers would join the foreign ministers when a crisis loomed. But the defence ministers should meet together regularly. The various defence ministries should cease to draw up their defence policies in isolation from each other. Regular meetings of defence ministers should – through a process of peer review and the exchange of best practice – discuss the size of budgets and how to spend them more effectively. Better co-operation on armaments production and export regulation also requires a Council of Defence Ministers.

An EU military staff. Evidently, the EU should not seek to duplicate the work done by NATO's military planners at SHAPE in Mons. But the EU will need its own staff to give ministers expert advice on the military plans presented by SHAPE. This staff would play a similar role to the "international military staff" at NATO's Brussels headquarters, which comments on the work of SHAPE. The EU's military staff should be based on what are today the principal operating units of the WEU – its strategic planning staff, its crisis-management centre and its intelligence-gathering cell – and should consist of about 150 people.

The High Representative should play a prominent role in defence policy as well as foreign policy. The rationale of merging the WEU and the EU is that a more integrated foreign and defence policy should be more effective. Thus "Mr CFSP" should work for the defence ministers as well as the foreign ministers. The EU's military staff should report to Mr CFSP, as will – on the diplomatic side – the new policy planning and early warning unit. If this figure is seen to represent the EU's military capability as much as its collective diplomacy, the Slobodan Milosevics of the future are more likely to listen to him.

The High Representative should chair the new Political and Security Committee. This committee will play a crucial co-ordinating role, preparing the ground for meetings of both foreign and defence ministers. The fact that this committee will be based in Brussels, consisting of officials who will meet together regularly and work as a team, should make it an effective body. It should be more like Coreper, the committee of permanent representatives to the EU, than the existing (and ineffective) Political Committee, which consists of political directors based in national capitals.

Making Mr CFSP the chair of this committee would inevitably cause some weakening of the presidency, which currently chairs EU councils and committees and rotates every six months. Some of the small countries, in particular, will oppose any diminution of the presidency's role. But the countries which are committed to strengthening the CFSP will have to face them down. The High Representative needs to be able to set the committee's agenda, so that he has the authority to do his job properly. In the long run it would also make sense for the High Representative rather than the foreign minister or defence minister of the presidency to chair ministerial

meetings; after all, the secretary-general of NATO chairs meetings of the alliance's foreign ministers.

Neutral countries must be prevented from impairing the efficiency of the new arrangements. The neutrals are right to argue that no military mission should be branded "European Union" without the consent of all its members. The fact that the neutral countries have not signed up to NATO's or the WEU's Article 5 need not be a problem, given that EU-led task forces will be concerned with peacekeeping or peacemaking rather than full-scale warfare. Each EU mission would be a "coalition of the willing" so that neutral countries – and indeed other members of the EU – will not be obliged to take part. Once a military action begins, only those countries involved would need to participate in the decision-making.

However, there is a danger that the neutral states could impair the effectiveness of the EU's defence policy. Some of them view security problems very differently to the NATO powers. Thus during the Kosovo conflict Austria refused to allow NATO warplanes to fly through its airspace, causing great inconvenience to the alliance. The danger of neutral countries – or other small nations – attempting to veto or shape EU military missions is that the larger members will simply work outside the EU framework, among themselves (as happened for much of the Bosnian war, with the "contact group").

Thus any neutral country which disapproved of a putative EU mission must be strongly encouraged to use the Amsterdam treaty's "constructive abstention" procedure, which allows a member-state to publicly dissociate itself from a CFSP decision without wielding a veto. The other countries may have to threaten to work through NATO, or on an ad hoc basis outside the EU, in order to gain the consent of neutral states.

Evidently, if a neutral takes part in a mission that NATO manages on the EU's behalf, it will have to comply with certain NATO practices and procedures. In the long run the neutrals should be encouraged to join NATO, for that would allow the EU's defence arrangements to work much more smoothly (Finland, Austria and Sweden have already signed up to NATO's Partnership for Peace programme, while Ireland is thinking about it. PfP members take part in the NATO planning process).

It would be useful to shift parts of the WEU treaty, including Article 5, into a protocol that would be attached to the EU treaties and signed by the ten members of the WEU. This would serve to remind the neutrals that if they did not take a constructive attitude to the new defence arrangements, their partners could be forced to develop some kind of "variable geometry" outside the EU's normal framework.

Turkey should be given associate membership of the EU's new defence arrangements. Finding a role for NATO's six European but non-EU members will be hard. Turkey wants to be fully involved in the EU's new defence club, but EU governments know that if too many countries join, efficiency will suffer. And they do not want Turkey to use these arrangements to get a foot inside the EU's door – a door which, as far as the Turks are concerned, has already been slammed in their face. But if the EU fails to accommodate Turkey, its already poor relations with the EU will worsen further. And the Turks could use their position in NATO to veto the use of NATO assets by the EU.

These six countries, currently associate members of the WEU, should become “associates” of the second pillar’s defence organisation. Their defence ministers should have the right to attend, but not vote at meetings of EU defence ministers. And when the EU plans or manages a military action that might involve associates, the Political and Security Committee should become a “mixed committee” that includes their representatives. Handled adroitly, such a scheme could give the Turks the confidence to believe that EU is ready for a closer relationship with them.

The European Union should be able to run military missions that do not involve NATO. The British tend to underplay this point in the St Malo declaration, subsequently endorsed by the Cologne conclusions, but the French were right to insist on it. The French imagine, for example, that the EU could task the five-nation Eurocorps (see below) or a national headquarters to manage a military mission. Some military tasks may not require the help of NATO’s planners, assets or command structures. Thus in 1997 Italy led a multinational force into Albania without the help of NATO or the WEU.

Furthermore, there may be some merit in reminding the Americans that the EU might on occasion act autonomously. This would give the Americans an incentive to ensure that NATO is supportive of the European defence capability. For if NATO was not supportive – suppose that America vetoed the use of NATO assets on an EU-led mission – the Europeans would be motivated to build up defence structures outside NATO. Another reason for allowing the Europeans to act autonomously is that – as explained below – it may encourage the Europeans to spend more on the right military capabilities.

BOOSTING MILITARY CAPABILITIES

The redesign of institutions will not suffice to give Europe an effective defence capability. It is more important to boost the effectiveness of Europe’s armed forces. Many countries recognise that Britain’s Strategic Defence Review (completed last summer) sets a valuable example: the government is shifting spending from equipment and forces designed to contain the Soviet threat (such as tanks, destroyers and the Territorial Army) towards investment in capabilities for power projection, such as roll-on roll-off ferries, transport aircraft and command and control systems.

Most of the European countries that still depend on conscription, such as Italy and Germany, can make only relatively modest contributions to EU peacekeeping or peacemaking forces. If these countries switched to smaller, more professional armies, they would have more money available to spend on the equipment that is needed to make their forces mobile.

Defence convergence criteria

In EU economic policy, governments sometimes agree to common targets and then work towards them by a process of peer review. These methods are having some success on employment, tax and budgetary policy. Similar techniques, if applied to defence, could encourage EU governments to modernise their armed forces. For instance the Germans have just begun a review of their defence policy. Peer pressure could persuade them to abandon conscription and to raise spending on equipment and R&D above its current level of 30 percent of the defence budget.

The EU's governments could improve their military capabilities by agreeing to defence convergence criteria. The June/July issue of the CER Bulletin carries an article by François Heisbourg which calls for such criteria. He proposes that each national defence budget should raise its spending on procurement and R&D to the British level, which is 40 percent of the total defence budget. All the other members spend less – Belgium, for example, is on 12 percent. He also proposes that EU governments should reduce their levels of military manpower, as a percentage of the population, to the British level of 0.3 percent (which contrasts with Greece's 1.5 percent), as an incentive for them to abandon conscription.

Heisbourg suggests a third commitment, that all governments should agree not to cut defence spending per person below current levels (France is top, with \$708 per person, and Spain bottom, with \$196). In the long run a process of peer review could encourage those which spend the least to improve their performance. Another criterion could focus on the percentage of a country's armed forces that is available for deployment outside the NATO area. The point of such criteria is that EU members sometimes find it easier to take difficult decisions for the cause of "Europe".

Revitalising the Eurocorps

If the Europeans can act "autonomously", that is through forces they can use without the permission of NATO allies, they may have an additional, political incentive to improve their capabilities. NATO currently has one relatively mobile multinational corps headquarters, the British-led Allied Command Europe Rapid Reaction Corps (ARRC). NATO would benefit from the use of a second.

Much of the Eurocorps, which consists of French, German, Spanish, Belgian and Luxembourg troops, cannot be deployed outside the NATO area. The Eurocorps is focused on heavy forces, designed to contain Soviet armour, and many of its troops are conscripts. However, the Franco-German summit at the end of May called for the reinvigoration of the Eurocorps. Hopefully the governments concerned will turn the Eurocorps into a reaction force that could operate outside the NATO area, similar to the ARRC (which managed NATO's first peacekeeping force in Bosnia). France and Germany are currently developing rapid reaction forces and could assign these to a revived Eurocorps. This purely "European" capability would be available to both the EU and NATO.

Specialised military roles?

In an ideal world, the various European countries would each specialise in the military roles, missions and capabilities at which they excel. They would trust each other to provide whatever was needed in a crisis. The British would focus on, say, special forces, nuclear-powered submarines and fighter squadrons; the Germans on tanks, engineers and diesel submarines; the French on space warfare, attack helicopters and aircraft carriers; the Dutch on minesweeping and amphibious warfare; the Czechs on nuclear, biological and chemical protection, and so on.

Such specialisation would allow the creation of more effective European armed forces and also, through economies of scale, save money. It would also facilitate the restructuring of the European defence industry: cross-border defence mergers will lead to significant savings only if each country is prepared to give up manufacturing capacity in certain technologies and to focus on its strengths (see *The European defence industry: a transatlantic future?*, published by the CER in June 1999).

But there is no realistic prospect of much specialisation, in the foreseeable future. The EU states do not yet trust each other enough to depend on their partners for key capabilities in time of war. And they would be unlikely to agree on who should give up which capabilities. The British, for example, tend to think they are the best at all forms of warfare. And what about those countries which do not excel in any area?

Common European capabilities

While specialisation of defence roles is not practical politics, it should be feasible for Europe's defence ministries to co-operate more closely to achieve economies of scale on logistics, training and equipment purchases. The money saved could be invested in new equipment that would give the EU some autonomous capabilities.

As a recent unpublished paper by John Roper and Tim Garden points out, there are precedents for saving money through the elimination of duplication. In the 1980s the NATO nations jointly bought AWACS early-warning aircraft. The four Nordic countries currently support their troops in Bosnia with a common logistics battalion. The Belgian and Dutch navies share a common headquarters. The Franco-British "air group", based at High Wycombe, encourages co-operation between the two air forces and has the potential to achieve some economies of scale. In the future it could make sense for several countries to agree on a joint medical service, or on a common maintenance unit for helicopters.

All EU member-states are woefully short of "strategic lift", the ability to shift troops and equipment by air. They should revive the project of building a "Future Large Aircraft", a medium-sized transport plane, and perhaps lower its cost by involving America's Lockheed Martin in the venture. It would also be useful for the Europeans to club together to buy ten of the huge and hugely expensive (at nearly \$200 million per plane) Boeing C-17 transporters, for a pool that would be available to EU members or to NATO. These are the only aircraft built in the West that can move tanks – and future EU reaction forces may sometimes have need of tanks. Similarly, the Europeans should think about a common fleet of aircraft for mid-flight refuelling.

European satellites

If it makes sense for the Europeans to be less dependent on America for strategic lift, the same logic also applies to the more sensitive area of strategic intelligence. France, possessing Europe's most advanced space technology, is the chief promoter of a European satellite capability. It has provided most of the money for Helios 1A (a relatively simple observation satellite with one metre resolution, already in orbit) and Helios 2 (a more sophisticated optical satellite which will include an infra-red capability for night photography) which is being built for 1.7 billion euros. Germany had taken the lead on Horus, a radar satellite that would be able look through cloud, but that project is now stalled due to lack of funds.

The French argument for European satellites is essentially political. They believe that it will be hard for Europe to develop an autonomous foreign policy so long as it lacks autonomous sources of intelligence. The French stress the diplomatic potency of satellite photos: it would be a form of deterrence to pass photos of new missile silos to the dictator who has built them.

The French complain that the US has sometimes passed them low-grade or even misleading intelligence. For example in September 1997 President Clinton launched a salvo of cruise missiles against Iraq, in retaliation for Saddam Hussein allegedly

moving a division of the Republican Guard into Iraq's Kurdish area. But France, claiming that Helios 1A photos showed the Iraqi troop movement to have been insubstantial, refused to support the American strikes.

The British can be excused for their lack of enthusiasm for European satellites: they have access to US intelligence that is not shared with other European governments. And some – though not all – of the French arguments have an anti-American flavour. But the British, and other Europeans, should think seriously about the merits of supporting the cost of a modest European satellite programme. In fact Britain is already backing Galileo, a project of the EU and the European Space Agency for a European Global Positioning System, a network of navigation satellites that would have civil and military uses.

If Europe did possess a couple of high-calibre satellites (perhaps one optical and one radar), for use in Europe and its immediate vicinity, there could be practical benefits. America currently has only about half a dozen surveillance satellites (both optical and radar) operational. If several wars broke out in other parts of the world – or if some of its satellites malfunctioned – America might be reluctant to satisfy requests to redirect satellites to European targets.

In any case, the French may be right to argue that the alliance would be healthier if one half did not depend on the other for information. Plenty of mainstream American defence analysts would agree. It is true that a clutch of European satellites would make it easier for the EU to act autonomously, without NATO's support. But these satellites would be made available to NATO and would thus augment the alliance's existing capabilities.

A more balanced transatlantic relationship

The argument against European satellites, and indeed any autonomous European capabilities or institutions, is that a lessening of European dependency will in itself weaken the Atlantic alliance. But this paper has argued, to the contrary, that a stronger, more confident Europe is good for America and good for the alliance, and that a relationship as unequal as the current one is good for neither party.

Naturally, in many EU states there will be intense resistance to the kinds of common defence capabilities proposed in this paper. No one will be thinking seriously about multinational fighter squadrons for many decades to come. However, the Europeans should think about doing more in common – starting at the “soft” end of defence – to help them find the money to invest in cutting-edge capabilities. And the Americans should welcome an EU which is militarily more capable.

June 1999