Briefing



March 2015

European defence cooperation State of play and thoughts on an EU army

SUMMARY

The recent comments by European Commission President Jean-Claude Juncker, welcoming the eventual creation of an EU army in the long run, have sparked a wide debate across European capitals and the expert community. If for some the possibility of an EU army represents an illusion that may distract EU Member States from dealing with the real issues at stake - strengthening their military capabilities, integrating defence planning and procurement and defining an overarching strategy – for others, the idea is a welcome incentive for reflection on European defence.

Conceivably prompted by the deteriorating security context just beyond Europe's borders, as well as the worsening relationship with Russia, the call for joint European armed forces comes amid a wider reassessment of European defence cooperation and the European security strategy initiated by the European Council in December 2013.

In advance of the next major debate on defence at the June 2015 European Council meeting, during which EU Heads of State or Government are expected to assess the progress achieved so far in security and defence matters, a number of ambitious proposals to advance towards more integration of European defence have been put forward.



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Background

The recent <u>comments</u> of the President of the European Commission, Jean-Claude Juncker, in which he said he would welcome the creation of an EU army, have been met with various reactions on the part of EU Member States and the expert community. If for some the prospect of a European army is nothing short of an <u>illusion</u>, others view President Juncker's comments not only as a necessary stimulus for <u>reflection</u> on Europe's ambitions and capabilities at a time marked by deteriorating security in its neighbourhood, both East and South, but also as an attempt to revive Europe's political integration through an ambitious common project.

The idea of a European army goes back to the failed project of a European Defence Community (EDC or the 'Pleven Plan', rejected by the French National Assembly in 1954), which aimed at integrating the defence of its members within a supranational project, establishing 'common institutions, common armed forces and a common budget', as well as 'common armament programmes'. The EDC would have ensured the security of its members, in the framework of the North Atlantic Treaty Organization (NATO) and based on similar collective defence provisions to NATO's Article 5. The 'European Defence Forces' would have replaced members' national armed forces, with few exceptions. Following the EDC's failure, the Western European Union was established in 1954 (based on the 1948 Brussels Treaty), ultimately incorporated in the EU framework. Security and defence were expressly included in the Common Foreign and Security Policy (CFSP) established at Maastricht, but a major impetus in the future development of a security and defence policy aiming at endowing the EU with the 'capacity for autonomous action, backed up by credible military forces (...)' was the Saint-Malo Declaration (1998) by France and the United Kingdom (UK) - the precursor of the Common Security and Defence Policy (CSDP) set out in the Lisbon Treaty.¹

The CSDP is an intergovernmental policy that covers the EU's missions and operations in third countries, as well as efforts to coordinate and improve Member States' defence capabilities. Although several possibilities for deepening defence cooperation were included in the Treaty, member States have so far chosen not to make use of them, or failed to agree on the modalities, e.g. the provisions on permanent structured cooperation (PESCO), Article 44 of the Treaty on European Union (TEU) and the EU Battlegroups (operational, but never used). The inclusion of a mutual assistance clause in the Treaty, to be invoked if any Member State is the victim of aggression on its territory, is without prejudice to NATO (reaffirmed as the foundation of the collective defence of those Member States within it).

Against the <u>background</u> of the economic crisis and declining defence budgets, the perspective of the United States (US) gradually withdrawing from European security matters, and shortfalls in key European capabilities revealing continued dependence on the US, the debate on the state of defence in Europe re-ignited to some extent in 2013, as the European Council held its first meeting in years dedicated to the topic. Despite the initiation of a series of projects mandated by the EU Heads of State or Government, including the revision of the European Security Strategy, progress has been rather slow. In <u>June 2015</u>, the European Council will assess the state of play in European defence cooperation.

The state of defence cooperation in the EU

Developments since the European Council meeting of December 2013

The December 2013 European Council <u>mandated</u> a series of actions to deepen defence cooperation, in support of a 'credible and effective CSDP' and in 'full complementarity with NATO'. The actions follow three axes – increasing the effectiveness, visibility and impact of CSDP; enhancing the development of capabilities; and strengthening Europe's defence industry – focusing, *inter alia*, on:

- Increasing support to partner countries and regional organisations, including training, advice, as well as equipment, to strengthen their capacity to manage crises;
- Improving EU rapid response capabilities, including the EU Battlegroups;
- Improving the financial aspects of EU missions and operations and their deployment;
- The development of an EU Cyber Defence Policy Framework and an EU Maritime Security Strategy;
- Encouraging further cooperation between Member States in the area of capability development, and addressing key shortfalls through a series of priority projects. Managed by the European Defence Agency (EDA), the four priority projects identified are: remotely piloted aircraft systems; air-to-air refuelling capacity; satellite communication and cyber defence. The European Council also called for a policy framework for systematic and long-term cooperation;
- Developing an integrated and competitive European Defence Technological and Industrial Base (EDTIB), including investment in defence R&D.

The European Council also mandated the High Representative (HR/VP), in cooperation with the Commission, to 'assess the impact of changes in the global environment'. In fact, this long-awaited process has now been <u>initiated</u> and should lead to the revision of the European Security Strategy in 2015 or 2016.

The Council <u>Conclusions</u> of 18 November 2014 further defined the roadmap towards the next European Council debate on defence in June 2015. With the EU Maritime Security Strategy and Action Plan both <u>agreed</u> by end-2014, the Council also adopted the EU Cyber Defence Policy Framework and the Policy Framework for systematic and long-term cooperation, and agreed the Progress Catalogue 2014 (identifying capability needs). It further tasks the HR/VP and the Commission to present:

- A report on the progress achieved in CSDP by April 2015, including on the work on increasing the <u>efficiency and competitiveness</u> of the security and defence sector (e.g. roadmap for a comprehensive EU-wide security of supply regime; Preparatory Action on CSDP-related research; support for small and medium-sized enterprises in the security and defence sector; supporting the EDTIB, etc.)
- A joint proposal by June 2015 for a policy approach for concrete implementation of the initiative to support capacity-building in partner countries;
- An Action Plan concerning the implementation of the EU's Comprehensive Approach by the end of the first quarter of 2015.

Published in February 2015, the European Defence Agency <u>annual report</u> presents the development of the aforementioned four priority projects in 2014.

In the NATO framework, the Wales <u>Summit</u> (September 2014) saw extensive commitment from European NATO states to stop the decline in defence budgets. However, the situation in European defence remains bleak. With a security context changed dramatically over the past year for Europeans, confronted with major crises at

the EU's borders and an assertive stance from Russia, the question is to what extent Member States have the political will to adjust their foreign policy and military tools to deal with the new security challenges.

Declining defence budgets

The global economic and financial crisis and austerity measures have seriously affected Member States' defence budgets. European NATO members pledged at the 2014 NATO Summit to stop the cuts in defence spending and to strive to achieve the 2% of GDP target within a decade, with 20% of defence expenditure to be used for major equipment purchases and R&D, and to improve efficiency in spending. Even so, in the EU countries accounting for 80% of EU defence spending (UK, France, Germany and Italy) defence spending has experienced long-term downward trends, in real terms. On the other hand, some Member States - in particular central and eastern European Allies, including Poland, Romania and the Baltic States, prompted by the situation in Ukraine and Russian assertiveness – have announced increases in defence spending over the coming years. Nevertheless, the smaller size of these states' economies means that growing defence expenditures, as a percentage of GDP, cannot compensate for the stagnation in defence spending of the larger economies. In 2014, among European NATO members, only Greece, Estonia and the UK met the 2% target. There are serious concerns, however, that the UK might miss this target in coming years, with large cuts becoming unavoidable: beyond 2016, a spending review - under the government to be elected in May 2015 - may reduce future spending levels below the threshold. It is assessed that only Estonia will meet the 2% threshold in 2015. Overall, defence expenditure of NATO Europe has been declining, while US defence expenditure (above 3.5% of GDP in defence spending, according to NATO estimations³) represents 73% of the defence spending of the entire Alliance. According to IHS Jane's, 'combined NATO expenditure is expected to fall in real terms from US\$869.6 billion in 2014 to US\$837.9 billion by 2020' and, by 2019, 'the alliance will fail to account for the majority of worldwide defence expenditure for the first time in its history', given that it accounted for almost two thirds of global spending in 2010.

The US has recently <u>reiterated</u> its call to European Allies to take on more security responsibilities (including through the EU's CSDP missions) and <u>warned</u> against further defence cuts in Europe. The <u>background</u> is one of defence expenditure growing in every <u>region</u> in the world except Europe and North America, and of an increasingly aggressive Russian posture (<u>Russia</u> has also announced a US\$700 billion rearmament <u>programme</u>, to increase the percentage of modern equipment across all branches of its armed forces to 70% by 2020). The US will therefore continue to pressure its European Allies to spend more on defence and to share the burden with regard to their own security, while it has taken some measures to reassure them of continued US commitment to European security.

An additional problem is that defence budgets are reduced <u>without consultation</u> between Member States, increasing imbalances, or are spent inefficiently: more than half of Member States' defence spending goes on personnel, while European investment in R&D <u>has fallen considerably</u> – according to the new European Defence Agency chief, spending on defence R&D among the 27 Member States participating in the Agency (all except Denmark) dropped by 40% over the 2006-15 period. Declining defence budgets may have serious <u>consequences</u>. A critical level will be reached when military forces and equipment are no longer credible or relevant. Key capabilities may become less available as states invest only in cheaper capabilities. Finally, insufficient

R&D investment will affect European defence industries' competitiveness and widen the technological gap with the US.

Capabilities and fragmentation of the defence market

Both Americans and Europeans criticise the shortfalls in European strategic capabilities (in particular strategic air- and sea-lift, air-to-air refuelling, intelligence, surveillance, target acquisition and reconnaissance capabilities) and the dependence on US assistance. At the same time, Member States either maintain an excess of certain military capabilities or duplicate existing equipment. Consolidation of demand through pooling and sharing initiatives, and of supply through industry measures, is seen as a means to increase efficiency in spending and avoid duplication. Nevertheless, Member States are not fully taking advantage of this potential for cooperation, due to various concerns: loss of strategic autonomy, the sensitivity of the defence sector, and reluctance to give up a strategic industrial base, seen as a matter of national prestige. As regards European military forces, uncoordinated structural reforms and budget pressure, in the view of some experts, could lead to shrinking armies, with only a few states able to maintain 'the full spectrum of capabilities' but with consequences on their forces' sustainability, and smaller states might have to give up entire capabilities. Already, some assess that European NATO members' armed forces are only partially capable of large-scale conventional operations and rapid response.

The weak coordination of European <u>defence procurement</u>, slow progress in developing joint capabilities and uncoordinated cuts in capabilities are seen as significant obstacles to the interoperability of militaries, the ability of Europeans to project power and, in the long run, even to carry out international <u>crisis management</u> missions.

Sovereignty considerations vs specialisation

Defence cooperation is mainly hindered by <u>sovereignty</u> concerns, as most Member States want to be sole deciders on this core national task. Besides the issue of trust among partners, including fear of free-riding by others, Member States also worry about procuring equipment from companies in other states and are reluctant to share sensitive information on their military technologies with their allies. <u>Specialisation</u> — with Member States each developing specific capabilities, to be used in common — although believed to lead to economies of scale, is endorsed only reluctantly by Member States concerned about becoming more dependent on their partners. Nevertheless, the preference for acting nationally has already resulted in capability gaps becoming critical, and has increased dependence on other Member States and on the US.

Frameworks for defence cooperation and (unused) provisions of the EU Treaty

Although the Treaty of Lisbon, in its provisions related to CSDP, has laid the bases for <u>'flexible cooperation'</u> in defence for those Member States wishing to advance further in this area together, these opportunities have not been taken up:

- Article 44 TEU allows the Council to 'entrust the implementation of a task to a group of Member States which are willing and have the necessary capability for such a task' – referring to a CSDP mission/operation, or possibly <u>certain tasks</u> of an operation;
- The Permanent Structured Cooperation (PESCO) provisions governed by Article 46 TEU and Protocol 10 provide the opportunity for developing 'differentiated integration' in defence among those Member States 'which fulfil the criteria and have made the commitments on military capabilities set out in the Protocol'. Open to all Member States meeting the requirements, PESCO would <u>establish</u> cooperation in

five fields: budgetary (setting objectives on the level of investment in defence); equipment (identifying military needs, pooling and sharing, and specialisation), operational (interoperability and readiness of forces), capabilities (remedying the capability gaps) and industry (participating in major equipment programmes). The European Defence Agency is involved in assessing the fulfilment of the criteria;

 The general provisions on enhanced cooperation (Article 20 TEU) allow a group of Member States to cooperate ('as a last resort') by making use of the EU's institutional framework, on matters of non-exclusive competence of the EU.

None of these options has been used by Member States in defence, due to staunch opposition by some (in particular the UK), despite some interest expressed by others (notably <u>Belgium</u>, Hungary, <u>Poland</u>, and Spain). While establishing PESCO and enhanced cooperation seem unlikely at present, <u>Article 44</u> appears to have some prospects of being used.⁶

Finally, the established rapid reaction force of the EU <u>Battlegroups</u> – operational since 2007 – has yet to be used. With the EU <u>Nordic Battlegroup</u> having started its six-month rotation in January 2015, the debate on the <u>options</u> for deploying the Battlegroups continues. Even US officials have <u>deplored</u> the lack of agreement among Member States on the deployment of these costly stand-by forces.

Some Member States have instead showed a <u>preference</u> for bilateral or 'minilateral' initiatives outside the EU framework. For some of these states, between cooperation under the currently improbable PESCO and the specific projects focused on addressing capability gaps under the EU's Pooling and Sharing and NATO's Smart Defence Initiative, there is much scope for more comprehensive and permanent frameworks for defence cooperation 'between a limited number of neighbouring states of equal size and/or with a common vision on defence' at sub-European level. Examples of such initiatives are the Nordic Defence Cooperation (Denmark, Finland, Iceland, Norway, Sweden); Benelux <u>Defence Cooperation</u>, Visegrad Group (Czech Republic, Hungary, Poland, Slovakia), British-Dutch Amphibious Force and the Baltic Defence Cooperation.8 The France-UK Lancaster House Treaties (2010) have received particular attention, as the most ambitious recent example of bilateral cooperation in matters of security and defence. The agreements provide for the creation of a Combined Joint Expeditionary Force, a joint programme for the deployment of aircraft carriers, and industrial cooperation, including cooperation in R&D (focused on satellite communications, unmanned aerial systems, naval systems and complex weapons). With the development of the A400M transport aircraft, a bilateral users group was created to cooperate on training and operational issues. In November 2014, the UK and France signed contracts for the feasibility phase for developing a combat drone (the Future Combat Air System – FCAS).

These bilateral/minilateral efforts are seen both as improving cooperation, and at the same time as undermining wider EU-level initiatives. Experts consider the track record to be mixed. To some extent, these 'variable geometry' arrangements could contribute to European integration in security and defence, as long as they are embedded in the CSDP framework and serve a wider European interest; however, the above-mentioned bilateral and minilateral cooperation efforts have largely aimed at preserving individual national interests and, based on specific projects and priorities, have not managed to attract the interest of other Member States.

In the NATO context, the 2014 Wales Summit endorsed the <u>Framework Nations Concept</u> proposed by Germany, which creates clusters of states organised around a 'framework

nation' providing the main military structure in which other states plug in their capabilities, aimed at more coordinated and systematic defence planning and policy.

The idea of an EU army: food for thought or outright illusion?

President Juncker's comments on an EU army

In an interview on 8 March 2015 with the German newspaper *Welt am Sonntag*, European Commission President, Jean-Claude Juncker, expressed <u>support</u> for the idea of a common European army. In his view, such an army would 'show the world there will never be war between the countries of the EU', would support Member States in shaping 'a common foreign and security policy, and take up Europe's leadership in the world.' Moreover, an EU army would enable Europeans to 'react credibly to any threat to peace in a country abutting on a Member State of the EU', and 'convey a clear impression to Russia that we are serious about defending European values'. Juncker also mentioned the positive effects on increasing cooperation in defence procurement and capability development, as Europe would be strengthened and not a competitor to NATO.

Juncker has been a long-time <u>proponent</u> of more defence cooperation in the EU. This is evident also from the current Commission's programme focused on ten priorities, including one on the EU as <u>a stronger global actor</u>. The <u>document</u> advocates the need for 'some integrated defence capacities' and supports the notion of Member States pooling capabilities through the establishment of PESCO; of creating more synergies in defence procurement and of joint EU missions in crisis zones carried out by willing Member States. According to the Commission, the main <u>objectives</u> for the EU in the area of defence would be to respond faster to military threats, using new EU networks for defence cooperation; as well as to set up a permanent, voluntary EU defence force, getting its resources from those Member States which choose to join. Moreover, the recent nomination of former Commissioner Michel Barnier (with wide <u>experience and interest</u> in matters of European defence) as <u>special adviser</u> to Juncker on European Defence and Security Policy has been positively viewed by advocates of developing EU defence.

Juncker's comments on an EU army have generated broad <u>debate</u> among experts, and met with mixed <u>reactions</u>. While some considered the idea unrealistic, impractical or that it was too early for the discussion, <u>others</u> welcomed it as food for thought before the European Council in June 2015, and stimulating discussion on a much needed political project to revive European integration.

EU capitals' views

According to <u>media</u> reports, with few exceptions, most Member States showed themselves rather sceptical to Juncker's ideas on an EU army, while those in central and eastern Europe seemed more preoccupied with strengthening NATO.

The **UK** Government (entering a general election campaign in which EU issues are likely to be hotly debated) immediately rejected the <u>prospects</u> of an EU army (or the EU having its own capabilities), advancing its long-standing position that defence is a national responsibility. This appears to be a shared approach in the UK, as <u>Labour</u> (the current opposition) representatives would support greater cooperation between Member States in defence, particularly in the context of an assertive Russia, but not an EU army. On the other hand, **Germany** seemed to welcome the idea: Defence Minister Ursula von der Leyen was prompt in <u>supporting</u> the perspective of a European army,

based on the necessary 'interweaving of armies', in the long run, followed by Chancellor Angela Merkel who also <u>seemed</u> to back the idea as a long-term outlook. <u>Representatives</u> of the main political parties in Germany also backed the prospects of an EU army, as a vision whose time had come and as a necessary impetus for practical measures in advancing European defence. Establishing a European army even figures as a long-term goal in the 2013 <u>coalition agreement</u> of the German Government.⁹

France has not made any official <u>reaction</u>; French <u>analysts</u> however suggested above all that the idea was an illusion, despite the country's long-standing vision of a stronger Europe in defence. **Austrian** <u>reactions</u> from various political representatives have also been mixed. While rejected by Defence Minister Klug as incompatible with Austria's neutral status or considered by others as premature, the idea of an EU army also elicited positive reactions from some Austrian politicians. They pointed to the savings that increased coordination of Member States' defence policies could bring, and believe Austria could benefit from supporting greater 'communitisation' of the EU's foreign and security policy, leading ultimately to a common European defence.

Poland's Foreign Minister <u>commented</u> that the EU army proposal was a 'very risky idea', stressing that the focus of Europeans should be on strengthening NATO, which remains ultimately the 'guarantee of a secure Europe'. Other Polish officials <u>called</u> the EU army an 'impractical dream', as such an army would need first of all a politically integrated Europe as decision-maker. Among the **Baltic States, Latvia** also voiced scepticism over the idea, warning against any duplication with NATO. **Estonian** Defence Minister Sven Mikser, on the other hand, found the idea of an EU army 'interesting, but very fresh'. With largely overlapping [European] membership, NATO and the EU should advance together in matters of defence; nevertheless, from an Estonian viewpoint, EU defence cooperation and policy still needs improving. **Lithuanian** officials have not taken a clear <u>position</u>, awaiting more details, although a certain openness to discussing the idea was apparent, as long as it does not compete with NATO.

Finland's position on an EU army was not unanimous. The Finnish Foreign Minister considered the idea unrealistic for the time being, although welcomed the debate on the issue, as Finland supported a common EU security policy. Conversely, Finnish President Sauli Niinistö and Defence Minister Carl Haglund both expressed support for the creation of a joint EU army that could provide added value if followed by Member States. Not a member of NATO but cooperating closely with the Alliance, Finland has constantly highlighted the importance of the EU as a security community, including the Lisbon Treaty's mutual defence clause, and supported the development of CSDP.

NATO and Russian reactions

Following Juncker's remarks, **NATO** Secretary-General Jens Stoltenberg <u>warned</u> against duplication of efforts between the EU and NATO, while welcoming more European investment in defence.

The comments regarding a potential EU army also found echo in **Russia**. Russian Deputy Foreign Minister Aleksei Meshkov <u>stated</u> (somwehat ironically) that Moscow was awaiting an explanation of what Juncker meant. Media representatives advanced the <u>argument</u> that Juncker's remarks were not necessarily prompted by the current situation in Ukraine and the deterioration in the EU-Russia relations, but could be interpreted as a call for a more independent EU foreign policy, while Germany's support could be seen as a 'declaration of intent' for strengthening its leadership in Europe. Others <u>assessed</u> that Russia should be pleased with the idea of a unified EU army, as

this might weaken the transatlantic link, while others wondered who was really targeted by the EU army proposal – Russia or the US.

Expert considerations/reflections

The idea of a joint EU army has also <u>divided</u> the expert community: from illusion to necessary political project, arguments have abounded following Juncker's remarks.

Experts at Carnegie Europe have labelled the plan for creating an EU army as a hopeless illusion (although Juncker's proposal could be welcomed as an increased awareness of the emerging threat in the EU's neighbourhood): even if Europe aspired to more strategic autonomy, a joint army in their opinion would not be very useful in bringing about independence for the EU from Washington, as the nuclear security guarantee would make it necessary for any EU conventional force to be embedded in NATO and US defence planning. In their view, Europeans would be better served focusing on the real security issues: how to make collective defence, under NATO's Article 5 a credible deterrent and to improve their military capabilities.

Still on the critical side, other specialists in defence issues urged taking into account the strategic and political realities (i.e. NATO already defends European territory and national militaries are the ultimate expression of national sovereignty) trumping the federalist and efficiency arguments. In their view, the only realistic option is that Member States strengthen their military capabilities and intensify their military cooperation in the EU and NATO framework, work towards integrating military planning and procurement and be ready to answer the real question - whether Member States would agree on the use of robust military force if necessary. The emergence of various crises in the EU's neighbourhood might prompt a convergence of European thinking, but an EU army would be a difficult project to put into practice, unless the supranational project of a federalist EU happened first. On the other side, some point to the decrease in European capabilities prompting growing interdependence among Member States and the need for multilateral structures for the success of military operations. Against this background, they assess that the EU would soon be left, unintentionally, with only one weak army, unless Member States start developing a stronger multinational structure by design.

Taking a more **positive** view, some experts consider that the gradual project of creating an EU army cannot be entirely rejected, if sovereignty in post-modern terms could apply to multilateral frameworks; while for others the main obstacle towards the creation of an EU army is the lack of political will from Member State leaders. In <u>another assessment</u> of Juncker's comments, the idea of an EU army is viewed as a (long-term) essential political project for the EU, justified by the deteriorating security conditions in the neighbourhood, budget cuts and restructured armies and the need for Europeans to stay credible in ensuring the security of their citizens. Moreover, the perspective of a joint army is set clearly within a federal project for the EU and Juncker's words could be interpreted as trying to reactivate the efforts towards building a political union. Essentially, in the short term, President Juncker's proposal will stimulate reflection on defence ahead of the European Council in June 2015, and should also be considered a <u>'thought-provoking political message'</u> to motivate the wider debate on the EU's role in the world.

The European Parliament

The EP has long supported the development of a strong CSDP and defence cooperation among Member States and in the NATO framework. In its March 2015 resolution on the annual report on CFSP, the EP stressed the importance of adequate defence capabilities and an effective CSDP for the credibility of the EU's foreign policy, and called for more synergies in this respect; underlined the necessity of developing the CSDP in cooperation with NATO, as well as the need to make use of the potential for cooperation set out in the Lisbon Treaty. The EP also called for ambitious decisions on defence at the June 2015 European Council summit. Additionally, the motion for resolution on the EU's CSDP adopted on 10 March 2015 by the Committee on Foreign Affairs (due to be voted in plenary in May 2015) calls for a security strategy enabling the EU to tackle the new security challenges, and for progress in endowing the EU with the necessary capabilities to manage crises. On the proposal for an EU army, EP President Martin Schulz commented the EU needed a Common Foreign and Security Policy, and combining military forces could be a way of reducing military spending.

Looking forward: two proposals for more European defence cooperation

'More Union in European Defence' Report

A recently published <u>report</u> of the Centre for European Policy Studies task force, chaired by Javier Solana (former EU High Representative for CFSP and former NATO Secretary-General), advances the idea of a 'new integrative process' in the field of EU security in defence, based on greater strategic convergence between Member States and a more suitable model of governance evolving from the CSDP, to ensure the EU's autonomy as 'a security provider in its neighbourhood and beyond'. The report labels the proposed framework 'the European Defence Union', built on 'a unified strategic process, more effective institutions, an array of more integrated and interoperable armed forces, a common budget and a single and competitive defence market'. The recommendations are grouped in three clusters, dealing with the strategic upgrade and definition of the EU's level of ambition; the reform of the institutions, procedures and financing mechanisms; and the development of capabilities and industrial harmonisation.

Report of the French Senate

In 2013, the Foreign Affairs, Defence and Armed Forces Committee of the French Senate debated a report on European defence, which puts forward a series of ambitious recommendations for the short, medium and long terms. Alongside the call for developing key capabilities by joining up the efforts of Member States, strengthening the operational aspects of CSDP missions and operations, increasing the interoperability of European armed forces, developing the EDTIB and defining the strategic aspects of further integration in defence through a new European security strategy, including a specific strategy towards Russia, the report suggests some innovative solutions for the relaunch of European defence. Among these, establishing PESCO in the field of capabilities, creating the post of a European Minister for Defence in the long run, distinct from the post of HR/VP and, most significantly, the creation of a Eurogroup for Defence – established in a first stage outside the EU institutions – based on the idea of 'variable geometry'. The Eurogroup for defence would assume three main objectives: ensuring an autonomous military capacity for interventions outside EU territory; enabling Europeans to share the burden within NATO; and empowering Europeans to move gradually towards an 'authentic integrated European collective defence', capable of ensuring the defence of its own territory, based on the mutual defence and solidarity clauses included in the EU Treaties.

Main references

La défense européenne revisitée/ Politique étrangère, 2015/1, 244 p.

More Union in European Defence/ Blockmans S., Faleg G., CEPS, 2015, 34 p.

<u>Pour en finir avec 'l'Europe de la défense'</u>/ Rapport d'information de la commission des affaires étrangères, de la défense et des forces armées, French Senate, July 2013.

Endnotes

- ¹ The EU Common Security and Defence Policy / Koutrakos P., Oxford University Press, 2013, 368 p., pp. 5-21.
- ² According to IHS Jane's, Turkey <u>announced</u> in November 2014 that it will raise its defence budget from 1.74% to 2% of GDP, in line with its NATO commitment. Turkey's defence budget for 2015 has been increased in nominal terms, but in real terms it is still lower than the 2014 budget for the Ministry of Defence. Moreover, despite a planned large increase in the next two years of around 7% annually in nominal terms, Turkey's defence budget will grow at a lower rate in real terms at around 0.8%.
- ³ Alternatively, <u>based</u> on US Department of Defense (DoD) calculations, US defence expenditure as percentage of GDP is estimated at 3.37% in 2014. For the request regarding the DoD budget for the FY 2016, see here.
- ⁴ The US has also been <u>reducing</u> its military spending since 2010 (more recently at a slower pace) to note among others, decreases in its <u>Overseas Contingencies Operations</u> (OCO) funding to <u>account</u> for the withdrawal from Iraq and Afghanistan. However, the US remains the top military spender globally (36.7% of global expenditure).
- ⁵ According to <u>The Military Balance 2015</u>, the US besides conducting a number of exercises in the Black Sea, the Baltic States and Poland adopted a US\$ 1 billion-worth European Reassurance Initiative to fund increased exercise and training activities, as well as increased rotational presence in eastern Europe, pre-positioning equipment and supporting capacity-building programmes; however, the US will not station more troops permanently in Europe.
- ⁶ See also the <u>contribution</u> of the Council's Legal Service on article 44, of January 2015.
- ⁷ Recently, the Benelux countries <u>signed</u> a treaty to allow for the joint surveillance of their respective airspaces.
- ⁸ Another mechanism is the <u>Weimar</u> (France, Germany, Poland) or the <u>Weimar+</u> (with Italy and Spain) cooperation on foreign affairs and defence; in 2014, a <u>German-Dutch</u> rapid intervention unit was created, specialised in airborne and airmobile operations (Division Schnelle Kräfte) and in March 2015 it was <u>announced</u> that the Polish and German armies would increase cooperation, with one Polish battalion being placed under German command and vice-versa.
- ⁹ In February 2015, the German Foreign Ministry <u>concluded</u> a year-long consultation and review process of Germany's foreign policy tenets.

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