Europe of Defence?
Views on the future of defence cooperation

SUMMARY
Against the backdrop of growing security challenges, the debate regarding the future of European defence cooperation has grown in relevance. While the Lisbon Treaty introduced significant possibilities with regard to the future of EU defence policy, and while there has been consistent EU Member State public support for further cooperation in this area, progress has been slow. The impact of the economic crisis on defence budgets, fears concerning the effects of more integration on national defence industries and various political considerations are some of the reasons that have been given to explain the reluctance to move towards closer cooperation in defence until now.

In early 2015, comments by European Commission President Jean-Claude Juncker regarding the possibility for the creation of an EU army sparked a wide debate among experts and political elites. In June 2015, the European Council concluded that work would continue on a more effective Common Security and Defence Policy (CSDP), on the further development of civilian and military capabilities, and on the strengthening of Europe's defence industry. A revamped role for the EU in defence is an important part of the EU Global Strategy presented to Member States at the European Council in June 2016. Individual Member States have also taken the lead in the proposals on how to move ahead, suggesting that the momentum is there on many fronts. The European Parliament has been a longstanding advocate of a stronger and more effective CSDP.

This briefing complements an earlier briefing, European defence cooperation: State of play and thoughts on an EU army, published in March 2015.

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**European defence in a changing security environment**

The past decade has been marked by undisputable and challenging shifts in the European Union's security environment. Evolving security challenges, such as the rise of global terrorism, Russian aggression in the east, the implications of civil war in Syria, the proliferation of cyber-attacks and of weapons of mass destruction and the emergence of hybrid warfare, grow not only in number but also in complexity. Emerging global actors, such as Russia, China and India, have increasingly boosted their defence spending (see Figure 1) and upgraded their military capabilities. At the same time and largely due to the effects of the economic and financial crisis, defence spending in the EU-28 experienced a significant fall for almost a decade and only rose for the first time by 2.3% in 2014, according to the latest data from the European Defence Agency's (EDA) *Defence Data 2015*.

The reconciliation of the need for a stronger and more capable EU in defence on the one hand, with the constraints posed upon national budgets, on the other, has been an issue of concern in recent years. Numerous studies have pointed to duplication, lack of interoperability and insufficient collaboration in EU-level defence research as sources of relative inefficiency in European defence. According to the *European Political Strategy Centre*, these, among other reasons, appear to explain why in spite of being the world's second-largest military spender, the EU is far from being the second-largest military power.

The debate on the state of defence in Europe was initially reignited by the European Council in 2013, which mandated a series of actions to deepen defence cooperation. The Council requested the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission (HR/VP), in cooperation with the Commission, to assess the impact that changes in the global environment have had on security. In June 2015, the European Council acknowledged the dramatic change in Europe’s security environment and committed to the continuation of work ‘on a more effective, visible and result-oriented CSDP, the further development of both civilian and military capabilities, and the strengthening of Europe's defence industry, including SMEs’. It also tasked the HR/VP with continuing ‘the process of strategic reflection with a view to preparing an EU global strategy on foreign and security policy in close cooperation with Member States, to be submitted to the European Council by June 2016’.

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**Figure 1 – Shifts in global military power**

Data source: *European Political Strategy Centre*, 2015.
Against this backdrop, calls for deeper cooperation and integration in the field of security and defence – both from the expert community and from national capitals – have increased in number. Interestingly, according to Eurobarometer polls in 2014, popular support for more EU intervention in this area is also rather high, with almost two thirds of EU citizens in favour of 'more Europe' in security and defence, in spite of the fact that decisions on security and defence policy are, most of the time, taken by the EU-28's national governments and usually without public scrutiny\(^2\) (Figure 2). In a more recent survey by the Pew Research Centre, 74% of EU citizens polled responded that they thought the EU should play a more active role in world affairs than it does today.

**Background: evolution and state of the CSDP**

**Origins**

The idea of European defence is not a recent one. In many ways, it pre-dates initiatives that have gone much further in terms of integration and institutionalisation, such as Economic and Monetary Union and the Schengen Agreement. Proposals to move towards common defence appeared as early as the 1950s. In 1950, French Prime Minister René Pleven proposed a plan for far-reaching defence integration, including the setting up of a European army and the appointment of a European minister of defence. After two years of negotiations, all six members of the then European Coal and Steel Community signed the Treaty establishing the European Defence Community, envisaging a common European army with 40 divisions of 13 000 soldiers in a common uniform, a common budget, joint military procurement and common institutions. In 1954, however, after ratification by the Benelux countries and Germany, the project encountered a political impasse in France, effectively putting a long halt to the idea of a common European defence.

The foundations of the existing framework for defence cooperation were laid in the Maastricht Treaty of 1993 with the introduction of the pillar structure, and in the Amsterdam Treaty of 1998, which stated in its Article 17 that ‘the Common Foreign and Security Policy shall include all questions relating to the security of the Union, including the progressive framing of a common defence policy’, and incorporated the Petersberg tasks into the Treaty. The Helsinki Summit of 1999 equipped the CSDP with military capabilities and forces. In effect, the Member States agreed to cooperate in order to achieve by 2003 the ability to deploy rapidly and sustain forces capable of the full range of Petersberg tasks, including the most demanding, in operations up to corps level (up to 15 brigades or 50 000–60 000 persons). These forces should be militarily self-sustaining with the necessary command, control and intelligence capabilities, logistics, other
combat support services and additionally, as appropriate, air and naval elements. So far, the full spectrum of the Petersburg tasks has not been put into action.

**The CSDP in the Lisbon Treaty**

The current legal framework for the CSDP is laid down in Title V of the Treaty on European Union (TEU) as amended in Lisbon in 2007, as well as in Protocols 10 and 11 and Declarations 13 and 14 on CFSP. The most important defence-related changes introduced in Lisbon include: the creation of a framework for Permanent Structured Cooperation (Articles 42(6) and 46 TEU and Protocol 10), the introduction of a mutual assistance (or defence) clause (Article 42(7) TEU) and a solidarity clause (Article 222 TFEU), enhanced cooperation (Article 20 TEU), and the expansion of the Petersburg tasks (Article 43 TEU). The Treaty also stipulates that the European Defence Agency (EDA) shall contribute to a regular assessment of the Member States’ contributions.

The EDA is an intergovernmental agency of the European Council. It has 27 members – all EU Member States except Denmark. It was founded in 2004 with a mission 'to support the Member States and the Council in their effort to improve European defence capabilities (…)’ following the 2003 European Council in Thessaloniki which tasked the appropriate bodies of the Council to create an intergovernmental agency which would aim at 'developing defence capabilities in the field of crisis management, promoting and enhancing European armaments cooperation, strengthening the European defence industrial and technological base, and creating a competitive European defence equipment market, as well as promoting, in liaison with the Community's research activities where appropriate, research aimed at leadership in strategic technologies for future defence and security capabilities, thereby strengthening Europe's industrial potential in this domain’. The EDAs most recent programmes include: the four capability programmes (air-to-air refuelling, cyber defence, remotely piloted aircraft systems and governmental satellite communications); incentives for defence cooperation (mainly a VAT exemption for EDA projects), barter mechanisms and hybrid warfare. Future cooperative programmes recently approved by EU ministers of defence include a deployable bio-laboratory, Medevac and anti-tank weapons. The EDA is working closely with the Commission on the Preparatory Action on defence-related research and on facilitating access to EU instruments and funds for European companies working on dual-use technologies.

In spite of the significant reforms, defence cooperation remains the sole competence of the individual Member States and CSDP continues to be conducted within an intergovernmental framework, as an integral part of the Common Foreign and Security Policy (CFSP). Decisions in the European Council or the Council are taken by unanimity (Articles 31 and 42 TEU), although qualified majority voting (QMV) may be applied to specific cases, based on Articles 31, 45(2) and 46 TEU. The Parliament is consulted on and informed of CSDP developments, with the specification that its views are to be 'duly taken into consideration' (Article 36 TEU).

Except for the mutual assistance clause, invoked for the first time in November 2015, the other new mechanisms have not yet been implemented. Parliament has repeatedly called for implementation of the Lisbon Treaty CSDP provisions.
The permanent structured cooperation mechanism (PESCO)
The permanent structured cooperation mechanism (PESCO) (Articles 42(6) and 46 TEU, and Protocol No 10) is a CSDP flexibility mechanism introduced by the Treaty of Lisbon. It is aimed at allowing those Member States which have the necessary military capabilities and 'have made more binding commitments to one another', to increase their defence cooperation. Member States wishing to establish PESCO have to notify their intentions to the Council and the HR/VP, provided they meet the capabilities and operational criteria set out in the Lisbon Treaty. The decision to establish permanent structured cooperation belongs to the Council, after consulting with the HR/VP, and has to be taken by QMV. On the other hand, decisions relating to previously established permanent structured cooperation are taken unanimously by the participating Member States. Decisions on Member States joining PESCO, once it has been established, are taken by QMV among the Member States already participating in the mechanism (Article 46(3) TEU), as are decisions to suspend a Member State from PESCO (Article 46(4) TEU). The same procedure applies if a Member State decides to leave the mechanism (Article 46(5) TEU). Analysts have identified five core areas for cooperation, all grounded in the provisions of Protocol No 10: financing, equipment, operational, capabilities, and defence industry. Experts recognise PESCO's potential to strengthen defence cooperation but underline that it is difficult to evaluate its impact on European defence for as long as Member States have not implemented this Treaty clause. The European Council has repeatedly urged Member States to strengthen cooperation in all of the above-mentioned areas. Discussions were held at political level in 2010, but at an informal meeting in Belgium later that year, ministers of defence decided not to proceed with the activation of the mechanism. Several Member States have expressed interest in PESCO but until now no political agreement has been reached in order to establish it.

The mutual assistance and solidarity clauses
The Treaty of Lisbon equipped the EU with two provisions aimed at improving its response to disasters and military aggression. Included in 2009 into EU primary law by the Lisbon Treaty under the specific provisions on the CSDP, the EU mutual assistance clause or mutual defence clause (Article 42.7 TEU) states that 'if a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 [the right to self-defence] of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States'. The clause includes a caveat that 'commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organization, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation'. It was invoked for the first time by France on 17 November 2015, following the terrorist attacks in Paris. During the Foreign Affairs Council meeting (defence ministers) which followed, France's request for assistance was received with the unanimous support and commitment of all EU Defence Ministers to that effect. The solidarity clause, introduced by Article 222 of the Treaty on the Functioning of the European Union (TFEU), states that 'the Union and its Member States shall act jointly in a spirit of solidarity if an EU Member State is the object of a terrorist attack or the victim of a natural or man-made disaster' (Article 222 TFEU). In 2014, the EU adopted a decision laying down the rules and procedures for the operation of the solidarity clause.
**Enhanced cooperation**

The enhanced cooperation mechanism (Article 20.2 TEU) has been used in areas other than the CFSP so far. The Lisbon Treaty expands its coverage to the whole of CSDP. It refers to a measure of last resort, applicable only if the Council determines that a desirable objective cannot be achieved by the Union as a whole ‘within a reasonable period’, allowing a minimum of nine Member States to proceed with a decision pertaining to an area of the EU’s non-exclusive competences. In addition, Articles 42(5) and 44 TEU create the possibility for the Council of the EU to entrust the execution of a CSDP task within the Union framework to a group of Member States that are willing and have the necessary capability. In association with the HR/VP, those Member States agree amongst themselves on the management of the task. The Lisbon Treaty provisions enhance flexibility regarding the execution of CSDP tasks, as decisions regarding the ‘management of a task’ can be taken by a group of Member States (and the HR/VP) instead of by unanimity in the Council.

**Expansion of the Petersberg tasks**

The Lisbon Treaty extends the scope and range of the Petersberg tasks to include ‘joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories.’ (Article 43.1 TEU). Apart from the full spectrum of the Petersburg tasks never having been applied, the EU Battlegroups, in full operational capacity since 2007, have never been deployed either.

**Developments since the Lisbon Treaty**

The delays in the implementation of the provision laid down in the Lisbon Treaty and concerns about the future of European defence were given strong attention in 2013. The concerns were further aggravated by the economic and financial crisis, which led to declining EU Member State defence budgets and coincided with the United States’ rebalancing to the Asia Pacific and its gradual withdrawal from European security. A growing awareness of the shortfalls in EU defence capabilities, the fragmentation of the EU defence market and its high dependence on the transatlantic ally led to the decision to refocus on defence, as highlighted in Catherine Ashton’s Final Report by the High Representative/Head of the EDA on the Common Security and Defence Policy of October 2013. In December 2013, the European Council mandated a series of projects concerning three strands of action: 1) improving the effectiveness, visibility and impact of the CSDP; (2) enhancing the development of capabilities; and (3) strengthening the European Defence Technological and Industrial Base (EDTIB). It also identified a number of deadlines that were met in 2014, such as the EU Cyber Defence Policy Framework and the EU Maritime Security Strategy.

In spite of this progress, in June 2015 the European Council recalled that greater effort was needed to improve capabilities development as well as the defence market and industry. It also asked the HR/VP to prepare an EU global strategy on foreign and security policy by June 2016. On assuming the EU Presidency in the first semester of 2016, the Netherlands announced that it would explore the benefits of a European Defence White Paper or similar document to identify EU military capability needs. The European Council in June 2016 called for further enhancement of the EU-NATO relationship, ‘in light of our [EU and NATO’s] common aims and values and given unprecedented challenges from the South and East’. The President of the European Council and the President of the European
Commission are expected to issue a declaration together with the NATO Secretary General at the [Warsaw NATO Summit in July 2016](#).

**Current Challenges**

According to a June 2015 [strategic note](#) by the European Political Strategy Centre (EPSC), one of the main external policy challenges to be addressed is linked to capabilities development as well as to the defence market and industry. This challenge could be addressed by putting together more collaborative projects which could help overcome existing domestic budgetary constraints and provide timely and rapidly deployable capabilities. A *defence industrial strategy* could offer a structured framework for increased cooperation in the defence industry. More specifically, the existing challenges refer to the following issues.

**Accomplishing the internal market for defence and security**

The EU has the world's second-most developed defence industry after the USA. The European arms industry is nevertheless very fragmented and linked to national procurement priorities and markets. As a consequence, opening up defence procurement is an ongoing challenge for the EU. The European defence sector is characterised by persistent fragmentation (80% of national contracts are awarded nationally) with unnecessary duplication of capabilities (the EU has 19 types of armoured infantry fighting vehicles while the USA has one), organisations and expenditure. This problem is further aggravated by a shrinkage in national defence budgets and a major reduction in defence research and development (R&D) investment (around 20% over the past six years) on which the future competitiveness of the industry as well as its autonomy depends. There is also a growing blurring of the dividing line between defence and security, as the defence sector increasingly relies on civil technologies and products, while at EU level, there are many challenges on the way to a more comprehensive approach towards developing more joined-up policy-making for both sectors. In this context, a strong, competitive, and innovative European Defence Technological and Industrial Base (EDTIB) needs more defence cooperation, a more efficient internal market, more robust security of supply guarantees, competitive and integrated supply chains supported by efficient defence and dual-use export controls, and support to research and innovation. Today, the legal cornerstone of the European defence market are the two Directives – on [defence and security procurement](#) (2009/81) and on [transfers of defence-related products](#) (2009/43).

**Defence research, development and technology**

Scientific and technological innovations lie at the core of contemporary security and defence capacities. Yet, R&D expenditure in the EU has declined between 2009 and 2015. In order to encourage European investment in defence, including R&D, the Commission has put forward a proposal for a Preparatory Action for CSDP-related research, which could be launched in 2017 (following the recommendation of the Group of Personalities set up to this effect and consultations with Member States), with the objective of paving the way for a CSDP-related research programme to be included in the next Multiannual Financial Framework (as of 2021).

The Commission is supporting dual-use research and ensuring synergies between the Horizon 2020's security research component and the EDA research agenda, including through solving issues relating to intellectual property rights and promoting the development of key enabling technologies (such as nanotechnology and biotechnology).
Declining budgets and defence financing
According to the EDA defence data portal, only in 2014 did the total defence expenditure of the EDA Member States increase by 2.3% from €190 billion to €195 billion, compared to the previous year. This came after a continuous six-year decline which started in 2008 following the outbreak of the global economic and financial crisis. Estimates from 2015 suggest a further nominal increase of 2.6% (€5 billion) to €200 billion, the level comparable to that before the crisis. In real terms, however, this evolution translates into a 0.2% or a €0.33 billion decrease.

EU operations in the military domain or with military implications cannot be funded by the EU budget; however, to ensure solidarity between Member States, some common costs (10–5%) relating to military operations are financed through the Athena financing mechanism, while the overwhelming bulk of expenditure is shouldered by the participating States.

The NATO-EU relationship
NATO shares a majority of its member countries with the EU (22); the two also have a strategic partnership (2002) established through the European Union-NATO Declaration on the European Security and Defence Policy (ESDP) and the 'Berlin Plus' arrangements. While the Alliance undoubtedly constitutes a security guarantee for the EU, its existence has also served as a counterbalance against thoughts for further EU defence cooperation in the past. Yet, with the USA openly supporting the idea of a stronger European defence and greater burden-sharing by its EU partners, the challenge has shifted to how to strengthen EU defence cooperation in a manner complementary with NATO. It is anticipated that further dialogue regarding increased EU-NATO cooperation will be on the agenda in the NATO Warsaw Summit (8-9 July). An EU-NATO joint statement is expected, identifying areas for cooperation such as fighting hybrid and cyber threats, supporting EU defence capacity-building, and increasing maritime security.

Looking forward: proposals for the future of European defence
European Commission: towards a European defence action plan?
Positioning himself in favour of more defence cooperation, Commission President Jean-Claude Juncker has identified ‘EU as a stronger global actor’ as one of the Commission’s ten priorities, which includes elements such as 'some integrated defence capacities' and supports the establishment of PESCO. In a March 2015 interview, he expressed support for the idea of a European army as a step towards creating a stronger Europe in the global context. In line with Juncker’s priorities, the 2016 Commission Work Programme includes a proposal for a European defence action plan which is expected to be presented after the publication of the Global Strategy. Its aim is to provide a 'legal and policy framework to ensure that the European market and industrial and skills base will be able to deliver the military capability priorities that Member States may need to meet future security needs'. An enhanced European EDTIB would help integrate the defence market. Its specific objectives include: 1) delivering the Preparatory Action for defence-related research as a central feature of the action plan, providing for the first time a basis for the consideration of EU funding for defence-related research in this area to complement

| EU Budget for Security and Defence under the 2014–2020 Multiannual Financial Framework |
| (2016 allocation at current prices): |
| EU civilian crisis management missions and activities (CSDP missions): €281.4 million |
| Emergency measures: €37 million |
| Preparatory and follow-up measures: €8 million |
| Support to non-proliferation and disarmament: €19 million |
| Instrument contributing to Stability and Peace – IcSP (under MFF Heading 4, 'Global Europe') – appropriations for global, trans-regional and emerging threats: €64.4 million. |
national R&D programmes in this field; 2) implementing a strategy for the evaluation of results under Horizon 2020 and their dual use potential, in order to benefit defence and security industrial capabilities in collaboration with the EDA and Member States; 3) identifying priorities concerning potential future funding of defence technologies in accordance with the Treaties; 4) ensuring further progress towards a more efficient internal market for defence, which caters for the specificities of the sector, as a key instrument for a strong and competitive EDTIB; 5) providing greater support for national and European space capacities and capabilities, in particular in the area of government satellite communications (GOVSATCOM); and 6) identifying and proposing other actions which would further develop and support the Union’s objectives in the area of defence. These actions should take into account existing synergies and areas of civil-military cooperation with other Union policies such as dual-use export controls.

**Stakeholder views and proposals**

In anticipation of the June 2016 European Council and of the momentum that would be created by the presentation of the Global Strategy, a number of proposals were put forth regarding the future of European defence. An April 2016 report by the EU Institute for Security Studies (EUISS) outlined five possible future scenarios for European defence. The aim is to develop plausible and coherent descriptions of what European defence might look like a decade or two from now in order to identify the choices and decisions that need to be made today. A key assumption underpinning these hypotheses is that the future of European defence will be of Europeans’ own making rather than the outcome of external pressures and events.

Targeted proposals have also been made with regard to specific challenges. On the issue of defence research, for example, in 2015, the European Commission invited key European industry, government, Parliament and academia personalities to advise it on establishing a Preparatory Action on CSDP-related research. The primary mission of this Group of Personalities was to help establish recommendations for a long-term vision for EU-funded CSDP-related research that can boost European defence cooperation. Their final report paved the way for a European security research programme with recommendations about its focus, procedures and budget, starting at around €1 billion.

In a December 2015 discussion on defence cooperation in the Parliament, EDA Chief Executive, Jorge Domecq, suggested that Member States could and should make greater use of the Agency in five areas, namely 1) to use the Capability Development Plan as a real tool for defence planning; 2) to make systematic use of enablers; 3) to use the Preparatory Action on CSDP-related research as the catalyst for greater engagement in cooperative defence Research and Technology (R&T); 4) to systematically harness civil-military synergies; and 5) to use the EDA for making better use of available EU funding.

Attempting to forecast the future of defence following the launch of the Global Strategy, a number of analysts are debating and elaborating possibilities for a defence sub-strategy or ‘white book’. Such a document could address the type of operations the EU should conduct and the capabilities required. A 2016 study by the European Parliament’s Policy Department for External Policies proposed a White Book on European Defence, framed within the process set out in the Lisbon Treaty. The proposed White Book would build on the Global Strategy and on other sources such as the European Union Maritime Security Strategy, the European Agenda on Security, the EU Cyber Defence Policy Framework and others, setting a strategic horizon (possibly 2025) for the achievement of its goals. The White Book would aim to overcome the aforementioned shortcomings by providing for...
specific programmes and measures in the areas of training, standard setting, leadership, collaborative research, financial incentives, the strengthening of the defence industry, European defence governance and coordination with NATO. A previous report by Dutch think-tank Clingendael had proposed that a White Book on Defence should specify, among other things, how to overcome shortfalls in military operations (for instance, air-to-air refuelling and intelligence, command & control and strategic reconnaissance); how to ensure more firm commitments on the part of the Member States; how to synchronise or integrate military with non-military security-related capacities (dual use, civil-military); and how to use financial incentives. It should also address a number of issues regarding EU-NATO relations such as improving complementarity in capability development and synchronising their cyber defences and responses to hybrid threats.

Other positions have included strengthening the military power component of the CSDP; creating a comprehensive approach that focuses on crisis prevention; the support of military training and the equipment of partners; reducing transaction costs in the strategic planning process; creating a European military headquarters; and deepening defence cooperation through collaborative investment and civilian-military synergies between EU and national levels of action.

Significant proposals are also being launched by the Member States themselves. Most notably, the French and German Foreign Ministers, Jean-Marc Ayrault and Frank-Walter Steinmeier, recently presented a paper on A strong Europe in a world of uncertainties proposing a European Security Compact, in which the two countries would 'recommit to a shared vision of Europe as a security union, based on solidarity and mutual assistance between member states in support of common security and defence policy'. The text proposes, among other things, the idea of a European semester on defence capabilities, a permanent chain of civil-military command, joint financing of missions and the establishment of a European defence research programme. It also proposes that the European Council meet once a year as a European Security Council, in order to address defence issues facing the EU. Reports by the media suggest that a German defence white paper in July will echo many of the calls to move to a so-called 'structured co-operation' in defence, where willing EU nations systematically pool military kit, armed forces and decision-making power together.

The added value of defence cooperation

The above-mentioned proposals highlight the efficiency gains of 'More Europe' in terms of defence but also the strategy-level benefits such as the EU's relatively higher capabilities (compared to individual States, see Figure 3) in the area of early and rapid military interventions and the durable strategic effects of those interventions. The projected economic benefits are also substantial: an EPRS study on the Cost of Non-Europe in defence and security has ascertained positive gains from more integration in the area of defence, with expected economic gains stemming primarily from the avoidance of duplication and overcapacity, and from the opening of defence procurement. On the EU-28 level, those efficiency gains have been estimated to range between at least €26 billion and potentially up to €130 billion per year (that is, between 13% and 65% of the EU budget), with the largest amount of gains identified in the area of industrial cooperation (R&T, procurement). Pooling defence investment at EU level has a
Currently, the defence industry in Europe has a turnover of €96 billion, generating 400 000 direct and 960 000 indirect jobs, many of them highly qualified. The security and defence sector is also vital to the successful transformation and growth of a number of other industries. It also generates innovation with cutting-edge research that has created important indirect effects in other sectors, such as electronics, space and civil aviation. Defence markets cover a broad spectrum of products and services, ranging from non-war material, such as office equipment, to complex weapon systems and highly sensitive materials.

The European Parliament's stance

Parliament supports the development of a strong CSDP and defence cooperation among Member States and has been active in pushing in that direction in past years. In May 2015, it adopted a resolution on implementing the CSDP, which stressed 'as a matter of the utmost urgency' the need for the EU and its Member States to 'adapt to the new security challenges, in particular by making effective use of the existing CSDP tools, including by linking these better to the EU's foreign affairs tools, humanitarian assistance, and development policy'. In its resolution on financing the CSDP, Parliament called on the HR/VP and the Member States 'to unleash the full potential of the Lisbon Treaty […] with regard to a faster and more flexible use of the CSDP missions and operations'. In the resolution on the mutual defence clause following the Paris attacks, Parliament referred to the activation of the clause as 'a unique opportunity to establish the grounds for a strong and sustainable European Defence Union' and suggested setting up an EU civil-military headquarters to prepare contingency plans, inter alia for collective defence. In a May 2015 resolution on the impact of developments in European defence markets on the security and defence capabilities in Europe, MEPs emphasised that the cutting of defence budgets was weakening the defence potential of Member States and the EU and stressed the need for further cooperation in defence. They also asked Member States to remove national rules that did not comply with Directives 2009/43/EC and 2009/81/EC. In anticipation of the release of the Global Strategy, in April 2016 the Parliament voted on a resolution on the EU in a changing global environment, in which it called on the EU and the Member States to step up their defence capabilities, in order to be prepared to respond to the broad spectrum of civilian, military and hybrid threats and risks, in synergy with NATO, and to make full use of the Lisbon Treaty provisions on CSDP. It urged the EU to enhance its cooperation on defence research, on the industrial base and on cyber defence through pooling and sharing, and to launch an EU-funded defence research and

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Figure 3 – Efficiency gains from cooperation on EU level

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<thead>
<tr>
<th>Blocking Blocks - Potential efficiency gains through greater cooperation</th>
<th>Cost of Non-Europe (billion euro per year)</th>
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<tbody>
<tr>
<td>Efficiency gains in industry</td>
<td>10</td>
</tr>
<tr>
<td>Certification of ammunition</td>
<td>0.5</td>
</tr>
<tr>
<td>Standardisation of ammunition</td>
<td>1.5</td>
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<tr>
<td>Off-sets</td>
<td>6.6</td>
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<tr>
<td>Efficiency gains in land forces</td>
<td>6.5</td>
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<tr>
<td>Efficiency gains in infantry vehicles</td>
<td>0.6</td>
</tr>
<tr>
<td>Efficiency gains in air-to-air refuelling</td>
<td>0.2</td>
</tr>
<tr>
<td>Efficiency gains in basic logistic support</td>
<td>0.03</td>
</tr>
<tr>
<td>Efficiency gains in frigates</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>26.4 billion</strong></td>
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technology programme in the next MFF. It also pointed out that the role of the EDA needs to be strengthened and that Member States should contribute to EU strategic autonomy, including by increasing their military research expenditure through the EDA and by strengthening the EDTIB and the European Defence Market (EDM).

Relevant European Parliamentary Research Service publications

- European defence cooperation: State of play and thoughts on an EU army, Briefing, March 2015.
- Progress on European defence to be evaluated by the European Council, Briefing, June 2015.
- Cybersecurity and cyberdefence: EU Solidarity and Mutual Defence Clauses, Briefing, June 2015.
- Risk and resilience in foreign policy, Briefing, September 2015.
- Common Foreign and Security Policy, How the EU budget is spent, Briefing, March 2016.
- A Global Strategy on foreign and security policy for the EU, Briefing, April 2016.
- Understanding hybrid threats, At a Glance, June 2015.
- Activation of Article 42(7) TEU. France’s request for assistance and Member States' response, European Council Briefing, July 2016.
- The Cost of Non-Europe in Common Security and Defence Policy, Study, April 2013.
- Public expectations and EU policies – Security and defence policy, Briefing, June 2016.

Main references


**In Defence of Europe**, EPSC Strategic Note, May 2015.

Endnotes

1 EDA data are based on the 27 EU Member States participating in the European Defence Agency (EDA), and not the EU-28.
2 Only 31% of EU citizens are aware of the existence of the mutual assistance clause, yet 85% consider it good or very good once they have been provided with additional information about it.
3 The EDA is exploring the creation of a fund for bridging gaps which Member States might use for financing their share of a project.

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eprs@ep.europa.eu
http://www.eprs.ep.parl.union.eu (intranet)
http://epthinktank.eu (blog)