



Defence Policy in the European Union: Multi-Speed Security?

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EU Member States are unlikely to reach consensus on comprehensive reform of Common Security and Defence Policy soon. What may follow will be attempts to establish a European “defence core.” That, however, would threaten NATO adaptation to the new security challenges and undermine the coherence of the EU itself. It is Poland’s interest to avoid such a scenario in favour of inclusiveness in defence cooperation in the EU. The country should also seek to confirm a balanced approach to European defence industry policy.

The future of defence cooperation within the European Union returned to the political agenda in Europe with implementation of the European Global Strategy (EGS), which aims to reinforce Common Security and Defence Policy (CSDP). At the same time, some Member States have proposed the establishment of a European “defence core.” Since it is unlikely that the EU will agree on comprehensive reform of CSDP within the EGS implementation, the Member States that call for a rapid deepening of defence integration in Europe will try to pursue their agenda in an exclusive grouping. These states argue that such a step is a proper political reaction to the EU and Brexit crises, as well as the correct operational answer to the security crisis in the Union’s southern neighbourhood. But in this scenario, Poland and other likeminded EU countries that support a pragmatic vision of CSDP and seek added-value through EU-developed military capabilities may be forced out of the main vehicle of defence cooperation in Europe.

Implementing the EGS. The EGS provides for establishing sectoral strategies covering the most important domains of the EU’s external relations. As part of it, High Representative for Foreign Affairs and Security Policy Federica Mogherini is preparing a Security and Defence Implementation Plan (SDIP). The plan is meant to be an EGS operational document—a new CSDP strategy that replaces the previous one from 2003. But the EGS was not adopted by the Member States as a binding document; instead, its presentation by Mogherini was only “welcomed” by the European Council on 28 June 2016. This is why the SDIP will not be adopted by the EU states either. The reform proposals pertain to CSDP, but only some will be cherry-picked by the Member States, which will then commit to implement them. The decision about which ones to accept will be taken at the next EU Foreign Affairs Council to be held on 14–15 November and then accepted by the European Council on 15–16 December.

Some of the proposals to strengthen CSDP have stirred up strong conflicts within the EU. One of them is the idea to set up a permanent EU operational headquarters (EU OHQ), tasked with planning and conducting all Union military operations. In the current system, when the EU decides to establish a military mission, one of the five national headquarters (in France, Germany, UK, Italy and Greece) is chosen to conduct it. This prolongs and complicates the start of operations. The proposal to establish the EU OHQ was made during the Polish presidency of the Council of the EU in 2011, but the British vetoed it. The UK has not changed its stance on the EU OHQ, but it may become more flexible with the approach of Brexit. Also sceptical of the EU OHQ idea are the Baltic and Nordic EU member states, which argue that it could undermine NATO adaptation to new security challenges. Along with some independent security experts, these states point to gaps in the NATO command structure and difficulties in staffing existing Allied commands at various levels, meaning a new command cell for the EU will directly weaken the Alliance.

Other discussed reforms involve increasing the level of common financing of EU operations by reforming the so-called Athena mechanism, governing how money is spent on missions; creating a start-up fund for the EU to acquire common, Union-owned capabilities for CSDP operations, such as communications systems; allowing the European

Commission to support security sector reform (SSR) projects in unstable countries in the EU neighbourhood (the EC cannot now finance projects that help the military of a non-EU state); building new, common military capabilities, in particular medical and logistical support; reform of the EU Battle Groups system so it can finally be used; strengthening the Eurocorps to make it a nascent, integrated force of the EU (the Eurocorps is now an extra-EU common military capability composed of forces from Germany, France, Spain, Belgium, Luxembourg and Poland, with the last becoming a fully-fledged member by the end of 2016). Each of these proposals raise concerns among many EU members, mostly because of their financial consequences, namely the need to contribute to the common budgets of these operations and capability-related projects regardless of participation.

Multi-Speed Security? Immediately after the Brexit referendum, Germany and France proposed strengthening defence cooperation in Europe. Their proposals were developed in September 2016 and then supported by Spain and Italy as a concept called a “European Security and Defence Union.” Also, European Commission President Jean-Claude Juncker has on occasion spoken about the need to build a “European Army.” Italian Foreign Minister Paolo Gentiloni and Defence Minister Roberta Pinotti have written about “Schengen for defence” as the right way forward for defence cooperation in Europe.

These statements work out to two scenarios. The first is an attempt to launch the Permanent Structured Cooperation mechanism (PESCO). According to the Treaty on the EU, when acting by qualified majority, the Council of the EU can allow a group of willing Member States to deepen defence cooperation. These states govern the process independently from the Council, though the European Defence Agency reviews the goals and results of the cooperation. In line with the treaty, PESCO is open to all EU Member States, but there are no detailed regulations regarding later accession or selective cooperation (on particular projects). Further, to launch PESCO, some Member States concerned about “multi-speed” defence cooperation such as the UK will have to drop their likely veto. If their stance is maintained, an alternative scenario is possible—an intergovernmental agreement on defence cooperation outside of the EU *acquis* (similar to the original Schengen agreement). Such an agreement would exclude EU members that remain outside it to a much higher extent than PESCO, which at least in principle must be open to all EU states and supervised by the EDA.

Defence Industry Dimension. The European Commission is finalising work on the European Defence Action Plan (EDAP). This document is due by the end of 2016 and is expected to provide more details about European defence industry policy. It is expected that the EU will, on one hand, propose financial incentives for the defence industry in Europe and, on the other, pursue the goal of phasing out offsets and increasing the transparency and competitiveness of armament acquisition procedures in the European defence equipment market (as provided for by the 2009/81 Directive on award procedures for defence and security contracts). On the latter, the EC is likely to present a detailed interpretation of some of the directive’s provisions that allow a state to get around the directive for certain armament acquisition programmes. The EC also has suggested it will ask the EU Court of Justice to verify some decisions by Member States to use Art. 346 of the Treaty on the Functioning of the EU which allows the state not to abide by European law in all matters regarding armaments. The proposed EC incentives for the defence industry are mainly for two special funds to support armament research and technology programmes: the Preparatory Action fund in the current budget and the European Defence Research Fund for after 2020. The funds’ size and mechanisms are still being debated, but some states are already lobbying the EC for regulations that would ensure privileged access to the funds for a select group of states to deepen their defence cooperation.

Conclusions and Recommendations. It is very likely that the EU will not agree on comprehensive reform of CSDP anytime soon. A group of Member States may use this as a pretext to establish a European “defence core.” If that happens, a new structure of deepened integration would appear in the EU. Even if it has limited practical results, this structure’s political significance would be high. It would raise questions concerning its links with the UK after Brexit, the compatibility of perceptions of the Russian threat, and, probably more importantly, the effects on NATO and transatlantic links—although the U.S. expects Europe to add more defence capabilities, it is also suspicious of any attempt to remove the primacy of NATO as the pillar of Europe’s security. Further, this “defence core” would likely reserve for itself privileged access to EC incentives for their defence industries, leaving countries such as Poland on the margins of defence industry cooperation in Europe.

To avoid such a scenario, Poland should support some of the proposals for strengthening CSDP. It should also argue that establishing a “defence core” in the EU will not solve all the outstanding issues that have been hampering the development of European defence capabilities. Poland also could make the point that one of the goals of CSDP should be to effectively support the Member States in closing gaps in their defence capabilities so that NATO’s defence and deterrence policy is more credible and the transatlantic gap lessened. This would be in line with the provisions and the spirit of the joint EU-NATO declaration of July 2016, now largely marginalised in the policy debate in Europe.

Poland also can agree to establish the EU OHQ on the condition that it combines the civilian and military dimensions of CSDP. Further, its primary task would be to work with the EU Intelligence and Situation Centre on early warning, detection and response to hybrid threats to the security of the EU. Poland should underline the necessity to consider what NATO is doing in its defence planning process when developing new common military capabilities through Battle Groups or Eurocorps. In the debate on the defence industry policy, Poland should call for EC incentives to be available to all states, not only a privileged group, and for all kinds of capability projects important to the general defence potential of the EU. Further, Poland should seek confirmation of the European Council agreement of December 2013 that the EU’s defence industry policy should be “balanced” still holds. Consequently, the legal and political *status quo* should continue to allow states to deploy legal loopholes in EU law to continue using offsets as tools of national security, industrial, and innovation policies.