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## **EUROPEAN DEFENCE INSTITUTIONS**

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Security and defence policy has gained a new prominence in European affairs. At their meeting in Cologne in June 1999 the members of the European Council stated their resolution „that the European Union shall play its full role on the international stage.“

This implies that the „C“ in CFSP has, in fact, a dual meaning: in addition to its *common* nature, the EU's foreign and security policy must also be *comprehensive*, i.e., encompassing an array of policy instruments ranging from economic and diplomatic to military means. Accordingly, EU leaders resolved at Cologne that, in order to be able to fulfil the „Petersberg tasks“, „the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so“.

## 1. The case for CFSP

The Cologne declaration on „strengthening the common European policy on security and defence“ was issued against the backdrop of the Kosovo conflict. During the military campaign, NATO member states displayed an impressive unity that ultimately forced the Milosevic regime to back down. Yet the Kosovo crisis also served as a stark reminder of the EU's continued heavy dependence on the United States and the ensuing limits this dependency places on the Union's political scope of action. It thus reinforced the case for a common as well as comprehensive foreign and security policy that is based on six principal arguments:

- a) Our world is shrinking through globalisation and growing interdependence, both of which are inherently ambivalent: on the one hand, EU member states cannot insulate themselves from the detrimental effects of crises and instability in the international system; on the other hand, globalisation and interdependence offer great opportunities to be reaped through cooperation, participation and dialogue.
- b) EU member states thus have a manifest interest in a peaceful, prosperous and stable international system. Establishing and preserving such a system is a challenge requiring their active engagement because they cannot rely on others to do so. By acting in concert, EU member states stand a much better chance to shape their international environment according to their preferences than each member state would have acting on its own.
- c) EU member states know from their own experience that a truly stable peace and lasting prosperity are based on mutual trust and mutually beneficial interdependence. When partnership and cooperation are not reciprocated, however, effective crisis prevention and crisis management may require the will and ability to employ coercive means. Therefore, the EU needs a common as well as a more comprehensive foreign and

security policy.

- d) EU member states cannot count on the United States to step into the breach every time they are unwilling or unable to cope with a crisis situation. Furthermore, if and when the Americans intervene they do it on terms that need not be identical with European interests. In a world in which there is no overriding threat comparable to the magnitude of the former Soviet threat, American and European assessments and policy preferences may increasingly diverge.
- e) Even when Americans and Europeans reach a common position and act in concert, Europeans will have a greater say if Washington sees them as an equal partner who assumes a fair share of the common burden and risk.
- f) Wealthy Europeans are often called upon to help settle the bill of international crises and violent conflicts. This can amount to „taxation without appropriate representation“ because a disunited or impotent Europe foregoes influence to determine the formulation of policy toward international issues.

## **2. Enhanced Prospects**

Notwithstanding the „logic“ of the preceding argumentation, the security and defence dimension of European integration has lagged behind the pace of economic and monetary integration. Recently, the Kosovo conflict provided an impetus to change this, thereby reinforcing several underlying factors that have improved the prospects for a common and comprehensive foreign and security policy:

- a) Euro  
A successful Euro could generate an integrationist momentum because the internal and external management of a common currency is likely to lead to a greater convergence of views and policies of member states which, in turn, could facilitate the pursuit of a common foreign and security policy.
- b) Germany  
Gradually but steadily, united Germany has become more willing to participate in military operations outside of territorial and Alliance defence. Germany is on its way to becoming a fully-fledged partner in international crisis management.
- c) Great Britain  
The Labour government has taken a considerably more pro-European stance than its predecessor, particularly with regard to security policy and defence matters..
- d) France  
France is unlikely to rejoin NATO's integrated military command structure anytime soon. Nevertheless, as the cases of IFOR/SFOR and KFOR demonstrate, this need not stand in the line of developing a European security and defence policy in cooperation with the US.

e) United States

The US position to a European security and defence policy is inherently ambivalent: While urging and expecting Europe to shoulder a greater part of the burden, it simultaneously wants to maintain its leadership role. Nevertheless, the Clinton administration is generally supportive of European integration, and it is upon the Europeans to provide for a more balanced transatlantic relationship in security matters too.

### 3. Objectives

In the field of security and defence policy, the EU Council has stated that it desires „to have the ability to take decisions on the full range of conflict prevention and crisis management tasks defined in the Treaty on European Union, the ‘Petersberg tasks’“. These include humanitarian and rescue tasks, peacekeeping and peace-enforcement operations.

Thus, the objective is not to develop an autonomous European *defence* force. Providing security in the event of a threat of force or use of force against a member state is left to NATO and the alliance with the United States, based on the mutual assistance commitment contained in article 5 of the NATO treaty. For the foreseeable future, this is unlikely to change even if a comparable commitment contained in article 5 of the WEU treaty should be incorporated into the EU treaty.

The focus on „Petersberg tasks“ implies that the EU must be better equipped to deal with security challenges arising from local and regional conflicts that do not pose an immediate military threat to the territorial integrity of member states. However, for reasons and in ways that may vary according to the individual case, such conflicts may impact on EU member states and call for their active engagement. The preferred course of action will always be crisis prevention and crisis management with non-military means, but the Balkan experience has shown that preventing or ending violent conflicts may need more robust, i.e. military, options as part of an overall political strategy.

But how much is enough for what? What kind of military capabilities does the EU need to deal with what kind of contingencies? While the future is inherently unpredictable, this truism offers no responsible guideline for military planning and spending on armed forces.

What, then, should EU member states plan and prepare for? Reaching a consensus on this sensitive issue will be difficult. Instead of presenting an ideal outcome, we submit some principles and objectives that could guide a consensus-building process:

- Regional, not global reach

The EU should neither aim at, nor will it be capable of, becoming a superpower with a global military reach. While the Euro may eventually become a global currency on an equal footing with the US dollar, the EU does not and need not attempt to build a military potential comparable to that of the US. The perimeter of its contingency

planning should be Europe and its adjacent regions.

- **The US: a preferred, but not an indispensable partner**  
The US is Europe's „natural“ partner in international crisis management operations. When the EU is unwilling or impotent to act alone, it may have no other choice. Even were it otherwise, however, US cooperation and involvement could greatly facilitate the resolution of any major crisis.  
Yet when from an American point of view no vital interest is at stake, US engagement cannot be taken for granted. Consequently, the EU must have a „capacity for *autonomous* action“ (Cologne Council; emphasis added).
- **A more balanced transatlantic partnership**  
EU crisis management without US participation may remain rare. Even then, however, EU member states should strengthen their military capabilities: the more they contribute to a joint US-European operation, the higher will be their influence on the common military and political strategy.
- **Balkan: The long-term challenge**  
Peacekeeping and peacebuilding in Southeastern Europe will require a sustained and large-scale engagement on the part of EU member states. Moreover, it is likely that the SFOR and KFOR missions will be progressively „Europeanized“ as US troops will be disproportionately reduced, resulting in a higher European share in peacekeeping forces.
- **Force structure adaptations**  
In stark contrast to the Cold War, EU member states no longer face the threat of a massive aggression against them, and while the re-emergence of such a threat cannot be ruled out, it can no longer serve as a major force planning guideline. Instead, the single most important determinant must be Europe's ability to participate in international crisis management operations. This requires armed forces that are deployable and mobile, survivable and sustainable, and in most cases they will have to be professional, rather than conscript armies.

#### **4. New Elements in the Political-Institutional Debate**

Now, in the light of the present acceleration of the debate on a common European defence policy, some new factors deserve attention.

The first important novelty is that current proposals tend to place European defence squarely within the legal borders of the European Union. This is a major step forward compared with the past range of options. For example, the Reflection Group (on institutional reform of the Intergovernmental Conference in 1996 prior to the signing of the Amsterdam Treaty) offered four different possibilities for the relationship between the Western European Union and the EU:

- full autonomy for the WEU, with only a reinforced partnership with the EU;
- a closer link between the EU and the WEU to allow the former to direct the latter for Petersberg tasks;

- incorporation of Petersberg tasks into the CFSP (as indeed occurred);
- a "gradual" integration of the WEU into the EU.

At the time, the latter was considered the most appropriate proposal and all efforts on the eve of the Amsterdam summit were addressed toward this objective. Today, on the contrary, the political tendency, as reaffirmed at the Cologne European Council, is toward a more rapid integration of some WEU functions into the EU framework, namely the second pillar (CFSP). Point 5 of the Declaration of the Heads of State and Government states that ". . . the General Affairs Council [has the task] to prepare the conditions and the measures necessary to achieve these objectives, including the definition of the modalities for the inclusion of those functions of the WEU which will be necessary for the EU to fulfil its new responsibilities in the area of Petersberg tasks."

The second new factor, a consequence of the first, is that relations with NATO will increasingly become a competence of the EU at the expense of the WEU, which was until recently considered the proper framework for representing European views on defence matters. This trend was officially recognised in the final communiqué of the 25-26 April 1999 NATO summit and was reconfirmed in the Final Declaration of the EU's Cologne summit (again point 5): ". . . In that event [transfer of functions from WEU to EU], the WEU as an organisation would have completed its purpose". If this occurs, the concept of European Security and Defence Identity (ESDI) will gain a new political dimension, becoming a powerful impulse for a deep reconsideration of transatlantic relations.

A third change is that EU member states (among them, the UK) no longer rule out the possibility of a new revision of the Treaty on European Union (TEU) to include some of the new proposals on European defence (e.g. repositing enhanced cooperation in the second pillar or incorporating Art. 5 of the WEU Treaty concerning mutual defence obligations in the EU Treaty). Such a revision could take place as early as the second semester of 2000, under the French presidency of the Union.

Another important point is the emphasis that European leaders are currently putting on the issue of defence capabilities. The focus on this issue was recently confirmed at the Washington NATO summit with the "defence capabilities initiative" in the conventional armament field. A pragmatic approach of this kind has the dual advantage of keeping the UK bound to a common engagement in the defence field while convincing the American allies of a serious European move towards a new "burden sharing". At the same time, it would also allow institutional arrangements to be adjusted in a more relaxed way, avoiding the usual ideological confrontation between pro- and anti-European stances.

## **5. European defence: a fragmented and ineffective collection of national policies**

Before examining the issue of reorganisation of the European institutional set-up in the defence field, it may be important to draw attention to the high level of fragmentation currently present among the national defence structures of the Union. The issue is well known; the fragmentation can be seen in:

- national force structures, defence budgets and defence-industrial systems;
- national defence capabilities;
- the variety of bilateral and multilateral military co-operation agreements.

If we look at individual national force structures, an impressive diversity can be seen as regards the composition of forces, the balance between conscripts and professionals, the cost of military personnel, the proportion of expenditures allocated to training, salaries and investments, etc.

Many authors point out that the military personnel of NATO's European members number 2.5 million versus 1.4 million Americans in uniform. Yet it is also well known that, in terms of budget, Europeans together spend only 60 percent of what Americans do on defence. While even this is a huge sum, in the event of crisis, Europeans have less capability to offer – in proportion to their budget – in terms of forces and weapons to be used on the battlefield.

The diversity in the defence industrial sector is also substantial, both in terms of size and technological capabilities. National spending on the defence industry differs greatly from country to country: Germany spends around 20 percent of its defence investments for procurement and R&D, France and Great Britain around 40 percent. Moreover, the duplication in the field of defence procurement and the relative closure of national defence markets should not be forgotten.

Lastly, there is the plethora of bilateral and multilateral agreements – external both to NATO and WEU. Eurocorps, Euromar, Euromarfor, the UK/Dutch Amphibious Force, the Multinational Division Central are just a few examples of the proliferation of poorly coordinated cooperative initiatives in the military field.

These fundamental divergences and duplications, which conspicuously affect the Union's defence posture, represent an insurmountable obstacle on the way toward a common European defence policy. Only a process of convergence in the defence field can help to overcome Europe's evident impotence in the defence field and its inability to take the lead in military operations. Objectives and criteria for convergence among EU countries have to be established immediately.

## **6. The very first tasks of a common defence policy and the proposal of a White Book.**

In trying to define the real tasks of a common defence policy, reference has to be made to the provisions of Art. 17 of the TEU, which clarifies the limits of possible European joint actions in the military field.

In addition to the traditional peace keeping, Petersberg tasks also foresee "peace enforcing", which implies the deployment of military forces with combat capabilities to enforce the behests of the international community. Clearly, as we have already said. This does not imply large-scale military interventions, but it nevertheless calls for recourse to military means and forces in hostile environments.

Two strategies are possible to ensure the implementation of this general aim:

- the first involves rationalisation of Europe's existing military posture through elimination of unnecessary duplications and a certain degree of harmonisation of national programs in the sectors of force structure, investments, procurements and so on.

- the second goes beyond this necessary first stage of rationalisation to a common European programme of development of joint military capability, ranging from intelligence to strategic lift, from rapid deployment forces to higher investments in R&D.

In both cases, even achieving the very limited tasks of an autonomous European capability in the military field would require a careful assessment of common needs and objectives (as illustrated in par.3), a kind of European defence review (a White Book on European Defence), which is still missing. This should be an essential step, because we need more specific force planning guidelines before Europeans can embark on a process of defence convergence.

## **7. Capabilities and "macro-defence" convergence criteria**

The issue of defence convergence, which was largely debated in the press at the beginning of this year, started from the assumption that the model of European Monetary Union (EMU) could be replicated in the field of common defence policy. Several authors have concentrated on determining the key areas in which to start the convergence process and to fix credible targets to overcome duplications and gaps between national defence structures and expenditures. More recently the EU Defence Ministers in Bonn on 28 May 1999 established a working group charged to elaborate defence convergence criteria.

In order to address the question, it might be useful to divide "macro-defence" convergence criteria into two main categories: economic criteria and military criteria. The most relevant economic criteria appear to be:- a more balanced military budget with regard to general expenses, training and investments;- rationalisation and regrouping of defence industries;- a Europe-first approach towards defence industry restructuring and procurement; In the military field, criteria might be:- a better proportion, where necessary, between professionals/draftees in the number of national military personnel;  
- in any case, a clear tendency towards an increasingly professional national army.  
- a complete reorganisation of multilateral and bilateral military agreements, in light of the joint use of forces.

Efforts have been done to make these criteria more specific and, therefore, more objective so that they can be used as guidelines by member states toward common and clearly identified targets, following the positive experience of the euro.

In reality, the concept of "macro-defence" convergence criteria is hardly comparable to the original concept of the EMU's macro-economic convergence criteria. First of all, it is difficult to fix purely quantitative figures for the defence sector. It is well known that for some defence items qualitative criteria easily prevail over quantitative ones; technological and organisational factors can be more decisive than a large number of outdated weapons.

Second, even where more easily verifiable quantitative targets might be fixed, political and strategic considerations could affect the convergence process. For example, some scholars indicate 2 percent of GDP as a reasonable target for EU countries. This might imply a more substantial (and politically unfeasible) effort for countries like Italy or Spain – where the defence share of the budget is closer to 1 percent of GDP – than for countries



like Great Britain or France. But even for small countries like Denmark or the Netherlands it would be difficult, from a strategic point of view, to explain why they should contribute more to common defence efforts.

Finally, larger defence budgets could conflict with the EMU stability pact. This might necessitate an arduous decision to exclude additional national defence expenditures from the calculations of convergence in the EMU area.

These great difficulties notwithstanding, "macro-defence" convergence criteria could play an important role in helping to identify duplications and inefficiencies at national level. More importantly, they could keep the focus of common defence on actual capabilities, as the EMU did in the monetary field. Functional convergence at this time and in this sensitive field could probably play an important role in establishing a common European defence.

As already mentioned, a kind of European defence review ( a White Book) would be required to determine the priority parameters to which "macro-defence" criteria should be applied. A plan of substantial convergence might then adopt the same procedures "in stages" which proved so useful in the monetary field. The convergence process could probably be completed in a decade or so (final deadline 2010).

## **8. Institutional convergence**

Clearly, with the progress made at Cologne, the old "phase plan" set in Rome in 1996 by the six Founders of the Union, plus Spain, for gradual integration between the WEU and the EU is now obsolete. The Cologne decision may be considered a kind of "quick fix", that is, a simple transfer from the WEU to the EU of some of its organs and a parallel adaptation of EU decision-making bodies.

This institutional adjustment could start immediately (as of the planned Paris IGC at the end of 2000) with the suggested creation inside the CFSP framework of a Foreign and Defence General Council, (composed of foreign and defence ministers of the EU), a permanent Political and Security Committee, a Military Committee and, finally, a Military Staff.

In addition, the newly appointed CFSP High Representative will ensure the necessary consistency between foreign and defence actions. To perform this task, the High Representative should take the lead of the new Political and Security Committee for CFSP matters.

In reality, the process of convergence between defence policies and other policies of the Union will start at the highest level, that is, in the European Council, as is already the case to some extent under the provisions of Art.17 for the Petersberg missions. Institutional convergence is not a problem at this level, as has been demonstrated by past experience in the field of CFSP, when heads of government used to link external communitarian decisions with their own foreign policy activities. The open question remains how to achieve "political" convergence in an organ in which unanimity voting prevails: it is not

hard to imagine the difficulty in coming to unanimous decisions in a highly problematic area like defence.

Problems of institutional convergence might easily appear at a lower level, starting with the Council of Ministers where preparatory work follows different paths: the Coreper is responsible for community matters, the Political Committee for foreign policy actions and eventually the newly established Political and Security Committee will deal with defence matters. Coordination and convergence at this level is a real need. This is why the High Representative should be put in charge of linking the preparatory work of CFSP (the Political Committee) with the developing defence decision-making system. The way should be that of incorporating in the High Representative figure the role presently played by the WEU Secretary General and give to him, as we have said before, the chairmanship of the Political and Security Committee.

But the other Community organs and in particular the Commission should also be given an opportunity to enter the game. First of all it is essential, and entirely in line with the treaties, to envisage a consistent role for the European Commission in the implementation of the economic defence convergence criteria, particularly in the fields of industrial cooperation or R & D, in view of creating a single market for defence industries. But achieving this would require reform of Art. 223 of the TEU concerning the exclusion of national defence markets from the single space.

Secondly, and in our view more importantly, it must not be forgotten that the Commission has become – after years of struggle – part of the CFSP decisional system (as recognised in the Maastricht and Amsterdam Treaties) and is keen to avoid running a new risk of marginalisation. Everybody recognises that economic tools constitute an important part of the currently emerging concept of European security (humanitarian aid, reconstruction, economic sanctions, etc.) and that it would be a step backwards not to include the Commission fully inside the defence decision-making process. The solution will involve a close linkage between the High Representative, the president of the Commission (or Commissioner competent for CFSP matters) and the President in office of the Foreign and Defence Council in the framework of a new Troika, which should be assigned, in addition to its traditional tasks, that of coordinating and checking on the institutional consistency among the various aspects of a defence action. The Troika, through a mere adaptation of current praxis, could be turned into a decisive organ for institutional convergence.

Last but not least, a point on voting: convergence should be reinforced through progressive extension to defence matters of CFSP voting rules, ranging from constructive abstention to majority voting for joint positions and actions.

All these proposals are in line with the principle of political consistency first underwritten in the Single European Act back in 1986. But in order to allow for progress in the field of functional consistency as well, that is, to speed up the process of macro-defence convergence, another important institutional innovation should be envisaged: a system of National Chiefs of Staff which might at a certain point give birth to a European Chief of Staff (ECS). Its task would be to impose progressive convergence in both the military and the economic field, through the elimination of unnecessary duplications and the launching

of common procurement and standardisation programs. This special "agency" might recall the model of the European Central Bank in the monetary field, although differences are immediately apparent, beginning with the political dependence of the ECS on the Council of Ministers. Nevertheless, an ECS would take the lead in functional convergence with the aim of improving military and economic capabilities in the defence field: a precondition for progressive convergence in the institutional area as well.