

The COVID-19 Pandemic and European Security: Between Damages and Crises

by Alessandro Marrone

The COVID-19 pandemic will negatively affect the defence field from a budgetary, industrial and politico-strategic point of view, particularly in Europe. Depending on the pandemic's duration, its economic consequences and national and EU responses, effects may range from contained damages to a much wider European security crisis.

The pandemic is already having dire implications for the safety of citizens, social cohesion and economic growth, particularly in Europe and the US. Recent estimates predict combined GDP growth among EU countries and the UK to decrease by 2 per cent in 2020,¹ but the situation could end up being much worse. Governments are committing significant financial resources to

address the public health crisis and the expected economic recession, while tax revenues will shrink.

There is no doubt that new defence cuts will be on the cards across the Old Continent² – and perhaps elsewhere. This will particularly be the case in Western Europe, where perceptions of the Russian threat are less compelling than in countries east of Vienna.

If the peak of the COVID-19 crisis in Europe will be similar to the five-months closure experienced by China's Hubei province – that is, from December 2019 to April 2020 – and if the economic consequences will be mitigated through extraordinary financial measures, a prolonged recession may be avoided. As a result,

¹ Marion Amiot et al., "Economic Research: COVID-19: The Steepening Cost to the Eurozone and U.K. Economies", in *S&P Global Ratings*, 26 March 2020, <https://www.spglobal.com/ratings/en/research/articles/200326-economic-research-covid-19-the-steepening-cost-to-the-eurozone-and-u-k-economies-11402420>.

² Douglas Barrie, Nick Childs and Fenella McGerty, "Defence Spending and Plans: Will the Pandemic Take Its Toll?", in *Military Balance Blog*, 1 April 2020, <https://www.iiss.org/blogs/military-balance/2020/04/defence-spending-coronavirus>.

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the damage on defence budgets would be contained.

Conversely, should the pandemic spread further, forcing states to prolong containment measures, the economic fallout can be expected to be more serious. This would in turn increase the likelihood of deeper and more consequential budget cuts to military spending. Some experts already predict European cuts to be even more severe than those implemented after the 2008 financial crisis.³

From an industrial point of view, the aerospace and defence industry in Europe and North America will not only be affected by probable ministerial budget cuts, but also from the ongoing crisis of commercial airlines. Should the latter continue for several months, because of travel restrictions and/or economic recession across the globe, orders to aerospace companies like Airbus and Boeing will inevitably suffer.

Broadly speaking, the defence industry will also have to deal with negative consequences on production facilities and supply chains, as well as on the decline of stock prices due to uncertainty in financial markets.⁴ Here again, Western governments will have to take extraordinary measures to limit

damage to high-tech assets and know-how crucial for their national security.

Against this backdrop, the Trump administration has already considered state aid to US aerospace industries, while it is not clear how EU institutions and member states will react. Further trade tensions may well emerge between the US and the Union, as both blocs will be pressured to protect respective sectors from short-term losses – rather than looking for long-term gains.

Transatlantic relations will be further complicated by expected defence cuts in Europe, as they will make it much harder for European allies to reach the 2 per cent GDP goal so important for NATO and the US. Washington should act strategically and not exacerbate this issue, however, otherwise it will lay the ground for Russia to exploit tensions brought about by the pandemic.⁵

At the same time, NATO should be further mobilised to support civilian authorities in dealing with the COVID-19 emergency, for example by augmenting the airlift of medical supplies it is already providing across the Atlantic and within Europe.⁶ Increased effort would deliver both tangible support to people in need and an important symbol of solidarity in times of scaled up information

³ Daniel Fiott, "Will European Defence Survive Coronavirus?", in *Elcano Expert Comments*, No. 11/2020 (27 March 2020), http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/commentary-fiott-will-european-defence-survive-coronavirus.

⁴ Arjun Sreekumar, "How COVID-19 Will Impact the Defense Industry", in *The Diplomat*, 27 March 2020, <https://thediplomat.com/2020/03/how-covid-19-will-impact-the-defense-industry>.

⁵ Dov S. Zakheim, "NATO's Budget Virus: How The Pandemic Could Slash Military Spending", in *The Hill*, 16 March 2020, <https://thehill.com/node/487434>.

⁶ NATO, *Coronavirus Response: 45 Tons of Supplies Arrive in Bucharest*, 26 March 2020 (last update 29 March 2020), https://www.nato.int/cps/en/natohq/news_174504.htm.

warfare aimed at undermining Western cohesion by both China and Russia.⁷

Concrete assistance and symbolic actions that promote solidarity are also crucial for the EU to survive the COVID-19 crisis. If we look at the defence sector in a narrow sense, the Union's recent initiatives aimed at fostering greater strategic autonomy to protect European security and interests from external threats risks being another victim of the pandemic.

Indeed, the EU's next Multiannual Financial Framework has to be finalised by the end of 2020 – in the midst of the economic recession brought about by the virus. The European Commission initially envisaged 13 billion euro for the newly established European Defence Fund (EDF), a crucial tool to jointly develop military capabilities and support technological advancements. Should the Union shift available resources to cope with COVID-19, the EDF budget risks being substantially reduced. The same applies to the EU military mobility project, which aims to make European infrastructure fit to move heavy equipment to defend the Union's (and NATO's) borders, and was already downplayed by the Finnish rotating presidency.

The EU's Permanent Structured Cooperation (PESCO) primarily relies

on contributions by member states to jointly develop military capabilities. PESCO, therefore, will also be negatively affected by cuts to national defence budgets. Yet, the initiative also benefits from EDF funding, as epitomised by the 100 million euro awarded in 2019 by the European Commission to the Eurodrone PESCO project through the EDF's pilot programme.

Should the upcoming EDF budget be severely reduced, the incentives for member states to commit funding to PESCO projects will decrease too. In other words, the fate of these tangible and symbolic commitments for real European defence integration will once again depend on the spread of COVID-19 and the gravity of its economic repercussions, as well as on the extraordinary financial measures taken – or not – by the Union.

If we look at European security from a politico-strategic point of view, the pandemic poses an existential challenge to the EU.⁸ The initial lack of solidarity shown by the Union as a whole towards member states most affected by COVID-19 is epitomised by the fact that Rome activated the EU Civil Protection Mechanism (rescEU) at the end of February 2020, but until 10 March no other member state responded to the request for help.⁹ Later on in March the

⁷ Mattia Ferraresi, "China Isn't Helping Italy. It's Waging Information Warfare", in *Foreign Policy*, 31 March 2020, <https://foreignpolicy.com/2020/03/31/china-isnt-helping-italy-its-waging-information-warfare>; Nona Mikhelidze, "Se la disinformazione russa in Italia corre più della pandemia", in *AffarInternazionali*, 17 March 2020, <https://www.affarinternazionali.it/?p=79456>.

⁸ Bob Deen and Kimberley Kruijver, "Corona: EU's Existential Crisis. Why the Lack of Solidarity Threatens Not Only the Union's Health and Economy, But Also Its Security", in *Clingendael Alerts*, April 2020, <https://www.clingendael.org/node/11267>.

⁹ Maurizio Massari, "Italian Ambassador to the EU: Italy Needs Europe's Help", in *Politico*, 10 March 2020, <https://www.politico.eu/article/coronavirus-italy-needs-europe-help>.

situation improved slightly, with more medical assistance provided to Italy by fellow European countries.

The EU's Civil Protection Mechanism should now move beyond voluntary contributions by governments towards a centralised EU management, including stockpiling of medical equipment to be distributed in the event of future pandemics. The EU Military Committee's task force, set up to exchange best praxis on dealing with COVID-19 among European militaries, should contribute to an upgraded rescEU, since the armed forces of several member states are supporting civil protection authorities in coping with health emergencies and natural disasters.

Beyond these niche initiatives on civil protection, the EU should recognise that not providing adequate financial responses to the pandemic and its socio-economic effects would transform the COVID-19 into (another) existential crisis for the EU – thus putting its own survival at stake.¹⁰

The lack of effective and united responses to the present pandemic could lead to a much deeper security crisis in Europe. This would be much worse than other COVID-19 related

impacts outlined above, such as cuts to military budgets, damage to European aerospace industries, greater transatlantic tensions or the demise of the EDF and PESCO.

Such a scenario can be avoided only by extraordinary financial measures agreed and implemented at the EU level. This pandemic is indeed the hardest test the Union has faced. Spanning multiple domains, from the economy to politics and security, facing the crisis head-on while strengthening European cohesion and integration is the only way forward. Given the existential nature of the challenges that lay ahead, failure is not an option.

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For an update, see: European Commission, *Coronavirus: Aid from China to the EU Delivered to Italy*, 6 April 2020, https://ec.europa.eu/echo/news/coronavirus-aid-china-eu-delivered-italy_en.

¹⁰ Wolfgang Ischinger and Boris Ruge, *Coronavirus Crisis: For Europe, It's a Question of Survival*, Munich Security Conference op-ed, 2 April 2020, <https://securityconference.org/en/news/full/coronavirus-crisis-for-europe-its-a-question-of-survival>.

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