COMMON SECURITY AND DEFENCE POLICY

Bilateral *vs.* Structured Cooperation? Flexible Cooperation In and Outside the EU Framework as a Tool for Advancing European Capabilities

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With its Common Security and Defence Policy (CSDP) and over twenty operations in the Balkans, Africa and at the shores of Somalia, the European Union (EU) asserts the claim of having become an international security actor in its own right. Despite the fact that, in comparison to the CSDP's level of ambition, most of these operations have been small and symbolic in nature, each of them has nevertheless confronted the EU and its Member States with recurring problems concerning the collection of necessary capabilities among them. Even when Member States have politically agreed on the necessity of acting together, tortuous wrangling and hard bargaining in the run-up to CSDP action remain the norm. More than ten years after the creation of CSDP, the Union still lacks many of the capabilities identified as shortfalls in 1999.

In light of these persistent shortfalls, in 2008 the Council concluded that "strengthening available capabilities in Europe will therefore be the principal challenge faced in the years ahead. In a tough budgetary environment, such a goal can only be achieved through a joint, sustained and shared effort which meets operational needs".[1] But, in order to address the recognised capability shortfalls, how can the EU provide added value as an organisational framework for military cooperation between Member States?

So far, the debate on enhancing military cooperation has primarily been shaped by the large EU Member States. Although the Lisbon Treaty significantly reduced the role of the rotating presidency in foreign, security and defence affairs, it is exactly the large Member States' strong role – regarding questions of military-capability cooperation – that creates a need for the upcoming presidencies to function as mediator for small and medium-sized Member States.

1. See: Permanent Representatives Committee, Note, "Draft Declaration on Strengthening Capabilities", 16840/08, COSDP 1140, 5 December 2008, available at: http://register.consilium.europa.eu/pdf/en/08/st16/st16840.en08.pdf

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The capability gap revisited

In principle, CSDP's capability gap is due to three factors – first, it is a matter of (lacking) political will and distribution of resources according to political priorities. The European Defence Agency (EDA) estimates that out of the total number of European forces in 2008, roughly 464,500 were deployable, and of these about 125,000 were sustainable in external operations. Nevertheless, due to political priorities, EU Member States' deployments have focused on North Atlantic Treaty Organisation (NATO) operations, in particular the International Security Assistance Force (ISAF) in Afghanistan, while the initial dynamic of CSDP operations has stalled since 2008.

On a second, more fundamental level, in the last decade defence spending has been significantly reduced across EU Member States. As both the EU's and NATO's strategic outlooks regard the security situation in Europe as relatively benign, it is hardly surprising that European publics do not see defence expenditure as a priority. Overall, between 1999 and 2009, the average EU Member State defence budget shrunk from 1.8 to 1.4% of Gross Domestic Product (GDP). In the wake of the financial crisis, most EU Member States are enacting further cuts. In consequence, the core capability shortfalls identified by the EU in 1999 remain – i.e. strategic and tactical lift, intelligence and reconnaissance, and force projection.

Finally, even those capabilities that EU Member States bring to the table can often not be used jointly so long as they are not sufficiently interoperable. Due to the different equipment, ammunition and spare materials used in CSDP operations, Member States often have to maintain individual logistical chains in the area of operations. This dilemma is set to increase in the future: as European states further scale down the size of their militaries, they have yet to abandon the ambition of each upholding all standard elements of armed forces. The resulting national armed forces fragmentation, duplication and cost-ineffective structures all lead to a situation where the collective capability of European armed forces is less than the sum of its national parts.

In sum, if CSDP is not to stall or even slowly erode, a new impetus is more than overdue. If the EU Member States want to increase or at least stabilise their defence capabilities, they will have to work closer together. The real question is therefore how to organise this closer cooperation. After previous initiatives, like the Headline Goal or the European Capability Action Plan (ECAP), achieved little progress, the more willing Member States are increasingly looking towards flexible cooperation in smaller groups, both inside and outside EU structures, to organise defence cooperation.

The bilateral approach: Franco-British Defence Cooperation

France and the United Kingdom (UK), the two reluctant drivers of CSDP, are particularly disappointed with the lack of progress in European capability development. They have

hence decided to hedge their bets with bilateral cooperation outside the EU framework. In November 2010, British Prime Minister David Cameron and French President Nicolas Sarkozy signed an extensive Treaty on Defence and Security Cooperation. This treaty not only takes their defence cooperation to an unprecedented level, it also has far-reaching and difficult implications for European defence. Three aspects of this agreement are of particular importance for the future of CSDP.

First, it brings together the two countries that have had a decisive, yet also very ambivalent influence on the creation and shape of CSDP. At the origins of CSDP was the Franco-British Saint-Malo Declaration. Following the experience of the Balkan Wars, in 1998 the two countries partially overcame their longstanding differences on the role of the United States (US) and NATO in European defence and jointly called for the development of an autonomous EU capacity for military action. Although for different reasons, both countries put their weight behind the creation of CSDP with the aim of increasing the military capabilities of European states. Their joint call had a particular importance, as they stand out among EU Member States in security and defence – both nuclear powers and permanent members of the United Nations (UN) Security Council, Britain and France together account for almost half of all European defence spending, and over 60% of expenditure in defence research and development. However, over the course of the development of CSDP, their diverging preferences in regards to NATO and the US also continued to be an obstacle to several major initiatives, such as the proposals to set up EU military headquarters.

Secondly, the agreement represents for the two countries a radical step towards a new level of cooperation in security and defence policy. Taking a broad approach to defence cooperation, the treaty aims to provide "an overarching framework" for joint initiatives in almost all possible areas. The only two major, though crucial, exemptions are that France and the UK retain their full sovereignty over the decision to deploy their forces and that the agreement is not to affect their rights and obligations under other defence and security agreements. Bar these exemptions, the agreement covers cooperation in military doctrine, sharing and pooling of materials, equipment and services, the pooling of forces and capabilities for military operations, including the option to deploy a 10,000-strong joint Franco-British Brigade, as well as industrial and armament cooperation and exchange of classified information. If followed through, the agreement could therefore lay the basis for an unprecedented interdependence and progressive convergence of the two countries' military operations, capabilities, doctrine and armament industries.

Thirdly, the new Treaty on Defence and Security Cooperation is not Saint-Malo 2.0. Although a bilateral declaration, the foremost aim of the 1998 Saint-Malo declaration was to provide an impetus for the development of a security and defence policy within the EU. However, large parts of the British Conservative party, including Defence Secretary Liam Fox, have publicly voiced their scepticism towards military cooperation within EU structures and emphasised the pragmatic nature of the bilateral cooperation. Fuelled by French disillusionment, due to a lack of tangible progress within CSDP, the agreement has no agenda for a Europeanisation of the bilateral initiatives. The only possible way for the new bilateral treaty to act as a "new engine" for European Defence would be to force other Member States to step up their engagement in military capabilities in order not to be left behind by France and the UK.

The structured approach: Organising flexibility within the EU framework

This approach of bilateral cooperation outside the EU framework has proven controversial with other EU Member States. Officially, during an informal meeting in December 2010, EU Defence Ministers endorsed the agreement, seeing it as something that could contribute to improving European defence capabilities. Behind closed doors, however, several governments voiced apprehension that the bilateral initiative may lead to disentanglement from CSDP and argued for organising flexible cooperation within the institutional structures of the EU. As a first step, in late 2010 EU Defence Ministers followed an initiative by Germany and Sweden to analyse Member States' options for military-capability cooperation.

The core idea of the so called "Ghent initiative" is to revitalise capability development in CSDP via a bottom-up approach. The first step consists of a systematic analysis of the ongoing and possible areas of Member State cooperation in military capabilities. To this end, all Member States agreed to consider cooperation in three areas: "measures to increase interoperability for capabilities to be maintained on a national level; exploring which capabilities offer potential for pooling; intensifying cooperation regarding capabilities, support structures and tasks which could be addressed on the basis of 'role- and task-sharing'" (emphasis added).[2] This bottom-up information is to form the basis for an assessment of the possible scope for cooperation in defence capabilities between the Member States.

This assessment can only be successful if the willing Member States make use of this defined scope for military cooperation. As these initiatives are unlikely to encompass all Member States, they will have to use flexible cooperation. Exactly for this scenario, the Lisbon Treaty introduces the instrument of Permanent Structured Cooperation (PESCO). Although yet to be used, this instrument allows groups of Member States that are willing to jointly enhance their efforts in defence to do so within the Union framework. These Member States then have to fulfil higher criteria in their capabilities and make yet-to-be-specified commitments on the further development of their capabilities. In order to provide reliability and incentives for real progress, PESCO allows for the combination of these qualitative criteria with a mechanism for regular scrutiny, peer pressure and even sanctions. Additionally, those Member States not participating in PESCO can take part in its decision-making process, though without a formal vote.

2. Council of the European Union, Press Release, "Council conclusions on Military Capability Development", 9 December 2010, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/118347.pdf

Unlike previous capability-development processes in the EU – such as the Headline Goal or the European Capability Action Plan – PESCO includes the possibility for a top-down element. In order to screen Member States' compliance with the criteria and their commitments, it foresees a regular assessment to be carried out at least once a year by the European Defence Agency (EDA), which then gives a progress report to the Council. For the participating Member States, PESCO could therefore be used to introduce yearly capability planning at the EU level. If a Member State no longer fulfils the set PESCO criteria or is no longer able to meet its commitments, the other states participating in PESCO can decide to suspend its participation. Although this constitutes a rather crude sanction mechanism that will only be used as an ultimo ratio, it does at least allow for the Member States to exert political pressure on one another.

The instrument of Permanent Structured Cooperation could therefore form the basis for organising flexible cooperation in the full spectrum of military capabilities within the EU. The largest question mark surrounding its realisation concerns the qualitative criteria and commitments Member States would have to fulfil in order to take part in PESCO. While the treaty provisions are relatively vague in this regard, so far Member States have not been able to agree on a compromise that allows for broad participation while at the same time providing a real incentive for increased engagement in military capabilities. As an added benefit, due to their formal participation in decision-making, non-participating Member States would be kept in the loop. The largest benefit of PESCO, therefore, is that it would keep flexible military cooperation within the EU framework, and thus be directly aimed at stimulating CSDP.

Looking ahead – coordinating flexible military cooperation

After an initial phase of rapid development and a quick succession of small operations, the EU's Common Security and Defence Policy finds itself at a crossroads. The development of the civilian and military capabilities of EU Member States has not kept pace with the EU's ambition of becoming a global player in security affairs. Looking ahead to an "age of austerity" looming in the aftermath of the financial crisis, the pressure on finding further pockets in already strained national defence budgets is set to increase. Faced with this challenge, the UK and France have opted for a decisively bilateral approach in defence cooperation, aiming to use flexible and pragmatic initiatives outside the EU framework to boost their national capabilities. With the Ghent initiative, on the other hand, EU defence ministers have adopted an approach that aims to lay the foundation for flexible cooperation within the EU structures.

Set for a first progress report in mid 2011, this initiative will only be successful if followed by a real political push for more military cooperation aimed at delivering concrete results. It is here that the upcoming rotating presidencies can play a limited yet important role. Although their role has changed under the Lisbon Treaty, defence matters and in particular military capabilities remain a realm of the Member States, where coordination and mediation by the Presidency continues to be of high importance. If the upcoming presidencies want to support capability cooperation within the EU structures, two aspects are crucial.

First, the Presidencies should organise initiatives for flexible military cooperation – such as the use of the instrument of Permanent Structured Cooperation – in close contact with the structures of CSDP, in particular the High Representative, the departments in the European External Action Service and the EDA.

Second and more importantly, coordination by the rotating presidencies will be crucial for bridging the gap between the large and smaller Member States. Poland, with its growing interest in advancing CSDP and its position as a medium-sized East European state, is particular suited for this coordination. If this coordination is successful, the EU could indeed become a viable framework for flexible military cooperation, and CSDP could be revitalised.