

OCCASIONAL PAPER

DECEMBER 2008

74

The EU, NATO and European Defence – A slow train coming

Asle Toje



European Union Institute for Security Studies

The Institute for Security Studies (EUISS)

was created in January 2002 as a Paris-based autonomous agency of the European Union. Following an EU Council Joint Action of 20 July 2001, modified by the Joint Action of 21 December 2006, it is now an integral part of the new structures that will support the further development of the CFSP/ESDP. The Institute's core mission is to provide analyses and recommendations that can be of use and relevance to the formulation of EU policies. In carrying out that mission, it also acts as an interface between experts and decision-makers at all levels.

The Occasional Papers

are essays or reports that the Institute considers should be made available as a contribution to the debate on topical issues relevant to European security. They may be based on work carried out by researchers granted awards by the EUISS, on contributions prepared by external experts, and on collective research projects or other activities organised by (or with the support of) the Institute. They reflect the views of their authors, not those of the Institute.

Occasional Papers will be available on request in the language – either English or French – used by authors.

They will also be accessible via the Institute's website: www.iss.europa.eu.

European Union Institute for Security Studies

Director : Álvaro de Vasconcelos

© EU Institute for Security Studies 2008. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photo-copying, recording or otherwise without the prior permission of the EU Institute for Security Studies.

ISBN 978-92-9198-134-2

ISSN 1608-5000

QN-AB-08-074-EN-C

Published by the EU Institute for Security Studies and printed in Condé-sur-Noireau (France) by Corlet Imprimeur, Graphic design by: Hanno Ranck in cooperation with Metropolis (Lisbon)



OCCASIONAL PAPER

DECEMBER 2008 **74**

The EU, NATO and European Defence – A slow train coming

Asle Toje



The author

Asle Toje was a Visiting Fellow at the European Union Institute for Security Studies during spring 2008. He specialises in post-Cold War security studies and is the author of *America, the EU and Strategic Culture: Renegotiating the Transatlantic Bargain* (Routledge, 2008). He has been researching and teaching European security topics since 1998. His current research focuses on transatlantic security and European foreign policy integration.

Contents

Summary	5
Introduction	7
1. Three trends pointing to a revised transatlantic bargain	11
1.1 Demands for more, not less, EU defence policy	11
1.2 The altered role of Europe in American foreign policy	13
1.3 NATO's transformation challenge	15
2. Towards a stronger Europe	19
2.1 Facilitating EU-NATO cooperation	19
2.2 Strengthening the European Security and Defence Policy	22
2.3 More and better European military capabilities	25
2.4 An agenda capable of gaining the critical mass?	28
Conclusion	31
Annex	35
Abbreviations	35

Acknowledgements

The author would like to thank the EUISS for research facilities and funding. Special thanks also to Marcin Zaborowski, Giovanni Grevi and Daniel Keohane. He would also like to extend his gratitude to EUISS Director Alvaro de Vasconcelos for the kind invitation to visit the Institute in spring 2008. Thanks are also due to the policymakers and experts in Brussels, London, Berlin and Paris who took time to discuss the issues presented here. The arguments and viewpoints of this paper should be attributed to the author only, who also assumes responsibility for any error of fact or judgment.



Summary

This Occasional Paper is devoted to the proposals on European defence under discussion during the 2008 French EU Presidency. While Americans and Europeans alike support stronger EU-NATO cooperation, the output has so far been unsatisfactory. This paper examines specific initiatives for a stronger, more unitary European security structure.

To this end the paper pursues two distinct – but related – lines of inquiry. The first section examines three broad trends that point to a revised transatlantic bargain and that are providing a favourable environment for the current initiatives: (i) demands for more, not less, EU defence policy; (ii) the altered role of Europe in American foreign policy, and (iii) NATO's transformation challenge.

The second section traces three sets of specific policy initiatives to strengthen European security on institutional and capability levels: (i) improving ESDP-NATO cooperation; (ii) strengthening European Security and Defence Policy and (iii) military capability initiatives.

The paper also offers thoughts on the prospects and pitfalls of the current process. For the ongoing process to meet its objectives it will have to overcome deep-seated political differences and structural hurdles. The conclusion is nevertheless that the new initiatives have a better chance of making substantial progress than past endeavours due to a focused agenda and a favourable international climate.

This Occasional Paper provides a fresh analysis of relations between Europe and America during the second Bush administration (2005-2009). The study focuses on both the limits and opportunities of EU-NATO cooperation and suggests where possible improvements might be made, particularly at the working/operative level.

Introduction

The security policy debate in Europe in 2008 has been dominated by new initiatives on European defence. Discussion has centred on three issue areas, namely (i) strengthening the EU Security and Defence Policy (ESDP), (ii) generating European military capabilities and (iii) facilitating intra-institutional cooperation. The agenda is not new. In fact, these three questions have constantly recurred in the debate for nearly two decades. Over that time many initiatives have been launched. Some were successful, others less so. The process has given rise to a new set of propositions aimed at adapting to changed circumstances – in part as a way to find a new transatlantic power and burdensharing equilibrium, but also in terms of gaining greater legitimacy and efficiency in European defence cooperation.

This *Occasional Paper* will concern itself with the specific proposals on European defence under discussion during the 2008 French EU Presidency. To this end it pursues two distinct – but related – lines of inquiry. The first section examines international trends that are providing a favourable environment for the current initiatives: demands for more, not less, EU defence policy; the altered role of Europe in American foreign policy, and NATO's transformation challenge. The second section traces three sets of specific policy initiatives: (i) improving ESDP-NATO cooperation; (ii) strengthening ESDP and (iii) military capability initiatives. In the concluding section some thoughts will be offered on the prospects and potential pitfalls of the current process.

European security is one of those topics that becomes more confusing when an attempt is made to simplify it. It is important to keep in mind that the current endeavour is but the latest in a line of initiatives in various organisational settings aimed at realising one or more of the three objectives mentioned above. Although the specific initiatives discussed in this paper could seem small, even insignificant to the casual observer, they do in fact have important implications. Some hopeful commentators have labelled the current process 'Saint Malo II' in reference to the Franco-British initiative that launched the European Security and Defence Policy in 1998. A more accurate description would perhaps be that the current process is concerned with delivering on the promises made in the original 1998 Saint Malo Declaration and that were reconfirmed in the 2003 European Security Strategy (ESS).

Some of the initiatives discussed in this paper have come to be predominantly associated with the 2008 French Presidency of the European

Union. It would, however, be wrong to see the efforts as reflecting the ambition of a single Member State or, indeed, a coalition of states. The current agenda is but the last step in an ongoing process of transformation and adaptation to which no state can claim exclusive ownership. By signalling its intention to make European security one of the focal points of its turn at the helm of the EU, France has sparked a remarkably detailed and informed debate on European security. Experts from across the spectrum of the EU Member States have taken part, displaying a willingness to challenge established orthodoxy that was sometimes lacking in the past.

For nearly two decades our times were designated as an appendix – the ‘post-Cold War’ era. Many thought that we were venturing towards a global society based on shared ideals and regulated by supranational institutions. A world where soft power and international inclinations would be more important than interests and power resources. There are signs that we are moving in the opposite direction. In 2008 the return of intra-state warfare to Europe and the global financial crisis have in a remarkably short time altered the playing field of transatlantic affairs. Kurt Campbell and Michael O Hanlon are but the latest in a line of experts who have warned that the times ahead will be marked by power politics.¹ A time where the institutional and normative framework constructed in the aftermath of World War II will come under pressure.

The impact that the changing landscape will have for transatlantic security is particularly significant. The Atlantic Alliance has, in the words of Henry Kissinger, evolved towards becoming ‘an alliance à la carte whose capability for common action does not match its general obligations.’² As a result the transatlantic agenda is cluttered with issues on which there is discord, ranging from questions of enlargement to capability transformation to the war on terror and the handling of Russia. Disagreement runs deep: down to the very *raison d’être* of the Alliance – out-of-area operations or territorial defence? Strategic culture is in flux both in the US and in the major EU Member States. Fault lines run in many directions (large versus small; conscript armies versus professional armies; Europeanist versus Atlanticist; new versus old). What does this mean for NATO and in turn for ESDP?

There has been no lack of predictions regarding what is likely to be the result of the resurgence of interest in the subject of European defence. Some see the emergence of an EU-US two-pillar transatlantic structure

1. Kurt M. Campbell & Michael E. O Hanlon, *Hard Power: the New Politics of National Security* (New York: Basic Books, 2006).
2. Henry Kissinger, ‘The debate we need to have’, *International Herald Tribune*, 7 April 2008.

bridged by NATO. Others see a series of discrete ventures that may or may not improve the workings of the existing security architecture. For nearly a decade, European defence has skidded along the runway, without quite reaching take-off speed. A problem that has undone past attempts at reform is that policy initiatives have failed to fuse. The context in which the current process is taking place is important, mainly because the present circumstances are providing added incentives for change. In the present context three particular trends are significant in this respect, and these will be examined in the next section.



1. Three trends pointing to a revised transatlantic bargain

1.1 Demands for more, not less, EU defence policy

Trends in international affairs rarely move in the same direction. In the case of European security cooperation we are now witnessing a contradictory trend where the ‘supply’ forces for European political integration has been dealt a blow by the blocking of the Lisbon Treaty, while at the same time ‘demand’ factors for EU foreign policies appear to be moving in the opposite direction. The paradox is captured in a Eurobarometer 2007 opinion poll that showed 67 percent of the respondents answered that they would like to see more defence and foreign affairs decisions made jointly within the European Union. Not long after, a similar poll showed that only 52 percent of EU citizens consider EU membership to be a good thing for their country.³ This is a testimony to the added value of the defence dimension to the EU project in a world that seems, if not more dangerous, then at least less stable than before.

The resolve to increase Europe’s military capacity was the key ingredient of the 1998 Franco-British Saint Malo initiative, often referred to as the ‘birth certificate’ of the ESDP.⁴ This debate was, in turn, inextricably linked to imbalances in Euro-American security cooperation. Over the past ten years this debate has evolved rapidly. The relevant question is no longer the appropriate level of Europe’s contribution to a US global strategy, but rather Europe’s place in the world. During this time EU security policy has grown in stature. Anand Menon is correct in claiming that the 2003 Iraq crisis was, paradoxically, salutary for the EU in that it helped focus the minds of European leaders on the issue of European defence.⁵ Among the tangible results of this was the 2003 EU Security Strategy. The claim that ‘the European Union is a global actor, ready to share in the responsibility for global security’ as expressed in the 2010 Headline Goal is more true today than it was at the time that the European Security Strategy was written.⁶

The demand in the outside world for aggregate European engagement is also on the rise. The role of the EU in defusing the Georgian crisis

3. See: http://ec.europa.eu/public_opinion/index_en.htm. (Accessed 22 June 2008).

4. For the text of the Saint-Malo Declaration, see Maartje Rutten, (ed.), ‘From Saint-Malo to Nice. European defence: core documents’, *Chaillot Paper* no. 47, WEU-ISS, Paris, 2001, pp. 8-9.

5. Anand Menon, ‘From Crisis to Catharsis: the ESDP after Iraq’, *International Affairs*, vol. 80, no. 4, pp. 632-48.

6. Headline Goal 2010 (Doc 6309/6/04) endorsed by the European Council on 18 June 2004.

of August 2008 illustrates the point. In 2007 the EU participated in 84 ministerial meetings with third countries, one every four days. Since its first mission in 2003 the EU has engaged in 20 crisis management operations. Although many of these operations were small (the largest current mission is the 3,500 strong EUFOR in Chad) most of the operations have achieved their objectives. The operations are noteworthy not only their complexity and range but also for the manner in which they are carried out. The EU has made considerable strides in combining civilian and military assets in crisis management. The two new missions in Kosovo where the EU has deployed 1,900 law enforcement personnel to work alongside the 16,000 strong NATO military contingent and in Chad where the 3,700 strong EU military stabilisation force recently became fully operational illustrate that the EU has come to fill a niche in regional and global security.

Even without any large-scale engagements the available resources are stretched thin. By comparison to the approximately 6,000 EU troops currently deployed, the African Union has upwards of 30,000 soldiers deployed in five major peacekeeping operations. The UN has 75,000 troops deployed around the globe and NATO is leading a force of 44,000 soldiers in Afghanistan. This is not to say that the Union needs to carry out large-scale military missions in order to be an effective foreign policy actor, only that the demand for the sort of crisis management that the EU specialises in is growing – in practice if not in theory. The EU is being pushed to perform the functions of a comprehensive security actor in Europe and beyond. The implication of this is, as Daniel Keohane recently pointed out, that the EU's limited capacities will increasingly be outstripped by rising demand.⁷ While the EU will continue to rely on diplomacy and trade in its dealings with the external actors, EU foreign policy will have to include a military component for those cases where achieving strategic and humanitarian objectives means deploying robust armed force.

This shifts focus to the funds and capabilities that are necessary to perform core tasks. While the unit price of military hardware has risen dramatically, European defence budgets have been kept at historic lows. Most European states are today faced with the dilemma of having to shed certain capabilities in order to modernise others.⁸ As a result the force catalogues of most European armies look like half-empty bookshelves. This is not just a problem facing small and medium-sized states. Even Britain and France, Europe's strongest military powers, have in their respective defence White Papers both had to owe up to

7. Daniel Keohane, 'The strategic rise of EU defence policy', *Issues*, EUISS Newsletter no. 25, March 2008, p. 8.

8. For more on this topic, see Daniel Keohane (ed.), 'Towards a European Defence Market', *Chaillot Paper* no. 113, EUISS, Paris, November 2008.

the fact that no single European state can afford to buy, develop and operate every category of armament.⁹

Europe finds itself in a difficult situation where Member States are expected to be able to conduct both territorial defence and out-of-area operations at a time when few are able to effectively carry out either of these tasks effectively. In this situation the pooling of resources in order to acquire major new capabilities amounts to making a virtue of necessity. Although joint efforts such as the Eurofighter and the A-400M transport aircraft have had mixed results, joint development and procurement will likely continue to grow in importance.¹⁰ Similarly, pooling of resources such as the multinational EU Battlegroups and the proposed multinational naval flotillas are a reflection of what could perhaps be another ‘European rescue of the nation state.’¹¹

1.2 The altered role of Europe in American foreign policy

Today America is turning its military resources and policy attention away from Europe.¹² In a recent *Chaillot Paper* published by the EUISS Esther Brimmer noted that American attitudes towards the EU over the past two decades have been characterised by a strong sense of ambivalence. The US has been in favour of a greater role for the EU in regional and global security, yet has often opposed specific attempts at common policies.¹³ America’s conditions for supporting the ESDP were spelled out in Secretary of State Madeleine Albright’s warning directed at European leaders not to ‘Duplicate’ NATO assets, to ‘Discriminate’ against non-EU NATO members or attempt to ‘Decouple’ the EU from the transatlantic security architecture.¹⁴ These ‘three Ds’ were a direct response to the Saint Malo Declaration and permeate the 2003 Berlin Plus agreement concluded between the EU and NATO.

The most significant indicator that a paradigmatic shift in American policy towards Europe is taking place is the willingness to rethink the

9. Présidence de la République, ‘The French White Paper on defence and national security’, 2008, p. 7. Available at: http://www.ambafrance-ca.org/IMG/pdf/Livre_blanco_Press_kit_english_version.pdf; Claire Taylor, ‘The Defence White Paper’ (London: House of Commons Library, 2004), p. 11. Available at: <http://www.parliament.uk/commons/lib/research/rp2004/rp04-071.pdf>.

10. Burkard Schmitt, ‘Defence procurement in the European Union: the current debate’, Report of an EUISS Task Force, EUISS, Paris, May 2005.

11. To paraphrase the title of the book by Alan S. Milward, George Brennan and Federico Romero, *The European Rescue of the Nation-State* (Berkeley, CA: University of California Press, 1993).

12. Ivo H. Daalder, ‘The End of Atlanticism’, *Survival*, vol. 45 (London: International Institute for Strategic Studies), pp. 147-66.

13. Esther Brimmer, ‘Seeing blue: American visions of the European Union’, *Chaillot Paper* no. 105, EUISS, Paris, September 2007.

14. Madeleine Albright, ‘The right balance will secure NATO’s future’, *Financial Times*, December 1998.

‘three Ds’. There is a new sense in America that the EU’s efforts should be nurtured rather than contained. It seems assurance that a stronger EU defence policy will complement rather than compete with NATO has gone some way towards persuading US decision-makers. There are signs that Washington not only understands the ‘Europeanist’ logic concerning European defence, it also subscribes to it.

The position was put in plain terms by Victoria Nuland, the American ambassador to NATO, in a speech in Paris early in 2008: ‘I am here today in Paris to say that we agree with France,’ she continued, ‘Europe needs, the United States needs, NATO needs, the democratic world needs – a stronger, more capable European capacity.’¹⁵ Five days later she repeated the same message in London. At the NATO Summit in Bucharest in April President Bush reportedly expressed much the same sentiments in his address to Alliance leaders.¹⁶ The shift is all the more important because it appears to carry a degree of bipartisan support. While views differ within each party and also within different US government departments, President-elect Barack Obama has pointed to the EU as a likely vehicle for strengthening European military capabilities.¹⁷

What we are seeing is the convergence of two dominant agendas in American foreign policy thinking. One favours continued American engagement in European security through the primacy of NATO; the other sees the EU emerging as a power in its own right as the best long-term strategy to ease America’s burden in an increasingly multipolar world. Although these are often contrasting perspectives they occasionally overlap. The current coherence stems from a shared understanding that US political and military resources in the years ahead will face a new set of challenges beyond Europe, and in order to face these challenges effectively America will need both greater flexibility and more able partners. The EU is seen as a catalyst for both.¹⁸

The past few years have also seen a shift in American policy attention. European leaders could in the past rely on ample ‘face time’ with US leaders. The same leaders can no longer expect the same degree of attentiveness to their individual concerns. This is in part the understandable consequence of the fact that the number of American allies in Europe has nearly doubled with NATO’s successive enlargements. But

15. American NATO Ambassador Victoria Nuland’s Speech to the Presse Club and AmCham Paris, France 22 February 2008. Available at: <http://www.america.gov/st/texttrans-english/2008/February/20080222183349eaifas0.5647394.html>. The message was repeated at the London School of Economics, London, United Kingdom, 25 February 2008.

16. Leo Michel, ‘France’s Return to NATO Can Complement EU Security’, *Der Spiegel*, 12 June 2008.

17. Barack Obama made this plain in his speech in Washington DC on 14 July 2008: ‘It’s time to strengthen NATO by asking more of our allies.’

18. e.g. Fareed Zakaria, *The Post-American World* (New York: W.W. Norton, 2008); Robert Kagan, *The Return of History and the End of Dreams* (New York: Knopf, 2008).

the main reason is positive, namely that the transatlantic region today is peaceful. Instability is endemic in other corners of the world. Anyone familiar with the foreign policy debate in the United States is sure to note the degree to which the policy agenda has shifted away from matters European. Even rapid Russian rearming is not likely to change this fact significantly. Washington expects the Europeans to take responsibility for their own regional security.

The trend is also apparent in US military deployments. The past decade has seen steady reductions in US troop levels in Europe – from a Cold War strength of over 300,000 to 53,000 in 2008. The ongoing global redeployment has led to the closing of a number of installations such as the symbolically important Keflavik base in Iceland. New installations in Central and Eastern Europe are skeleton structures with little permanent personnel. America has also been scaling back its troop presence in the NATO missions in the Balkans where European states are now carrying the brunt of the burden. Changes in force posture are also reflected on an operational level where a preference for coalitions of the ‘willing and able’ has gone some way towards replacing the collective action of the Cold War.

There are, in other words, two elements to the American change of policy. One is changing strategic priorities, the other a need for more active allied support. This is not to be underestimated. For better or for worse the unipolar era is drawing to a close and the US is adjusting accordingly. This means that whether or not the Europeans decide to strengthen their defence cooperation the US is set to play a less pronounced role in European security than it has done over the past seventy years. This also means that the incoming Obama administration will be expected to continue the pragmatic line of George W. Bush where the focus is more on displayed willingness to contribute to joint efforts than on institutional frameworks.

1.3 NATO’s transformation challenge

Five years after the signing of the Berlin Plus agreement on EU-NATO cooperation the Alliance finds itself in difficult circumstances. The 2008 South Ossetia war put territorial defence back on the agenda. It ended, in the words of Polish Foreign Minister Radoslaw Sikorski, ‘the era in which one could dispense security guarantees without anticipating having to bear any cost for them.’¹⁹ It is not clear how this will impact on

19. Judy Dempsey, ‘Polish foreign minister reflects on exile’, *International Herald Tribune*, 23 September 2008.

out-of-area operations. In 2009 the largest of these, the International Security Assistance Force (ISAF) in Afghanistan, is in its seventh year. The Afghan mission is a challenging one. The task of providing stability to a country larger than France puts great stress on the political and military resources of the Alliance.

NATO has taken on an operation that will absorb much of its political and military resources in the medium to long term. The Alliance has done so before resolving what is often referred to as the 'transformation challenge' which is made up of three inter-connected questions. One, the post-Cold War era has seen a steadily growing transatlantic gap in military capabilities that threatens interoperability and places a disproportionate share of the operational burden on the US. Two, much the same situation is reflected in the case of political cohesion where the United States over time has grown accustomed to leadership. Three, the end of the Cold War opened a debate as to whether the Alliance should continue to focus on territorial defence or on out-of-area operations.²⁰

The difficulties involved in reforming NATO while at the same time carrying out a large out-of-area operation is illustrated in the fate of the NATO Response Force (NRF). The initiative was launched at the 2002 Prague NATO Summit and declared operational four years later at the summit in Riga. The NRF was branded as a dynamo for the continued relevance of NATO and a catalyst for the transformation of the Alliance – a reformed instrument of collective action. The 24,000 strong task force was to be drawn from the best capabilities available among the NATO members. The NRF was also intended to strengthen the European pillar of NATO and bridge the growing gap between US and European military capabilities.²¹ At the meeting in Noordwijk in October 2007 NATO defence ministers acknowledged that the NRF has not delivered on its original intentions, leaving the initiative's future in doubt.²²

This points to a deeper challenge. While the so-called 'transatlantic gap' in military capacity is well known, the adding of 13 new European members to NATO has opened up a second gap within Europe. The growing asymmetry in terms of capabilities has given rise to questions with regard to the future of NATO. Will it continue to be a military alliance or is its destiny to become a political-military forum and a reservoir for 'coalitions of the willing'? In other words a shift from the

20. The 44th annual Munich Security Conference took place in 2008 under the title 'The World in Disarray – Shifting Powers, Lack of Strategies'. See also Andrew J. Bacevich, 'NATO at twilight', *Los Angeles Times*, 11 February 2008.

21. As outlined in the Prague Summit Declaration, 1-4. Available at: www.nato.int/docu/pr/2008/p08-049e.html.

22. Peter Winkler, 'Frühes Ende der Nato Response Force?', *Neue Zürcher Zeitung*, 13 October 2007.

Article 5 spirit of solidarity towards the more discretionary logic of Article 4 of the North Atlantic Treaty. Leading voices in the US would like to see a 'global NATO' comprising like-minded states from around the world.²³ The notion is that while NATO may well be unwieldy as a military entity it could still provide a structure for Western interests if geographical bars on membership are dropped. In Europe many fear that this may be a codeword for American disengagement, what one might call 'de-alignment through dilution.'

In this situation there has been a change of heart among the supporters of NATO regarding the desirability of cooperating more effectively with the EU. Few today see the ESDP as a 'dagger aimed at the heart' of the Alliance, to quote John Bolton's memorable one-liner. On the contrary, many in NATO see the EU as a catalyst for mobilising European military capabilities. Cooperation at an aggregate EU-NATO level is now generally seen as complementing rather than supplanting the Alliance. The NATO Bucharest Declaration states: 'We recognise the value that a stronger and more capable European defence brings, providing capabilities to address the common challenges that both NATO and the EU face.'²⁴ This is not only a matter of coordinating capability goals, but also of working more effectively on a political level in order to improve alliance cohesion.

23. Ivo H. Daalder and James Goldgeier, 'Global NATO', *Foreign Affairs*, vol. 85, no. 5, 2006, pp. 105–114.

24. Bucharest Summit Declaration. Available at: <http://www.nato.int/docu/pr/2008/p08-049e.html>.

2. Towards a stronger Europe

The 1998 Franco-British Saint Malo Declaration set the European defence agenda for a decade. The carefully worded text charted a middle path between the traditional ‘Europeanist’ position (‘the European Union needs to be in a position to play its full role on the world stage’) and the ‘Atlanticist’ view (‘while acting in conformity with our respective obligations in NATO’), agreeing that both ends are best served by the EU having ‘the capacity for autonomous action, backed by credible military force’.²⁵ While some obstacles have been overcome, others persist. The compatibility of NATO and the EU has proven both less fractious and more challenging than first anticipated: the ESDP that emerged from the Saint Malo initiative still lacks operational capacity and the problem of insufficient European military capacity is arguably more acute than at the time when President Jacques Chirac and Prime Minister Tony Blair met in the French port city. The Saint Malo agenda has translated into a set of specific questions to which we will now turn our attention.

2.1 Facilitating EU-NATO cooperation

The awkwardness of EU-NATO interaction is well known. Despite overlapping members and missions there is surprisingly little substantial cooperation between the two. The formal framework for dialogue, the Political and Security Committee (PSC)-North Atlantic Council (NAC) meetings, has not become the forum envisioned in the 2003 Berlin-Plus agreement. When NATO and EU ambassadors meet, they are only authorised to discuss ‘joint EU-NATO operations’ – of which there is just one, *Althea* in Bosnia-Herzegovina, as well as select capability initiatives. Other important issues, such as anti-terror cooperation, Iraq, Afghanistan and Sudan are simply not on the agenda. It is no secret that this state of affairs may be attributed to no small degree to the fraught political relations between EU member Cyprus and NATO member Turkey. The intricacies of the dispute are too complex to revisit in detail but the outcome of the impasse is that EU missions in Afghanistan and Kosovo are denied military protection from NATO, which hampers the Union’s efforts.²⁶

While there are no quick fixes to the Turkey-Cyprus issue there are other bottlenecks that can be removed to allow for more effective EU-NATO interaction on a practical level. One such question is bridging

25. Maartje Rutten (ed.), *Chaillot Paper* no. 47, op. cit. in note 4, pp. 8-9.

26. For more on the Turkey-Cyprus issues, see: Simon Duke, ‘The future of EU-NATO relations: a case of mutual irrelevance through competition?’, *Journal of European Integration*. vol. 30, no. 1, pp. 27-43.

differences in bureaucratic culture that have bred inter-organisational rivalry in the past, including differences over equipment procurement. This is in part because the EU and NATO have failed to synchronise the ‘capability goals’ they set for their respective members, notably with regard to priorities. The 21 European states that need to allocate their defence budgets in accordance with both EU and NATO requirements can ill afford such competition. The gap between the EU’s European Capability Action Plan (ECAP) and NATO’s Prague Capabilities Commitment, for example on network-centric warfare capabilities has, according to sources in the joint NATO-EU Capability Group, encouraged non-compliance on both counts. This question filters through to the operational level. One example is that the EU is not being helped by states afraid that if they pledge certain resources – for example helicopters – they will be questioned in NATO as to why these capabilities are not already deployed in Afghanistan.

That is why France rejoining NATO’s integrated military structure is of key importance.²⁷ French reintegration would be important both on a symbolic and practical level. The official return, expected to be announced at NATO’s 60th anniversary summit in Strasbourg and Kehl in April 2009, may help ease concerns that the ESDP is competing with NATO. More substantially the move would increase the overlap between NATO and the EU. Dispatching an estimated 700 French officers to the NATO structures could allow EU and NATO organisational cultures to become more complementary. One important benefit for the EU could be learning from NATO’s experiences in issues such as pooling capabilities and joint funding. French reintegration could also spell the end to what in some quarters has been seen as blocking tactics designed to prevent EU-NATO meetings from becoming a forum for global security issues, such as counter-terrorism, Kosovo and Afghanistan. In a recent pamphlet defence analyst Tomas Valasek argues that the impasse at the EU-NATO meetings stemming from Cyprus and Malta’s non-membership in NATO’s partnership-for-peace (PfP) programme could be more easily overcome with French support.²⁸

This leads onto another question, namely whether French reintegration will, as it is widely assumed, reopen the Berlin Plus agreement for debate as *quid pro quo*.²⁹ If such is the case the first question of

27. The possibility of a *rapprochement* with NATO was first announced in an interview in September 2007. Elaine Sciolino and Alison Smale, ‘Sarkozy, a Frenchman in a Hurry, Maps His Path,’ *The New York Times*, 24 September 2007.

28. Tomas Valasek, ‘France, NATO and European defence’, *Policy Brief*, Centre for European Reform, March 2008, pp: 1-8. Available at: http://www.cer.org.uk/pdf/policybrief_eu_nato_26march08.pdf.

29. Lieutenant General Jean-Paul Perruche, ‘NATO-EU cooperation a win-win situation’, 22nd International Workshop on Global Security, Paris, June 2005. Available at: <http://www.users.interport.net/r/o/roger.dnai/2005book/perruche.htm>.

many will be over strategic dialogue and cooperation from planning to conduct when both institutions are engaged side by side.³⁰ This issue is surprisingly tricky. American policy has operated under the assumption that, on the basis of the 2003 agreement, NATO is the ranking institution, something that France especially disputes. The EU's first military mission, to Congo in 2003, irked some in Washington because it was launched without consulting NATO and is part of the reason why the EU and NATO later ended up launching separate missions to Sudan to assist the African Union (AU) in handling the Darfur crisis.

There are also positive signs. Substantial dialogue between the two organisations does take place outside the formal venues. The EU and NATO ambassadors meet regularly informally to discuss subjects of mutual interest that are barred from their formal agenda.³¹ These informal meetings are likely to prove essential when seeking to transform the EU-NATO relationship into an effective partnership. Two areas for collaboration are currently under discussion. One is a greater overlap between the new NATO Strategic Concept currently under discussion and its EU equivalent, the European Security Strategy, expected to appear in an updated version in 2009. It is expected that such a process will focus on avoiding duplication and facilitate collaboration between the two organisations. Another project in the pipeline is the development of exchange-programmes for officers in EU/NATO states.

Difficult negotiations lie ahead. One potentially difficult topic is the role of the EU in NATO decision-making. Washington's traditional position is that the Alliance should be preserved as a grouping of sovereign states, rather than to transform it into a political-military forum for EU-US consultations. This issue will likely be pushed into the future. Even if the US should agree to such an arrangement there is simply no consensus within the EU to act as a caucus in NATO at this time. The question of which posts should go to French officers upon their reintegration into the NATO command structure also remains. France has so far avoided requesting the sort of high-profile commissions that derailed a previous attempt at reintegration, in 1995.³² Negotiations will no doubt be eased by the French goodwill gesture of dispatching a battalion of 700 combat troops to Afghanistan following the NATO Bucharest Summit in April. But a key issue remains. French reintegration into NATO is seen as being conditional upon a broader strengthening of the ESDP.

30. Both the EU HR for CFSP Javier Solana and NATO Secretary General Jaap de Hoop Scheffer underlined the need for better coordination at the high-level seminar on relations between the European Union and NATO staged by the French EU Presidency in Paris on 7 July 2008.

31. Stephanie Hofmann and Christopher Reynolds, 'EU NATO relations: time to thaw the "frozen conflict"', *SWP Comments*, 12 June 2007.

32. Frédéric Bozo, 'Alliance atlantique: la fin de l'exception française?', *Document de Travail* (Paris: Fondation pour l'Innovation Politique, February 2008), p. 7.

2.2 Strengthening the European Security and Defence Policy

The single largest issue on the ESDP agenda is the question of whether the EU should have an autonomous capacity to plan and command crisis management missions. The idea of an operational headquarters first surfaced, in 2003, in the toxic transatlantic climate during the run-up to the Iraq war. The ambition is a more capable, more autonomous EU capacity under the authority of the High Representative of the CFSP. Those that opposed the plan argued that several countries, notably France, Britain and Germany, have national headquarters that are adequate for commanding EU military missions on a rotational basis. NATO also has several functional command centres that are available to the EU. The result is that EU military command is farmed out to seven different headquarters. Proponents argue that this nomadic arrangement is unsatisfactory due to variations in operational cultures that require constant retraining and limit ability to learn from experience.

In 2003 a compromise was reached where the EU set up a skeleton planning centre, rather than a full planning and command structure. The Operation Centre (OpCen) is tasked with planning joint civilian-military operations. It is only intended to manage robust military missions in the unlikely event that no NATO or national HQs are available. Those in favour of an EU operational HQ have tended to view this arrangement as temporary. France has made no secret of its interest in autonomous EU operational planning and the American opposition to this appears to have softened, not least since the civil-military focus ensures no apparent duplication of NATO structures. This leaves the British especially in a difficult situation. Like many other states, London has been firmly in favour of the EU and NATO cooperating more effectively. But policy-makers both in the EU and in NATO see French reintegration into NATO's military structure and with it the prospect of better EU-NATO relations as hinging on a compromise on the question of headquarters.

This is a difficult issue to resolve. Most members see the need for a stronger EU planning capacity. The Civilian Planning and Conduct Capability covers the purely civilian crisis management operations. What the EU needs is a functioning civil-military agency. At the same time such a capacity would be symbolically important. Critics see it as the thin end of the wedge that could lead to the EU eventually becoming independent of NATO. Several possible compromise solutions have been floated. Britain now finds itself in an unfamiliar situation. Having grown accustomed to be the go-between, 'explaining' the ESDP to Washington, the Americans may now be instrumental in persuading Britain to accept

a permanent EU planning and operational headquarters.³³ It will be a hard sell. London, with some justification, sees the European security landscape as being already over-institutionalised and is reluctant to agree new structures. If this position does not change then the alternative could be to make the current OpCen permanent and to add new staff, possibly in uniform. This solution could be made more palatable to those concerned about duplication, if NATO is given the option to plan joint missions with the EU thereby connecting the EU's operational planning headquarters to the NATO planning process. That would allow planners from NATO and the EU to cooperate more closely on integrated missions where non-military elements such as institution building, law enforcement and reconstruction are of key concern.

A less debated, but no less important initiative is Permanent Structured Cooperation (PSC) as a platform to make the ESDP more effective. In the envisioned arrangement a pioneer group of members could decide a deeper level of commitment in their defence cooperation through the pooling of capabilities or specialisation of resources. The Lisbon Treaty stipulates 'those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework.'³⁴ The arrangement is to operate on an 'opt-in' basis, open to any member that fulfils the four main criteria, namely to agree on objectives for the level of investment in defence equipment; to enhance their forces by setting 'common objectives regarding the commitment of forces'; to address the shortfalls identified by the Capability Development Mechanism (CDM); and to take part, 'where appropriate', in equipment programmes in the context of the European Defence Agency (EDA).

The Irish rejection of the Lisbon Treaty in June 2008 has pushed the prospect of formal PSC into an open-ended future. The Nice Treaty that for the time being will operate in its place explicitly goes against such 'enhanced cooperation' in the field of defence. There have been several suggestions on how PSC might be salvaged. Member of European Parliament Andrew Duff has suggested a 'mini treaty' to bridge the gap.³⁵ A different alternative might be to work an arrangement into the accession treaty for Croatia in 2009. A third option is to broker an informal PSC agreement outside EU frameworks and bring it in at some later convenient date. Paradoxically the latter may be the better option

33. Ian Traynor and Patrick Wintour, 'European HQ heads Sarkozy plan for greater military integration', *The Guardian*, 7 June 2008.

34. Treaty of Lisbon, in *Official Journal of the European Communities*, C306 (Luxembourg: Office for Official Publications of the European Communities, 2007), Art. 28A §6.

35. Andrew Duff, 'Salvage operation', *Financial Times*, 22 June 2008.

since an agreement outside the EU framework can be more ambitious, as demonstrated by the 1998 Saint Malo Declaration. Sven Biscop has pointed out that the weakness of PSC is that the entry criteria are open to lowest common denominator bargaining.³⁶ An added advantage to informal structured cooperation is that such a vanguard group of states pioneering PSC could still be managed by the European Defence Agency which has experience in managing similar cooperation projects.

French President Nicolas Sarkozy seems to favour the advantages of an informal arrangement. He has suggested the forming of a defence bloc within the PSC made up by the EU's six largest members that would pledge to meet defence spending targets, to invest in up-to-date military hardware as well as work together on cooperation projects including common procurement and furthering operational interoperability. Pierre Lellouche, defence spokesman in Sarkozy's UMP Gaullist party, has already tentatively outlined possible qualifying criteria.³⁷ All countries taking part in the grouping would be expected to commit to the goal of spending 2 percent of their GDP on defence and allocate a fixed part of that sum to research and development. The six would each also provide 10,000 troops for a 60,000 strong EU rapid reaction force, join in co-funded security infrastructure and consent to form a common procurement market for defence equipment. The group's members would also agree a common disarmament policy and coordinate civil protection programmes.

Some elements of this plan are more realistic than others. The spending target is not likely to be met by Spain (1.2 percent/GDP, 2007) and Germany (1.3 percent/GDP, 2007) in the short to medium term. Poland (1.9 percent/GDP, 2007) and Italy (1.8 percent/GDP, 2007) are closer to clearing this threshold alongside Britain and France.³⁸ The lack of a treaty base for the initiative could prove a welcome excuse for underperformers to opt out. Furthermore, general budgetary requirements are not as effective as some believe. They have proven to be prone to non-compliance or the sort of purely formal compliance that sin against the spirit of the measure.³⁹ Also criteria designed to monitor spending patterns (i.e. pledging to spend a fixed percentage on research, development and procurement) have a mixed track record for achieving concrete results within a practical timeframe. Similar schemes have, after all, been tried in NATO with scant success.⁴⁰ Former Chief Execu-

36. Sven Biscop, 'Permanent Structured Cooperation and the Future of ESDP', *Egmont Paper* no. 20, April 2008, pp. 1-24.

37. Pierre Lellouche, '8 propositions pour donner à l'Union une défense commune', *Le Figaro*, 31 January 2008.

38. *SIPRI Yearbook 2008* (Oxford: Oxford University Press 2008), Tables of Military Expenditure, Appendix 5A. Available at: <http://yearbook2008.sipri.org/05/05A>.

39. Biscop, op. cit. in note 36, p. 12.

40. Schmitt, op. cit. in note 10.

tive of the European Defence Agency Nick Witney agrees with the general idea of ‘pioneer groups’ in a multi-speed ESDP, but argues that such groups should be self-electing.⁴¹

A different angle is for the six to pledge a certain amount of deployable troops. Such a ‘rapid reaction force’ consisting of 60,000 men sustainable for twelve months and equipped with appropriate air and naval support is well known. It was the centrepiece of the Saint Malo process and has reappeared in various guises in a number of contexts. Reintroducing the force in a ‘members only’ form might succeed where other initiatives have failed. As the countries behind Saint Malo, Britain and France will be inclined to deliver, as will Germany possibly on the basis of the existing Franco-German brigade. There are indicators that Poland, Italy and Spain are sufficiently pleased at having been invited into the ‘EU-3’ circle that they might dig deeper into their pockets than they otherwise might have in the free-riding atmosphere of collective engagement. This is important because it would substantially increase the EU’s operational capacity to two or possibly three substantial crisis management operations while carrying out several smaller civilian operations in separate theatres. The hope is that the force will be what Véronique Roger-Lacan, Deputy Director of European Affairs at the French Ministry of Defence, called a ‘sort of production incentive for defence capabilities.’⁴²

2.3 More and better European military capabilities

The transatlantic defence-spending gap is real. The US defence budget for the current fiscal year exceeds \$650 billion, about 4 percent of the country’s gross domestic product (GDP). The 2006 average for European alliance members was 1.78 percent.⁴³ While the US spends 9 percent of its budget on research and development, the EU states combined spend a meagre 1.5 percent. Similar spending gaps are also opening up between Europe and the emerging powers in the international system. According to the 2008 SIPRI Yearbook there was a 45 percent rise in global defence expenditure 1998-2008.⁴⁴ The US, Russia, India and China account for most of the rise. This gives food for thought. The period in question coincides with the life-span of the ESDP, whose core objective was to boost European capabilities, yet very little of the expenditure increase derives from Europe.

41. Nick Witney, ‘Re-energising Europe’s Security and Defence Policy’, *ECFR Report*, July 2008, pp. 29-39. Available at: www.ecfr.eu/content/entry/european_security_and_defence_policy.

42. Speaking before the Western European Assembly on 4 June 2008.

43. Institute for Strategic Studies, *The Military Balance 2008* (London: ISS, 2008), p. 107.

44. Stockholm International Peace Research Institute, *SIPRI Yearbook 2008* (Oxford: Oxford University Press, 2008), Chapter 5.

The resulting state of affairs is worrying: of the over two million personnel in uniform in the EU-27, only roughly five percent are actually deployable in out-of-area operations. There are also signs that European defence industries are losing their competitive edge due to underinvestment in research and development and rising protectionism in external markets. The obvious way for Europe to avoid falling behind would, of course, be to substantially increase defence spending, perhaps to American, Russian or Chinese levels. This remains improbable. Despite pronounced deficiencies in military hardware and training no substantial increase in European military spending can be expected in the short to medium term. The EU agenda has therefore been focused on spending the money available more efficiently.

There is much to be gained from closer cooperation. The most obvious challenge is that while the cost of defence equipment is rising on an average of six to eight percent per year, most European states have kept their defence budgets low, typically adjusting for inflation only. Had defence budgets been spent effectively, Europe would easily keep pace with other actors. But money is not being spent effectively. Too much is spent on non-deployable assets; there is an overabundance of certain capabilities and underproduction of others; there is unnecessary capability duplication; there are shortfalls in 'projection capabilities' (especially strategic transport, command, control and communications), and using military budgets to further non-military objectives.⁴⁵ European leaders are conscious of this problem as has been duly recorded in a large number of speeches. The transformation from Cold War to post-Cold War capabilities and from territorial defence to expeditionary warfare is moving at an agonisingly slow pace. On this count the EU's biannual Capability Improvement Chart makes for sobering reading.⁴⁶

The Headline Goal 2010 and the European Defence Agency, with the European Capabilities Action Plan, is seen as the primary capability generator for the EU. The aim is to make collective action possible, and to encourage research and development (R&D). The European defence industries are fragmented. This fragmentation has been compounded, since the end of the Cold War, by underinvestment. The US spends roughly six times as much on defence R&D as all the Europeans combined. Much can be done to bring down costs *inter alia* by using more dual-use technologies and by co-development of joint rather than competing technologies. The European Defence Agency was set up to break down barriers to cross-border trade in military goods, and to harmonise the

45. Nick Witney, op. cit. in note 41, pp. 39-44.

46. See: http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/misc/84902.pdf. (Accessed 22 June 2008).

process of research, development and production of new armaments among EU Member States.

There are ongoing discussions regarding what aspects of ESDP missions could warrant shared funding. New initiatives have been suggested on common export regulations efficiency in arms procurement and production. The EDA will be a likely dynamo in any such efforts as recommended in the European Commission's Green Paper 'Proposal for a Directive on Defence and Sensitive Security Procurement.'⁴⁷ The agenda will also provide a welcome arena for EU-NATO cooperation on the practical level. Obvious areas of cooperation are developing common rules for certifying and benchmarking capabilities, and harmonisation of defence education and infrastructure. But the area where the need for coordination is arguably the greatest is in developing a shared approach to common funding and common procurement.⁴⁸ Although there has been much talk of this, surprisingly few frameworks are in place with regard to the practical side of co-ownership and joint procurement.

Other initiatives include the EDA-sponsored technology research based on pooled research funding as well as ESDP funding for security activities and, conceivably, joint funding for efforts at strengthening the EU's industrial base in terms of defence technologies. Although there are plenty of ideas on how to improve funding this process will be cumbersome since most new funding will primarily come from already stretched national defence budgets. The EU would be wise to learn from NATO in this process. The alliance has, after all, decades of experience in attempting to solve the funding conundrum. A less high-profile, yet potentially highly beneficial, new arena is EDA-coordinated cooperation on technical capability development. Rather than relying on statistical criteria that the Member States could either fudge or fail to comply with, it would be better to set criteria aimed at specific and concrete results to be achieved gradually, a method successfully applied to monetary union. Closing the gap on heavy airlift where the A400M planes will fill a much-needed niche is a precedent that could be applied in other potential joint ventures such as heavy-helicopter cooperation; unmanned aerial vehicles; a new generation of observation satellites and pooled naval flotillas. Other potential initiatives include pooling of certain capabilities such as carrier groups, strategic airlift and in-flight refuelling capabilities. The EDA's 'Long-Term Vision Report' is the possible yardstick for such initiatives.⁴⁹

47. See: http://ec.europa.eu/internal_market/publicprocurement/dpp_en.htm#draft. (Accessed 21 June 2008).

48. 'Pressure rising for common NATO/EU funding approach', *Jane's Defence Weekly*, 18 April 2008, p 8.

49. EDA, 'An Initial Long-term Vision for European Defence Capability and Capacity Needs', 2006. Available at: <http://www.eda.europa.eu/webutils/downloadfile.aspx?fileid=106>.

2.4 An agenda capable of gaining the critical mass?

So what lies ahead? Are we witnessing a tidying up of existing frameworks or the groundwork for a fundamental renegotiation of the transatlantic bargain as a two-pillar EU-US bargain bridged by NATO that some, including the author of this paper, have been predicting?⁵⁰ Anyone familiar with the attempts at reform, or indeed reconstruction, of the security architecture in Europe over the past few decades will be forgiven for harbouring a degree of scepticism when confronted with claims that radical change is under way. Before attempting to answer the question it seems advisable to insert a *caveat emptor*, a 'buyer beware' clause.

A first obvious reservation is to warn against the temptation to overestimate the role of the United States in European security. America cannot pressure the Europeans into more binding cooperation – that rule of thumb has not changed since 1954 when the European Defence Community foundered despite strong American support.⁵¹ Nor is Washington in any position to prevent such cooperation, as indeed was brought home to US officials as early as in 1989 when an inter-agency report concluded that the US could not stop European integration and would therefore be advised to support it.⁵² This said, the Obama team's endorsement of a stronger role for the EU in European security is clearly a favourable condition for the ongoing process. Not least because of America's experience in delivering hard-fought compromises with the Europeans in a NATO setting.

Secondly, although conditions are favourable this does not guarantee a favourable outcome. The fact that there is an agreement in key states that the time is right to attempt to rethink European defence is no guarantee that the suggested initiatives will add more than the sum of their parts. The European security architecture is a complex and dynamic bargain – a deal between Europe and America on the one hand, and an understanding among the Europeans on the other. The two dimensions, manifested in the EU and NATO respectively, mutually influence each other and need to be seen together. While firm US support for a stronger EU role is clearly an encouraging condition, the answers for European defence are likely to be found in Europe. The success of the venture hinges on the Europeans being able to muster the capabilities that are crucial in delivering US goodwill while at the same time strengthening the ESDP, which, in turn, is the *quid pro quo* for a wholehearted French reintegration into NATO.

50. Asle Toje, *America, the EU and Strategic Culture: Renegotiating the Transatlantic Bargain*, Contemporary Security Studies (London: Routledge, 2008), pp. 143-150.

51. Edward Fursdon, *The European Defence Community* (London: Macmillan, 1980).

52. See Geir Lundestad, *The United States and Western Europe – from 'Empire' by invitation to Transatlantic Drift* (Oxford: Oxford University Press, 2003), p. 241.

Thirdly – there is the question of quality of output. International politics are as prone as their domestic equivalents to the temptation of concealing a lack of substantial progress behind process, institutional tinkering and clever wordings. The current process has hitherto been refreshingly devoid of this. There is a real sense that the stage of visionary speeches has passed and that European defence will now have to deliver in terms of real capabilities. Although we are right to expect tangible results in the short to medium term, one should not expect too much. Readers would be wise to keep in mind Winston Churchill's words on the construction of a common European defence: 'We're not making a machine, we're growing a living plant, and we must wait and see until we understand what this plant turns out to be.'⁵³

53. Winston Churchill on the plans to create a United European Army in 1948, cited in Alan Thompson, *The Day Before Yesterday* (London: Granada Publishing, 1971), p. 88.

Conclusion

So are we witnessing a pending renegotiation of the transatlantic bargain? The answer is, predictably, that it is too early to tell. The stars are aligned. There appears to be a shared understanding among the key players that change is possible, indeed necessary. There is a greater sense of urgency than has been the case in the past. The European defence agenda has been prudently introduced at an early stage and given time to put down roots among the EU Member States, thus avoiding the sort of red-line positioning that has made compromise difficult in the past. Among the key players on both sides of the Atlantic the process is anchored at the highest political level and driven by able operators, skilled in translating political will into workable compromises. This has allowed a shared agenda to crystallise and specific options to be defined without actual negotiations taking place.

The cooperative spirit has helped generate political backing in key European capitals. American blessings for the initiative have wisely been sought and obtained. France has resisted the urge to demand immediate rewards for a possible reintegration into NATO. This is manifested in the declared pragmatism of the indispensable actors where focus is squarely on the ends and the means by which the former can be obtained. France, Great Britain and Germany, the traditional leaders in matters concerning the CFSP, have expanded their inner circle to include all six of the largest EU countries. Subsequently the initiative has been extended to Warsaw, Rome and Madrid. This is important because any agreement among the six will likely be sufficient to provide the 'critical mass' to channel the energies of the rest of Europe. But the most favourable factors for the initiative are the auspicious conditions provided by NATO's transformation challenge; the changing role of Europe in American foreign policy and the demands for more, not less, EU defence policy.

That is not to say that the process ahead will be easy. The new initiatives will have to be handled sensitively. There persists a lingering distrust, especially between Britain and France, that the current process may be covertly used to promote 'Atlanticist' and 'Europeanist' agendas. Painstaking negotiations will be required as general objectives are translated into detailed compromises. In this process a balance must be struck between the French inclination towards a top-down ends-focused process and the bottom-up means-oriented approach favoured by Britain. Unfashionable as it may sound, the process stands a better chance of success if the EU leaders keep in mind the 'three Ds'. Prospects of success are diminished if concerns are raised that the efforts to

strengthen the European Security and Defence Policy will decouple the EU from NATO – and with it American commitment to European security. Equally important is the need to involve all EU and NATO members so as not to create an impression that some states are being discriminated against. Finally, resources should be allocated prudently. Europe simply cannot afford needless duplication.

As is always the case with EU initiatives, the timing and the context are rarely equally favourable in all quarters. Due to the economic turmoil of autumn 2008, budgetary constraints will remain a significant obstacle. A number of states, France among them, are in the process of a fundamental restructuring of their armed services. Other states are hesitant to emulate the lead given in the French White Paper published in June 2008, which directs more resources to fewer, more deployable forces.⁵⁴ This, combined with the many out-of-area operations in which EU members are involved, will likely impose rigid constraints. Equally important, the domestic politics are not conducive to any grand declaratory attempts at accelerating the process, at a time when elections are looming. The return of territorial defence to domestic agendas all over Europe following the 2008 South Ossetia war is also an issue that is expected to have implications for EU defence on tactical and strategic levels.

Ireland's 'No' vote in the referendum on the Lisbon Treaty in June 2008 has inevitably cast a shadow over France's six-month presidency of the European Union. While the vote certainly is a setback for the planned development and consolidation of the European Union, the blocking of the treaty could, paradoxically, open up new opportunities for enhanced cooperation on security and defence. When the dust settles the work towards generating the critical mass to move European integration forward will recommence. There is a chance that the Irish vote may even trigger renewed interest in a more cohesive EU security and defence policy, in the same way that the Iraq crisis paved the way for the first-ever EU Security Strategy in 2003. Because these issues remain essentially a matter of intergovernmental accord, the sense of crisis may stir countries to seek progress in areas where political will matters more than supranational treaties.

For better or for worse it seems likely that change is under way. By signing up to the new European initiatives the US has played the ball into the Europeans' court. American allies in Europe are coming to realise that the security alliance with Washington can no longer be the sole significant provider of European security. The American pull-back

54. Présidence de la République, 'The French White Paper on defence and national security', 2008. Available at: http://www.ambafrance-ca.org/IMG/pdf/Livre_blanc_Press_kit_english_version.pdf.

from Europe will most likely continue regardless of whether progress is made towards a more coherent European defence policy. This means a change in transatlantic power and burdensharing where Europe is handed more of the responsibility for maintaining peace and security in its own neighbourhood – and will be enjoying a freer hand when choosing how to address such challenges. It would also seem likely that the trend where coalitions of the willing and able are favoured over collective engagement is set to continue. The striking of a new balance between legitimacy and efficiency will be crucial in allowing for more effective EU external policies.

Whether the initiatives will fuse and synergise into a general shift towards a more united European presence on the world stage remains uncertain. As mentioned initially, initiatives aimed at building a stronger security architecture in Europe are a recurring phenomenon. There have been many false starts. Agreements, even when reached, have often delivered less than was expected and other things than were promised. There has been a tendency to take refuge in process as an easier alternative to delivering hard-fought outcomes. One lesson we can draw from past efforts might be not to expect any single ‘grand bargain’, but rather a number of discrete initiatives that may, or may not, create a stronger EU in world affairs. The efforts should therefore be seen in a long-term perspective, a step in a process. Rather than looking at the new initiatives as turning points that will make or break actors, it is more helpful to see them as part of an ongoing adaptation to cope with changing circumstances. Systemic change is, as Bob Dylan reminds us, ‘a slow train coming’.



Annex

Abbreviations

AU	African Union
CFSP	Common Foreign and Security Policy
ECAP	European Capability Action Plan
EDA	European Defence Agency
ESDP	European Security and Defence Policy
ESS	European Security Strategy
GDP	Gross Domestic Product
ISAF	International Security Assistance Force
NAC	North Atlantic Council
NATO	North Atlantic Treaty Organisation
NRF	NATO Response Force
OpCen	Operation Centre
Pfp	Partnership for Peace
PSC	(i) Permanent Structured Cooperation (ii) Political Security Committee
R&D	Research and Development

OCCASIONAL PAPERS

- n° 73 Nov 2008 Nécessité et difficultés d'une coopération de sécurité et de défense entre l'Europe et l'Amérique latine
Alfredo G.A. Valladão
- n° 72 Sep 2008 EU-UN cooperation in military crisis management: the experience of EUFOR RD Congo in 2006
Claudia Major
- n° 71 Jul 2008 2007 : Les enjeux des élections législatives en Algérie et au Maroc
Luis Martinez
- n° 70 Dec 2007 The EU and Georgia: time perspectives in conflict resolution
Bruno Coppieters
- n° 69 Oct 2007 Lessons learned from European defence equipment programmes
Jean-Pierre Darnis, Giovanni Gasparini, Christoph Grams, Daniel Keohane, Fabio Liberti, Jean-Pierre Maulny and May-Britt Stumbaum
- n° 68 Sep 2007 Relations in the Russia-Ukraine-EU triangle: 'zero-sum game' or not?
Vsevolod Samokhvalov
- n° 67 Jul 2007 Crisis in Turkey: just another bump on the road to Europe?
Walter Posch
- n° 66 Feb 2007 Beyond international trusteeship: EU peacebuilding in Bosnia and Herzegovina
Stefano Recchia
- n° 65 Nov 2006 Entre Balkans et Orient: l'approche roumaine de la PESC
Gheorghe Ciascai
- n° 64 Oct 2006 The evolution of the EU-China relationship: from constructive engagement to strategic partnership
Nicola Casarini
- n° 63 Mar 2006 Security by proxy? The EU and (sub-)regional organisations: the case of ECOWAS
Bastien Nivet
- n° 62 Feb 2006 The Baltics: from nation states to member states
Kestutis Paulauskas
- n° 61 Dec 2005 The EU mission in Aceh: implementing peace
Pierre-Antoine Braud and Giovanni Grevi
- n° 60 Oct 2005 The EU in Moldova – Settling conflicts in the neighbourhood
Nicu Popescu
- n° 59 Jul 2005 L'évolution stratégique du Japon : un enjeu pour l'Union
Régine Serra
- n° 58 May 2005 L'Union et l'Afrique subsaharienne : quel partenariat ?
Roland Sourd

ISBN 978-92-9198-134-2
ISSN 1608-5000
QN-AB-08-074-EN-C

published by the European Union Institute for Security Studies
43 avenue du Président Wilson - 75775 Paris cedex 16 - France
phone: + 33 (0) 1 56 89 19 30
fax: + 33 (0) 1 56 89 19 31
e-mail: info@iss.europa.eu
www.iss.europa.eu