



# After the EUGS: connecting the dots

by Daniel Fiott

The EU Global Strategy on Foreign and Security Policy (EUGS) is quite candid about the challenges facing European defence and it understandably calls for defence cooperation to become the norm rather than the exception. The new strategy provides Europe with a realistic analysis of the present challenges and it lays the foundations for further action on security and defence. Far from calling for a panoply of new initiatives, the EUGS prudently makes the case for a calculated and proactive consolidation of existing EU policies and instruments.

While it may seem frivolous to some to talk about the streamlining of institutions and existing policies at the present time, the EU can ill-afford not to further rationalise its defence policy. The forthcoming publication of the European Commission's Defence Action Plan (EDAP) and the likely creation of a European Defence Research Programme (ERDP) make institutional streamlining and creative thinking in this field vital.

## Prioritising European defence

The EUGS rightly cites mutual assistance and solidarity, investment and capabilities and an effective European Defence Technological and Industrial Base (EDTIB) as key attributes of any credible common defence policy. However, the EU and its member states will need to be realistic about the challenges facing them. The European

defence industrial base is still fragmented and capabilities are in decline. Recent figures by the European Defence Agency highlight the gravity of the situation. Despite a real-term growth of 0.6% (€1.1 billion) in defence spending in 27 EDA member states from 2008 to 2014, over a decade from 2005 to 2015 there has been a real-term decrease of 10.7% (€22 billion). From 2006 to 2014, real-term spending on R&D fell sharply by 18.5% (€2 billion) and there was a 32% (€1 billion) decrease in R&T expenditure among EDA participating member states. Clearly then, Europe's defence policy will need to manage expectations and set realistic priorities.

In the face of the as yet uncertain implications of the UK's intention to leave the EU, both the EDAP and the Preparatory Action on Defence Research emerge at a crucial time. In particular, the Preparatory Action (and any possible future ERDP) may potentially incentivise cooperation between the member states. If correctly calibrated, funding defence research could potentially increase cross-border defence cooperation, fill vital defence capability gaps, lead to more intelligent defence spending, help benchmark defence research expenditure and support the EDTIB. Given some of the challenges associated with cooperation in defence, EU funding for defence research could be the meaningful incentive required to ensure that closer defence cooperation between the member states does indeed become the norm in the future.

## Bridging technologies and capabilities

Institutional streamlining – and possibly (re-)aligning – will be a precondition for any successful marriage between the EUGS, the Commission's EDAP and a possible EDRP. Defence research and defence capability development should go hand-in-hand and there is an obvious need to couple investment in defence technologies with capability development initiatives and the EU's broader strategic objectives. Financing new and innovative defence technologies should not be an end in itself. Developing defence capabilities without an awareness of what is technologically possible is not fully effective either. Defence capabilities cannot be developed without defence research and technological innovation, but without a clear rationale for what capabilities should be developed (and to what end) defence research may lack strategic direction. Creating synergies between defence research and capability development is all the more critical given the European Commission's recent decision to allocate an initial €25 million to defence research under the 2017 draft EU budget.

Some of the innovative ideas contained in the EUGS could indeed profit from closer coordination between the Preparatory Action on Defence Research and the EU's existing work on the EDTIB and capability development. Take, for example, the idea put forward by the EUGS that the CSDP should work alongside the European Border and Coast Guard. Not only will such an initiative require closer coordination between member states and the EU institutions (and indeed between EU institutions and agencies) but it may serve as an opportunity to further rationalise Europe's naval, air and space capabilities. On this basis, it may be asked whether the Preparatory Action on Defence Research might not in part be geared to naval technology research, airborne/seaborne surveillance and/or research on satellite technologies and sensing. These technology areas would be crucial to the task of border management and European defence more broadly.

### The missing link

The Defence Action Plan and the Preparatory Action on Defence Research can only add real value to European defence if accompanied by clearly articulated strategic priorities for defence. Building on from some of the ideas raised during the Dutch Presidency of the EU, following up on the security and defence strands of the EUGS (which it refers to as a 'sectoral strategy') could help with institutional streamlining. Any

translating of the security and defence dimensions of the EUGS into actionable points would be invaluable. It could create synergies between the CSDP and the wider range of EU policy areas related to border management, energy security, development, security sector reform and cyber defence. Setting priorities for CSDP could help EU institutions rationalise their respective work programmes, too. Innovative ways of warding off further decreases in defence spending and creating 'positive peer pressure among member states' for political action could thus be explored.

More importantly perhaps, following up on the security and defence elements of the EUGS could craft capability development objectives and list areas of potential cross-border cooperation. Here, some of the interesting bilateral initiatives being conducted by the member states (for example, the joint Dutch-German armoured unit) should be recalled. Any potential 'sectoral strategy' on defence could build on these initiatives with the aim – as the EUGS states – of gradually synchronising and adapting 'national defence planning cycles and capability development practices'. Concrete proposals for cross-border cooperation on capability development could be greatly aided by the European Commission's planned investments in defence research. Indeed, the identification of priority technology areas for the EU could stimulate closer industrial collaboration in Europe.

After the publication of the EUGS, it is apparent that the missing piece of the puzzle is a follow up on the security and defence strands of the strategy with a realistic level of ambition and capability priorities. Member states will naturally take on the responsibility of deciding what the EU's defence priorities should be and how, if at all, the 'Petersberg tasks' could be revised to reflect Europe's current strategic landscape.

Greater clarity over what types of conflict and action the EU should prepare for under (or beyond) the CSDP would be beneficial – as would political direction for what should be the appropriate balance between protecting European citizens and projecting European power. The answers to such questions are vitally important to ensure that EU defence research funds are utilised optimally, now and in the future. Having in place a clearer set of objectives for CSDP can put the EDTIB on a more sustainable footing, too.

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