

European security in 2022: the 'year of defence'?



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Report

INTRODUCTION

It is a critical time for EU security and defence. By March 2022, the EU should endorse and present its Strategic Compass. This document will provide the EU with a strategic vision for its security and defence and pave the way to concrete actions that should boost the credibility and robustness of EU action. Additionally, the European Commission President's 2021 State of the Union speech referred to a number of pertinent defence initiatives. It is not hard to see why these initiatives are important, especially given the ongoing crises in the EU's neighbourhood and growing strategic competition.

With this in mind, there is also a need to appreciate the wider context in which EU security and defence is being built. There remain questions about the nature of the transatlantic relationship, and the recent experiences of Afghanistan and 'AUKUS' raise important questions about Europe's ability to secure its own interests, principles and values. Learning the right lessons from these experiences will be essential for the EU. It clearly needs to respond to a world marked by conventional and unconventional threats, geopolitical competition and an erosion of global norms and values.

It is for such reasons that 2022 has been billed in some quarters as the 'year of European defence' ? These are certainly issues that will need to be addressed by the incoming French Presidency of the Council of the EU in 2022. In particular, there is a pressing need to reflect on what type of crisis manager the EU should become, how it should protect its interests in strategic domains such as space and in what ways will it ensure that it can reduce harmful technological dependences through innovation.

To this end, this online seminar stimulated a discussion between approximately 45 officials from EU Member States and Institutions and think tank analysts to exchange views on the coming year in EU security and defence. The seminar was divided between a main panel session and three parallel working sessions on space, crisis management and innovation.

2022: THE YEAR OF EUROPEAN DEFENCE?

Next year in March, the EU Strategic Compass will be adopted, and NATO's revised Strategic Concept should be agreed by the summer. 2022 will also begin with the French Presidency of the Council of the EU, which is set to see security and defence feature highly among the Union's priorities. However, we should not see 2022 as the only important year for European defence. In fact, once the Compass is delivered this will set in motion an implementation phase. Core deliverables will need to be achieved over the 2025-2030 time

horizon. There is also no certainty about the threats, risks and challenges that may affect Europe beyond 2022.

Overall, the first draft of the Strategic Compass has been viewed positively by EU Member States and the November EU defence ministerial resulted in a largely positive appraisal of the document. For example, while there is still some reflection needed on how the document explains and emphasises certain threats, the fact that it contains precise targets and milestones is a strong point that should guide the implementation phase. In this respect, the Compass can give the EU greater direction in security and defence and help reduce capability gaps. Accordingly, the first draft provides additional proposals for Permanent Structured Cooperation (PESCO), the European Defence Fund (EDF) and the European Peace Facility (EPF).

In particular, the Strategic Compass stresses the need for greater responsiveness, robustness and flexibility through the Common Security and Defence Policy (CSDP). It addresses the EU's interest in safeguarding strategic domains such as maritime, space, air and cyberspace. Additionally, the Compass calls for the development of critical enablers and more flexible decision-making frameworks (e.g. Article 44 Treaty on the EU). In order to enhance the EU's resilience against threats, the first draft of the Strategic Compass calls for the development of the Union's intelligence capacities, an EU hybrid toolbox and cyber defence policy. What is more, the Compass seeks to reduce the Union's strategic technology dependencies.

The EU's partnerships also feature prominently in the first draft of the Strategic Compass. There is some anticipation for the content of the third Joint EU-NATO Declaration, and it is expected that challenges related to hybrid threats, space, cyber and climate change will be addressed. In terms of the dedicated EU-US dialogue on security and defence, there is hope that strategic issues related to technology and defence innovation can be addressed. The Compass also calls for the EU to develop relations with the African Union and Indo-Pacific countries.

SPACE

Outer space is a strategic domain for the EU. The growing use of space by commercial actors and states means that the EU has to increase its presence in space, protect its infrastructure and advance international norms and regulations. It is positive to see that the Strategic Compass calls on the EU to draft a dedicated strategy for space, security and defence. In this sense, the Union should invest more in the European space industry and innovation, space diplomacy and space partnerships (e.g. NATO and the US). The EU should also continue to engage in building international norms on space, but this is challenging when there is fragmentation between EU Member States on the use of space. The promotion of the EU Satellite Centre's (SatCen) services and products should be a core element of the Union's overall space diplomacy.

Investing in the capacities to enhance the EU's ability to track and manage space threats is of great importance. This includes Member State capacities. There is an urgent need to build the EU's ability for space situational awareness. The Union has a duty to protect its autonomous space assets such as Galileo and Copernicus. It is encouraging to see the EU develop space

capacities through the EDF and PESCO, but more can be done to ensure that the Union invests in cutting-edge technologies such as Artificial Intelligence and quantum communications. Moreover, there is a need for the EU to address the lack of launches by the EU as a way to support the European space sector.

Furthermore, in order to enhance the Union's resilience in and from space it should consider conducting scenario-based exercises for space in the context of the Mutual Assistance (Article 42.7 TEU) and Solidarity Clauses (Article 222 TFEU). As a basic step, there is a need to include the space dimension into existing scenario-based discussions. The proposed strategy for space, security and defence could lead to more EU exercises for space. This is a crucial step to ensure that the EU has the response mechanisms in case of space-based threats and it can help raise awareness across EU Member States.

CRISIS MANAGEMENT

One of the more visible proposals to emerge from the first draft of the Strategic Compass is the 'Rapid Deployment Capacity' initiative. The Capacity foresees a force of 5,000 troops to boost the credibility of the EU and to ensure that the Union can respond to crises more rapidly and robustly. However, there is some misunderstanding of how the Rapid Deployment Capacity could work in practice. While it is understandable that the Capacity is viewed only as a force structure, in fact it is an initiative designed to allow the EU to tackle the structural barriers to force deployment. In this respect, the Rapid Deployment Capacity has to address the common financing of deployments, live exercises, command and control, strategic enablers and flexible decision-making at the EU level.

The first draft of the Strategic Compass also calls for EU action in the air domain, in particular with regard to air combat. Due to the fact that these assets are owned by Member States, and therefore no duplication with NATO efforts are desired, there is a need for an EU strategic reflection on the type of air domain tasks that can help achieve the EU's military level of ambition. It should be recognised that the EU is already investing in the air domain through unilateral programmes (e.g. FCAS) and projects under PESCO and the EDF. The recent experiences of Afghanistan also highlight the continued need for the EU to invest in strategic air transport capacities and strategic enablers.

In addition to the EU Strategic Compass, NATO is also working to revise its Strategic Concept. There will, therefore, be greater reflection on how the EU and NATO can cooperate in the area of crisis management and collective defence. However, it is not necessary to move towards a 'division of labour' between the two organisations. The complexity of crises, and the added-value of each organisation, means that European governments cannot afford such a division of labour. The first draft of the Compass already highlights that the EU can make significant contributions to European security by countering hybrid threats, investing in defence capabilities and building up resilience in areas of cybersecurity and space.

INNOVATION

Innovation in defence is key to Europe's prosperity and its strategic autonomy. Investment in innovation is a way to unlock the ingenuity of

Europe's industrial and technological base and to reduce strategic dependencies. The EU and its Member States do not invest enough in research and innovation and this can have a negative effect on the Union's ability to develop cutting-edge capabilities.

However, innovation is also a way to enhance Europe's competitiveness in the face of growing global competition. The United States has reinforced its "Buy American Act" but no European preference can occur without a more integrated defence market. Today, the reality is that the European defence market is fragmented.

Overall, Europe is progressing in the area of innovation but in the defence sector a key challenge is how to transform innovation into capabilities. The EU has responded through the creation of the European Defence Fund, and the idea to establish an 'innovation hub' in the European Defence Agency is very promising. The European Commission is also fostering synergies between the civil, space and defence sectors, which will also help cross-fertilise civil-military innovation efforts. In addition to calling for more investment, however, new approaches to funding are required such as greater risk-taking through venture capital.

Additionally, the EU could be bolder on investment screening for defence, it should continue to support SMEs, develop a strategic culture with regard to supply security and technology and be bolder with the use of the financial tools and instruments offered by the European Investment Bank. This last idea may be over ambitious, however, as there is a reluctance to use largely civil financing tools for defence. Beyond finance, there is a need to stress the importance of regulation and standards that can enable innovation and to enhance civil-military synergies.