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EUROPEAN DEFENCE INTEGRATION AS A RESPONSE TO PRESIDENT TRUMP’S FOREIGN POLICY

Bachelor’s thesis

Programme International Relations

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ABSTRACT

This paper examines how EU members could take more responsibility for their own defence and adopt a comprehensive approach towards greater integration of national defence capabilities in response to the erratic foreign policy of US President Trump, but also in light of new challenges in the European neighbourhood. To this end, two possible strategies towards multinational defence integration are discussed, which aim to increase the potential of national defence spending and broaden EU’s defence capabilities. Subsequently, a policy is recommended for creating common European defence structures by using the existing legal frameworks with the purpose of lessening Europe’s reliance on the US and providing protection against key security issues faced by the EU. The approach aims at greater integration of EU member states’ militaries to improve spending effectiveness and efficiency by sharing resources for the development of capabilities, reducing redundancies, and integrating armies of small and medium states. This would allow the EU to effectively organise its territorial defence and build an autonomous European Defence Union. In order to find common ground among members, the paper draws on an expert survey regarding the commitment of member states to form coalitions in key policy areas. The results are used to determine, which countries are to be considered for coalitions on deepening European defence integration. Drawing on this data, the paper suggests an integrative approach based on the Lisbon Treaty to establish coalitions for defence cooperation by linking the existing EU country groups – Big Six, Affluent Seven, Southern Seven, Visegrad Four.

Keywords: US foreign policy, European defence cooperation, coalition-building, NATO, CSDP
INTRODUCTION

In response to a rapidly changing international situation and the increasing competition from rival powers, but also threats from non-state actors, the US is showing strategic restraint in Europe, as it needs to shift its focus to other regions. The gradual decline of US political interest in Europe began when President Obama decided to rebalance foreign policy towards the Asia-Pacific (‘Pivot to Asia’). It is progressing under the Trump administration, which retains a national interest in the South China Sea and shows a certain continuity by choosing a ‘more of the same’ policy in force planning. Furthermore, President Trump’s overblown rhetoric combined with the reintroduction of the ‘America first’ concept and a transactional approach that focuses exclusively on US interests have raised awareness among European policymakers that the EU can no longer rely solely on US security guarantees, and needs to reinforce its defence structures. Due to Europe’s reliance on America’s commitment to NATO, a purely transactional US foreign policy could have a detrimental effect on European stability, thus the issue of EU security and defence is becoming even more topical and multinational cooperation is increasing.

The Atlantic burden-sharing debate already began with the foundation of NATO and has been controversial in the past (see Appendix 2), but Trump’s foreign policy marks a new stage in this discussion, as his erratic approach radically differs from his predecessors. Since the US President perceives foreign policy as a zero-sum game, he bases his political decisions largely on a cost-benefit analysis, and thus alienates European allies by openly questioning American NATO obligations, which bears the risk that the US could reduce contributions to NATO in response to Europe’s free-riding. In addition, the EU faces a deterioration of its geopolitical environment, particularly a revisionist Russia that violates the sovereignty of its neighbours, but also the threat of Islamic terrorism as a result of instability and state failures in the Middle East and North Africa (MENA) region. BREXIT also plays an important role in this context, as the withdrawal of Europe’s second largest military power will considerably diminish EU’s defence capabilities. Consequently, there is growing consensus among EU members on the need to take more responsibility for European defence and to address these issues by strengthening common security and defence structures with the aim of ensuring a stable European Union in a multipolar world.
The challenging security environment has led to various proposals for enhanced defence cooperation in order to integrate defence capabilities and increase spending efficiency. EU and NATO members have highlighted the rising importance of European cooperation and development of common defence structures as ways for Europe to respond to the current challenges. Regarding the functional responsibilities of EU and NATO in the field of defence and security, there has been a clear complementarity between both organisations for a long time. Since NATO’s fundamental objective is to preserve the freedom and security of its members, it has traditionally focused on the collective defence of its members by providing hard security (Article 5 of the NATO Treaty). The Maastricht Treaty (TEU) established the EU, created the Common Foreign and Security Policy, and laid the foundation for the Common Security and Defence Policy (CSDP), which was further developed by the Lisbon Treaty. Accordingly, the EU went far beyond being an economic organisation. The CSDP has focused mainly on soft security issues, such as “joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management” (Article 43.1 TEU). These spheres of responsibility are becoming blurred due to overlapping interests and new threats, thus NATO has also assumed crisis management and cooperative security tasks in its 2010 Strategic Concept, while the EU has increased its defence competences. Consequently, this paper primarily focuses on defence cooperation tools within EU’s CSDP, but also discusses NATO mechanisms.

This thesis is written in the form and style of a policy paper, and it concentrates on an emerging problem in a historically unique constellation: the foreign policy of the Trump administration towards Europe. Policy papers constitute an essential means of social science policy analysis and are often drawn up by political analysts and practitioners in order to deal with new policy issues. The purpose here is not to develop a general theory of foreign policy, but instead to use a legitimate method in IR to analyse a relevant current situation and to derive concrete policy recommendations from that analysis. Therefore, this paper takes an applied analytical approach to make an important contribution to the discourse on European defence cooperation by suggesting a possible response to the challenge for European security resulting from Trump’s erratic foreign policy.

This paper examines how EU members could take more responsibility for their own defence and adopt a common approach to integrate their national forces with the purpose of lessening Europe’s reliance on the US and providing security against new threats faced by the EU. To this end, two possible strategies towards multinational defence integration are discussed, which aim to increase the potential of national defence spending and broaden EU’s defence capabilities. The paper
subsequently makes a recommendation on how EU countries can put common European defence structures into practice using the existing (legal) frameworks. In order to find common ground among members, the paper draws on the results of the EU28 Survey (ECFR 2017) that reflects the assessments of EU’s professional political class and thus provides insights regarding the commitment of member states to collaborate in key policy areas. The results are used to determine constellations of interests, priorities and prestige of EU members to illustrate, which states are to be considered for coalitions striving to manage and develop European integration. Drawing on this data, the paper suggests an integrative approach based on Lisbon Treaty mechanisms to establish coalitions for defence cooperation by linking the existing EU country groups – Big Six, Affluent Seven, Southern Seven, Visegrad Four.

This paper is divided into two sections. The first section focuses on US foreign policy under President Trump to discuss possible challenges to transatlantic relations in the field of defence. This section leads to the conclusion that the EU can no longer rely solely on the US as guarantor of European security, thus member states need to adopt a proactive security approach by increasing mutual cooperation, building a dynamic European defence industry, and achieving strategic autonomy through an adequate security and defence policy in order to meet the new challenges.

The second section develops a strategic concept for deepening EU defence cooperation. To this end, the driving forces and boundary conditions underlying European defence cooperation are discussed. Subsequently, established cooperation mechanisms within the EU are examined, including bi- and multinational defence cooperation between members, and intergovernmental cooperation within the EU’s CSDP. Two main concepts for a common European defence emerge: a bottom-up method within NATO (FNC) and a top-down approach within the EU (PESCO). Drawing on the latter, coalition-building is proposed as a way of strengthening collaboration and facilitating common defence structures based on existing networks between states.

The suggested approach aims at greater integration of EU member states’ militaries to improve spending effectiveness and efficiency by sharing resources for the development of capabilities, reducing redundancies, and integrating armies of small and medium states. Coalition-building would allow the EU to effectively organise its territorial defence and build a European security architecture that can be expanded to an independent European Defence Union in the long term. As a result, the EU would gain autonomy in defence and develop capabilities to back NATO, thus strengthening its role as a global actor.
1. CHALLENGES IN TRANSATLANTIC RELATIONS RESULTING FROM TRUMP’S FOREIGN POLICY

Since the end of the Second World War, US presidents traditionally agreed that their country should be a global hegemon. They all shared the firm belief that the US largely benefited from contributing to political and economic well-being throughout the world. Therefore, American commitment to Europe has been a reliable constant since 1945. In the security domain, the US has always been the main supporter of NATO, which has developed into the backbone of the Western defence structure (see Appendix 1). A multilaterally oriented US facilitated European integration, guaranteed security in Europe, ensured open markets and proved to be the most important EU partner in the management of globalisation through international rules and organisations. According to a number of studies, the US was particularly predictable for its European allies and usually open to European concerns and interests (Rappaport 1981; Devuyst 1990; Risse-Kappen 1995; Lundestad 1997).

For over six decades, numerous US defence secretaries and presidents have criticised European members of NATO for military free-riding and called on them to increase their defence expenditures and build up capacities to shoulder a fair share of the burden (see Appendix 2). Since the late 1990’s, the lack of political commitment to the Alliance and the insufficient military contributions of European NATO members were the subject of increasing criticism. Especially since the George W. Bush administration, the US has called on European states to become more active in international military operations, particularly in Afghanistan. In return, the US accepted the development of a European security and defence policy as well as an expanded role of European allies within NATO. The Obama administration also encouraged European allies to increase their military capabilities, but they were reluctant to play their full part in NATO. Despite repeated US calls for more involvement in global problems, most European NATO members were unwilling to change the comfortable situation to which the unilateralism of previous American presidents has led. Europe has largely benefited from the unilateral policy of the US by having the possibility to maintain the status quo of the Cold War era even beyond its end, and to continue
benefiting from the American nuclear umbrella rather than taking the necessary steps to become a leading international actor itself.

Donald Trump’s victory in the 2016 US presidential election marked a turning point for Europe as a result of his nationalist and transactional approach that follows a zero-sum logic – being the first post-war president to radically limit US foreign policy interest to securing economic advantages (Dembinski 2017). Trump ignores the positive effect that the US had on the liberal world order and his nationalist policy calls the American internationalist tradition into question, which causes a high degree of uncertainty among European leaders about possible implications of Trump’s presidency for Europe. His narrow view of the role of the US is rather in line with the understanding of 19th-century statesman Lord Palmerston, who once remarked that Britain has neither eternal allies nor perpetual enemies, instead its “interests are eternal and perpetual, and those interests it is our duty to follow” (Heilbrunn 2017). Consequently, many of Trump’s statements are incompatible with the general guidelines of American foreign policy, let alone with the transatlantic canon of values. With the current US administration, the predominant foreign policy narrative since the end of WWII – the US as an indispensable leading power that guarantees the liberal international order, whose existence in turn is highly beneficial for Washington – has lost its institutional patron (Thompson 2017). Currently, it is being replaced by the narrative of ‘America first’, which means ‘Americanism instead of globalism’. In accordance with this maxim, President Trump’s political attitudes are based on three core beliefs: “opposition to America’s alliance relationships; opposition to free trade; and support for authoritarianism, particularly in Russia” (Wright 2016).

With regard to the impact of Trump’s personality on US foreign policy, Saunders (2016) pointed out that leader’s beliefs play a crucial role in foreign policy, as they tend not to change and are “formed before presidents take office, and then leaders view the events and crises of their tenures through the lens of those beliefs”. Several other works support this assumption (Greenstein 1967; Jervis 1976; Snyder et al. 2002; Saunders 2017), which implies that the US president will probably stick to his basic views and translate them into foreign policy. Moreover, his high age is likely to result in an aggressive foreign policy, as Horowitz et al. (2015) suggest that in democracies older statesmen are more inclined to aggression, and are more likely to start and escalate military conflicts due to shorter time horizons. In any case, Donald Trump has proven to be highly volatile by shifting his stance during the election 141 times on 23 key topics (Timm 2016), and during his presidency he has continued down this path (BBC News 2017). Judging from his actions and
statements, he is not an analytical or deliberative person, as he strongly relies on his instincts (TIME Staff 2017), which are often contradictory. Accordingly, his approach is rather characterized by political manoeuvres than strategic decisions, which results in an incoherent and unpredictable modus operandi that confuses US allies (Sullivan, Tumulty 2017). Trump intends to establish an erratic US foreign policy, as he believes that a flexible approach would allow him to change course rapidly when he deems it necessary (Bierman 2016), but it could lead to dire consequences for transatlantic relations (Wadhams 2016; Fägersten 2017; Shapiro, Pardijs 2017).

From a programmatic perspective, Trump’s ‘America First’ concept results in a great power policy that is driven purely by the national interest, thus this approach aims for unrestricted American action and is anti-interventionist in regard to the internal transformation of other states, but it is not antimilitaristic, since the military dominance of the US should be preserved (Rudolf 2017).

With these ideas, Trump at least partly builds on a ‘Jacksonian’ foreign policy orientation, which was only a marginal phenomenon in recent decades. This approach can be described as populist-nationalist and semi-isolationist, as it is characterized by a strong focus on the military and an aversion to ‘Wilsonian’ liberal internationalism (Cha 2017; Hamilton 2017). Accordingly, this worldview is incompatible with the bi-partisan consensus that has existed since the end of WWII and saw the US together with a strong Western alliance as guarantors of a liberal world order.

However, there are indications that US institutions and domestic pressures will check the president once the situation begins to deteriorate (Fukuyama 2017; Jervis 2017). Whether the presidential office will moderate Trump’s policy depends on a number of factors: The diversity of his cabinet and group of advisors, the degree to which he will follow their advice, and to what extent foreign policy will be steered from the White House. Political science research shows that presidents lacking experience in foreign policy generally rely on their advisors and prefer not to take different opinions into consideration before making decisions (Saunders 2017), which is characteristic of Trump. It should be noted, however, that it is difficult to accurately evaluate his presidency using the received wisdom of political science, as many of his actions are contradictory. Nevertheless, it is likely that the influence of advisers will be substantial, while experienced diplomats and experts will have difficulties convincing the president. The mix of newcomers, pragmatists, and hardliners that Trump put in charge of US foreign policy represents a fundamental difference to Obama’s political style – unlike his predecessor, Trump does not seem to spend much time on considering different positions and arguments in foreign affairs (Fehl, Fey 2017).
As regards the staffing of the current US government, there are several competing factions divided by ideology and tactics, but also many people with no political background. Thus, three major factions can be identified. The group of realists consists of the foreign and security policy officials: Secretary of State Rex Tillerson spent his entire professional career at the oil giant ExxonMobil, while both Secretary of Defense James Mattis and White House Chief of Staff John Kelly are former generals, who enjoy a high reputation across party lines and may exert a moderating influence on Trump (Mann 2017). Mattis, Kelly and National Security Adviser H.R. McMaster are military-minded pragmatists that uphold the established order, thus they embody the continuity of the US security policy (Scherer, Miller 2017). While the former has expressed his critical opinion of Russian foreign policy and seems to be more open to the concerns of the Baltic States (Gordon, Schmitt 2016), the others are trying to limit the potential damage of Trump’s decisions and to ensure a degree of realism in US foreign policy. The faction of social conservatives and evangelicals is represented by Mike Pence, who has political experience and emerges as a strong vice president with a close connection to the conservative wing of the Republicans. Pence has avoided the infighting within the administration and assumed a substantial foreign policy role by reassuring countries that were alienated by Trump’s hostile statements (Pettypiece, Wasson 2017).

In addition, Trump’s advisors are likely to have a strong influence on US foreign policy. They are divided into the remaining two factions: the group of social moderates with a transactional business-first attitude (Thrush, Haberman 2017); and the economic nationalists, who are responsible for Trump’s ‘America first’ approach, although some of their key ideologues have already left office (chief strategist Stephen Bannon and Sebastian Gorka) (Dawsey, Johnson 2017). As ‘transactionalists’ and ‘economic nationalists’ in the Trump administration hold conflicting perspectives on foreign policy, the military-minded realists could initiate an intensive dialogue with President Trump that aims at identifying specific objectives for a US strategy that avoids the risks of “transactional accommodation” and “reckless escalation” (Rapp-Hooper, Sullivan 2017). Taking into account the different views of the factions, however, it is unlikely to expect a consistent US foreign policy. Furthermore, Trump’s employee policy is adopted from the business world, which partly explains his frequent staff changes, but only makes it harder for him to develop a coherent policy doctrine.

The US president is responsible for the credibility of security guarantees and deterrence, as diplomacy and defence are the domain of the executive. Even if the Pentagon and the military should strongly oppose a transformation in the established system of alliances, the commander-in-
chief has the final say. Accordingly, the majority of NATO members became deeply concerned about Trump’s statements regarding the envisaged role of the Alliance, in particular his call to adapt “NATO’s outdated mission and structure [to the challenges of] migration and Islamic terrorism” (TNYT 2016a), his judgement that NATO is “obsolete because it wasn’t taking care of terror” (Gordon, Chokshi 2017), and his statement that the US would only stand by collective defence commitments if Europeans carried a fair share of the financial burden in NATO (TNYT 2016b). In his inauguration speech, President Trump urged Alliance members to strengthen the fight against terrorism and expand their capacities to support the US globally (CNN 2017).

The traditional logic of US policy towards Europe, according to which the absence of the US as a hegemon would lead to a relapse of Europe into old security dilemmas and rivalries – with security policy and economic consequences for the US – seems to be foreign to President Trump. His political decisions already affect core European interests and have dangerous implications for Europe, such as the decertification of the nuclear deal with Iran or new sanctions against Russia that affect EU’s energy security interests (Serhan 2017). Even if Trump has expressed the hope to “get along great with Putin” (Bump 2016) and pledged to consider lifting sanctions against Russia (Pager 2016), he imposed a new set of coercive measures on the country after US Congress adopted them in late July. In this way, the reset in US-Russian relations that he emphatically advocated has become more difficult, as the new legislation decreases the President’s competence to lift or reduce certain measures without the authorization of Congress (Dewan 2017).

Building on his business logic, the US president shows contempt for multilateral diplomacy and prefers to focus on transactional negotiations in the context of bilateral relations. Essentially, transactional diplomacy follows the principle of ‘quid pro quo’, so its adherents think in terms of zero-sum games and assume that there is an unlimited number of deals that countries can make. This logic is not new in international negotiations, as it often took on the form of side-payments and issue-linkages, which were made behind the scenes (Henke 2017). However, it is striking that President Trump uses transactional diplomacy in a politicised and rather explicit way to drive his partners into a corner in order to get the best possible deal for his country. His policy is deemphasizing the value of multilateralism and regional organisations (Laipson 2017).

Therefore, President Trump does not perceive the EU as an intergovernmental organisation with components of supranationalism that aims to advance peace and prosperity for Europe, but instead he regards it as a “vehicle for Germany” (Mance et al. 2017) and an unfair economic rival for America. Since he takes a sceptical view towards the European Union and fails to understand its
importance, he has argued that UK’s decision to withdraw from the Union would “end up being a great thing” (Gordon, Chokshi 2017), expressed his conviction that other EU members would follow suit in response to German immigration policy, and professed his indifference to the future of the Union. This demonstrates his lack of understanding of the fact that the European integration process laid the foundation for peace, stability and prosperity in Europe after the Second World War (Loth 2015). Trump’s hostile attitude towards the EU as well as his unilateral foreign policy are gradually alienating European partners, and could have negative ramifications for the global order by undermining US leadership and isolating Washington.

American calls for higher European defence expenditures have been growing louder ever since President Trump revealed his enthusiasm for concluding the best agreements for the US. Accordingly, Defence Secretary Mattis alerted Alliance members to the need for increased defence spending, if they want to avoid that the US “moderate[s] its commitment to the alliance” (Cooper 2017). Secretary of State Tillerson called on NATO allies “to really meet their obligations” and to ensure that their ambitious commitments “become concrete” (Tillerson 2017). Although the Trump administration has attached great importance to burden-sharing and the majority of European allies have pledged to strengthen their defence efforts, most of them are a long way from reaching the 2% goal by 2024. The harsh criticism of free-riding of European allies has led to debates among EU members on increasing defence spending and assuming greater responsibility for their security. In this regard, meetings of European leaders with Trump at the summits of NATO and the G7 in May 2017 have served as a wake-up call, as German Chancellor Angela Merkel subsequently stated that, “The times in which we can fully count on others are somewhat over, as I have experienced in the past few days. And so, all I can say is that we Europeans must really take our destiny into our own hands” (Allen, Mulholland 2017).

European allies are pushed into the defensive in light of the transactional policy approach that links the demand for increased defence expenditures to a suspension of the US security guarantee within the framework of NATO, which bears the risk that the US could reduce contributions to the Alliance in response to Europe’s free-riding. Accordingly, Trump’s foreign policy has raised awareness among European policymakers that the EU can no longer rely solely on US security guarantees, and needs to reinforce its own defence structures. Due to Europe’s dependence on America’s commitment to NATO, a purely transactional US foreign policy could have a detrimental effect on European stability, so the issue of EU security and defence integration is becoming even more topical and cooperation is increasing. This illustrates that Trump’s statements
have an actual effect on European defence efforts, thus his presidency represents a unique historical situation and a major change in transatlantic relations. Another important conclusion for the EU is that too much reliance on the US is likely to cause asymmetries in the event of conflicts of interest between the two transatlantic partners within NATO. This can already be seen, as the US is shifting its political interest towards the Asia-Pacific to contain China and strengthen NATO partnerships in the region, thus it is withdrawing a large proportion of its troops from Europe, while Eastern European allies are requesting permanent deployment of US forces to deter Russia.
2. A CONCEPT FOR DEEPENING EU DEFENCE INTEGRATION

2.1. Implications for the EU resulting from the present security challenges

European security is severely challenged in various ways. Apart from doubts about the future of the transatlantic security partnership caused by President Trump, the EU also faces a deterioration of its geopolitical environment, particularly a revisionist Russia that violates the sovereignty of its neighbours and frequently encroaches on the airspace and territorial waters of EU members, but also the threat of Islamic terrorism as a result of instability and state failures in the MENA region. Moreover, BREXIT plays an important role for European security, as the UK is the second largest military power in the EU, and accounts for 20% of its combined defence spending (SIPRI 2017).

European governments have the responsibility to adopt effective strategies to ensure the security of their people. One way to face these challenges is to strengthen the EU’s position by adding collective hard power to the existing soft power, and by allocating the €200 billion of combined defence spending more efficiently (Eurostat 2017). Since the public budgets of many EU members are exhausted, there is an increasing need for reaching better security results with fewer resources. The prevailing combination of security challenges, as well as economic and political reasons are strongly supporting the deepening of European defence. European leaders have realised the limits of existent means, structures and objectives in the defence area, so they have begun to understand that progressively intensified integration is the most appropriate way to develop a better defence.

As a first priority, the EU needs to avoid the risk of being left behind politically and economically, so member states ought to come up with a common concept. Since the new guideline of American foreign policy is a strict limitation of national and economic interests for the benefit of the US, EU members need to clearly define their interests, show more unity and demonstrate more backbone in transatlantic relations to increase cohesion within the Union and confront the US from a position of strength. As Trump’s foreign policy is likely to remain transactional and unpredictable, the EU should adopt a pragmatic approach towards Washington to preserve US security guarantees, but also develop a long-term strategy to become more autonomous within NATO. This would allow the EU to play a more active role on the global stage, but also to reinforce the transatlantic relation.
Secondly, the EU should encourage member states to reach a consensus on modernising the CSDP to make it more effective. In order to ensure European stability, an autonomous security and defence based on EU structures is becoming increasingly important. Therefore, members ought to adopt a more proactive security approach by increasing mutual cooperation, building a dynamic European defence industry, and achieving strategic autonomy through a common security and defence policy. To increase cooperation and attain the long-term objective of establishing a European Defence Union, EU members first need to resolve the European dilemma and decide whether they prefer to pay for better European security in terms of money or in terms of sovereignty. Either they could spend more on defence, which is difficult in the face of budgetary restrictions, or they could spend in a smarter way by integrating defence capacities, which leads to a loss of sovereignty. Hitherto, the decision has almost always been that sovereignty is more important, but that might be impossible to maintain over the long run.

Several terrorist acts in Europe and the ongoing BREXIT talks have provided new momentum for debates on increasing European defence cooperation (Gentiloni 2016). In light of the challenging security environment, EU governments and institutions have realised that the vast majority of EU citizens support ‘more Europe’ in security and defence policy, which is reflected in the results of the Eurobarometer poll (Nancy 2017). This has led to various proposals for enhanced defence cooperation that aim to integrate defence capabilities and increase spending efficiency. EU and NATO members have highlighted the rising importance of cooperation and development of common defence structures as ways for Europe to respond effectively to the current challenges. Since this issue is growing in importance, the public debate on the need for a European Defence Union has been revived by the European Commission (Juncker 2014), thus echoing longstanding calls of German and Italian officials (Major, Mölling 2010, 27). As no European country can face the security and defence issues on its own, and the US is gradually shifting away, the EU needs to take steps now, before the multifaceted challenges lead to European disintegration. Against this backdrop, it is vital to determine the main factors that encourage European defence cooperation.

### 2.2. The main factors influencing European defence cooperation

European defence cooperation – defined as “aggregation of military capabilities, particularly armed forces, with a view towards joint action, within the framework of the European integration process” (Haroche 2017) – is a complex phenomenon that has many underlying driving forces and
boundary conditions that need to be identified in order to find the best compromise and define an appropriate strategy. Developing a common approach towards European defence leads to the question of which factors cause EU members to collaborate in the defence area rather than follow a national approach or increase cooperation within NATO.

In the past two decades, EU members have focused on demonstrating a uniform appearance on security and defence by establishing a CSDP, which is part of the EU’s Common Foreign and Security Policy (CFSP) and covers civil-military, military and police measures (Articles 42–46 TEU). In addition to the objective of improving military capabilities, the civil-military component is an important part of the CSDP. Nevertheless, progress in defence and security has been very slow due to “persisting national reflexes; significant divergences in European strategic cultures; differing threat perceptions; a lack of consensus about the right level of ambition; shrinking defence budgets; and an overall lack of political will” (Puglierin 2017). EU members cannot or do not want to contribute on an equal level to the CSDP, and they also strongly disagree on whether the policy impairs or complements NATO and transatlantic relations. Moreover, adopting a common approach is a difficult task due to the divergence between national sovereignties and the idea of establishing a common European sovereignty. The Lisbon Treaty introduced new stimuli for common action and provided forward-looking proposals, but there is still no coherent European security and defence policy, as European governments pursue different goals. Although the majority of EU leaders agree that they need to enhance military cooperation to maintain European security, there are diverging views on what needs to be done to achieve that objective. Accordingly, different approaches have been brought forward, how EU states could coordinate their spending in an efficient way to deepen defence cooperation and enhance defence capabilities.

First of all, because differences in defence doctrines are an important obstacle to cooperation, a comprehensive understanding of the divergent defence principles of EU members is crucial. While the UK strongly opposes European defence integration, countries such as Germany, France, Italy, Spain, the Benelux and Poland support it, but they cannot agree on a common approach due to “widely differing military traditions and historical experiences” (EPSC 2015). France was hitherto driven by its executive and intervened single-handedly in Africa, while the German armed forces are traditionally carefully overseen by the Bundestag, which leads to greater hesitancy to deploy forces in risky military campaigns. The Baltic States and Poland put their strategic emphasis on territorial defence against Russia, while South European EU members are mostly concerned about the growing security challenges posed by the instability of the MENA region.
Another issue standing in the way of European defence integration is the long-standing ‘NATO First’ claim. During the East-West conflict, NATO was the sole guarantor of European security and territorial defence. Since 22 EU states are also NATO members, the Alliance is still the fundamental security guarantee for Europe. Accordingly, independent European endeavours were largely opposed in the past, as states aimed to retain strategic advantages, protect their defence industries, and uphold the transatlantic power balance. This logic has become obsolete, as Washington has called on European allies to bear a reasonable share of the burden and become responsible for European security, since “a stronger European Defence will contribute to a stronger NATO” (NATO 2014). Nonetheless, national responses dominate in this area, because it takes time for EU countries to overcome the narrow view that defence is exclusively a national domain. Moreover, EU members are often unwilling to reinforce their defence sectors at the expense of their social welfare systems, and are also constrained by various economic and political factors.

Another key aspect contributing to the inefficiency of European defence is the persistent fragmentation of the defence market, which is impeding the construction of a competitive and resourceful European defence industry. Approximately 80% of defence procurement is national, which leads to wasteful duplication of capacities and considerable additional costs: €25 billion to €100 billion annually (European Commission 2016). In 2009, two directives were introduced – a Transfer Directive and a Procurement Directive – intended to resolve these problems by increasing the efficiency of defence markets and initiating EU-wide competition, but these regulations have not been adopted so far (European Commission 2017a). Many member states exploit the offset requirements in defence procurement to strengthen domestic industries and employment, or they sidestep the guidelines justifying it with major security concerns. Generally, EU members mostly avoid considering obtaining equipment on a European level in favour of national arms industries. There is untapped potential for defence cooperation in the areas of joint arms programmes and common procurement that could considerably reorganise defence industries and create more output for the same input. Since current investment resources are constrained, there are barely any substantial weapons programmes in the EU, and no member on its own will be capable of maintaining the entire spectrum of competences or the essential industrial basis (EPSC 2015).

Furthermore, an important factor influencing European defence cooperation is the US foreign policy and America’s commitment to its transatlantic partners during crises (Posen 2006; Berenskoetter, Giegerich 2010; Dyson 2013). Several scholars argue that the CSDP was required due to the detachment of the US during the Yugoslav Wars (Jones 2003; Rosato 2011; Weiss...
Neorealist scholars consider CSDP a reaction to US predominance, contending that the US used its position of power in the post-Cold War era to attain unipolarity and freedom to act, which decreased the predictability and reliability of its commitment to European allies (Hyde-Price 2006). This led European countries to increase mutual cooperation in order to guarantee their self-government in case of US disentanglement and to safeguard their impact on US policy, which Posen (2006) perceives as an effort to balance US influence. Likewise, Oswald (2006) considers European defence policy a soft balancing strategy that strives for a harmonious transatlantic partnership. According to Art (2004), a flexible form of power balance is an explanation for CSDP’s evolution as a protection against US abandonment. European defence cooperation as a reaction to the risk of being abandoned by America is considered by other scholars as an example of bandwagoning, as it intends to keep the US involved instead of opposing it (Cladi, Locatelli 2012; Dyson 2013). Nevertheless, growing transatlantic disagreements after the East-West conflict and the possibility of US withdrawal encouraged European countries to foster autonomous defence cooperation, and explain why they might not want to count only on NATO.

Another key factor influencing defence collaboration is the level of military interdependence inflicted by international crises on EU members. Even though it is often assumed that international crises are opportune moments for intensifying defence cooperation, current conflicts have neither led to a significant convergence of EU members’ interests, nor have they encouraged joint action (Menon 2011; Howorth 2014; Müller 2016). In this context, Haroche (2017) pointed out that:

“Inter-European interdependence increases if several European states’ interests are jointly affected by a crisis, if no single state is able to address the crisis on its own, and if American support is lacking or inadequate. Conversely, interdependence decreases when an asymmetric crisis unevenly affects European states, or when concerned states can cope with a crisis either on their own or with adequate support from the USA.”

Applying this concept to estimate the prospects of CSDP, it can be concluded that continental conflicts (e.g. East-West conflict, Ukraine crisis) have an equal impact on the majority of EU countries. However, these conflicts do not automatically increase European defence cooperation, since the US provides extended security guarantees for European NATO allies. If there would be an increase in hostilities between Russia and the EU, while the US would still pivot to Asia, this would probably strengthen military interdependence between Europeans, ultimately encouraging greater defence cooperation. Yet the military threat from Moscow would probably be an asymmetric problem, as it would have a stronger impact on Nordic and Eastern European States.
This scenario would lead to concerns about abandonment in Eastern Europe and worries over entrapment in Western Europe, thus European collaboration would be weakened. (Haroche 2017)

Presently, EU defence policy is characterised by low interdependence, high politicization and low integration (Schimmelfennig et al. 2015). During the East-West conflict, European states have relied more on the US than on each other in the field of security and defence. Accordingly, transactions between governments were made within the framework of NATO rather than in a European setting. In the post-Cold War period, EU countries have not been exposed to major military challenges, so they have persistently cut defence spending and became even more dependent on NATO and US capacities. Moreover, defence and security policy are essential competences of the state, so defence cooperation could potentially impinge on the basis of state sovereignty and self-government, two features that are considered crucial to national identity. Although Denmark has opted out of the security and defence area, differentiation among the countries participating in CSDP is rather low, which can be ascribed to the limited degree of supranational integration in defence policy. Since decision-making is unanimous and participation in CSDP campaigns optional, state sovereignty in the field of defence is not substantially challenged. Schimmelfennig et al. (2015) point out that “political salience and contestation and thus politicization would most probably increase, however, if defence policy competences were actually pooled in the EU and delegated to its supranational institutions”. Thus, the implementation of the ‘Permanent Structured Cooperation’ between a group of countries that is included in the TEU would probably lead to an increase in opt-outs by Eurosceptic as well as neutral EU members.

There appears to be progress in this field, since several events in the recent past served as a warning and led to a remarkable convergence of security concerns that could facilitate European security and defence cooperation. These involved state collapses, civil wars and economic crises in the MENA region, which have led to a massive movement of refugees into Europe and increased the threat of terrorism. The post-Soviet area is dominated by a revisionist Russia that opposes the Western liberal system. BREXIT will considerably decrease the military capabilities of the EU, while the Trump administration has transformed the US into a potentially challenging ally. In this context, it is crucial for EU members to closely cooperate in the area of security and defence and find a sustainable strategy, so that the Union could ultimately become an autonomous international actor. Therefore, a strategic concept for deepening defence cooperation needs to be developed in order to build a common European security system based on existent collaboration between EU
countries and respond effectively to the challenging security environment. In the following, different approaches towards defence cooperation will be explored to find a suitable policy.

### 2.3. Assessment of European defence cooperation

In the last ten years, EU members have established new cooperation methods and frameworks. Accordingly, there is increasing support for building coalitions of member states, which cover the broad spectrum from ad hoc coalitions, via associations based on political agreements (e.g. Normandy format), to long-term cooperation. EU leaders have reacted to hybrid threats, the necessity to preserve and update capabilities, and dwindling defence expenditures by developing these formats for cooperation. Even if the defence and military fields are traditionally regarded as the exclusive domain of states, there are also signs of progress in the area of EU common defence.

Beside the options that the EU offers for greater multinational defence cooperation, European countries have established bi- and multilateral regional groups, thus further enhancing EU integration. “Examples of these bi- and multinational regional clusters are the Visegrad Group Defence Cooperation (V4)\(^1\), the Central European Defence Cooperation (CEDC)\(^2\), NORDEFCO\(^3\), the Baltic cooperation\(^4\), Benelux\(^5\), the Weimar Triangle\(^6\) and the ‘Lancaster House Treaty’ between the United Kingdom and France” (Mengelberg 2017). Overall, the motivation behind these regional formats is to strengthen defence cooperation in accordance with the stipulations of the CSDP. Building on EU’s concept of ‘pooling and sharing’ of capabilities, multinational cooperation is aimed at promoting interoperability, facilitating the exchange of experience, detecting and combating shared threats, and performing joint military manoeuvres. EU members can introduce these regional cooperative projects to the CSDP, but the EU can also propose such schemes to its members. This method of establishing multinational defence cooperation has the benefit that it avoids the consensus principle that is key in CSDP, thus EU members joining in regional clusters have simply to notify the Council and the High Representative about their actions. Another approach that aims to initiate multinational collaboration and enhance interoperability is based on NATO’s Framework Nations Concept (FNC), which is a methodical and structured concept for common capability development. As a result, there are both a bottom-up and a top-down method to deepen European defence integration.
2.3.1. Bi- and multinational defence cooperation between EU members

There are different types of bi- and multinational defence cooperation in the EU, which vary in their objectives and attainments, reaching from joint exercises to the integration of units. In the past, there has been incremental progress if interests and agendas coincided. On a lower integration level, collaboration occurs in terms of joint programme development, intergovernmental administration of collaborative arms programmes, and sharing of assets (EPSC 2015). As regards binational cooperation, Belgium and the Netherlands have fully integrated their navies in a joint staff in 1996, which allows thorough collaboration in training, operative issues, and management, but both parties keep their sovereignty regarding troop deployment. Similarly, the UK and France agreed in the Lancaster House Treaties of 2010 on common use of capabilities, transfers between armies, access to defence markets and establishment of the Combined Joint Expeditionary Force.

Regional groups are also strengthening multinational defence cooperation on various levels. The Visegrad Group (V4) is intensifying cooperation and coordinating the defence planning of its members to expand the capacity for common procurement. It mainly focuses on “joint capability development, defence industry (joint procurement and acquisition), establishment of multinational units (the V4 EU Battlegroup) and permanent modular force modalities” (Mengelberg 2017). Moreover, the cooperation encompasses education, exercises, and cross-frontier activities, but also goes well beyond the V4 by including the collaboration with EU members and other states. Another example for regional multinational defence cooperation is NORDEFCO, comprising the Nordic states, which aims at reinforcing members’ defence capacities by connecting strategic advancement, competences, education, manoeuvres, and joint missions.

The FNC, which Germany introduced into NATO in 2013, is a pragmatic way of facilitating defence cooperation by merging military capacities from several European countries in a common framework, which allows them to complement each other’s competencies and (re-)gain key capabilities (Major, Mölling 2014). The concept assumes that a larger participant (framework nation) contributes key capabilities and is responsible for organising the contributions of smaller members to a common structure (Allers 2016). Being a ‘politico-military investment project’, the FNC primarily focuses on military efficacy, and only secondarily on efficiency. Therefore, Germany – as the framework nation – would need to support the development of partaking militaries until they meet the Bundeswehr standard, which would strengthen the European pillar of NATO (Glatz, Zapfe 2017). This concept has only a chance of success, if it fully standardises forces within the framework to improve spending efficiency. If this condition is met, the FNC
allows for achieving more potential with less resources, which is an essential prerequisite for European defence cooperation in the face of constraints that hinder EU members from increasing their defence budgets. This approach goes far beyond multinational concepts that focus on common training and manoeuvres, as it creates permanent binational divisions that could be better deployed in case of emergency than units based on ad hoc collaboration (e.g. EU Battlegroups). Nevertheless, participating countries maintain full control over their militaries, deciding independently upon their equipment and deployment, and they can easily leave the framework.

Examples for successful defence cooperation based on the FNC include Dutch-German, Czech-German, and Romanian-German military integration. In this context, the military cooperation between Germany and the Netherlands is the most advanced, as two Dutch brigades (11th Airmobile Brigade and 43rd Mechanized Brigade) already joined the Federal Armed Forces’ divisions in 2014/15 (Jans 2016), while in 2016 both countries decided to fully integrate their naval forces (DW 2016), which will allow them to fill gaps, but also reinforce operational knowhow and hands-on experience. Despite European deadlocks in defence, both countries are developing and regaining key military capabilities, thus this approach marks an important step towards European defence cooperation. Following this logic, Romania and the Czech Republic are strengthening defence relations with Germany by integrating in each case one brigade into the Bundeswehr (NATO 2017a). With these steps, Germany demonstrates its will to promote European military integration, so many of its partners and potential partners are confident that the FNC will lead the country to assume responsibility for European defence. Although these multinational forces are far away from a European army, the initiative provides practical advantages of integration (the Netherlands reintroduced tank capabilities, Germany gained necessary naval capacities, while the Czech Republic and Romania were able to improve training levels). Consequently, cooperation based on the FNC could potentially be expanded to include more countries – prospective candidates are the Nordic countries, as they widely employ German equipment (Braw 2017).

This concept allows EU members to preserve and gradually (re-)establish the entire range of military capacities on their own, instead of relying on US contributions. As this pragmatic approach has stayed under the radar of domestic politics and avoided being politicised, it opens up a realistic way of working towards common European defence and security capabilities. The FNC exemplifies Germany’s response to rising expectations, and underlines its continuing commitment to multilateralism and a shared leadership approach (Perthes 2014) that aims to promote national interests without appearing dominant or hegemonic, labelled as ‘leading from the centre’
In the future, Germany would need to assume a politico-military leadership in Europe and enhance defence expenditures, thus the Bundeswehr would develop into an essential European military within the FNC (Glatz, Zapfe 2017). However, Berlin’s role is assessed very differently in Europe, as some EU members disapprove its dominance, while others criticise its cautiousness (Stelzenmüller 2015), which might lead to further fragmentation within the Union.

Consequently, a pragmatic bottom-up concept for European defence integration could focus on the improvement of defence capabilities by expanding the existing patchwork of defence cooperation among European NATO countries, and integrating national militaries in accordance with the FNC. From a political point of view, the concept exemplifies a crucial contribution to fairer burden-sharing between Alliance members and could strengthen the European pillar in NATO. Due to its long-term orientation on creating a pool of mostly national units instead of standing multi-national forces, the FNC could reinforce European security by causing spill-over effects to the EU and increasing its capacity to act. However, the absence of legally binding commitments calls the added value of this concept into question.

2.3.2. Cooperation mechanisms within EU’s CSDP

Central to European defence cooperation is the CSDP, an intergovernmental domain and essential element of the CFSP, which allows the EU to play an active part in areas such as peace-keeping, conflict prevention and reinforcement of global security. The CSDP constitutes an integral component of EU’s broad concept for crisis management and disposes of civilian and military capabilities, but it is focused primarily on crisis prevention, since the EU considers the use of military means only as a last resort. In the last 15 years, the EU has participated in many civilian and military missions in Europe and beyond, albeit with mixed success. The Petersberg tasks – a list of security and military priorities within the CSDP covering humanitarian and rescue tasks, peacekeeping, and crisis management – have not been utilized to their full extent yet. (EEAS 2016)

Nevertheless, the CSDP has proved to be one of the most dynamic EU policies over the past years and it allows member states to jointly deal with the current security issues in Europe. Past operations have led to the conclusion that the prerequisite for an operational CSDP is a joint strategic viewpoint and engagement. As the CSDP has mostly provided peace-making and crisis management tools, the question arises whether the clauses on mutual support and territorial defence could also be applied in a European crisis. This is particularly important for EU countries that are not part of NATO, thus depending on the EU for their defence: Sweden and Finland have
a military non-alignment legacy since the Cold War-era and remain outside of NATO (just as Austria, Ireland and Malta), but they are all members of NATO’s Partnership for Peace (PfP) program, which seeks to build trust with European states through military-to-military cooperation.

There are several mechanisms for establishing defence cooperation within EU structures. On the one hand, EU Battlegroups – enhanced multinational clusters of battalion-size including combat support components – are an important rapid response instrument available to the EU for dealing with crises and conflicts. This defence flagship became fully operational in 2007, but it has not been activated in military operations so far (The Economist 2013). Although these rotating military groups were initially presented as a means of European integration and even as a “standing army” (BBC News 2007), this optimism has already decreased due to missed opportunities to deploy EU Battlegroups (e.g. in the Congo, Libya, Mali, and the Central African Republic). In view of numerous political, financial and technical hurdles, the question arises whether EU Battlegroups bring tangible benefits and will ever be mobilised in conflict. The main reasons for EU’s inability to act collectively are the absence of commitment and joint strategic interests, as well as an unequal distribution of the financial burden for the use of common defence instruments. Without a shared perception of threats, European defence cannot become a reality, thus the EU needs to explicitly delineate its strategic interests and instruments of action. Moreover, burden-sharing and joint funding ought to be safeguarded for a high level of joint expenses by revising existing financing instruments in order to generate reliable armed forces from CSDP missions and EU Battlegroups. The existent Athena mechanism only covers 10%-15% of the common expenses of EU missions, so costs are basically borne where they accrue (EPSC 2015). With the aim of reinforcing EU’s rapid response capacities, members decided to “bear the deployment of battlegroups as a common cost” (European Council 2017b), and to administer their funding based on the Athena mechanism.

On the other hand, the Treaty of Lisbon (TEU) has opened up new possibilities for enhanced collaboration by introducing a ‘Permanent Structured Cooperation’ on security and defence (PESCO), which is a framework and process to strengthen cooperation between EU countries that have the necessary capability and determination. This instrument enables a group of states to intensify cooperation and reach binding agreements in the field of defence, thus facilitating the common development of defence competences, funding of joint projects, and improvement in operational readiness and potential of participating militaries, whereby partaking countries decide on group members and determine the degree of investment. The objective of PESCO is to broaden defence capabilities and allocate them for EU military missions, thus strengthening EU’s role as
an international security actor and increasing the potential of defence expenditures (EEAS 2017). Article 46 TEU creates this permanent framework for defence cooperation between EU members in clusters, and offers the possibility to include the European Defence Agency (EDA) as a backer and organiser for evaluation, accountability and obtaining equipment. In this context, the European Defence Fund was launched in 2017, which aims to organise and enhance the output of national spending by advancing joint research and procurement of military capacities by building on a research pillar, and a development and acquisition pillar (European Commission 2017b).

Although PESCO has not been fully implemented, the discussions on its utilisation are ongoing, and first steps have been taken by EU members and institutions (Mauro 2015; Coelmont 2016; Fiott et al. 2017). In this regard, Article 42.6 TEU is worth mentioning, as it allows a set of like-minded countries to improve European defence, thus it could replace the existing patchwork of bi- and multilateral cooperation with a resourceful form of treaty-based defence integration. Moreover, the EU Council has the permission to “entrust the implementation of a task to a group of Member States which are willing and have the necessary capability for such a task” (Article 44 TEU), which aspires to advance military and civilian missions under CSDP. Ultimately, ‘enhanced cooperation’ (Article 20, TEU) enables a group of at least nine countries to launch advanced cooperation or integration within the EU framework. While Article 222 TFEU is an obligation to solidarity, Article 42.7 TEU is a pledge to mutual assistance in a case of attack, but they have a rather symbolic meaning, as there is no experience with launching existing EU military cooperation formats and effectively pooling capabilities. Moreover, it is problematic that the clause in Article 42.2 TEU requiring the “progressive framing of a common defence policy” is imprecise and remains largely symbolic. In addition, there is no established mechanism or military capability, which could be activated in case of a crisis within a EU state. Nevertheless, these TEU articles are legally binding for all members and could offer incentives to increase defence cooperation, if there is a common agreement on policy objectives.

Consequently, the integrative top-down approach towards European defence aims to build a new consensus for European cooperation by encouraging better coalition-building among European countries. Although military cooperation based on PESCO is highly regulated by the TEU and therefore more restrictive than the FNC, the rather divisive issue of common European security and defence benefits from the treaty-based top-down nature of PESCO, which allows to prevent further imbalances between more and less defence-oriented member states and thus work towards a common level of security. Because of its inclusiveness and strong legal basis that contains
tendencies of disintegration, the author considers PESCO to be the preferred choice for European defence cooperation and greater integration of EU member states’ militaries. This approach would allow EU members to improve spending effectiveness by sharing resources for joint capability development, reducing redundancies, and integrating armies of small and medium states. As collective cooperation on the EU level has become ineffective in countering the challenges in Europe’s neighbourhood, there is a need to demonstrate the success of EU defence cooperation and achieve better outcomes in a diversified EU by adopting a flexible approach. However, it remains a difficult undertaking for the EU to reconcile the tension between inclusiveness, flexibility, and European disintegration tendencies.

2.4. **Coalition building as a means to facilitate common defence**

Given the current disintegration tendencies in the EU, European solidarity is undermined, so the Union’s ability to act is decreasing. Therefore, more effective cooperation among members is necessary to break the deadlock in European integration and increase the effectiveness in various policy areas. In this light, discussions on strategies for future development of the EU have begun both on the national and European levels. Although the concept of adopting flexible cooperation methods seems to run against the original scenario of an ever-closer union, it has been debated for a long time now (Dewatripont et al. 1995; Warleigh 2002; von Ondarza 2012). One much discussed strategy for European integration is Europe ‘à la carte’, which proposes that EU countries adopt different degrees (variable geometry) and speeds (multi-speed) of integration in consideration of the political situation in each member state (Eur-Lex 2017), thus probably resulting in a faster advancing core of states. This approach has already been adopted in some policy areas (e.g. Schengen, eurozone) and could become a pattern for collaboration and solidarity in the EU, notably by facilitating common European defence structures by using treaty-based instruments (e.g. PESCO).

The future policymaking of the EU will be probably determined by the establishment of coalitions among willing states. Accordingly, coalition-building based on the multi-speed Europe concept would create potentials to overcome disagreements among EU members, and enable effective cooperation. Although EU countries have jointly agreed upon the goals, many have not become active due to the absence of political consensus. The ‘Permanent Structured Cooperation’ (PESCO) could prove to be a useful and inclusive instrument for facilitating coalitions within EU
structures for the implementation of security and defence projects, thus participating countries could make progress in European defence by committing to objectives included in the EU treaties.

Against this background, the leaders of France, Germany, Italy and Spain have recognised the potential of adopting a differentiated approach to restore confidence of states in joint action during their Versailles summit in March 2017 (Pineau 2017). They issued a statement aimed at the EU as a whole, which underlined the necessity for Europe to adopt a multi-speed method in order to become effective. Accordingly, the four representatives emphasized “different levels of integration” and argued that “some countries will go faster than others” (Janning, Zuneberg 2017). It becomes apparent that there is an aspiration to establish a political core in the EU to strengthen its policy-making. The formation of coalitions would focus on countries striving to influence and push EU plans, to develop political proposals and generate the required majorities. Moreover, the political core would reconstitute a strategic perception among EU states of the relevance to strengthen cooperation, either based on joint collaboration of all member countries or only a central group. The core states would initiate coalition-building and aim to include more EU members via their web of relationships to form majorities. This process could counteract the centrifugal trends characteristic of the Union of 28 members. In this regard, the EU28 Survey (ECFR 2017) – an expert survey carried out by ECFR in all EU countries – reflects the assessments of EU’s professional political class and thus provides valuable insights regarding the commitment of member states to form coalitions in key policy areas. The survey results are used to determine constellations of interests, priorities and prestige of EU members to illustrate, which countries are to be considered for coalitions striving to manage and develop European defence integration.

2.4.1. Possible coalitions on common defence structures

The EU28 Survey (ECFR 2017) reveals that an overwhelming majority of experts (97%) considers coalition-building crucial. Coalitions can serve as an instrument to govern a large and diverse EU. They can either function as pressure groups to reach consensus within the Union, act as pioneer formations to foster integration within a hard core of states, or intend to obstruct or oppose decisions at the EU level. Currently, the conventional approach towards European integration is blocked, as several members are against ‘more Europe’, thus it is doubtful whether an intergovernmental summit on treaty reform proposals could possibly resolve the differences between the members.
In order to advance European integration, two possible ways to solve the current policy deadlock are suggested (Janning, Zunneberg 2017):

1) a group of member states goes ahead as a core on a binding legal base under the treaties (using the clauses on enhanced cooperation) or outside the EU’s legal framework based on its own treaty [e.g. PESCO];

2) a ‘coalition of the willing’ gets together and informally cooperates more closely [e.g. FNC].

According to the EU28 Survey, Europe’s political class is already contemplating such differentiation approaches, which indicates a considerable potential for change. Roughly half of the experts (52%) would like to handle matters by including all members, which is a low figure considering the objectives and obligations of countries envisioned in the EU treaties. Overall, the results imply that political experts do not see many prospects in jointly making headway. Consequently, 34% of experts prefer coalitions, either as a legally bound core of members (19%), or via ad-hoc collaboration (15%). Drawing on the results of the EU28 Survey, the EU Coalition Explorer (ECFR 2017) reveals a multifaceted web of relationships between EU countries, which are clustered together in five partially overlapping country groups that differ in their level of institutionalisation. The influence of the particular grouping on EU policymaking is contingent on the policy area and varies over time. Two groups with different membership are particularly influential within the EU – the ‘Big Six’ comprising the largest states (70% of EU’s population, 75% of total GDP, 80% of defence spending), and the ‘Affluent Seven’ consisting of smaller countries that are economically strong (11% of EU’s population, 16% of total GDP, 11% of defence spending). With respect to networking within the EU, the states constituting the ‘Big Six’ group (France, Germany, Italy, Poland, Spain and the UK) and two members of the ‘Affluent Seven’ (Sweden and the Netherlands) show a particularly high level of interconnectedness. Due to their networking capabilities, these eight countries can be grouped together as ‘Cooperation Group’. They have the largest proportion of votes from other states regarding their overall impact on EU policy and importance as partners in security and defence policy, most influential are Germany (12.5%), France (11.0%), UK (9.9%), Poland (7.6%), and Italy (6.3%).

As regards the approach towards coalitions, EU members can be put into four groups by using the taxonomy of Janning and Zunneberg (2017), which applies to different policy areas. There are ‘integrationists’, which prefer handling policymaking jointly, such as Luxembourg, the
Netherlands and Germany. Secondly, there are the ‘core Europeans’, which largely favour legally bound core of members, such as Italy and France. Thirdly, there are the ‘ad-hoc coalitionists’, which support informal coalitions on several policy areas, such as Greece and the UK – although the latter also ranks high on the second alternative. The fourth group consists of ‘isolationists’, which focus on the national level, since they are against proceeding collectively and largely disapprove the coalition options, such as Hungary and Poland.

When assessing EU countries on their preferred level of decision-making, it is apparent that the members most supportive of coalition-building and aiming at European integration are all part of the ‘Cooperation Group’. States that primarily support action at the EU level and choose a legally bound core of members as second priority, have the most potential to form or take part in a coalition that acts as a special-interest group. This pattern distinguishes them from countries such as the UK, which predominantly support unrestricted coalitions. Furthermore, the survey results indicate that out of the ‘Visegrad Four’ solely Hungary corresponds to the image of a non-integrationist country, other members being more pro-EU (ECFR 2017). As regards the suitable actor level for realising common defence structures, on the EU level 40% of policy experts favour a joint approach by all EU states, 22% support a legally bound core of members, and 27% prefer ad-hoc coalitions. Joint defence on the level of all EU countries is primarily preferred by members that have very different views on many policy issues, such as Latvia (75%), Romania (71%), Germany (57%), and Finland (50%). There are also special cases on this issue such as the UK and Poland: the former strongly endorses coalitions of member states (80%), the latter supports a common approach by all EU countries (59%). While the UK prefers a loose European coalition complementary to NATO, as it is traditionally opposing the transfer of national sovereignty to the EU level, Poland is against the formation of ‘coalitions of the willing’ on European defence based on the concept of flexible integration. Polish professionals argue that only a few members “would run the most important defence cooperation programmes and industrial projects and practically govern PESCO, using the participation of others as a source of legitimacy” (Terlikowski 2017).

France and Germany declared their willingness to take the lead on defence integration. The Franco-German ministerial meetings in 2016 resulted in a joint resolve to make headway on European security and defence, especially by reviving options within EU treaties (e.g. PESCO) (Ayrault, Steinmeier 2016; Biscop 2017). The Italian and Spanish governments stated their support for these plans in late 2016 (Beesley 2016). Paris and Berlin both pursue an approach that offers new opportunities for countries aspiring to intensify integration, but they partly disagree on its concrete
implementation. While Paris supports an efficient core group of EU states managed by France and Germany that would be responsible for all endeavours aiming to establish Europe’s strategic autonomy in defence, Berlin endorses a more comprehensive model, as it is aware that less influential states are concerned about an enhanced Franco-German alliance. Accordingly, Germany considers PESCO as a possible tool for deepening European integration and emphasizes inclusiveness, whereas France argues that an excessively broad PESCO would not create any additional benefit regarding the improvement of defence capabilities and military strength (Koenig, Walter-Franke 2017). These differing perspectives are also mirrored in the EU28 survey results, since 57% of German experts prefer a EU-wide approach, but merely 20% of French professionals support this view. Conversely, only 19% of Germans back a legally bound core and 24% favour a coalition of members, while the French results are 48% and 24% respectively.

Although it is not clear whether the German preference for inclusiveness and the French focus on results could be united in a cooperation format that is equally inclusive and ambitious, first steps have already been taken. During the Franco-German Ministerial Council meeting in mid-2017, both states reiterated their plans to strengthen European defence and reached a preliminary trade-off on access criteria and binding obligations, which was a clear sign for more European collaboration and an encouragement for other members to participate (Puglierin 2017). Given the economic, political and military influence of Germany and France in the EU, Franco-German cooperation is a prerequisite to achieve European unity, more funds, and stronger policy instruments. The EU Coalition Explorer supports the significance of this partnership, as policy experts predominantly place Germany first and France second on their lists of ‘essential partners’ for their state in security and defence policy, while the UK is ranked third (ECFR 2017). These three EU members were considered the most influential countries in foreign, security, and defence policy in the past. Consequently, it will be crucial for the EU to involve the UK in its security and defence structures, as the Union will continue to rely on British military, security and diplomatic potential in the foreseeable future. Even if EU representatives frequently depict BREXIT as a chance to reinforce the common defence architecture, Franco-British military collaboration remains essential for European security.

Apart from the traditional Franco-German axis, the German-Dutch relationship assumes a driving role in coalition-building. The EU28 Survey results indicate that Germany constitutes the centre of the ‘Big Six’, as the country is the key link between all other group members and bonds them together. Moreover, these states appreciate the straightforward way of dealing with Berlin and
follow a joint agenda on many issues. Nevertheless, Germany is exceedingly concentrated on countries beyond its own group, as it is the sole major European power that has common interests and is able to cooperate with all ‘Affluent Seven’ states, thus it is optimally positioned to find a solution to widespread Euroscepticism. Within its group, the Netherlands is perceived as the most reliable partner, and other members have a number of common interests with the Dutch government. The country has an extensive network reaching far beyond the ‘Affluent Seven’ and its proximity to Germany ensures that The Hague can act on behalf of its group and push forward common interests on the EU level (Zunneberg 2017). The German-Dutch relationship is reciprocal and unique in its nature, as it is based on a high level of responsiveness and like-mindedness, which is not reached by any other inter-group relation. Accordingly, the EU Coalition Explorer (ECFR 2017) shows that this bilateral link provides the essential axis for networks between the ‘Affluent Seven’ and ‘Big Six’ group members by creating potential for EU coalition-building.

In addition, the ‘Big Six’ is also connected to two other country groups within the EU. France, Italy and Spain are also members of the ‘Southern Seven’ together with Cyprus, Greece, Malta and Portugal, while Poland is part of the ‘Visegrad Four’ that also include the Czech Republic, Hungary, and Slovakia. The EU28 Survey indicates that the absence of strong links between the three smaller country groups represents a weakness of EU collaboration in controversial policy sectors, such as defence. Therefore, there is an urgent need to establish new connections to include the remaining EU members and generate potential for new coalitions aiming to deepen integration.

2.4.2. PESCO as a means to strengthen cooperation on defence

Flexible cooperation is widely debated among European policymakers and recent efforts of EU governments indicate that ‘Permanent Structured Cooperation’ (PESCO) could soon become a suitable tool to establish cooperation on defence in cases when there is no support for a collective approach by all EU members. On 22 June 2017, state leaders decided to introduce PESCO with the aim of reinforcing Europe’s security and defence. On that basis, ministers from 23 EU countries endorsed a joint ‘notification on PESCO’ and presented it to the Council and the High Representative of the Union for Foreign Affairs and Security Policy on 13 November, while Portugal and Ireland declared their interest in joining the initiative on 7 December. A decision creating PESCO was adopted by the Council on 11 December 2017 (European Council 2017b).

This represents a big step towards a European Defence Union, as participating EU members have agreed upon the principles, common obligations, and proposals on PESCO governance, and have
also committed themselves to submit national implementation plans proving their capacity to meet the criteria. The principles emphasize that “PESCO is an ambitious, binding and inclusive European legal framework for investments in the security and defence of the EU’s territory and its citizens” (European Council 2017a). The declared objectives are joint armament projects and the development of capacities available throughout the EU, while the conditions for participation include a commitment to steadily rising defence budgets, 20% of which should be used for new acquisitions. In addition, PESCO participants pledged to provide significant support to CSDP missions in the form of troops and material. The members also agreed on a number of projects to be implemented under PESCO in the areas of “training, capability development, [and] operational readiness in the field of defence” (European Council 2017b). Accordingly, partaking states have intensified cooperation and committed to a far-reaching common European defence framework, which can also include third countries on a case-by-case basis. The non-participating EU countries are Malta, Denmark (opt-out from the CSDP), and the UK (withdrawing from the Union).

The launch of PESCO allows EU members to meet security challenges in a more effective way by establishing an integrated security and defence approach, and develop common defence structures. Most EU members have already declared their commitment to flexible defence cooperation and outlined possible cooperation projects within PESCO. Against this background, the author argues that further progress on defence cooperation could be achieved by initiating coalition-building based on existing networks between EU country groups. The paper suggests adopting an integrative approach to establish effective coalitions by linking the main country groups in the EU – Big Six, Affluent Seven, Southern Seven, Visegrad Four.

Since the ‘Big Six’ members constitute the most influential and well-connected group in Europe, they are likely to become the centre of any future common defence structure and facilitate cooperation initiatives using the potential of PESCO. Germany, France, Italy and Spain are completely integrated into the existing EU structures and already coordinate their efforts, so they will most likely become the frontrunners of European defence cooperation and form coalitions with other states. The UK is an important military partner in Europe that prefers loose formats for reinforcing defence cooperation, and resists schemes that reproduce NATO functions, but it would not block PESCO projects that aim at enhancing shared European security. As the country will leave the bloc in 2019, it will probably not be part of any coalition within the EU legal framework.

The five remaining states support the option of legally bound coalitions, and could use their networks to include members from other country groups and non-affiliated EU members interested
in contributing to common defence. In this regard, the German-Dutch axis could provide a viable opportunity to include the interested ‘Affluent Seven’ members into a coalition on defence, as they all largely support a treaty-based approach (only Denmark has opted out from the CSDP). While the other affluent states are not concerned about the supremacy of the ‘Big Six’ in flexible frameworks, they see the risk of side-lining EU institutions. The resulting coalition of forerunners would be driven by the opportunity to find a way out of the current stalemates and show the advantages of acting collectively, but to a lesser degree they could consider the option of flexible collaboration outside of the EU structures and their subsequent incorporation into the treaties. While the Netherlands is generally welcoming new formats to deepen integration, it traditionally prefers bi- and trilateral defence collaboration as well as a strong role of NATO. Belgium supports flexible defence cooperation and the development of common capabilities for contingency planning in crises, while Luxembourg also takes a favourable view of PESCO, but has only limited military capability and can be considered insignificant for common defence. Austria prefers permanent cooperation mechanisms to be highly inclusive and backs their use in regional structures (e.g. Central European Defence Cooperation), it has also suggested to collectively purchase dual-use equipment and create a civil-military authority (Möller, Pardijs 2017). Sweden has expressed certain interest in PESCO and stresses its potential for unifying and strengthening the EU, thus the country wants the framework to remain open for all EU members. Finland is highly supportive of the opportunity to accelerate the development of common defence structures by using tools available under the treaties. The country is especially focused on “coordination of defence planning cycles, security of supply, and defence market policy” (Möller, Pardijs 2017).

Apart from these leaders on common defence structures, there are several less prosperous and politically weaker states that might not have the capacity to participate in flexible cooperation out of the fear of being marginalised, but they generally take a neutral position towards PESCO and would not oppose it as long as it remains inclusive and does not radically alter the functioning of the EU. This group consists of very different states mostly in southern and eastern Europe. France, Italy and Spain could use their membership in the ‘Southern Seven’ group to involve Portugal, Greece and Cyprus, which are rather sceptical as regards flexible cooperation on defence. They believe that variable geometry would accelerate EU disintegration trends, since a strong core could outpace an economically weak periphery. The former two consider NATO as the central framework for Europe’s collective defence and are against a multi-speed Union, while the latter would support capability cooperation as long as the mechanism remains inclusive. Malta has shown limited interest in a PESCO that does not aim to copy NATO projects and objectives, or
require additional spending. Accordingly, the lack of interest in coalition-building on defence by the four smaller members of the ‘Southern Seven’ lessens the overall potential of this group.

As an essential link between the large states and the ‘Visegrad Four’, Poland has theoretically the potential of convincing members of this group to adopt a joint stance on common defence structures. From a practical point of view, the government in Warsaw is Eurosceptic and aims to regain sovereignty from Brussels, thus it prefers cooperation on a regional level. Poland would encourage significant expansion of PESCO commitment in Central and Eastern Europe as a response to the assertive Russian stance, but only if the new framework is not aimed at duplicating NATO capabilities and is conducive to EU-NATO cooperation (Möller, Pardijs 2017). Furthermore, Warsaw sees the structure as a way to connect European countries that are either not part of NATO or the EU. While Hungary might use flexibility to reclaim national sovereignty, the country favours a cooperation structure that is unbureaucratic and comprehensive. Slovakia supports flexible collaboration in defence and would contemplate regional cooperation within the ‘Visegrad Four’ in a form that is conductive to European integration, thus it supports an inclusive PESCO. The Czech Republic backs enhanced defence collaboration and considers it a strategically important step towards the creation of a European Defence Union. Accordingly, the country is willing to participate in PESCO projects, whereby it aims to reinforce the CSDP and European defence capabilities, which it considers crucial in view of the lack of unity among EU countries. It would back the organisation of procurements, common European Defence Agency (EDA) operation headquarters and missions, and common planning competences (Möller, Pardijs 2017).

EU members that are not part of the abovementioned country groups, have expressed their interest in deeper defence collaboration. The Baltic States, Bulgaria and Romania have enhanced regional cooperation, while the former also maintain strong relations with the Nordic countries in an effort to protect themselves against Russia, the latter two believe that flexible approaches could reinforce European cooperation. Bulgaria has contributed to the evolution of PESCO and proposed a number of projects within the framework (e.g. “medical hub, logistics/sharing, satellite imagery reading, battlegroups, further development and other regional forms of cooperation” (Möller, Pardijs 2017)). Romania backs PESCO and wants it to become an instrument for defence integration between EU country groups, particularly emphasising the EU’s role in security and defence, and EU strategies aimed at reinforcing the stability of eastern countries. Moreover, Bucharest underlined that EU defence projects need to be in line with NATO efforts to prevent costly duplication, and is proposing common procurement, joint training, and contribution to EU
Battlegroups (Möller, Pardijs 2017). Although Ireland has largely capitalised on flexible integration in economic terms, it is concerned about the application of flexibility as a standard approach. The remaining EU members are economically and militarily too weak to play a considerable role in advancing European defence. Countries that are not inclined to participate in EU legal structures on defence, but possibly want to contribute capabilities to strengthen European security (and also third countries such as post-BREXIT UK and Norway) could initiate loose coalitions on an ad hoc basis, which due to the resulting mutual exchanges would still be a better option for ensuring European coherence than adopting a strictly national approach.

Even if new vigour has been given to European security and defence cooperation and integration in recent years, a common policy that is guided and coordinated by all EU countries or at supranational level is still far from being a reality. Member states strongly emphasize national interests and do not want to transfer sovereignty in such essential policy areas to EU bodies or sometimes even share it with other states. Several countries disdain the plans for developing a European Security and Defence Union, as they fear that it might undermine the importance of NATO. Given the absence of an EU-wide approach on common defence, many states back defence cooperation among a legally bound coalition of members, or even looser forms of cooperation – the EU28 Survey illustrates that in 11 countries at least one third of experts preferred coalitions of states. To increase the effectiveness of coalition-building, it is necessary to reassure unwilling EU countries of the inclusiveness of this method and allay their doubts that they could be left behind if they fail to contribute. Therefore, Germany and France (and other Europeanists like Belgium) need to approach Atlanticist states (e.g. the UK, the Netherlands) and the ‘new’ EU countries in Central and Eastern Europe to identify a common line on differentiated integration in defence policy. At present, many EU members choose the preferred cooperation method on a case-by-case basis, moreover, several states favour regional arrangements and show intra-group similarities as regards preferred partners in the defence area (e.g. the Baltics, the Nordics, Visegrad Four) (ECFR 2017). Consequently, a realistic European defence and security framework would most likely be realised as a symbiosis of various types of coalitions (e.g. bi- or multilateral, regional, or ad hoc), and membership (involving third countries or not), preferably coordinated at the EU level. Participating states could pool essential defence capabilities, “such as research, development, and procurement; command, control, and intelligence; logistics and support, from airlift and transport to medical services; or integration of forces under one command” (Janning, Zunneberg 2017).
The main incentive for flexible cooperation and coalition-building should never be the development of a two-tier EU of core and periphery members, which is likely to lead to an approach based on opt-outs or the lowest common denominator and accelerate EU disintegration tendencies. Instead, the creation of coalitions ought to aim at facilitating constructive action, overcoming deadlocks, and ultimately increasing the competences of the EU. Therefore, it is crucial for EU governments to establish coalitions that are mutually reinforcing and lead to fruitful cooperation that fosters European coherence and facilitates a coordinated defence policy, which in turn could promote European integration (Puglierin 2017).

As there is still disagreement on the ideal form of flexible cooperation among EU members, there is a need to foster defence cooperation in a more pragmatic way. In this regard, EU countries could increase the role of PESCO by jointly initiating several low-level beacon projects and achieving positive results. Such a scenario is likely to restore confidence among sceptical members and demonstrate the advantages of a common approach. If it proves effective, defence cooperation would be an important step towards European autonomy in the security and defence area in the form of a European Security and Defence Union, and could even generate spill-over effects for other policy fields, which could help to advance the European integration process.
SUMMARY

This paper has addressed the question of how EU members could take more responsibility for their own defence and adopt a comprehensive approach towards greater integration of national defence capabilities in response to the erratic foreign policy of US President Trump, but also in light of new challenges and instability in the European neighbourhood. For this purpose, different forms of European defence cooperation were assessed and subsequently two strategies – one based on NATO structures, the other on EU treaties – were outlined for establishing flexible collaboration between EU members and strengthen European security and defence.

Since the pragmatic bottom-up approach for improving European defence capabilities by integrating militaries of European NATO countries based on the FNC has no legally binding nature, and smaller countries are overly dependent on the financial contributions of framework nations, it is rather ineffective and would likely lead to different levels of security within the EU, thus exacerbating the European security dilemma. In order to better integrate European defence, the inclusive top-down approach was suggested that uses legal instruments in the Lisbon Treaty (PESCO) to establish defence cooperation based on agreed principles and common obligations under a EU framework. This method allows EU countries to reach binding agreements, thus facilitating the common development of defence capabilities and funding of joint projects, as well as improving operational readiness and potential of participating militaries. The approach aims at greater integration of EU member states’ militaries to improve spending effectiveness by sharing resources for the development of capabilities, reducing redundancies, and integrating armies of small and medium states. Subsequently, coalition-building was proposed as a way of strengthening collaboration and facilitating common defence structures based on existing networks between states, which would allow the EU to effectively organise its territorial defence and build a European Defence Union. Finally, the paper has drawn upon the results of an EU-wide expert survey to determine constellations of interests, priorities and prestige of EU members to illustrate, which states are to be considered for coalitions striving to deepen European defence integration.

The findings of this study indicate that flexible collaboration is becoming a central issue within the EU, as it has great potential to achieve better European cohesion and progress in a time of political paralysis. As was clearly expressed by core EU countries, this change is a direct result of the increasingly challenging internal and external environment of the Union, which becomes most visible in European security and defence policy. In this context, the recent introduction of PESCO
by 25 EU members represents an important step towards an integrated European defence, as it provides a suitable instrument to establish cooperation on defence in cases when there is no support for a collective approach by all EU members, which aims to reinforce Europe’s security and defence. Coalitions between members are becoming the driving force for managing defence cooperation and integration, since the EU has grown larger and its bodies and methods have ever more assumed an intergovernmental character. In view of heterogeneous and even contradictory interests of member states, coalitions will need to make progress using a common approach and clearly demonstrate their success in order to mobilise more support for this flexible method. Currently, a large number of members endorse flexible collaboration, but also argue that it needs to be enshrined in the EU treaties to be most effective and to counter disintegration tendencies. This method would probably receive the widest possible support from EU countries of varying sizes and interests. Accordingly, defence cooperation is likely to be established by groups of EU members – preferably sticking to treaty-based options within the EU framework or outside of it – that aim to overcome the resistance in defence and security policy by initiating joint projects and facilitating agreement on common European defence structures. This would allow member states to implement policy proposals for deeper integration more successfully than by using the traditional EU-wide approach.

Drawing on the results of ECFR’s EU28 Survey, this paper has highlighted that coalition proposals need to find support among the most influential EU countries to make an impact, above all the ‘Big Six’, but also the Netherlands and Sweden, which together form a core for political initiatives. In all likelihood, Germany and France will be the key actors for establishing coalitions, as they are well linked, enjoy high levels of trust, and are appreciated as competent and reliable partners by EU countries. Due to connections and common interests, the French government would probably try to include other ‘Southern Seven’ members into a coalition. By means of its wide cooperation network, Germany would aim to reinforce its political role by incorporating Poland to include the ‘Visegrad Four’, such as Slovakia or Czech Republic, and also adding the Netherlands to involve other ‘Affluent Seven’ members, such as Sweden or Finland. Warsaw and The Hague have most support within their groups and thus could easily mobilise like-minded members to join coalitions on defence initiatives. Although BREXIT is likely to facilitate coalition-building, it will also severely weaken EU’s military capabilities. Since the UK largely supports loose coalitions on an ad hoc basis, EU members should approach the country to enhance the European defence potential.
Coalitions of countries intending to cooperate closer on defence could also create their own legal
frameworks to circumvent the limitations of PESCO and increase effectiveness. In doing so, they
could avoid the obstruction of their actions by member states that prefer the status quo and are
unwilling to adopt flexible approaches, thus causing EU-wide deadlock. These coalitions could
draw legitimacy for their approach by realising the objectives included in the EU treaties, which
still lack political consensus to be implemented on a EU level. Accordingly, coalitions would
concentrate on such policy issues that cannot be resolved by the Union due to its lack of a decision-
making ability resulting from internal fragmentation. European defence cooperation is a major
area where a multi-speed approach would help to circumvent political stalemate and pool essential
defence capabilities, thus cooperating coalitions of members could develop common European
defence structures. Although the direct impact of successful projects will only benefit the partaking
states, the wider effect is likely to be perceived positively by all EU countries. It is rather
improbable that so-called ‘coalitions of the willing’ could effectively implement proposals for
defence integration. Therefore, most initiatives would need to be enshrined in law or even the
constitution of all participating states, so cooperation would be necessarily built on legally binding
obligations, while membership in coalitions would be contingent on material and legal principles.

Given the likelihood that coalitions will be formed in this way, there would probably be a need for
a supportive political framework that serves to establish and promote coalitions. Effective
coalition-building necessitates the creation and maintenance of a coalition setting within the EU
in order to facilitate policy proposals and connect potential participants. It could be a rather
informal arrangement to jointly manage policy issues, collaborate in the establishment and
introduction of policy proposals, and politically instruct and assist EU bodies, which might become
a leading framework for administering a large and heterogeneous Union.
REFERENCES


APPENDICES

1. The development of NATO

Since NATO was established in 1949 as a transatlantic political and military alliance to secure the political status quo in Europe during the East-West conflict, it has developed into the backbone of the Western defence structure and European security policy. Two developments are currently weakening the Alliance: the US’ strategic shift to the Asia-Pacific and the shrinking defence budgets of many members. As a result, NATO could lose its military capacity to act, forfeit the internal political cohesion and sink into insignificance, thus destabilising the NATO region.

Today’s NATO does not have much in common with the original Alliance, which was mainly created to protect Western Europe from the Soviet Union and the Warsaw Pact. Although a broader sphere of responsibility was already defined in the North Atlantic Treaty, NATO was for decades a classic, one-dimensional defence alliance. The concept of security was narrow, mainly concerned with military aspects, and the task was clear and simple: security for the Alliance members and the defence of the external borders of the NATO area. In order to ensure a peaceful and democratic Europe that was able to resist external threats, the US issued the nuclear guarantee for the defence of Europe and massively built up its military presence to demonstrate its commitment to the defence of European allies to counter the supposed threat of an onslaught by the USSR after the outbreak of the Korean War in 1950.

The cornerstone of the North Atlantic Treaty is the principle of collective defence laid down in Article 5, which is a promise to assist each other in case of an armed attack on one or more of its members to preserve security of the North Atlantic region. As the nature of the assistance is not further defined, it includes all measures that a member state considers necessary, comprising the use of armed force. Almost seven decades after its foundation, NATO’s concept, composition and tasks have fundamentally changed. The Alliance has accepted numerous former Warsaw Pact countries as members and has evolved from a collective defence alliance that was directed against a clearly defined enemy to a multifunctional security agency. In its history, the Alliance has changed its function several times without abandoning its central aim of collective defence against external threats, which has gained in importance since spring 2014 in light of the annexation of Crimea and the ongoing conflict in Ukraine.
2. The EU’s reliance on the US in NATO for ensuring European security

For over six decades, numerous US defence secretaries and presidents have criticised European members of NATO for military free-riding and called on them to increase their defence expenditures and build up capacities to shoulder a fair share of the burden. Already at the beginning of the 1950’s, the US budget suffered seriously under the load of economic assistance and military obligations, and there was no outlook for decreasing the costs (Leffler 1992, 304–11). Washington was concerned that it would have to pay for the East-West conflict on its own, as France and the UK were pre-occupied with defending their disintegrating colonial empires, while other members of NATO did not have the required means. According to Zimmermann (2002), only West Germany had the capacity to reduce the US problem with the aid of contributing troops and funding. The German contribution was seen as essential for establishing a European force, which would be able to supersede the US troops in Europe. In this way, the idea of restoring Germany’s military became directly related to the American military commitment. Consequently, the motivations behind German rearmament were not solely driven by opinions of high military staff or the political motivation of allying the country with the West, but also based on economic imperatives. This ‘burden-sharing’ factor was the essential incentive for persistent pressure from the US and the UK for swift rearming of Western Germany, but the concrete realisation of this venture was very problematic.

In the 1960’s, US President Kennedy revived the notion of a “real West European pillar within NATO”, which would be able to engage with the US at eye level in debates over burden-sharing and out-of-area operations – an idea first verbalised during the negotiations over the North Atlantic Treaty (Sonnenfeldt 1989). Under the pressure from Washington, European allies discussed the concept of a two-pillar system in NATO consisting of a European and a US pillar to distribute the costs in a fair and equitable manner among the members. This notion was equally appealing to European NATO members, as it offered an opportunity to lessen allegations of free-riding in the funding of the Alliance. Due to diverging interests of allies, but also in light of the imminent threat from the Soviet Union, the US once again assumed responsibility for European security by carrying the lion's share of the financial burden of NATO. As pointed out by Thies (2002, 124), “NATO members during the Cold War repeatedly went on record in favour of organizational reforms that would allow them to make better use of their combined resources, but then acted in ways that all but guaranteed that the new arrangements would not work as planned.” Accordingly, NATO countries determined to transfer burdens to other members tended to employ declaratory
policy to present matters in the most beneficial way for them, which gave them a better bargaining position. In order to reduce costs during the East-West conflict and reallocate funds to public expenditure and their costly welfare systems, European allies have outsourced most of their extended security to the US and largely relied on its military capacities for protection, in particular on the security guarantees provided by the nuclear umbrella, which was the most effective mean to deter the Soviet Union. Following the same declaratory policy, the US verbally backed the idea of a European pillar, while increasing the negotiation opportunities within NATO in order to take advantage of a lop-sidedness in personnel resources versus its European allies. Thus, the US was placed on the right side of a popular argument by declaring its support for the idea, but its conduct implied that the country favoured negotiating with numerous less powerful states rather than one large and influential entity (Thies 2002, 124). As a result, the US became the most important military power in Europe, but this commitment also implied high military expenditures for the country and a disproportionately high contribution to NATO. This has led to an even stronger transatlantic divergence in defence spending over the decades and the issue of burden-sharing has been raised time and again.

After the dissolution of the Soviet Union in 1991, NATO lost its original purpose and transformed to concentrate more strongly on military crisis-management outside the Alliance territory in order to keep its raison d’être. In the post-Cold War period, defence spending among European NATO members has been reduced in such a relentless way that doubts have been raised regarding the Alliance’s military readiness and its capacity to uphold the collective defence guaranty enshrined in Article 5. The US has long tolerated the low level of European involvement, since the Alliance served US interests, countries such as France and the UK were trying hard in the military field, and the European NATO countries accepted the US leadership. Furthermore, calls for burden-sharing also served to defuse criticism from the US Congress. But for financial and strategic reasons, the US is no longer willing to exercise patience with the Europeans as regards defence spending. Firstly, the US is forced to make savings and set strategic priorities, as it was heavily affected by the financial crisis. Secondly, Europe is losing strategic importance for the US, as it is largely regarded as stable region, which should ensure its own security. According to Techau (2015b), the end of the East-West conflict was followed by a silent strategic revolution in Europe, which was caused by the systematic reduction of the American footprint in Europe in terms of its physical presence (less US troops and hardware). Moreover, US administrations have found it increasingly difficult to make the case for a continued engagement in Europe and decide on its matters, thus the political capital of the US has also diminished, which has a negative impact on
European security. From the US perspective, the relevant security and economic developments take place in Asia. Strategic documents of recent years (such as the National Security Strategy and National Military Strategy) indicate that a shift of focus from the Atlantic to the Pacific is now driving US foreign policy.

Since the late 1990’s, the lack of political commitment to the Alliance and the insufficient military contributions of European NATO members were the subject of increasing criticism. Especially since the George W. Bush administration, the US has called on Europeans to become more active in international military operations, particularly in Afghanistan. In return, the US accepted the development of a European defence policy as well as an expanded role of European allies within NATO. The Obama administration also encouraged European allies to increase their military capabilities, but they were reluctant to play their full part in NATO. Despite repeated US calls for more involvement in global problems, most European NATO members were unwilling to change the comfortable situation to which the unilateralism of previous American presidents has led. Europe has largely benefited from the unilateral policy of the US by having the possibility to maintain the status quo of the Cold War era even beyond its end, and to continue benefiting from the American nuclear umbrella rather than taking the necessary steps to become a leading international actor itself. The long-term pursuit of this approach would have deprived Europe of the possibility to exert its influence on international policy. Moreover, too much reliance on the US would likely lead to asymmetries in the event of conflicts of interest between the two transatlantic partners. This can already be seen, as the US is shifting its political interest towards the Asia-Pacific to contain China and strengthen NATO partnerships in the region, thus it is withdrawing a large proportion of its troops from Europe, while Eastern European allies are requesting permanent deployment of US forces to deter Russia. In order to ensure European security, an autonomous security and defence based on EU structures is becoming increasingly important.

The sizeable disparities in defence budgets increased even more after the end of the East-West conflict, as European allies have systematically reduced their military capabilities over the years. Therefore, NATO became increasingly concerned about the decline in military expenditures of its members and worked towards reversing this negative trend. At the Riga Summit in 2006, the members discussed the underfunding of the alliance and presented the goal of increasing defence spending to two percent of gross domestic product (GDP), but there was no final declaration on that issue (NATO 2006). As a consequence of the 2008 financial crisis, NATO members further
decreased their defence spending (The Data Team 2017). It can be observed that in 1990 the 14 European NATO countries expended $318.84 billion (constant 2010 prices and exchange rates) in total on defence (NATO 2008), in 2005 defence spending of the then 24 European members amounted to $288.08 billion in the aggregate (NATO 2015b), while in 2017 the 27 NATO members in Europe are estimated to spend $274.46 billion (NATO 2017b). Although the membership in NATO has almost doubled in this period, the aggregate defence expenditures of Europeans have decreased by 13.92%. Accordingly, military expenditures of most European states have considerably decreased since 2008, e.g. Italy: -21%; UK: -9.1%; Germany: -4.3% (IISS 2017). Consequently, there was a large decrease in military potential in the vulnerable allies at the Eastern flank, and the divergence in transatlantic burden-sharing has further increased. In continuation of the negative trend since the East-West conflict, European members of NATO have become even more dependent on the US as regards their security. While their defence expenditures as a percentage of gross domestic product decreased from 2% on average in 1995–1999 to 1.47% in 2017, the US’ contribution increased from 3.1% to 3.58% during the same period, which corresponds to an increase from $409.10 billion (1995) to an estimated $616.03 billion (2017) (NATO 2015b; 2017). In percentage terms, the US expenditures made up 59.04% of total NATO defence spending in 1995, and are estimated to account for 72.24% in 2017. Although not the whole US military budget is earmarked for increasing European security, as the US deploys its military around the globe to ensure stability, it is apparent that European countries are not carrying their fair share of the financial burden in NATO.

Since European countries outsourced most of their extended security to the US, they become more vulnerable to security threats once that ally has less political capital to spend on Europe. As the backbone of the global liberal order, the US needs to refocus and reallocate its resources, which have also decreased in relative terms. This poses a problem for Europe, because the US presence has been systemic for European security in the past and this integral element cannot be removed without destabilizing the continent. In the domain of external security, US presence and its nuclear deterrent still serve to protect European allies not only from territorial attacks, but also from political blackmail. Since the international strategic environment changes, it is a matter of necessity for the US to shift its political focus away from Europe, as the world regions that will determine global stability in the future are most likely to be Middle East and North Africa (MENA) and Asia-Pacific in the widest sense. Therefore, the Obama administration decided on a military and diplomatic rebalance by introducing the “Pivot to East Asia” regional strategy in 2012, which focuses on “strengthening bilateral security alliances; deepening [America’s] working
relationships with emerging powers, including with China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights” (Clinton 2011).

There are several rationales for closer defence cooperation among NATO members, as the European security environment is transforming and thus creating new challenges, however, European members still do not have a collective approach and the necessary defence budgets to counter these threats effectively. Increasing Russian aggression and other challenges facing Europe, such as the rise of global terrorism, consequences of the war in Syria, rise of cyber-attacks, have led to a reorientation of the Alliance towards European security, as the EU is increasingly facing the challenge of demonstrating military strength by solely relying on existing NATO capabilities. As the wider neighbourhood of Europe is becoming less stable and challenges increase, NATO becomes less effective in terms of territorial defence and expeditionary capabilities, which leads to a loss of authority for the US and European NATO members in terms of the dangerous absence of a power that can impose order. The declining role of the US in Europe and unwillingness of European countries to step in to fill the gap that is left behind by the US in order to take full responsibility for their security, involves the risk that hostile states could potentially imperil the territorial integrity of EU countries and exploit the emptied strategic space that is created in Europe, which points to the need of strengthening European defence structures (Shepherd, Salmon 2003, 4). The transforming security situation leads to the emergence of a security vacuum in Europe, which is already evident in Eastern Europe where several NATO members feel directly threatened by Russia. As EU members are still not able to step up their collective efforts in order to face the security challenges, their reliance on the US has increased even more (Techau 2015b, 1-6), so the US strategic shift away from Europe would further undermine European security. Although the US has reassured NATO members of its commitment, it has also been increasing pressure on European allies to spend more on defence to be capable of maintaining peace in Europe and tackling external threats on their own (Simón 2014, 69-70). As a response to US calls for higher defence spending of EU members, the debate on significantly increasing defence co-operation to create a ‘European pillar’ of NATO has resurfaced. Although such a policy has the potential to undermine US strategic leadership, Washington may eventually accept it, but only if this measure shows success in getting Europe to spend more on defence to meet the requirements set at the Wales Summit (Janning 2017). Therefore, the question arises how the EU could achieve the goal of establishing an effective EU common defence in response to a gradual withdrawal of the US.
Since the beginning of the Ukraine crisis, European governments have begun to rethink their commitment to the Alliance and some are already enhancing their contribution not only by increasing defence spending, but also by exploring new ways of improving expenditure efficiency. In a new attempt of addressing the structural underfunding problem, all NATO members committed at the Wales Summit to increase their military spending to at least 2% of their GDP within a decade to realise the NATO Capability Targets and fill the “capability shortfalls” of the alliance to “halt any decline in defence expenditure”, but also to “increase defence expenditure in real terms as GDP grows” (NATO 2014). Despite the official character of the summit declaration and its perception as a historic step, it is not legally binding, so the long-term expenditure plans of many countries below the line are still not in accord with the objective and it is doubtful that the spending goal will be met by all 28 NATO allies until 2024 (NATO 2017b).

Different national approaches towards increasing defence expenditures persist, so far only Estonia, Greece, Poland, the United Kingdom and the United States have complied with the two percent criterium, while Lithuania and Latvia are coming close to fulfil this requirement (The Data Team 2017). As countries on NATO’s eastern frontier feel more threatened by Russia than ever, they are very motivated to develop their defence capacities by increasing military spending, thus they are showing willingness for burden-sharing within NATO in order to maintain the collective defence commitment. Despite a decreasing defence budget, the UK made every effort to meet the requirement by relabelling shares of its budget as military expenditures, mainly because the country is well aware of the resulting influence and negotiating power in NATO (Rigby, Jones 2015). However, several countries in the core of Europe have problems with shouldering greater burdens, whereby there are different motives and explanations for non-compliance with the defence spending target. Several European countries do not perceive Russia as an immediate threat, have populations that are rather sceptic towards remilitarization, and have to deal with various other pressing issues. In 2016, Germany’s military budget amounted to just 1.2% of its GDP, so Federal Chancellor Merkel has declared that Germany “feel[s] committed to this target” and “will do …[its] utmost to achieve [it]” (Merkel 2017), but this seems overly optimistic given the only slight increases in expenditures. Italy and Spain have reduced their defence budgets to 1.29% and 0.91% respectively (NATO 2017b) and they would need to make the impossible possible in light of restrictive EMU budgetary rules. Due to the differences in strategic cultures, most countries pursue disparate security objectives, so there is little consensus on a common European security policy, which results in a dependence of Europe on the US contribution to NATO in the field of security. There is still no clear picture of how many Alliance members will
be able to reach the two percent benchmark by 2024, as even those eager to increase their expenditures are adopting defence budgets that are not sufficiently ambitious to achieve the set target. Accordingly, this trend doesn’t raise hopes that NATO will be able to substantially increase its military capabilities in the near future.

The conflict in Ukraine has made Europe’s strategic dilemma more perceptible and evident than before. In this regard, the two percent defence spending benchmark is justified on the grounds that its real intention is to address the increasing security vacuum in Europe and determine which entity will be responsible for European security in the future, once the US will no longer be able to carry the major proportion of the defence expenditures of NATO. The debate on the need to increase military spending of allies to two percent until 2024 in order to ensure European security is one way to address this challenging problem. As it depicts the political will of NATO members to allocate resources, the benchmark serves as a useful policy instrument to measure how resolutely countries are addressing the fundamental strategic issues of the Euro-Atlantic region. Several observers and NATO officials conclude that those who meet the goal are perceived as responsible backers of transatlantic security (Dempsey 2015). Nevertheless, the 2% goal is a rather simplistic input measure of military competences, so political analysts in Europe have criticised the benchmark, arguing that it is a flawed instrument that only distracts from NATO’s real issues like a “lack of a shared threat assessment among all 28 allies, slow decision-making in the North Atlantic Council, and a lack of early-warning capabilities” (Techau 2015b).

Consequently, the security vacuum issue is discussed quite lively in Europe in a wide range of contexts, which illustrates how crucial this issue is for European security. One line of discussion focuses on whether NATO forces should be stationed permanently in Eastern Europe (Coffey, Kochis 2016; Kiesewetter, Zielke 2016), which might be considered a violation of the NATO–Russia Founding Act, as it states that “NATO reiterates that in the current and foreseeable security environment, the Alliance will carry out its collective defence and other missions by ensuring the necessary interoperability, integration, and capability for reinforcement rather than by additional permanent stationing of substantial combat forces“ (NATO 1997). In order to reassure its eastern flank and formally comply with the aforementioned treaty, the alliance has deployed forces to eastern European states that will stay for a period of nine months before being replaced, but this arrangement will lead to a permanent presence of troops, which Russia perceives as a threat to its security (MacAskill 2017).
The Ukraine crisis is also a symptom of the security vacuum, as it has exposed and further increased the deficits of the Euro-Atlantic security order. With the annexation of Crimea and the destabilization of Eastern Ukraine, Russia challenged the basic principles that have been agreed upon by all OSCE states: territorial integrity, national sovereignty and the renunciation of violence (OSCE 1990). The current state of relations NATO and the Russian Federation is marked by mutual mistrust, as both parties have conflicting views and narratives on central issues – a classical security dilemma. While the Kremlin perceives NATO enlargement and the deployments in Europe as a critical threat to its sphere of influence and is concerned about “Western encroachment on the country’s security, economic, and geopolitical interests” (Rumer 2016), policymakers in the West argue that NATO is a defensive alliance, whose “essential and enduring purpose is to safeguard the freedom and security of all its members by political and military means” (NATO 2015a). Russia understands that order cannot be easily imposed by the West any longer and that the authority of the US and of the Europeans is considerably weakened. The relatively mildly sanctions imposed on Russia in response to the violation of international law demonstrate that the country can get away with its aggressive foreign policy almost unpunished and exemplifies the lack of authority that results from having fewer military capabilities in Europe.

Another manifestation of the security vacuum is the debate on the future role of the EU as a military provider of hard security, which was publicly triggered by the suggestion of the President of the European Commission, Jean-Claude Juncker, for the creation of an independent EU Army (Euractiv 2015). This part of the debate goes so far as to question NATO and its privileged role as guarantor of European security. In this context, it is noteworthy to mention the longer-standing debate about the necessity to create a new security architecture for Europe that includes Russia and Eastern European states that are not part of NATO (Techau 2015b). The discussion of whether Germany should take the role of a hard security provider for the EU is also an illustration of the security vacuum issue. Several political observers and policy makers argue that given its size and its economic power the country should step out of its comfort zone and become more active in the field of European security by adopting a pragmatic policy that is focused on fast response and pursuit of long-term goals (Kaim, Stelzenmüller 2013). However, there are many reasons – especially Germany’s history, its location, and scarcity of resources – why Berlin is reluctant about assuming this responsibility. Another line of discussion suggests that Europe’s strategic problems would be best managed by adopting a regional approach to security, in this way the Northern, Eastern, and Southern EU members could use their expertise and alignment to target the security issues in their neighbourhoods. All those specific issues are part of the general question of how
the emerging security vacuum in Europe should be addressed. This is primarily Europe’s problem and its own fault, less so an issue for the US. In view of the US reducing its footprint in Europe, European states need to understand that they cannot rely on external powers any longer and thus should take care of their own security by systematically addressing these challenges.

According to Techau (2015b), the current security situation affects Europeans as well as the United States and it creates two different dilemmas for both parties. For the US, the dilemma is the following: On the one hand, US representatives need to send the message to European allies that the American security guarantee is watertight and European partners can count on protection. This reassurance is not only important for Europeans, but also for the United States and its position in the world. On the other hand, US representatives need to tell European allies that they should spend more on their defence, because the US will spend less on them. This is the dilemma that the Americans are facing, as they need to communicate two mutually exclusive messages to European allies. The Europeans could take the reassurance as a free-riding ticket, as they might think that the US will take care of their security and they do not need to increase their defence spending. At the same time, repeated calls on European countries to do more create insecurity among them. The European dilemma is different, but equally problematic: Either Europeans could spend more on defence, which is difficult in the face of budgetary restrictions, or they could spend in a smarter way by integrating defence capacities, which leads to a loss of sovereignty. Thus, European states need to decide whether they prefer to pay for better security in terms of money or in terms of sovereignty. Hitherto, the decision has almost always been that sovereignty is more important, but that might be impossible to maintain over the long run. Accordingly, there are two dilemmas prevailing, for the US in terms of its security guarantee, for the Europeans in terms of the question of resources versus sovereignty.