

## European Defence and Third Countries after Brexit

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### Summary

The UK's departure from the European Union has given energy to the process towards 'ever closer Union' in the EU's Common Security and Defence Policy (CSDP). Many policies and initiatives have been brought to the table in the aftermath of the referendum that created shock waves in Europe. This policy brief takes stock of the developments in European defence integration since the Brexit referendum in June 2016. Contrary to the dominant political and public debate about those developments, and the political optimism inside the EU, the brief identifies some key obstacles towards expanded European defence integration. With the UK's exit from the EU, the 'third country' role in the CSDP will inevitably be altered, as one of the largest military powers in Europe will stand outside of the EU. For current third countries – like Norway and Iceland – this should lead to caution regarding immediate participation and a pragmatic approach to the developments. Energy and resources should not be invested before post-Brexit institutions and practices have been established.

### Introduction

The UK has always been a bit of an awkward partner in Europe as one of the most persistent defenders of state sovereignty in the face of pressure for federalism in the integration process. As such, while it joined France in initiating the current institutional framework in the EU, the Common Security and Defence Policy (CSDP), it has since been one of the forces working to limit the influence and power of the EU on defence matters. Seen from this perspective – and if we for a moment were to ignore the fact that we are talking about one of the most powerful military actors in Europe – then Brexit provides an opportunity for the EU at 27 to move forward on defence.

Much has happened in the context of the CSDP since the summer of 2016. CSDP expert Sven Biscop, director at the Egmont Institute and Professor at Ghent Institute for International Studies, probably summarised the general feeling when he stated that everything was happening at once in European defence by the end of 2017.<sup>1</sup> However, the scope of initiatives that we have seen are arguably much more limited in operational terms than what public discourse indicates. A top diplomat in Brussels said it with the following analogy: "what is happening in the CSDP is that we are laying down a few pieces of a puzzle. If that puzzle ever becomes a whole image is probably many years ahead of us, and it might not even happen. If it does happen, there is also the real danger that it will be left in the drawer".<sup>2</sup>

Brexit will drastically change the EU's third country environment since it is one of the most militarily capable member states that is leaving. What will be the implications for other third countries? In this policy brief, I argue that Norway should use its third country status as a strength by being patient and pragmatic regarding the short-term developments in the CSDP. Brexit offers Norway a window of

<sup>1</sup> The report can be read at <http://www.egmontinstitute.be/content/uploads/2017/10/SPB91-Biscop.pdf?type=pdf>.

<sup>2</sup> Interview in Brussels, November 2017.

opportunity to wait from a distance for the EU to settle on more than just pieces of the puzzle before investing political will and economic resources in the still rather ambiguous CSDP projects. If the EU lives up to its own principles, it will not be too late for a third country like Norway to sign up later.

### CSDP developments since June 2016

European defence integration remains limited in its scope and reach. It is surrounded by a discourse of relevance which perhaps overstate the actual outcome of institutional developments over the last 20 years or so. Given this lack of living up to its potential, the developments in the time since the Brexit referendum seems astonishing. It all started only days after the referendum, when High Representative Federica Mogherini published a new Global Strategy for the Union which replaced the 2003 version<sup>3</sup>. The timing of the publication in the summer of 2016 was met with mixed feelings in Brussels due to how it disappeared amid the Brexit turmoil. The strategy presents the belt of insecurity in which the EU finds itself squeezed, and suggests a turn to *principled pragmatism* in building resilience abroad. This means placing a stronger emphasis on European values, albeit with an approach closer to classic *realpolitik* than what was perhaps the case during the 1990s. The essence of the strategy arguably resembles the newly developed Norwegian government's foreign policy strategy.<sup>4</sup> They both ask for a more assertive role in line with their interests and values, and the similarities between the strategies is relevant in relation to the cooperation between the two polities.

2 A second interesting development of relevance in the discussion of third countries in the CSDP is the Joint Declaration on the NATO-EU strategic partnership, signed by Donald Tusk, Jean Claude Juncker and NATO chief Jens Stoltenberg in July 2016. Seeking to give new impetus and substance to the partnership between these institutions, the declaration asks for more cooperation in relation to hybrid threats, operational coordination, cyber security, interoperability, strengthening of defence industries including R&D, common exercises, and building resilience to the east and south. As such, despite some overlapping capabilities and day-to-day competition, NATO and the EU seems to be moving towards a community of practice – in doing things better and together – and the joint declaration symbolised that development.

At this point, the Global Strategy and Joint Declaration remain primarily symbolic documents, or working documents. They still need to be employed as guiding documents for the member states to have any real impact on European defence. As such, the acceptance by the European Council of the so-called Defence Package holds even more promise concerning integration in European defence. Following up on the initiatives mentioned above, the European Council has adopted the Implementation Plan for the Global Strategy, endorsed the Joint Declaration and the Commission's proposal for a European Defence Action Plan (EEAS 2017).

<sup>3</sup> The 2003 strategy was the first of its kind in the EU and it was developed under former High Representative Javier Solana's leadership.

<sup>4</sup> See Meld. St. 36 (2016–2017) Veivalg i norsk utenriks- og sikkerhetspolitikk. <https://www.regjeringen.no/no/dokumenter/meld.-st.-36-20162017/id2549828/>.

The latter introduced the already implemented €5.5 billion per annum European Defence Fund (EDF) composed of a “research” and a “capability window”, measures to foster investments in SME's, start-ups, mid-caps and other suppliers to the defence industry, and strengthen the single market for defence.<sup>5</sup>

Related to the Implementation Plan for the Global Strategy, the foreign and defence ministers in the Council of the European Union agreed to a new level of ambition in its attempts to respond to external conflicts and crises, building capacities of partners, and protecting the Union and its citizens. Notably, the Implementation Plan saw the testing of CARD – the coordinated annual review on defence – the mechanism designed to meet the Global Strategy objective towards gradual synchronisation and mutual adaptation of national defence planning cycles and capability development practices, as was stated in the Global Strategy. Furthermore, emerging from the Global Strategy was the military planning and conduct capability (MPCC) which is set up under the EU military staff to improve EU efforts in European non-executive missions.

Finally, and perhaps most importantly, on November 12, 2017, 23 member states (now 25) signed up to Permanent Structured Cooperation (PESCO), notifying the Council of their willingness to go further in defence cooperation to realise the goal of an ever-increasing degree of convergence of Member States' actions. PESCO – until then an unused possibility written into the Treaty – effectively opens up for defence integration à la carte. Establishing and integrating within PESCO will in essence be the epitome of differentiated integration in European defence.

### How promising are the EU defence developments?

Considering the list of developments in this very controversial area that have been happening with such pace, it seems fitting to ask how important they will be for the future defence architectures of Europe. Following Brussels-based accounts of the above-mentioned developments, one can easily get enthusiastic if potential European defence capabilities already tickles one's fancy. Publishing the second edition on his widely-read volume on the CSDP, Professor Jolyon Howorth observed that his expectations and anticipations about European defence integration had been lowered considerably in the period between the first (2007) and second (2014) edition of the book. Whether post-referendum EU is actually producing grounds for renewed optimism – despite how the positive story unfolding – remains uncertain.

Since its infancy, there have been continuing developments within the CSDP of institutions such as the Political and Security Committee (PSC) and the European Defence Agency (EDA), and the EU Military Committee (EUMC) have provided the EU with military strategic capabilities. A knowledge-based institution, also the European Security and Defence College (ESDC) and the EU Institute for Security Studies (EUISS) are well-running parts of the CSDP.

<sup>5</sup> See [http://europa.eu/rapid/press-release\\_IP-17-1508\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1508_en.htm).

However, institutional developments have been limited to whatever muddling through has been possible in the relationship between states granting autonomy to the EU's institutions (including the Commission), and the retention of state sovereignty in the defence area. This goes also for actual missions of which there have been fewer than what was hoped for, and where the actual numbers of people and troops involved remains limited to this day.

In relation to the limitations of CSDP institutions, take for instance the military planning and conduct capability (MPCC) within the EU military staff (EUMS). Hailed by EU High Representative Federica Mogherini as a "very important operational decision to strengthen European defence", the MPCC is limited only to non-executive missions and at the time of writing not even fully staffed with its very limited force of some 35 heads.<sup>6</sup> The same goes for phrases following all these initiatives such as 'new level of ambition' and 'protecting European citizens'. To paraphrase a senior diplomat in the PSC, "in the end someone will have to pay for it, and there we see some serious limitations".<sup>7</sup>

The most tempting initiative to get in on as a third country is the EDF. The contentious issue is whether or not the joint projects that will be launched within EDF means that it will be hard to gain market access for third countries. Two caveats on behalf of the impact of the EDF is in place here. First, the budget of the EDF is not daunting in military terms and the specific projects that will be funded are not the most central areas of defence spending. Second, it remains to be seen how far member states are willing to invest in this. European defence industries are quite protected, even by the TEU which exempts defence procurement from the single market. In essence, the value of the EDF remains to be initiated in practice and it might prove more costly than effective.

As much as Brexit certainly has been a catalyst for defence integration, also the election of Donald Trump as US President is claimed to have been a wake-up call for the EU. Trump has on several occasions been calling into question the US defence guarantee for its European allies. If the USA is no longer there to support Europe, Europe must take more responsibility for its own security. While Trump's unconventional presidency causes concern, it could also be seen as providing an opportunity for an EU in constant search of relevance. However, the speed with which things are happening both in relation to the Brexit negotiations and the developments in the CSDP leaves an impression that people are running fast, chasing their feet. The Trump presidency is only there for three to eight more years. In this time, the developments we have been seeing in the EU since the Brexit referendum will have no real effect on Europe's ability to defend itself. The centrality of NATO will be there also after Trump.

### Problems that aren't going anywhere

Despite the fact that the EU at 27 will be without a British 'brakeman', several historical and political constellations will remain, providing hinderances to further defence integration in the EU. The EU at 27 will be rid of the UK, but not of its interstate tensions regarding desired scope and substance of defence integration.

- The neutral, or rather non-aligned, EU member states will continue to push back against too much integration. Malta, Finland, Sweden and Austria have certain constitutional limitations to how far they can go in this area, especially regarding NATO alignment. As such, they can provide hinderances both to how far they can allow the EU to go by itself and in relation to how well the EU can align with NATO. However, things are moving in this area, the recent call from Austrian PM Kurz for closer defence integration and the strong Finnish support for CSDP being indicative of this.
- Other member states will continue the traditionally British-led 'NATO first' doctrine. Poland is an immediate example, the Baltic states and the Netherlands are others.
- Denmark's opt out from the CSDP persists. This means that the Danes do not participate in decision-making or missions related to defence. For other European third countries, Denmark's opt-out illustrates non-participatory practices in addition to the lack of unity in the Union.
- The French desire for a Defence Union, i.e. common European forces, has emerged as a prioritized political project for President Macron, manifested in his visionary speech at Sorbonne University. This fact will continue to divide the member states, despite the increasingly pragmatic and NATO friendly French line. For third countries, these discussions remain ambiguous and distorting in the quest for closer cooperation with the EU at 27.

Integration in defence policy has traditionally been of the one of the most contested areas of European integration and the area in which Brussels is most explicitly intergovernmental both in relation to the treaties and in practice. The fact that Trump will go away at some point in time in addition to the exiting of the UK from the Union thus not imply unity among the remaining 27. The signing up of 25 states to PESCO indicates this as a PESCO at 25 will not make things easier; it primarily means moving the intrastate battles and discussions on European defence to a new site. Some major powers, France and Germany considerably, were probably hoping to see only four-five dedicated countries signing up for PESCO. With 25 participating member states PESCO, hailed by Jean-Claude Juncker as the 'sleeping beauty of the Lisbon Treaty', what really differentiates PESCO from the rest of the CSDP? It might be indicative of an emerging willingness to do more in Europe, but this has to be manifested in practice as the waking up of the 'sleeping beauty' in and of itself does not change much.

<sup>6</sup> See <http://www.consilium.europa.eu/en/press/press-releases/2017/06/08/military-mccc-planning-conduct-capability/>.

<sup>7</sup> Interview in Brussels, November 2016.

### Implications for Norway

What do the developments in the CSDP mean for Norway? As a third country Norway suffers from the burden of being a decision-taker rather than a decision-maker. In the current state of flux where the EU needs to rethink its relationship with third countries because the UK is about to become one, that position might prove fruitful. Instead of rushing into close cooperation and short-term obligations that demand resource allocation, a pragmatic approach could entail greater distance to the speedy developments in order to consider the long-term political and economic effects of such investments. Zooming in on the developments in the CSDP since Brexit might enable a sense of haste for a third country, but given the current situation and limitations to CSDP that exist also after the UK has left provides a good opportunity for a country like Norway to be composed about it all and evaluate CSDP projects more holistically and indeed analytically before investing political and economic capital in it.

capital into something that still has an unclear future. As a third country, having the time to evaluate from a distance before buying into something unclear is a privilege that should be utilised.

Considering the large opposition to European integration in Norway there should be ample reason to proceed with caution in relation to the very back bone of state sovereignty, namely defending the country. Certainly, no country can handle their security issues on their own, but in the current state of things, where the EU is 'patchworking' their way into some kind of defence infrastructure and the UK is about to be joining the 'third country club', it would be wise to observe these developments from a distance, wisely and attentive. Closer participation with the EU on defence might prove valuable once the EU has established something coherent, and Norway will always be welcome to join in. Until something relevant emerges from the internal EU process and/or we see a NATO demise, however, Norway could choose to be principally pragmatist, not investing energy or

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