

# EUROPE'S SECURITY IS EU'S RESPONSIBILITY

## Summary

This paper examines the present position of the EU vis-à-vis the other important powers in the world and the changes within and outside the EU over the last decades. It confirms that if the EU wants to protect its position and its values, it should adopt a policy of “strategic autonomy”. This implies that the EU can maintain its independence in all relevant domains if necessary. This paper focusses on the security and defense aspects of strategic autonomy and concludes that the EU and the EU Council should take the necessary steps for the creation of an EU Defense Organization (EDO) and EU Defense Forces (EUDF). During the gradual build-up of EUDF the national defense organizations of member-states can be reduced and reorganized proportionally for territorial defense and related civil services and as back up for EUDF.

## Introduction

This discussion paper from Euro-Defense NL presents elements for a discussion on the need for the establishment of a European Union Defense Organization. It concludes that there is a need as well as urgency for an EU policy aiming at “strategic autonomy”. Although we realize that “strategic autonomy” is a concept that relates to various aspects of EU policy such as trade, finance and security and defense, this paper focusses on security and defense. It examines the meaning of such a policy as well as the consequences and the various options for implementation. During the discussions about this paper the German “Siftung Wissenschaft und Politik” (SWP) published its paper “European Strategic Autonomy”. This paper confirms our assumptions and recommendations to a great extent and it helped us in making certain choices and practical suggestions. (<https://www.swp-berlin.org/en/publication/european-strategic-autonomy/>)

## 1- A different Europe in a different world

### 1-1- Why change what we have? What's new?

Being part of NATO, as most EU member-states are, one could ask if Europe's defense hasn't been well taken care of over the last 70 years. It is obvious that the answer must be “yes”, simply because Europe knows a very long period of stability and peace (with some exceptions). During that period Europe, and in particular the EU, became the largest trading block in the world and now ranks in the global top for issues like education, well-being, health care, literacy, income and income equality, wealth distribution, democracy and freedom of press. An important characteristic of EU foreign policy is that the EU is one player among many others in a multilateral world where the EU exerts its “soft power” through global institutions like the WTO and the UN and its agencies. Having good and intense relations with trading partners usually works for conflict prevention, even if their political system does not comply with EU norms and values. Due to geopolitical changes and power shifts the EU should ask itself how it can maintain and improve its position as an independent global player.

## 1-2- Internal changes in Europe

Because of the “fall of the wall”, 30 years ago, the EU gradually realized that it is an integral part of the Eurasian continent and that it is surrounded by very different and often unstable neighbors. North-Africa, the Middle East, Russia and even China now all have a strong influence on events in the EU. During that period the EU itself was internally adapting to an increase in the number of member countries to 28. A “Schengen zone” for third country nationals moving within its borders was introduced and free movement of capital, labor and goods remained the number one accomplishment of the EU. After the “Cold war” EU member states became involved in a number of wars, or “pre-emptive interventions” under US leadership that were less successful and were partly justified by the US-strategy called “war on terror”. At the same time large numbers of, often illegal immigrants and refugees entered the EU through poorly protected borders. Among the population of member states nationalist and populist tendencies developed and replaced the traditional foundation for various political parties like religious affiliation, socialism, liberalism or conservatism. At the same time changes in the labor markets, global competition and fear of the consequences of AI, automation and robotization created a sense of uncertainty and insecurity. This is the reason for a critical view of the past decades of globalization and neo-liberalism. Copying the slogan “America First”, political parties surfed on slogans like “Europe First” or even “Our Country First” and “Give us back our sovereignty”. According to Eurostat surveys what most Europeans want and expect from the EU is clear European borders, protection against outside treats and risks and a clear and properly executed immigration policy. Although many people in the EU criticize the EU administration for its interference in national matters, a large majority is of the opinion that the EU should provide security and defence for Europeans. The EU should physically protect its citizens but it should also protect European society and its “way of life” against outside threats. The European way of life puts the individual with equal rights in the center; good education, health care, reasonable income and wealth distribution and the rule of law are among the political objectives of most European countries. EU foreign policy is based on principles of multilateral problem solving and of global institutions maintaining order in a multitude of countries, power blocks and interests. From the EU point of view a world with one “superpower” or hegemon is the worst possible situation as is a world where a few global companies control our societies and our well-being.

## 1-3- Global changes affecting Europe

**USA-** All this is in sharp contrast with our most important NATO ally, the USA. A “Defense Primer”, from the US Congressional Research Service, updated November 2018, explains to members of Congress the objectives of US military forces. It states: *“the USA will compete with all tools of national power to ensure that regions of the world are not dominated by one power”. “The goal of preventing the emergence of regional hegemons in Eurasia is a major reason why the US military is structured with force elements that enable it to cross broad expanses of ocean and air space and then conduct sustained large-scale upon arrival”.* (<https://fas.org/sgp/crs/row/R44891.pdf>)

Other US documents show the ambition for “full spectrum dominance” by 2020, meaning global dominance including space with all existing military means, including nuclear.

A logical conclusion is that the USA wants to be the ultimate global power in order to implement this strategy. This US strategy is in contrast with the strictly defensive strategy of the EU and its member countries; it is obvious that the US, as leading partner in NATO, will pursue its own strategy through its NATO network, either directly or

through bilateral cooperation and “cherry-picking” among NATO members. An example is the confrontational US strategy vis-a-vis Russia. This US strategy is not beneficial for EU countries whose interest is better served by good relations with this neighbor. The US-China confrontation is another example of a policy incongruent with the EU principle of a multilateral world order. The US often combines its security and defense policy with its commercial interests, as is the case with its efforts to cancel the North stream 2 pipe line and promote the sale of its own LNG (at higher prices) or its efforts to sell its military hardware in a way that’s “hard to refuse”. As the French minister of Defense said recently: the NATO solidarity clause is called article 5 and not article F35. Another unbalanced aspect of US-EU defense cooperation is that never a foreign soldier invaded US soil but the US considers Europe as its possible battlefield for its conflict with Russia. Even more serious is that the US assumes that its own foreign policy should be binding for the rest of the world, be it friend or foe. International agreements among nations, such as Trade Agreements, the Iran JCPOA, the Paris Climate Agreement and the INF Treaty are unilaterally terminated and that unilateral decision is in some cases subsequently forced upon others through sanctions. Those unilateral US-sanctions are then enforced through abusing the Swift payment system and the global control over dollar-transactions. European defence has since 1945 been organized and safeguarded by the USA through NATO. For decades we had common values, common interests and common adversaries with an objectionable ideology. After the Cold War all this has changed and the old solutions for Europe’s defense have lost their effectiveness. Although this was a gradual process it has become more than clear under the Trump Presidency. Europe and the EU should become aware of their new position and prepare for a more autonomous and balanced relationship vis-a-vis the USA. Geo-politically speaking it is obvious that the USA, as an almost self-supporting island between two oceans has a different global policy than Europe; a semi-landlocked part of Eurasia with Africa, the Middle East and Russia as immediate neighbors and China approaching and interfering from a distance.

**Russia-** It is our most important continental neighbor with a GNP comparable to that of the Benelux, a traditional and stagnant economy, an oversized army and a defence budget comparable to that of France, a landmass that is unique in the world and a nuclear arsenal comparable to that of the USA. Although Russia-phobia is “en vogue” and stimulated by the USA and the UK, there is hardly a reason to consider Russia a serious military threat for the EU. That does not mean that Russia cannot destabilize border countries and interfere in EU affairs. One can question if Russian undermining tactics are caused by fear and hence defensive, or part of an aggressive foreign policy. Anyway, it would be in the EU’s and Russia’s mutual interest to develop trade relations and investments and to open discussions about mutual security also vis-à-vis outside threats from third parties. Of course the EU should speak on behalf of all member states and defend their collective interests.

**China-** China poses a threat and an opportunity. The “sleeping giant” has become an economic giant under strong one-party leadership with a completely pragmatic approach vis-à-vis economic development. It is no longer the China protected from the outside by its own Great Wall. It now is a global power block that is expanding its influence through trade, investments, its Belt and Road Initiative (BRI), High Tech research and development and a modern military organization. According to Chinese president Xi, it now is the ambition of China to become the strongest and most powerful country in the world. This means that China and the US are competing for the position of global hegemon.

Nevertheless China is, and will be an attractive trading partner for the EU and at the same time a serious competitor. A fundamental difference between the EU and China is the position of the individual and principles of democracy. China has a social model where the individual is a subject of the state; the surveillance state monitors and categorizes its subjects and considers them pawns of the nation. The EU considers this social model as objectionable and respects the principles of the French revolution (“Liberté, Egalité et Fraternité”), the Trias Politica, the Habeas Corpus Act and a Human Rights Agenda. In principle the state belongs to the citizens. The EU and China can certainly live peacefully and do business on the same globe as long as they tolerate and respect each other’s fundamental differences. In view of the present US- China conflict and the international dominance of the dollar and the US sanctions policy, the EU, China and Russia may have an interest in promoting alternative currencies and payment systems for international trade transactions. From a defense point of view, it is very unlikely that China in the near future will pose a territorial threat for the EU.

**Other countries-** Although there is a global tendency towards nationalism (sometimes even isolationism) and “taking back control”, the EU will continue to support the international structures that form the global network to coordinate and balance the actions of almost 200 countries in the world. The EU will always cooperate with likeminded countries to create and support global institutions that deal with global problems, create new opportunities and promote development. This does not mean that the EU will not be affected by developments in smaller countries. Conflicts in neighboring countries like the Mediterranean, Africa or the Middle East can have a great impact on the EU and the EU should certainly use its influence and protect its interests in these areas. At the same time one must conclude that the EU does not have to be a military giant to deal with those threats.

**1-4- Conclusions** – The EU in 2019 is in a completely different position than it used to be in the 20<sup>th</sup> century. Its position in the world, its leading principles for conducting international policy, its geo-strategic and economic position in the global economy all lead to the conclusion that the EU should first of all be able to decide its own future and defend its own interests. The EU does not want and should not accept to be ordered what to do. This is in line with the “Common Security and Defense Policy” (CSDP) of the EU and the EU ambition for “Strategic Autonomy” as expressed in 2016 by EU High Representative Federica Mogherini.

## **2- Is “Strategic Autonomy” the answer?**

**2-1- Definition:** (copied from SWP publication) *In this discussion paper “strategic autonomy” is defined as the ability to set priorities and make decisions in matters of foreign policy and security, together with the institutional, political and material wherewithal to carry these through – in cooperation with third parties, or if need be alone. This understanding encompasses the entire spectrum of foreign policy and security, and not just the dimension of defence. Autonomy is always relative. Politically it means growing readiness, a process rather than a condition. Autonomy means neither autarchy nor isolation, nor rejection of alliances. It is not an end in itself, but a means to protect and promote values and interests.*

## **2-2- Strategic Autonomy and European defense**

Although strategic autonomy covers a wide range of aspects such as trade, technology, economy and energy, in this paper we focus on the consequences of strategic autonomy for the EU Common Defense and Security Policy (CDSP). This is possibly the most sensitive and difficult aspect of strategic autonomy but it might as well be the most urgent and necessary aspect. Debates about the meaning of strategic autonomy will have to clarify the ultimate goal and the various ways to get there. A paper by Daniel Fiott of the European Union Institute for Security Studies (EUISS), "Strategic Autonomy: towards European sovereignty in defense?" distinguishes three levels of EU autonomy: 1-Autonomy as responsibility, 2-Autonomy as hedging and 3- autonomy as emancipation. Regarding "autonomy as responsibility" Fiott places this autonomy as a responsibility vis-à-vis itself and its partners, within the framework of EU- US- NATO defense cooperation which will not lead to our EU "strategic autonomy" definition although it may lead to more balanced defense cooperation. "Autonomy as hedging" defines policies build on the premise that EU defense is based on Atlantic cooperation and that the EU can hedge against a break in EU-US relations through reinforcing and improving its defense capabilities and its industrial autonomy. In our opinion this is a scenario that might have been attractive after the end of the Cold War, but today we already have a situation where the US is telling the EU what to do but EU relations with other players such as Russia and China require a clear and independent EU position. The time for hedging is over. Finally the concept "autonomy as emancipation" is the only possible answer if the EU wants to maintain the multilateral order that lies at the roots of the EU itself and defend her position in a multipolar world.

## **2-3- Having NATO and various bilateral projects, why an EU defense organization?**

The EU objective of "Strategic Autonomy" implies that the EU will have to become a defence community and that will not happen with solutions that are only complementary to the existing NATO defence system or with European bilateral initiatives. It requires the creation of a European Defence Organization (EDO) that is capable of defending Europe without outside assistance. Surveys in member-states indicate that a majority of the EU-population consider security and defence a priority for the EU to be executed at EU level. Although previous initiatives such as MPCC (Military Planning and Conduct Capability), PESCO (Permanent Structured Cooperation), CARD (Coordinated Annual Review on Defence) and EUDF (European Defence Fund) all enhance bilateral cooperation among EU member-states, they will not be sufficient to result in "Strategic Autonomy". Present defence cooperation within the NATO organisation is primarily focussed on military external threats. Since 1990 some 13 new countries became NATO partners and at present membership of Georgia, Colombia and even Brazil is under consideration. NATO is increasingly becoming a US instrument for the projection of its global power. This is not necessarily in the interest of the EU. EU-strategic autonomy requires a defence organisation that protects the EU and its borders against all kinds of inside and outside threats without outside help. The EU is surrounded by a "ring of instability" that is not primarily Atlantic nor US related. That instability was seriously increased by the preventive wars and interventions by the US and coalition partners during the last decades. EU member states have also been coalition partners in these operations and are also responsible for the resulting instability. In the future the EU and its member-states will have to show more discipline in aligning their foreign policy, because the credibility of EU foreign policy will be damaged if member-states participate or initiate foreign operations that are in conflict with EU foreign policy.

The threats and risks that the EU as a whole will encounter originate from competition by the major global players in all possible domains like media, finance, infrastructure, trade, Artificial Intelligence and finally militarily. EU defence based only on bilateral defence-cooperation among member-states will not be effective when quick action, or reaction, is required. Each EU member will have to go through lengthy procedures to endorse deployment of its national army for a specific campaign and among the national units available there will be a lack of unity and interoperability. Notwithstanding its 70<sup>th</sup> anniversary, this is also the experience during recent NATO exercises. The art.100 procedure for a parliamentary decision in the Netherlands is a “good” example of delaying procedures in case of an emergency. Our conclusion is that strategic autonomy and EU emancipation are unavoidable and logically have to result in a defense organization at EU level. In view of the rapidly changing world order the need and the urgency to start planning and implementing is obvious.

### **3- An EU Defense Organization (EDO), but how?**

#### **3-1- First of all: EU consensus is required**

Will all EU member-states be willing to actively or passively support the creation of a supranational European Defence Organization (EDO)? In view of the conclusions of the EU Council on Security and Defence (November 19<sup>th</sup>, 2018) and the EU Global Strategy, consensus is to be expected among all member-states to support and participate in the gradual development of EDO as a long term (10-20 years) project. The recent decision by the Council and EU Parliament to reinforce Frontex to a force of 10.000 is an indication of the willingness of member-states to strengthen EU defense. In principle this is a logical consequence of the EU Security and Defence Policy (art.42.6 Treaty of EU) and the legislation for the creation of PESCO. According to a survey by the EU-barometer in 2018 the popular support for the Common Security and Defense Policy (CSDP) was 75%. We stress that the fundamental difference that distinguishes our EDO proposal from previous arrangements and legislation lies in the new role of the EU. Instead of planning, stimulating and coordinating the defence efforts of each of the EU members, it now will be the EU itself that plans, organizes and operates EDO forces on behalf of the member states. This step to an EU defense organization is a fundamentally different from more multi-bilateral defense cooperation among EU member-states. The commitment of all member-states as a *Union* will be the first step in the process and it will make each member responsible for this ambitious project. It will mean some form of burden sharing by all members, the active members as well as the passive members. The big question is of course what to do if there is no unanimous support for this project.

#### **3-2- One goal- and various roads to get there.**

As long as EU member-states avoid the fundamental decision that a European Defence Organization (EDO) must be established, all bilateral and multilateral initiatives and plans will not result in the EU objective of “strategic autonomy”.

*The fundamental transformation of EU-defense is based on this decision by all member states to establish EDO and create the necessary framework and procedures i.c. appoint an EU-commissioner for Security and Defense and create a structure to instruct, supervise and guide EDO.* The fundamental transformation is preferable because it is directly leading to the establishment of EDO military units at EU level, avoiding intermediate steps possibly leading to the same ultimate goal, but with long delays. The fundamental transformation may require complicated decision making processes and extensive lobbying, but the objectives are clear.

What is fundamental is the decision to create EDO; EDO does not mean that necessarily all military activities from member-states should be transferred to EDO. That is a completely unrealistic scenario. EDO will establish a modern, effective EU defense organization that will make the EU capable of meeting immediate and long term EU threats and risks. Member states will reduce their military forces proportionally to serve territorial defense and as back-up to EU EDO.

A practical step-by-step approach, to the contrary, is based on the observation that unanimity for the fundamental approach in the near future is unlikely and that there are different ways leading to the creation of EDO. For example E2I, the European Intervention Initiative (President Macron 2018) could be further developed and in a later stage integrated in the EU organization but in view of the participation of EU and non-EU members together it seems highly unlikely that this will ever happen. The same counts for defense cooperation in PESCO or the initiatives that may result from the Franco-German Aachen Treaty of January 2019. All these initiatives will not lead to the goal because of their inherent limitations such as decision making, interoperability, lack of innovation, and decentralized procurement policies.

Once the EU Council has unanimously decided to establish EDO the situation will be different and there will be a structure to integrate step-by-step ongoing initiatives, plans, and programs in EDO as building blocks.

### 3-3- Organization and procedures

The organizational and institutional structure may look somewhat similar to the Eurogroup set-up. All EU member-states will have to decide in an EU Council meeting:

- 1) To create the EU Council of Defence Ministers
- 2) To appoint a Commissioner for the EU Defense Organization (EDO), the Security and Defence Policy and the EU Defence Force (EUDF).
- 3) To authorize the Commission to set up the required defence organization (EDO).

Such a decision could be based on previous decisions regarding the EU Security and Defence Policy (ESDP) and the establishment of PESCO but it would be altogether new legislation.

All EU members will have to support the creation of EDO, but they can be divided in two categories:

- A- members- supporting and actively participating in the EU Defence Force
- B- members- supporting the EU Defence Force but not actively participating

Non EU-members, possibly the UK after Brexit and Norway, will have a separate status:  
EU-EDO associates- non member-states participating in EDO.

During the first years of the build-up of the EU Defence Force (EUDF) the Commissioner will be supported by a Committee for Security and Defence (CSD) consisting of professional (military) representatives of all member-countries as well as a permanent professional staff for the preparation of policy proposals. It is essential that decision-making of this Committee is based on a system of majority voting (75 %?) in order to avoid individual member-state blocking further progress. The first task of the CSD and the Staff is developing a common EU Defense Policy. It is important to clearly define which part of foreign policy and security and defense policy is the responsibility of member-states and which part is EU responsibility and how the relevant decision processes will be organized.

At the start of the project it must be absolute clear what mandate will be given to the Commissioner and what consultation-procedures will be required in emergency situations. The first years of the project the EU forces will probably be only battalion-, squadron- and flotilla size, but they will gradually be growing to the full requirements of the EU Defence Forces (EUDF). During this process national forces can be reduced and adapted to their national territorial, naval and EUDF-back-up tasks. It is essential that as part of the planning process time limits will be set for all different steps. We will discuss the budgetary consequences in paragraph 3-8. Serious consideration should be given to the possibility to create an EU-Security Council that will be responsible for deployment of EU Defence Forces and, if applicable the EU nuclear deterrent. Such a council should consist of the defense ministers of the A-members of the EU Defense Council and be chaired by the Chairman of the EU Council. The EU Security Council will guide, instruct and supervise the Defense Commissioner during crisis situations. The representation of the EU and its member states in the UN-Security Council should also be reconsidered in this respect.

### **3-4- A Common Defence Policy**

“Strategic Autonomy” will require continuous EU threat and risk analysis, a common EU defence policy and an EU Defence organization that has the military and non-military means to execute that policy. Today, all this is lacking. A logical consequence of “Strategic Autonomy” is that the EU will have to be authorized by all member-states to execute a common EU defense policy and to create the organizational framework (EDO) to formulate and execute that Common Defence Policy. This will also have to cover a common export policy for arms and dual use technology and a policy for arms control worldwide.

### **3-5- EU Defence and Security requirements**

As stated earlier the EU Defense Strategy is defensive by nature; its objective is the protection of the EU and not primarily to support the EU’s worldwide interests by military means. This does not mean that under exceptional circumstances the EU will remain passive when its global interests are threatened or when the UNSC request the EU to act because of the “Obligation to protect”, for humanitarian reasons and acts of piracy or terrorism. What will be required for a credible and effective EUDF? That depends on the perceived threats and risks, both militarily and non-militarily. It is obvious that the total of military means of the EU member-states is in numbers more than adequate, but unfortunately highly inefficient due to the variety and quality of materials, languages and cultures. In principle each member-state wants to be able to do everything resulting in highly inefficient defence organizations. By analytically establishing the requirements for a credible EUDF it will become clear that the EUDF can be considerably smaller and more efficient than the present total of all EU-members. At present (including UK) the EU defense manpower is around 1.5 mln and the military hardware is more than adequate in numbers but of enormous variety and as a whole highly inefficient. The first planning exercise will be to establish what should be done at member-state level and at EU level? To develop this plan will be the first task of the Committee for S&D and its staff. It is obvious that typical domestic internal threats and tasks should be dealt with by national defence organizations that will be back-up forces for the EUDF as well. As an example we could look at the National Guard in each state of the USA, as back up of the Federal Forces of the Pentagon. Another example is the Norwegian Coastguard that has various military and civilian



responsibilities. Ultimately the EUDF should be capable of all aspects of EU Defense, such as EU border protection, Intelligence, military operations and rapid interventions, cyber defense, missile defense and a Nuclear Deterrence. Again, the big question is: what do we need at EU level, what do member-states need at state level, and what can correspondingly be reduced at member-state level? The benefits of the creation of EDO are obvious: substantial economies of scale in manpower, operations, innovation, development and procurement.

### **3-6- EU Defense Forces- transfers or new? Centralized or regional?**

This is a fundamental question. For those member countries that will actively participate in the new EUDF, so called A-members, there are several options. National military units could be transferred as a whole to the EU and EDO would become their new employer, give them a new identity and provide a new military EU outfit. Alternatively national units could be liquidated and personnel could apply for a new position in the EDO. A third possibility is that the EU initiates the process and starts building its organization and recruiting personnel from scratch. At the same time member states reorganize their armies and adapt their organizations to their reduced tasks. Each of these possibilities has its pros and cons and we have to deal with very sensitive issues such as tradition, national pride, conservatism and self-interest. It might be practical to transfer bi-national forces, such as German-French and German-Dutch Forces to EUDF first as an experimental and learning process. A number of member-states have already committed a total of 60.000 troops to a management and command structure in Strasbourg called Eurocorps. Also Northern member-states and Greece with some neighbors have organized regionally coordinated battlegroups. The framework of these organizational arrangements and (national) elements of these forces could be transferred to EDO. In fact these may well offer lessons learned for EUDF benefit. The location of EU Defense Forces is another issue; complete centralization is not possible, hence the alternative is a regional organization. It has the advantage that personnel can be hired and located in specific EU regions. EU regions could be: Northern-, Central- and Southern region and possibly an Eastern region. The geographical organization will also depend on the participating A-members.

### **3-7- Who will be the first A-members?**

Assuming that all EU members will support the establishment of EDO, the start of the implementation of this ambitious plan will depend on members that are prepared to become A-members. They will have to actually transfer tasks and means to EDO and restructure and reduce their national defence organizations. To be more precise: imagine Germany, France, the Netherlands, Belgium and Spain as the nucleus of the EDO. The defense spending and the defense capabilities of these countries represent more than 50% of the EU totals. These A-members will strongly influence the work of the Committee for S&D and its staff during the development of a Common EU Defense Policy, the threats and risks analysis, the required EU-defense capabilities and the roadmap for implementation. Although all EU members have to confirm the legislation for the creation of EDO, it is reasonable that A-members have more influence on these issues than B-members in view of their direct contribution to EDO. Insofar as further policy decisions will be required, some form of majority voting (75%) could give A-members the required additional influence.

### **3-8- Financial consequences**

Before estimating the required budget we need to establish certain principles about financing EUDF. To put it simple; if the EUDF is established for the security of all EU borders then all members, A and B, should contribute a certain minimum contribution (% of GNP?) through direct transfer or through an EU tax. Most EU member-states have committed themselves to increase their defence budget in the coming years which may provide the necessary means for contributing to EDO. A-members will be in the position to reduce their defence budgets through transfers of their defence forces to the EUDF or liquidation or reduction of units and should therefore contribute more than B-members. Looking at overall numbers the 28 EU members (incl. UK) spend € 250 bln annually and this number is supposed to increase by 0.3%-0.5% or € 60-80 bln. The financing of EDO will have to be found in these budget increases of € 60-80 bln and in savings in defense budgets in the member-states due to reduction in their national forces. EDO will gradually require a substantial budget but that budget should be in line with EU defense ambitions and is incomparable to the budget of the USA or the NATO “requirement” of 2% of GDP. It seems reasonable to assume that the total of planned EU defense budgets of 1.5-2% of GDP will be sufficient to finance the EDO and EUDF as well as national forces, if at the same time member countries transfer defense tasks to EUDF and reduce their national forces accordingly. The creation of EDO and EUDF can be a budget neutral project. To summarize: EDO should be financed through the planned defense-budget increases of member-states and through the cost-reductions of national defense organizations.

### **3-9- EDO procurement, defence related industries and technologies, arms export and control**

What are the consequences of the objective of “strategic autonomy” for the EU defense industry sector? In our view, in an ideal situation, strategic independence excludes suppliers of essential equipment for the EU Defense Force from outside the EU. The fact that the USA is directly and indirectly the most important supplier will not make it easy to replace US suppliers by EU suppliers, but it must become EU defense policy to “develop and buy EU first” in order to gradually gain more EU independence. This will require close cooperation within a common EU defense industry sector, as has already started in PESCO. The ultimate goal should be that the EU has even-handed relations with all its neighbors and is not susceptible or vulnerable to outside influencing by one specific non-EU supplier. Such a policy will provide an interesting opportunity for the development and further growth of the EU defense industry sector, taking into account that at present EU member states import US weapons for billions of dollars annually. It will certainly be a stimulus for innovation. However, one should not underestimate present EU arms exports representing 25% of global arms trade. As the EU is operating in a global geopolitical arena a commonly decided and implemented policy (CSDP) and an EU Defense Organization (EDO) become a logical corollary of EU strategic autonomy beyond intergovernmentalism.

### **3-10- EDO and NATO**

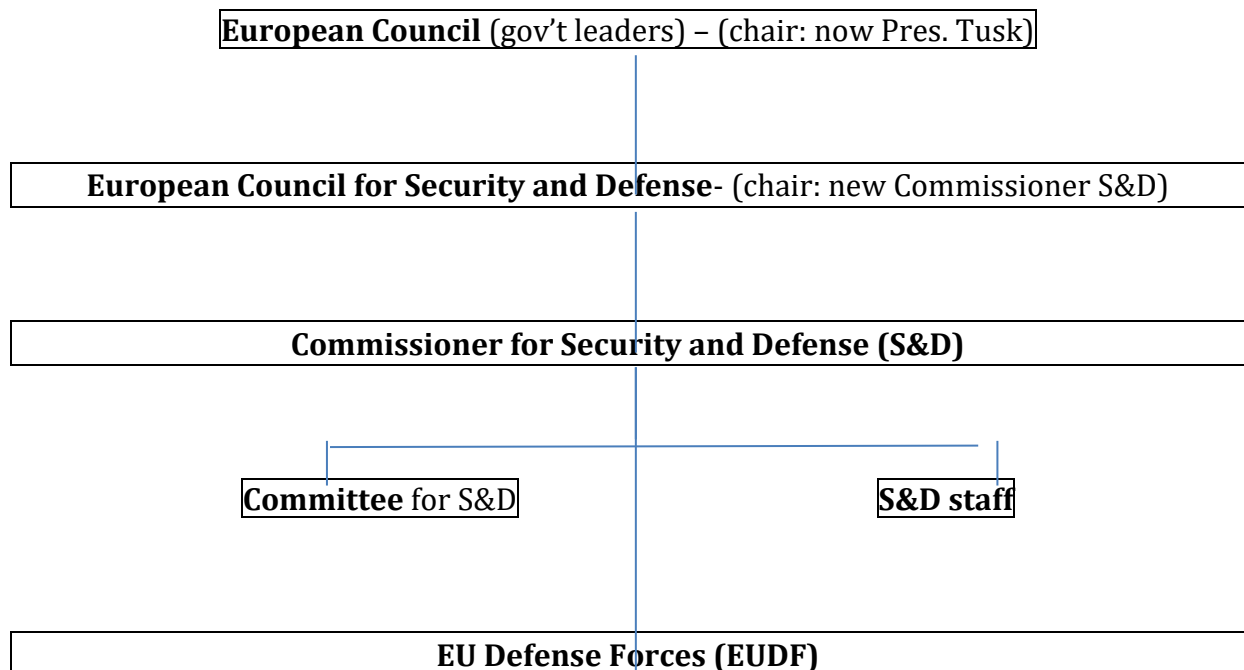
These plans for the establishment of EDO do not interfere with NATO. For the time being NATO is essential for the defense of the EU. EDO will improve the effectiveness of NATO if the EU will participate in NATO as a one member-group. At the same time the EDO can benefit from useful established standards and procedures. But cooperation within NATO should be more balanced with EU and the US as two equal partners.

This is a logical consequence of the emancipation of the EU. It does not mean that there will be no frictions due to the creation of EDO and the position of individual A and B-members vis-à-vis the non-EU members. Transatlantic cooperation for mutual security, defense and intelligence matters should of course continue. The reason for EU emancipation and defense autonomy partly finds its roots in changes in the Atlantic partnership. As stated earlier, the EU will give priority to obtaining “Strategic Autonomy” and we will have to solve problems as they arise during the process. A clear EU strategy and foreign policy is required and political discipline by the EU member-states will be essential in order to avoid diverging policies by member-states.

#### 4- A summary of formal steps to be made

1. EU Council reconfirms the existing EU Security and Defence Policy (CSDP) and decides unanimously to establish EU Defense Organization (EDO) in order to sustain Strategic Autonomy.
2. EU Council decides to establish an EU Council of Defense ministers and tasks that Council to set up EDO and a Commission to communicate with capitals from member-states in support.
3. EU Council appoints a Commissioner for Security and Defense, and tasks the establishment of a DG and related military and civil staff.
4. EU Council installs a Committee for Security and Defence under the responsibility of the Commissioner

#### And this is how it could be organized



*Paper for* : Eurodefense-The Netherlands, April 12<sup>th</sup>, 2019

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