Enhancing the European Union as an International Security Actor
A Strategy for Action

VAKAT

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Enhancing the European Union as an International Security Actor

A Strategy for Action
by the Venusberg Group

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Core Message

The EU must establish a New Strategic Security Goal (NSSG) that looks beyond the Headline Goal set at the Helsinki Summit with the objective of developing an autonomous political and military capability that by 2015 could carry out a full Kosovo-type operation without recourse to US assets.

The Strategy

- **The strategy proposes a NSSG with the ultimate objective of realising a common defence by 2030. Unlike previous "visions", the strategy is founded in reality, taking current political and military developments as a starting point, and recognises that European policy is not built by over-arching grand strategy but through an alliance between pragmatism and vision.**

- **The strategy is built around two central mechanisms that are already well-established dynamics of European integration. First, a process of institutional convergence leading to the progressive merging of Pillars I and II of the Treaty on European Union (TEU). Second, the steady expansion of the military missions of the EU beyond those established in the European Council's Helsinki Declaration.**

- **The timeframe of the strategy covers two fifteen-year defence planning cycles with the ultimate objective of realising a Common Defence Policy (CDP) and the fulfilment of the EU's role as an international security actor. However, the main focus of the strategy concerns the period 2000–2015 which initially runs parallel with the EU's Headline Goal and the creation of the European Rapid Reaction Force (ERRF) and then looks beyond by proposing a European Strategic Defence Review (ESDR) that will harmonise national planning regimes and build on the WEU Audit and NATO's Defence Capabilities Initiative (DCI) and act as a springboard for the future. Phase II looks to the longer term and considers how to realise a CDP.**

VAKAT

Contents

Glossary

AN-74	Russian-made Strategic Lift Aircraft
ARRC	ACE Rapid Reaction Corps
BA	British Airways
C^2	Command and Control
C^3	Command, Control and Communications
C^4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance
CDP	Common Defence Policy
CESDP	Common European Security and Defence Policy
CFSP	Common Foreign and Security Policy
CJPHQ	Combined Joint Permanent Headquarters
CJRRF	Combined Joint Rapid Reaction Force
CJTF	Combined Joint Task Force
CJTS	Combined Joint Task Staff
CNI	Critical National Infrastructure
CSI	Commercial Satellite Imagery
COREPER	Committee of Permanent Representatives
CSS	Combat Support Service
DCI	Defence Capabilities Initiative
DMU	Defence and Military Union
EAA	European Armaments Agency
EADC	European Aerospace and Defence Company

EADS	European Aeronautic Defence and Space Company
ECJDFC	European Combined Joint Defence Planning Centre
ECJSC	European Combined Joint Staff College
ECNI	European Critical National Infrastructure
EMC	European Military Committee
EMU	Economic and Monetary Union
EPC	European Political Co-operation
EOW	Evolution of Warfare
ERRC/F	European Rapid Reaction Corps/Force C_2
ESDI	European Security and Defence Identity
ESDR	European Strategic Defence Review
EU	European Union
EUMC	European Union Military Committee
EW	Electronic Warfare
FLA	Future Large Aircraft
GDP	Gross Domestic Product
IFOR	Implementation Force, Bosnia
iMC	interim Military Committee
IMS	Integrated Military Structure
IO	Information Operations
IP	Information Power
IPP	Individual Partnership Programmes
iPSC	interim Political and Security Committee
IW	Information Warfare
JSCSC	UK Joint Services Command Staff College
KFOR	Kosovo Force
LOI	Letter of Intent
MC	Military Committee
MDCC	Macro-Defence Convergence Criteria
MRC	Major Regional Conflict
MS	Military Staff
MTW	Major Theatre War
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisation
NMD	National Missile Defence
NSSG	New Strategic Security Goal
OCCAR	Organisme Conjointe de Coopération en Matière d'Armament
OSCE	Organisation of Security and Cooperation in Europe

PARP	Planning and Review Process
PGM	Precision-Guided Munition
POCO	Political Committee
PPEWU	Policy Planning and Early Warning Unit
PSC	Political and Security Committee
PSO	Peace Support Operation
PsyOp	Psychological Operation
RBA	Revolution in Business Affairs
RMA	Revolution in Military Affairs
R & D	Research and Development
SACEUR	Supreme Allied Commander Europe
SC	Strategic Command
SEC	Supreme European Commander
SDR	Strategic Defence Review
SFOR	Stabilisation Force, Bosnia
SIPRI	Stockholm International Peace Research Institute
TEU	Treaty on European Union
UAV	Unmanned Aerial Vehicles
UN	United Nations
UNSC	United Nations Security Council
WEAG	Western European Armaments Group
WEAO	Western European Armaments Organisation
WEU	Western European Union
WMD	Weapons of Mass Destruction

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Foreword

The Helsinki European Council recognised that there will be times when the European Union will be a more appropriate security actor than NATO because of its unique ability to combine military and non-military aspects of security. Indeed, the EU is a "one-stop shop" for security with a range of tools available to it that NATO does not possess. These include diplomacy, economic aid, conflict prevention, peacemaking and, ultimately, peacekeeping. However, for the EU to play such a role, its ability to direct military force will need to be significantly enhanced both in terms of institutions and military capability. The objective of this strategy paper, therefore, is to look beyond the Headline Goal established at the Helsinki Summit in December 1999 aimed at developing "readily deployable military capabilities and collective capability goals" for carrying out the full range of Petersberg tasks of rescue and humanitarian missions, peacekeeping and the role of combat troops in peacemaking. The Common European Security and Defence Policy (CESDP) is also part of the political evolution of the European Union. Therefore, the strategy places the CESDP within the context of the developing Common Foreign and Security Policy (CFSP) and the political aspirations that underpin it.

The past ten years have also witnessed a slow re-structuring of the transatlantic partnership in response to post-Cold War change in the international environment. The closeness of the relationship cannot be contested, however, in the absence of a clear major strategic threat, political cohesion of the West is becoming more problematic. Europe and the United States now differ significantly on the nature of the threats and how to respond to them, with the result that the two pillars of the Atlantic Alliance now have different security management objectives and employ different methods and tools to deal with complex security challenges. Indeed, recent events have suggested that it is only during outright conflict that effective co-ordination of policy takes place between Europe and the US. The United States appears far more prepared to act unilaterally and to use force far more rapidly than its Euro-

pean allies, to the extent that policy divergence can no longer simply be put down to an unwillingness of the Europeans to invest in the latest cutting edge capabilities. Therefore, the task ahead is no longer about promoting convergence between European and US strategy, but how best to manage the differences.

Paradoxically, the United States has never been in greater need of a European ally that can share burdens effectively, because as the world's only superpower, it is both chief arbiter and chief enforcer of international peace and security. Given these developments, the transatlantic relationship needs to be carefully managed. A new EU-US partnership is needed that is founded upon a Europe politically mature and militarily capable enough of standing alongside the United States as a partner. Today, Europe is emerging from under the protective wing of the United States and is beginning to confidently assert a vision of itself and of a transatlantic relationship relevant to the twenty-first century. This is vital for international security because, through the enhancement of its autonomous role as an international security actor, the EU will reinforce the shared values that must remain at the heart of the transatlantic relationship.

The challenges are profound and diverse. The enlargement of both the EU and NATO to the countries of Central and Eastern Europe will fundamentally change the two organisations. There are new risks around the perimeter of Europe from a potent mix of unstable, undemocratic regimes allied to the relentless march of weapons technology. Equally, it is a strategic environment that also offers the prospect of new partners such as Poland, Russia and Ukraine. The EU is an essential component in European security. Indeed, the creation of an EU military capability is not about military power for the sake of it, but rather the enhancement of European security through the balanced application of effective power through legitimate, multinational political identity and inclusive partnership. That is the bottom line of EU-led security.

This strategy is merely a beginning and does not attempt to answer all the myriad of issues and problems that confront the European Union as it develops a security role. Indeed, in many ways it is not a strategy at all, being more of a checklist of essential elements for the development of a successful security and defence policy. However, it also proposes a critical path towards not just a more effective Europe, but a Europe that can guarantee the security needs of all its citizens, and act as a reliable and faithful ally with all those who share its democratic ideals. In short, that means an EU that is politically effective, militarily capable and self-confident in its own ability to act. It is a political strategy that puts democratic legitimate control firmly in charge of military developments. It is a strategy by Europeans for Europeans relevant to today's security needs. It is a strategy for the future.

Franco Algieri
Annette Heuser
Josef Janning
Julian Lindley-French

June 2000

The Venusberg Group

The Venusberg Group is a high-level grouping of security and defence experts from across Europe brought together by the Bertelsmann Foundation in Gutersloh and the Bertelsmann Group for Policy Research at the Center for Applied Policy Research (CAP), University of Munich, to examine the future of EU security policy. The Group was formed in early-1999 following a meeting that took place at a hotel on the Venusberg near Bonn, close to the Petersberg where in 1992 European leaders established the basis for EU defence.

The Group represents a broad range of institutional, governmental and academic expertise, although the views expressed herein do not reflect any official policy position, and the members participated purely in a personal capacity. In the five main meetings, the attendance varied from venue to venue, whereas the main preparatory work had been constructed around the group. Franco Algieri of the CAP and Julian Lindley-French of the WEU Institute for Security Studies in Paris were responsible for writing the report and endeavoured to reflect faithfully consensus within the Group where possible. However, given the complex range of subjects under discussion, this was not always possible, with the result that members do not necessarily share all of the views expressed in this strategy.

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Policy Recommendations

Towards a New Strategic Security Goal

- **The European Union must establish a New Strategic Security Goal (NSSG) that looks beyond the Headline Goal set at the Helsinki Summit to reinforce the credibility of EU diplomacy and European integration. The NSSG must fulfil three criteria: political legitimacy, military capability and affordability.**

- **By 2015, EU forces should be able to carry out a full Kosovo-type operation without recourse to US assets. Such a capability would require a range of core elements:**

  - **a common threat perception;**
  - **an institutional structure that can manage all aspects of crises from beginning to end;**
  - **a 'shadow' defence-planning capability that, whilst using the same doctrine as NATO, would enable wholly autonomous action at every stage of the operational cycle;**
  - **a new holistic security concept that combines military and non-military aspects of security;**
  - **civilian and military crisis management capabilities;**
  - **autonomous assets in areas such as strategic intelligence, strategic and tactical lift and logistics;**
  - **secure supply and re-supply of military equipment;**
  - **a common operational budget.**

EU-NATO Relations

- **Involvement in future ad hoc groupings, such as the Contact Group, of larger Member States of the EU must take place with the authority of the EU as a whole.**

- **It is essential that the Political and Security Committee (PSC) and the Military Committee (MC) develop a direct relationship with the Alliance through the rapid establishment of an EU-NATO Consultation Council that will be able to come up with criteria for complimentarity and agreed definitions for autonomous action.**

- **In order to ensure operational autonomy, a certain degree of duplication of NATO assets and structures is essential, particularly in the fields of strategic intelligence, advanced communications, tactical surveillance and reconnaissance, strategic and tactical lift and logistics. The EU should commission a long-term study on likely requirements within a fifteen-year and a thirty-year planning cycle, specifications, sources of supply and funding.**

Sharpening the European Institutions

- **Over time, the PSC will require decision-making functions and powers similar to those of the North Atlantic Council. If legitimacy is to be balanced by efficiency, a new Council of EU Defence Ministers must be created.**

- **To reinforce this, the High Representative must continue to chair meetings at ministerial level, thus in a central, overview position between the Council and the Commission. This will include a continued right to propose (and ultimately to decide) on initiatives for action.**

- **The European Commission's Directorate General for External Relations must be strengthened to provide effective support for decision-making during times of crisis and effective co-ordination between military and non-military aspects of crisis management. The Commission would be well-placed to examine the development of new doctrine for the effective management of military and non-military aspects of crisis management. In time, the Commissioner responsible for External Relations could become the second High Representative for the Common Foreign and Security Policy (CFSP) to reinforce the link between the non-military and military aspects of EU crisis management.**

- **A three-way operational institutional link between the Council, the Commission and NATO should also be established during times of crisis that would be based upon the EU-NATO Consultation Council. Such a system would act as a natural extension of the binding two-pillar relationship**

between the Council and the Commission during crises and reinforce the holistic approach to conflict prevention, conflict management and post-conflict re-construction as part of the EU's overall conduct of crisis management.

- **Political legitimacy will be vital for EU-led Peace Support Operations (PSOs). A hybrid CFSP Assembly incorporating both national parliamentarians and members of the European Parliament as a reviewing chamber without executive authority would reinforce the democratic legitimacy of Pillar II activities and strengthen the link with European citizens. European integration is not as yet sufficiently advanced for the European Parliament to act as the sole source of political legitimacy. However, a hybrid Assembly, incorporating the experience of the WEU Assembly, would reinforce the link between national parliaments and European institutions and enable effective representation for non-EU, European partners.**

- **It has already been agreed that non-EU countries can join EU-led operations and support the foreign policy of the Union following agreed and clear institutional and procedural rules. The EU must, as a minimum, ensure Observer status to all those states willing and able to participate in EU-led operations. A new agreement, similar to NATO's Partnership for Peace is needed to accommodate EU security partners.**

- **Every Member State of the Union must have the right, should they so choose, to participate in operations and to contribute specific capabilities. This non-discriminatory concept would avoid the political need for a dominating core group, whilst enabling those with sufficient capabilities to lead operations.**

- **A clear agreement amongst the Member States of the EU and between the Union and the UN is needed on the questions of mandating. In the long term a UN Security Council veto for peacekeeping operations short of military conflict should be avoided. Russia and China could be offered an enhanced political dialogue with the EU, underlining the Union's multilateral approach to regional and global security management.**

- **To reinforce Security Multilateralism, the EU should announce a policy of openness in all non-operational matters to ensure transparency and inclusiveness. Detailed minutes of all political meetings should be made available.**

A European Strategic Defence Review

- **A European Strategic Defence Review (ESDR) would define the missions, structures, capabilities and resources required for European forces and act as the core planning framework.**

- **Beyond 2003, the missions of EU military forces must be gradually widened and military tasks increased, so that progressively more ambitious missions can be envisaged in line with policy development envisioned in the Treaty of Amsterdam. The expansion of missions and tasks would be linked to the progressive professionalisation of European forces. The ESDR would be repeated every three years to match missions with tasks to manage the process of expansion effectively.**

- **The Review would also act as focal point for a Public Information Campaign to reinforce popular support for EU military security policy similar to "Citizens First", a recent initiative designed to bring the EU closer to its people. The UK's 1998 Strategic Defence Review (SDR) could also serve as a model, combining, as it did, public consultation with a broad dissemination of information.**

The Military Lessons of Kosovo

- **The Kosovo crisis demonstrated the importance of interoperability. NATO standard needs to remain the basis for all interoperability and standardisation doctrine, including EU-led operations. Forces need to be better integrated through a more effective over-arching command and control policy, and detailed agreement is needed on procedures for policy implementation.**

- **US and European forces operate within different strategic frameworks and at different levels of intensity and capability. This is due to an increasing gulf in US and European strategic assessments concerning both threats and appropriate responses. Equally, given the shared values that bind transatlantic relations, NATO's primary role will be to act as a command and technology interface between the two security cultures. This will help to promote interoperability between allies at different states of military readiness and technological capability.**

- **EU Member States need to develop new and advanced warfighting concepts that realistically take into account the broad range of missions they will be called upon to undertake. Research and development of advanced warfighting systems are expensive and require intensive national and industrial investment. The EU is best-placed to co-ordinate national research and development programmes in the field of digitised warfighting.**

- **Military operations are built around military task lists. However, PSOs are far more complex, requiring a mix of civilian and military skills and capabilities. Civilian, military-civilian and military task lists need to be drawn up as part of the ongoing development of a holistic security doctrine. This will enable the right people with the right skills to be deployed during the evolution of a crisis from diplomatic joint actions through conflict prevention to post-conflict re-construction.**

- **Kosovo also highlighted the role of gendarmerie and police forces, as well as civilian specialists, such as infrastructure re-construction experts. The EU needs to develop a central register of such experts willing and able to take part in post-conflict re-construction. This register needs to be constantly updated to ensure rapid deployment in the wake of a military operation.**

Reinforcing the EU's Military Role

- **At the core of European defence planning will be a European Combined Joint Task Force, i.e., EU Permanent Military Headquarters onto which European national forces will be able to 'bolt-on'. Situated below the Military Staff (MS) the creation of the Headquarters has already been agreed on. In addition to their EU duties, the Headquarters will maximise the effective co-ordination of operational planning, and act as the operations planning link with NATO through the rotation and 'double-hatting' of officers.**

- **A new peacekeeping doctrine for all EU forces at the military-civilian interface is needed to harmonise the approach of European forces to the management of PSOs. A European Combined Joint Staff College (ECJSC) should be established to further this important work. NATO doctrine does not effectively cover these areas.**

- **Building upon the WEU Audit of November 1999, the EU needs to establish specific command, control, communications and computer systems for autonomous operations through a detailed study of existing national assets, planned assets and shortfalls to identify specific requirements related to PSOs, short of full-scale war.**

- **Further satellite intelligence capabilities are needed in addition to Helios and designated military satellite communication systems. However, in the interim, the EU must examine what further use can be made of the steadily improving Commercial Satellite Imagery (CSI) technology for PSOs.**

- **In addition to the establishment of a European air transport command (Eurolift) and the enhancement of a strategic lift capacity, a study should also be undertaken of how Europe's developing high-speed rail network could be employed to move European forces rapidly in support of PSOs, either**

adjacent to a theatre (such as the Adriatic coast of Italy) or to a port (UK forces from southern England to Marseilles, for example). High-speed rail systems are broader and stronger than traditional railways, and with specially designed wagons, the possibility of rapid transit even of armoured formations should not be discounted, particularly as the Trans European Network develops.

- As part of the ESDR, a Europe-wide study should be undertaken to look at the implications of the Revolution in Military Affairs (RMA) for European forces, the advantages such developments could offer and the specific programmes together with likely costs. Indeed, it is only at a European level that such a study could be conducted because of the technological complexity involved and the levels of investment that will be required.

The Role of NATO

- NATO's primary role in the future will be to bridge the strategy and technology gap that has emerged by acting as an interoperability interface. In particular, NATO will provide core defence planning functions, co-ordinate North American and European military power for operations both within Europe and beyond and act as a technology 'nexus' ensuring effective interoperability between forces at different states of technological capability and readiness.

Exploiting Europe's Natural Strengths

- The creation of a European single centre supporting the command and planning elements with academic and policy expertise would be an important addition to EU Situational Knowledge during complex security challenges. The EU Institute for Security Studies could become an important focal point for such expertise.

- A European Information Power Policy will involve the development of management structures and the evolution of strategies and doctrines as well as the appointment of media affairs officers, Psychological Operations (PsyOps) specialists and Information Warfare (IW) personnel and equipment that can best exploit European assets in this field.

- Europe needs to protect its home base against threats, be they against military personnel, civilians or national infrastructure. This will require increased co-operation in European Critical National Infrastructure (ECNI) protection, intelligence and security, management of the aftermath of attack, information management and international co-operation. An EU policy on critical national protection would help to co-ordinate approaches, lead to an effective exchange of expertise and information and rationalise efforts.

Procurement Policy

- **The "Organisme Conjointe de Coopération en matière d'Armament" (OCCAR) Treaty of September 1998 between France, Germany, Italy and the UK should be developed based upon the Letter of Intent (LOI) of July 1998 between France, Germany, Italy, UK, Spain and Sweden, contained important new precedents for the efficient management of European procurement. First, "shares" in a project would henceforth be measured in financial terms rather than allocation of work. Second, OCCAR can manage specific programmes. These are important steps on the road to the creation of a European Armaments Agency (EAA), the harmonisation of requirement, equipment specification, information transfer and ultimately common procurement. The EU must back the creation of the EAA.**

- **Article 296 of the Treaty of Amsterdam that exempts the defence industry from European competition law should be modified to promote the development of a single market in defence. This will help Europe move towards the creation of major European Aerospace and Defence Companies (EADC) or European Champions. Given the increase in unit costs and technological complexity, European national producers are too small to both compete with the American manufacturers and to generate sufficient capital for research and development.**

- **However, an outright monopoly within the European defence market would not be advantageous. A degree of competition should be maintained.**

- **Transatlantic co-operation should also be promoted on a case-by-case basis where and when there is genuine willingness by the US to transfer technology. The EU must continue to lobby the Americans to open the US market to European manufacturers. An extension of the "Declaration of Principles" that underpins US-UK armaments co-operation should be extended to the EU 15.**

- **The EU should examine how to improve the flow of classified and sensitive data associated with the development of systems and platforms and actively promote the creation of coalitions led by European manufacturers for specific projects.**

- **The EU should promote flexible project management techniques based upon the Prime Contractor approach favoured by the Americans, and must replace the use of Juste Retour as a basis for sharing work in pan-European projects.**

Affording European Defence

- **The EU should promote a Revolution in Business Affairs (RBA) by examining how to reduce redundant national infrastructures, practices and assets in order to release resources that are currently lost through anachronistic practices. An examination of commercial techniques, such as outsourcing of non-core activities, leasing of equipment and just-in-time/focused logistics would be useful.**

- **A central registry of the inventories of equipment and material of all European forces would enable non-participating EU Member States to support EU-led operations during operations.**

- **In time, a nominal target for defence expenditure of 2 per cent GDP by 2010 for the EU 15 (plus accession states) might be useful.**

- **The EU needs to launch a study to harmonise defence budgeting and auditing techniques amongst the 15 to ensure a like comparison can be made between national defence accounting procedures.**

- **A further study is needed to examine steps towards the creation of a common operational budget. One way forward may be for Member States to allocate part of their defence expenditure for EU-led operations.**

- **Given the constraints upon defence budgets, the effort to increase resources available to the EU military effort should have two distinct phases. First, an examination of current commercial practice for cost-cutting and rationalisation, particularly with regard to those areas of combat support services (CSS) that could be outsourced to civilian contractors, thus reducing the excessive reliance of European militaries upon static infrastructure and fixed assets. Second, upon completion of such an 'audit', a nominal target of 2 per cent of GDP as a baseline for defence expenditure by EU Member States (plus future members) could be useful in helping to balance spending efficiency and affordability with capability. Indeed, if a Revolution in Military Affairs (RMA) is to take place, it will need to be matched by a Revolution in Business Affairs (RBA) that makes best use of advanced civilian business, cost management processes.**

Towards a Common Defence

- **Phase II (2015–2030) envisages the progressive transfer of national decision-making, command and control competencies into a common structure, in which qualified majority voting in some form would be the rule within a common legal framework. An Evolution of Policy study should be undertaken to examine the mechanisms for such a transfer as part of a Food for Thought Paper.**

- **An Evolution of Warfare (EOW) study would provide the basis for moving from a combined and joint approach to the development of common force packages and elements. Even at a functional level this would be essential because much of today's military equipment could have a thirty to forty-year life-span. The study would be scenario-based, but also look at how key elements can "evolve" into common structures. In specific terms, the study would examine Command and Control (C_2) elements, capability component options, force mix options, force structures as well as what equipment is likely to be needed.**

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Part I

A New Strategic Security Goal: The Context of European Defence

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1. Towards a New Strategic Security Goal

A new concept of defence policy is needed

The "Cologne European Council Declaration on strengthening the common European policy on security and defence" in June 1999 stated that the EU "shall play its full role on the international stage" with "the necessary means and capabilities to assume its responsibilities regarding a common European policy on security and defence". The Helsinki European Council (December 1999), for the first time, made concrete proposals to develop EU military capabilities. Simultaneously, a clear timetable was established to 2003 for the fulfilment of those proposals. However, if the EU is to successfully add a substantial military security dimension to its foreign policy, then the process of European co-operation will need to move to another, higher level. Indeed, progress on the "F" in the Common Foreign and Security Policy (CFSP) cannot be separated from progress on the "S". They are two sides of the same policy coin. These are the challenges both for the EU as it emerges as an international security actor and for this strategy paper.

The emergence of the EU as an international security actor

The development of the Common European Security and Defence Policy (CESDP) is a major step in the development of the European Union's security policy and its role as an international security actor. It is apparent that a division of labour between states in the broad conduct of security and defence policy is becoming ever more necessary, and while states will maintain control for the foreseeable future over direct military action, the EU will undoubtedly grow in importance as a security actor. These changes also have profound implications for the transatlantic relationship because the political aspirations that underpin these developments can no longer be contained wholly within the single institutional framework of NATO.

EU as a one-stop shop for non-military and military security

The EU is also a unique security actor that merges both civilian and military capabilities into a "one-stop shop" combining non-military and military aspects of crisis management. This is just as well because the EU is facing a range of "soft" and "hard" security challenges, the management of which necessitates a range of approaches, including instability and armed conflicts in regions adjacent to the European Union, ethnic strife and the threat of mass-migration and environmental damage. Threats also exist to trade routes and energy supplies, and include the proliferation of weapons of mass destruction and the trafficking of fissile material and drugs and international crime and terrorism. The EU can provide security tools that cover the full spectrum of conflict prevention, non-military crisis management, lower-intensity military conflict management and post-

conflict re-construction. This holistic approach to security in effect adds several further options to diplomatic efforts prior to the full military solution that NATO offers and, indeed, thereafter. A credible military capability will therefore underpin the "classical" approach of conducting European diplomacy via political dialogue, trade and economic means, and/or aid and co-operation.

The challenges of enlargement

The enlargement of the EU will have profound implications for the CESDP. On the one hand, the number of actors involved in decision-making (and decision-shaping) will increase. Decision-making in the EU is already complex and in a crisis the emphasis will be on fast and output-oriented procedures. For that reason, proposals are being made by several Member States under the heading of "flexibility" or "reinforced co-operation" that could enable initiatives to be taken by several members that will circumvent the unanimity that traditionally marks EU Pillar II decision-making. In the years to come, at least six new states could be members of the EU, Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia bring the EU into direct contact with regions of Europe that are unstable. On the other hand, the political legitimacy of the EU will increase. Twenty-eight countries could in theory participate in EU-led military crisis management. The principles for co-operation, i.e., balancing the legitimacy afforded by broad participation without prejudice to the EU's decision-making autonomy will be difficult to negotiate. Moreover, significant institutional reform will also be required to enhance the co-ordination and implementation of policy between the European Council and the European Commission. Whilst the 1997 Treaty of Amsterdam provides the basis for such convergence, the highly heterogeneous group of actors involved and the need for additional procedures and bodies will undoubtedly lead to increased complexity.

The Challenge for the EU

Institutional consequences of the Helsinki European Council

At the institutional level, the European Council meetings of Cologne and Helsinki established several bodies to manage EU security policy. These include a Political and Security Committee (PSC) to manage the politico-military aspects of the CESDP, a Military Committee (MC) that will manage military aspects and a new Military Staff (MS) to support the two committees. Javier Solana was appointed High Representative of the CFSP and Secretary General of the Council – as well as Secretary General of the Western European Union (WEU) – to co-ordinate policy effectively. The role of the High Representative will be essential because of the large number of groups and bodies involved in EU security policy such as

national governments, the European Council/Presidency, the Committee of Permanent Representatives (COREPER) and the Political Committee (POCO). Moreover, the European Commission will also play a role, in particular DGs External Relations, Enlargement, Trade, Development and Humanitarian Aid, as well as the European Parliament.

Towards a New Strategic Security Goal: What Needs to be Done

- **The European Union must establish a NSSG that looks beyond the Headline Goal set at the Helsinki Summit to reinforce the credibility of EU diplomacy and European integration. The NSSG must fulfil three criteria: political legitimacy, military capability and affordability.**

- **By 2015 EU forces should be able to carry out a full Kosovo-type operation without recourse to US assets. Such a capability would require a range of core elements:**

  - **a common threat perception;**
  - **an institutional structure that can manage all aspects of crises from beginning to end;**
  - **a 'shadow' defence planning capability that, whilst using the same doctrine as NATO, would enable wholly autonomous action at every stage of the operational cycle;**
  - **a new holistic security concept that combines military and non-military aspects of security;**
  - **civilian and military crisis management capabilities;**
  - **autonomous assets in areas such as strategic intelligence, strategic and tactical lift and logistics;**
  - **secure supply and re-supply of military equipment;**
  - **a common operational budget.**

2. The EU and NATO: A Dialogue of Equals

NATO Secretary General George Robertson has underlined the contribution of European defence to transatlantic relations by calling for replacement of the 3Ds (de-coupling, duplication and discrimination) with the 3Is; *improvement* in Euro-

pean defence capabilities, *inclusiveness* and transparency for all allies, and *indivisibility* of transatlantic security based on shared values. The United States, for all its military might, acknowledges it is incapable of fulfilling its own policy objective of fighting two Major Theatre Wars (MTW) simultaneously. Consequently, the need for a militarily-capable European ally has never been greater. In this context it is also important to note that the great majority of NATO troops committed through SFOR and KFOR in Bosnia-Herzegovina and Kosovo are European. On the other hand, divergence in European and American strategic thinking, if combined with increased European capability could result in Europe and America drifting apart. Ideally, the US would like the Europeans to pay more and do more without any significant increase in their political and operational control over NATO missions. However, any increase in European capabilities will undoubtedly change the balance of political power within the Alliance.

Equality between NATO and the EU

NATO's action in Kosovo had profound lessons for Europe. At the political level, Europeans appeared to maintain a strong unity of purpose. However, in reality, the approach was ad hoc and based on joint actions that were effectively outside of the EU. Indeed, the most influential grouping was the seven member Contact Group, which, although including four EU Member States, operated independently of it. The CFSP was effectively by-passed with it the ability to coordinate the political, economic and diplomatic resources and capabilities of all the EU states. At the military level, not only was European weakness underlined but also the increasing gulf between US and European capabilities that made it difficult for the Allies to operate effectively together.

The political lessons of Kosovo

Any direct military relationship between the EU and NATO will also be essential and will have to overcome three problems: functioning institutional arrangements, participation and access to NATO assets. The institutional arrangements must be established upon the basis of equality between the two organisations. The EU cannot simply act as an enhanced European pillar of the Alliance. Equally, given the varied and complex nature of modern security challenges, NATO's demand for "first refusal" over operations makes little sense given the broad range of security instruments that will be required. Unfortunately, a fundamental political dilemma remains if EU-led operations have to rely upon American assets exclusively for key functions, which remains implicit in all the reforms underway in NATO. The dependence of Europe on the United States would remain almost unchanged and the "strong Europe", that so many American leaders call for will be still-born. Therefore, a certain degree of duplication will be inevitable, i.e., necessary duplication, particularly in areas such as strategic intelligence, advanced communications, strategic and tactical mobility and logistics.

The need for equality

Indeed, at a practical level, the relationship will be built around assured access to those NATO assets. However, several non-EU, NATO members have raised concerns over these developments. First, there is no clear consensus concerning the exact definition of "ready and assured access" for the EU to NATO assets. Second, the non-EU Allies want the withdrawal of a tacit threat from the EU Member States to duplicate the NATO command structure if they do not get what they want from the Alliance. As a result, there is pressure upon the EU to resolve the role of non-EU European NATO Allies in EU-led operations to avoid exclusion and the creation of blocs within the Alliance. Norway and Turkey have been particularly vocal to ensure that no such arrangement can be agreed until *assured access* is matched by *assured participation* for non-EU European allies. On the basis that "nothing is agreed until everything is agreed" it is clear that there remains some way to go before a working agreement can be reached.

NATO assets and capabilities

NATO has attempted to resolve these political tensions through the development of new and more flexible structures designed to ensure the continued military effectiveness of the Alliance and preserve the transatlantic link through a strengthened European Security and Defence Identity (ESDI) that would provide the Alliance with a more balanced political and military framework. One of the key elements of this proposal involved placing part of the NATO command structure temporarily under the authority of the WEU, i.e., "separable, but not separate". At the same time it was agreed that future force planning would also incorporate easily deployable, multi-service military formations designed to undertake Petersberg-type missions. Known as Combined Joint Task Forces (CJTF), the objective was to furnish such a force with appropriate C_2-elements for Peace Support Operations (PSOs) and enable Partner countries, such as Finland and Romania, to take part in operations. To promote the new and complex range of missions, a new military command structure was developed that involved the creation of two over-arching Strategic Commands (SC), one for the Atlantic and one for Europe.

NATO Reform and CJTF

Moreover, at the Washington Summit in April 1999, the Defence Capabilities Initiative (DCI) was launched. The objective was to improve defence capabilities to ensure the effectiveness of future multinational operations across the full spectrum of Alliance missions in the "present and foreseeable security environment" thus improving interoperability among Alliance forces. The DCI identified needs and shortfalls in five key areas: effective engagement; deployability and mobility; sustainability and logistics; survivability; and command, control and communications. The initiative was designed specifically to meet European needs and emphasised the importance of increased resources, as well as better co-ordination

Defence Capabilities Initiative

between defence planners, as well as more abstract issues that could improve effectiveness such as training, doctrine, human factors and standardisation. Therefore, NATO's role as the guardian of multinational military effectiveness remains paramount.

A co-operative relationship with Russia

EU-NATO relations also need to be placed within a wider political context, particularly with regard to Russia. The Russian mid-term strategy takes a basically positive view of the EU's emerging role in security and defence because they believe it will balance NATO, and by extension, US power in Europe. This positive image of the EU's role should be preserved and developed. Indeed, the nature of the EU as a holistic security actor would tend to broaden the relationship with Russia which is all too often seen in narrow politico-military terms, i.e., NATO-Russia. There is an urgent need to develop a co-operative relationship with Russia as partner, rather than potential adversary. Certainly, if the EU is to develop a genuine autonomous crisis management capability for Central and Eastern Europe, Russian co-operation (or at least passive approval) would be essential.

The need for "necessary duplication"

Beyond this debate, the threat remains that the American commitment to European security could diminish if for domestic reasons the US strategic concept changed further. Indeed, the threat of US disengagement must remain part of European strategic calculations, because in the event Europe would be under pressure to take over a stronger role as a capable security actor. Consequently, if European assets and capabilities remain inadequate, then Europe's weakness would not only underline its inability to deal with its own vital security interests but accelerate US disenchantment.

EU-NATO: A dialogue of equals

The status quo ante, therefore, is not an option. It is important therefore, given the broad and continued commitment of all the Europeans to strong, reinforced transatlantic relations, that the benefits of the CESDP are clearly spelled out to the United States, whilst in no way limiting Europe's autonomy for decision-making. All the Europeans must recognise the pivotal role of the United States and NATO in European security and defence, whilst the Americans must accept that burden-sharing is not just a question of comparing capabilities. To that end, the EU and NATO must establish a dialogue of equals in which both sides recognise the unique and complimentary contribution that the other makes to the broad area of collective security and territorial defence.

EU-NATO: What Needs to Be Done

- **Involvement in future ad hoc groupings, such as the Contact Group, of larger Member States of the EU must take place with the authority of the EU as a whole.**

- **It is essential that the PSC and the MC develop a direct relationship with the Alliance through the rapid establishment of an EU-NATO Consultation Council that will be able to come up with criteria for complimentarity and agreed definitions for autonomous action.**

- **In order to ensure operational autonomy, a certain degree of duplication of NATO assets and structures is essential, particularly in the fields of strategic intelligence, advanced communications, tactical surveillance and reconnaissance, strategic and tactical lift and logistics. The EU should commission a long-term study on likely requirements within a fifteen-year and a thirty-year planning cycle, specifications, sources of supply and funding.**

VAKAT

Part II

Binding the Pillars Together

VAKAT

3. Sharpening the European Institutions: Enhancing EU Crisis Management

The need for a new EU foreign policy concept

History has shown that the CFSP, within the framework of the Maastricht and Amsterdam Treaties, has developed through a series of incremental advances in foreign and security policy co-ordination. Thus, the CESDP is not an end in itself, but part of a process towards European Political Union. Therefore, if the EU is to shape international events in line with policy, a new foreign policy concept is required that combines several different levels of action employing both communitarian and intergovernmental approaches. In specific terms, this will require three key elements: Firstly, legitimate institutions capable of swift decision-making; secondly, the ability to generate military forces able to operate effectively together; thirdly, military assets sufficient to enable not only effective peacekeeping, but also sustained peacemaking, where and when necessary. In this way the military and non-military dimensions will develop together as two sides of the same CESDP coin.

Lessons from the interaction process

The process of enhancing the EU's role as an international security actor will first and foremost be based on inter-state initiatives. At the same time, it is essential that progress is founded upon reliable institutional structures and mechanisms. Equally, it will not be possible to design future EU institutions in a way comparable with the military dimension because it is a much more speculative process. Indeed, the shape the CFSP will take is limited to the degree to which sovereign states are willing to take co-ordinated steps in order to create common policy. Thus, "commonality" is as much a process of mutual learning and understanding as it is of planning. Furthermore, the psychology is also influential because even though national administrations follow their own rules and pace, the role of leading politicians as initiators for change should not be underestimated. If enough heads of state, and governments become convinced that the CESDP has to be pushed forward, then bureaucracies will act accordingly. However, there are a few basic structures and systems that will be essential if the EU's ambitions are to be realised.

A central role for the High Representative and a new role for the European Commission

The role and function of the High Representative and the Policy Planning and Early Warning Unit (PPEWU) will have to be brought closer to the decision-making process of the Council and the European Commission. Despite the resistance of some EU Member States, the High Representative should be appointed head of the PSC. A rotating presidency would merely weaken decision-making and undermine continuity. Equally, a purely advisory or support role would simply

reinforce the sclerotic nature of European decision-making and undermine both the political and deterrent value of the CESDP. The central role of non-military crisis management reinforces the important role of the European Commission in the CESDP, which is also a member of the PSC. To reinforce the link between military and non-military aspects of EU policy, the High Representative should continuously chair meetings at ministerial level, thus ensuring the effective policy co-ordination between the Council and the Commission.

The need for internal legitimacy

The increased internal legitimacy of the CESDP afforded by new members of the EU will also need to be reinforced at the institutional level. Several options are being explored, among them the creation of a new Council of Defence Ministers, adaptation of the WEU system within the EU, whereby national parliamentarians are rotated through a CFSP Assembly that would legitimise Pillar II activities. In the longer-term, it is likely that the role and competence of the European Parliament will be gradually increased, although the timetable would remain under the firm control of the Member States. Past reforms have continuously strengthened the EP and it has become a serious and necessary actor in deepening European integration. In matters related to the CFSP, the Parliament will inevitably become more involved and cannot be neglected. Equally, further development will depend to an extent upon finding a working balance between political legitimacy and military efficiency. Certainly, the involvement of both national parliaments and the European Parliament would reinforce the CFSP through a form of double legitimacy.

The need for external legitimacy

The Treaty of Amsterdam and the European Council of Helsinki recall the important role and authority of the United Nations and the OSCE. However, a dilemma remains. Could the EU act without a mandate from the UN? If auto-legitimisation would become the general rule for the EU, then the UN would be seriously weakened, which would not be in wider-European interest. One way forward could be through reform of the United Nations Security Council (UNSC), of which both France and the UK are Permanent Members. The adoption of majority-voting on peace support operations short of war could assist the process.

Sharpening the institutions

Through the parallel development of more effective institutions, vital for a security role, and the enhancement of European military capability, Europe is moving ever closer to a common identity. Equally, the pragmatic focus upon the lessons learned from the Kosovo conflict and the development of force projection capabilities for European forces underlines that the process is both hard-headed and visionary. Indeed, whilst Helsinki has underlined that defence co-operation would be an intergovernmental business, Germany and France re-stated their intention in Toulouse in May 1999 to move towards closer co-operation and

underlined their determination to bolster the EU's ability to act in a crisis. Moreover, as the British-Italian Summit on European Defence Capabilities of July 1999 and the recent Anglo-Swedish initiative on non-military aspects of crisis management have shown, these capabilities embraced both military and non-military aspects of crisis prevention, underlining the uniquely holistic approach of the EU to security. A pre-requisite for success is effective and powerful institutions that can bind the communitarian and intergovernmental pillars together at the sharp end of operations.

Transparency and inclusiveness

Transparency and inclusiveness must be the basis upon which European defence is constructed, allied to on-going dialogue amongst all those with a stake in Europe defence. The Helsinki Declaration invites all those who wish to associate themselves with the development of European defence to participate on an equal basis without compromising the right of the European Union to take decisions within the framework of the CFSP. As a consequence, the need to maintain autonomous decision-making reinforces the role of flexibility among states as a precondition for convergence and effectiveness.

Sharpening the European Institutions: What Needs to be Done

- **Over time, the PSC will require decision-making functions and powers similar to those of the North Atlantic Council. If legitimacy is to be balanced by efficiency, a new Council of EU Defence Ministers must be created.**

- **To reinforce this, the High Representative must continue to chair meetings at ministerial level, thus in a central, overview position between the Council and the Commission. This will include a continued right to propose (and ultimately to decide) on initiatives for action.**

- **The European Commission's Directorate General for External Relations must be strengthened to provide effective support for decision-making during times of crisis and effective co-ordination between military and non-military aspects of crisis management. The Commission would be well-placed to examine the development of new doctrine for the effective management of military and non-military aspects of crisis management. In time, the Commissioner responsible for External Relations could become the second High Representative for the CFSP to reinforce the link between the non-military and military aspects of EU crisis management.**

- **A three-way operational institutional link between the Council, the Commission and NATO should also be established during times of crisis that would be based upon the EU-NATO Consultation Council. Such a system would act as a natural extension of the binding two-pillar relationship between the Council and the Commission during crises and reinforce the holistic approach to conflict prevention, conflict management and post-conflict re-construction as part of the EU's overall conduct of crisis management.**

- **Political legitimacy will be vital for EU-led Peace Support Operations (PSOs). A hybrid CFSP Assembly incorporating both national parliamentarians and members of the European Parliament as a reviewing chamber without executive authority would reinforce the democratic legitimacy of Pillar II activities and strengthen the link with European citizens. European integration is not as yet sufficiently advanced for the European Parliament to act as the sole source of political legitimacy. However, a hybrid Assembly, incorporating the experience of the WEU Assembly, would reinforce the link between national parliaments and European institutions and enable effective representation for non-EU, European partners.**

- **It has already been agreed that non-EU countries can join EU-led operations and support the foreign policy of the Union following agreed and clear institutional and procedural rules. The EU must, as a minimum, ensure Observer status to all those states willing and able to participate in EU-led operations. A new agreement, similar to NATO's Partnership for Peace is needed to accommodate EU security partners.**

- **Every Member State of the Union must have the right, should they so choose, to participate in operations and to contribute specific capabilities. This non-discriminatory concept would avoid the political need for a dominating core group whilst enabling those with sufficient capabilities to lead operations.**

- **A clear agreement amongst the Member States of the EU and between the Union and the UN is needed on the questions of mandating. In the long term a UN Security Council veto for peacekeeping operations short of military conflict should be avoided. Russia and China could be offered an enhanced political dialogue with the EU, underlining the Union's multilateral approach to regional and global security management.**

- **To reinforce security multilateralism, the EU should announce a policy of openness in all non-operational matters to ensure transparency and inclusiveness. Detailed minutes of all political meetings should be made available.**

4. A European Strategic Defence Review

Building on the WEU Audit and DCI

European Defence still lacks a central mechanism for the sustained development of military capability. A first step would be to look at the relationship between existing forces and resources and overall defence roles and mission objectives. There are two basic approaches towards the creation of a viable CESDP that reflect different political and military traditions but which are by no means mutually exclusive. On the one side, there is a functional force planning approach building upon national military capabilities to create a multinational force similar to the ACE Rapid Reaction Corps (ARRC). This approach borrows heavily from the British Strategic Defence Review (SDR), although it is similar to exercises currently being undertaken by the French and German governments. A second approach, known as Macro-Defence Convergence Criteria (MDCC), draws upon the process of Economic and Monetary Union (EMU) and is strongly supported by the Italian Government. Although not a blueprint for a European Army, it argues that there are a range of functional areas of the European military effort that could become common at an early stage as part of the process towards Defence and Military Union (DMU).

Macro-Defence Convergence Criteria

In May 1999 the EU Defence Ministers established a working group charged with drawing up defence convergence criteria. These criteria can be divided into two main categories: economic criteria and military criteria. The main economic criteria that participating states would have to follow would include adopting a more balanced defence budget, rationalisation and re-grouping of defence industries and a Europe-first approach towards defence industry restructuring and procurement. In the military field, such criteria involve a more balanced relationship between the number of professionals/conscripts that make up national military personnel, moves towards a professional force and the complete re-organisation of multilateral and bilateral military agreements. These criteria were effectively incorporated into the Headline Goal at Helsinki in December 1999.

A European Strategic Defence Review

The ESDR at the heart of this strategy paper represents a marriage between the two traditions and would enable an over-arching, systematic analysis of force structure, C_2, organisation and funding. It would also help to overcome the problem of comparing like with like in European defence establishments through the

development of the common criteria by a sustained and continual process of analysis to establish a common basis for force estimation and requirements. As such, it would act as a planning framework to manage the phased development of European forces, examining six broad areas of CESDP development; the current situation, institutional arrangements, missions, capabilities, defence-industrial support and funding. It would also look at institutional arrangements between the EU and NATO and ensure there was no unnecessary duplication with NATO. Definition of missions would also be an essential element of an ESDR which would review the role of a CESDP in areas such as peacetime security, European defence diplomacy, support to wider European interests, peace support and humanitarian operations and regional conflict inside and outside the CESDP area. Such a review would also examine specific interoperability issues unique to a CESDP, such as command and control in a multilingual and multicultural operational environment.

Plugging the resource capability gap

One of the greatest challenges that confront the development of a CESDP is the apparent gap between resources and capabilities. The review would, therefore, examine use of resources by all the European allies in order to identify those that could be better utilised and those areas that could be pooled, such as certain elements of C_2, intelligence, surveillance, force logistics and lift, without infringing the specific national interests of the member-states. An ESDR would re-assess specific capability needs of a CESDP, develop an indicative procurement programme based upon national acquisition strategies, and propose funding mechanisms, both traditional and innovative. Finally, the long-term sustained success of a CESDP could only be guaranteed through secure supply of advanced military equipment and technology. The review would, therefore, analyse how best to rationalise the European defence industry to ensure that it develops on a stable footing, capable of supplying the equipment European forces will need for the next generation as well as being able to compete in an increasingly competitive world market. Finally, the review would be repeated every four or five years to ensure compliance, to maintain the rigidity of the planning regime and to maintain political momentum.

Expanding Europe's Military Mission: Beyond the Headline Goal

Phase I of the strategy covers the period 2000–2015 and is based on a defence planning cycle of fifteen years. It looks beyond the Headline Goal to a European capability of undertaking full and independent operations up to and including a

Kosovo-type operation. The Review would act as the core mechanism for force development towards that goal after 2003. Implementation would be built around a rotational force integration mechanism that would utilise the task list to ensure that all participating nations provided forces at every task level. No single EU Member State can provide both the forces and the reserves even for the initial Headline Goal. The rotation of forces at every task level would over the period of Phase I enable the larger states to be effectively supported and the smaller states to provide crucial forces elements to all aspects of an operation. In such a way, both efficiency and political representation would be maintained. Moreover, as Phase I developed, the number of missions and tasks would be widened to ensure that by 2015 the EU would cover almost all collective security missions including:

Rotational force integration mechanism

- peacetime security evacuation of European citizens; counter-crime and counter-drugs;
- defence diplomacy to build trust, dispel hostility and assist in the development of democratically accountable armed forces under the EU banner;
- peace support and humanitarian operations, operations other than war in support of European interests, international order and humanitarian principles.
- seamless policy continuum for EU conflict prevention, economic security and diplomatic efforts;
- regional conflict outside EU area control of such a conflict that could affect European security, interests or international security;
- regional conflict inside the EU area: to respond to a request from an EU Member State for assistance in the face of such conflict.

The ratios of national contingents would be consistent to the size of the forces they make available to the EU capability. Moreover, by 2015, this process of intense task-sharing would enable the move to common defence to be achieved far more easily. The progressive expansion of missions and tasks would also be linked to progressive professionalisation of European forces and with it the creation of larger pools for highly-trained troops.

Phase II of the CESDP would use the ESDR to match capability and force requirements with an overall Task List that further defines the Petersberg Tasks into specific military taskings. The CESDP Combined Joint Task List identifies those tasks and structures that a CESDP able to carry out all the Petersberg Tasks would require. It proves the backbone of Phase II by reinforcing the planning regime that will be tasked with developing a CESDP in Phase II of its develop-

The Military Task List

ment. The Task List not only provides the baseline for CESDP planning in terms of the missions and structures that will ultimately have to be developed, but it also builds upon the military lessons emerging from Kosovo. The specific modalities and timing of implementation of the Task List within Phase I would be worked out in the ESDR.

Grand strategic level tasks

Action I (The Grand Strategic Level Tasks of a CESDP): the development of such a system would direct and provide coherence of the overall CESDP policy, including all military and non-military aspects. In specific terms, this would entail the designation of CESDP Missions and the identification of the Military Tasks. As such, it would involve the development of High Level Systems, such as a C_2-Hierarchy. This would be established upon the European Council and would delegate responsibility to the High Representative, possibly working in harness with Deputy SACEUR, acting in capacity as Chief of Staff of CESDP Operations. The development of Phase I CESDP missions would include peace support and humanitarian operations, intervention to stop regional conflict inside and outside the CESDP area, peacetime security, European defence diplomacy and support to wider European Interests.

Military strategic tasks

Action II (The Military Strategic Tasks of a CESDP): this phase of the operational development of a CESDP would involve determining the military strategic objectives and desired end-states, outlining the military action needed, allocating resources and applying constraints. The C_2-Hierarchy at this level would be focused upon designated CESDP Chiefs of Staff at the European Combined Joint Defence Planning Centre (ECJDPC).

Operational level tasks

Action III (CESDP Operational Level Tasks): this would build upon much of the work already completed by the WEU Military Planning Cell and would see the development of CESDP campaign plans which would synchronise military and other resources to achieve the desired end state and military strategic objectives. The C_2-Hierarchy would be at the level of CESDP Combined Joint Permanent Headquarters (CJPHQ).

Tactical level tasks

Action IV (CESDP Tactical Level Tasks): would involve the development of a capability to plan and direct CESDP military resources in battles and engagements within a sequence of major operations to achieve operational objectives. The C_2-Hierarchy would be at the level of the CJTF and Headquarters Staff.

Support commands

Action V (CESDP Support Commands): would be responsible for resourcing, training and providing front-line capability (including fighting effectiveness, efficiency, multilingual communication skills and morale) and advice at the Military Strategic, Operational and Tactical Levels and directing and supervising com-

bined single service operations when required. The C_2-Hierarchy would be at the level of component and subordinate commands.

The Review could also play an important role in a Public Information Campaign designed to actively involve European public opinion in the development of European defence. A subject so central to concepts of identity and sovereignty such as defence cannot be undertaken solely through a committee of experts because if so European defence will fail as public opinion rejects an undertaking over which it has been little consulted. The Review would, therefore, incorporate a public consultation process and seek views from a wide range of experts and groups representative of European society.

An ESDR: What Needs to be Done

- **An ESDR would define the missions, structures, capabilities and resources required for European forces and act as the core planning framework.**

- **Beyond 2003, the missions of EU military forces must be gradually broadened and military tasks increased so that progressively more ambitious missions can be envisaged in line with policy development envisioned in the Treaty of Amsterdam. The expansion of missions and tasks would be linked to the progressive professionalisation of European forces. The ESDR would be repeated every three years to match missions with tasks to manage the process of expansion effectively.**

- **The Review would also act as focal point for a Public Information Campaign to reinforce popular support for EU military security policy similar to "Citizens First", a recent initiative designed to bring the EU closer to its people. The UK's 1998 SDR could also serve as a model, combining, as it did, public consultation with a broad dissemination of information.**

VAKAT

Part III

Empowering EU Military Forces

VAKAT

5. The Military Lessons of Kosovo

The military lessons of Kosovo

The Kosovo conflict demonstrated that even the most powerful Western European states lacked key capabilities in sufficient numbers to lead and carry out peace enforcement operations against a determined aggressor, even in the immediate neighbourhood of the EU. In specific terms, European forces lacked vital strategic intelligence satellites, advanced communications (C^4ISR) and Precision-Guided munitions (PGMs). Moreover, Operation Allied Force highlighted a number of other disparities between US and allied capabilities, particularly concerning mobility which slowed the deployment of KFOR ground forces and confirmed the importance of NATO's Allied Joint Doctrine to improve the interoperability between different nations and sea, air and land forces across the range of military operations. There were also weaknesses in both the military-technical base and military infrastructure of the European allies, as a result of shrinking defence budgets, a low ratio of Research and Development (R & D) within these budgets, and poor co-operation in joint development and procurement that undermined the forces in the field.

The need for new digital technologies

During future deployments by European forces, the role of new technologies will be important. Kosovo highlighted again the lack of research into new concepts such as battlespace dominance and information dominance capabilities that could control the environment in which European forces operate. The United States is carrying out a range of development programmes that will equip its forces with enhanced digitised awareness of the battlefield. In particular, programmes are underway that will enable "situational awareness" through enhanced battlefield intelligence using advanced systems such as Unmanned Aerial Vehicles (UAVs), improved identification of friend and foe through improved digitised radar surveillance of the battlespace, and personalised advanced surveillance technologies for individual combat troops. Europe is unlikely to commit the same level of resources as the US in developing these technologies. However, Europe already possesses sufficient technological resources to develop systems that, whilst not as advanced as some of the proposed American systems, will provide European forces with an advantage in every foreseeable scenario short of strategic war. Such "enablers" will be politically and militarily essential to maximise the impact of European forces whilst minimising risks to them.

The need for gendarmes and police forces

Kosovo also highlighted the need for a broad range of forces and specialists in addition to those trained for warfighting. In particular, gendarmerie and police forces that can help to re-construct a society after a conflict and re-establish the norms of civil society. In addition, specialists in the reconstruction of infrastruc-

ture, such as sewage systems and water supply, are vital if having won the war Europe is not to lose the peace. This need reinforces the role of the EU as a holistic security actor and highlights the vital contribution that could be made by the European Commission as a channel for what are essentially civilian skills and capabilities.

The Military Lessons of Kosovo: What Needs to be Done

- **The Kosovo crisis demonstrated the importance of interoperability. NATO Standard needs to remain the basis for all interoperability and standardisation doctrine, including EU-led operations. Forces need to be better integrated through a more effective over-arching command and control policy and detailed agreement is needed on procedures for policy implementation.**

- **US and European forces operate within different strategic frameworks and at different levels of intensity and capability. This is due to an increasing gulf in US and European strategic assessments concerning both threats and appropriate responses. Equally, given the shared values that bind transatlantic relations, NATO's primary role will be to act as a command and technology interface between the two security cultures. This will help to promote interoperability between allies at different states of military readiness and technological capability.**

- **EU Member States need to develop new and advanced warfighting concepts that realistically take into account the broad range of missions they will be called upon to undertake. Research and Development of advanced warfighting systems are expensive and require intensive national and industrial investment. The EU is best placed to co-ordinate national research and development programmes in the field of digitised warfighting.**

- **Military operations are built around military task lists. However, PSOs are far more complex requiring a mix of civilian and military skills and capabilities. Civilian, military-civilian and military task lists need to be drawn up as part of the ongoing development of holistic security doctrine. This will enable the right people with the right skills to be deployed during the evolution of a crisis from diplomatic joint actions through conflict prevention to post-conflict reconstruction.**

- **Kosovo also highlighted the role of gendarmerie and police forces, as well as civilian specialists, such as infrastructure re-construction experts. The EU needs to develop a central register of such experts willing and able to take part in post-conflict re-construction. This register needs to be constantly updated to ensure rapid deployment in the wake of a military operation.**

6. Reinforcing the EU's Military Role

The Military Objective of the EU

The Military Objectives of the CESDP

The military objective of the CESDP is to ensure a comparative military advantage over any threat or group of threats short of full-scale and sustained war against which military force can be applied in and around the European theatre. This includes the capability to go beyond Europe in coalition with the United States from time to time. The achievement of this objective will involve a series of institutional and military steps or phases that will release the potential that exists in Europe.

Headline Goal and the Petersberg Tasks

The Helsinki Summit agreed that to enhance the EU's capability, a European Rapid Reaction Corps (ERRC) of up to 60,000 men, totalling 15 brigades and deployable for one year, would be created by 2003 with the ability to deploy smaller elements immediately. In the current strategic context, the force will need the capabilities to ensure deployability, sustainability, interoperability, flexibility, mobility, survivability and command and control. These capabilities will be developed both as part of the achievement of the Headline Goal and through the implementation of the DCI.

Elaboration of the Headline Goal

A systematic approach to the force planning exercise is currently getting underway. This is based upon the development of force packages to 'elaborate' the Headline Goal, thus providing a "clear link" with the policy context of the CFSP. There are six key steps in the process that are currently being developed by the interim Military Committee (iMC). These include an outline of the overall strategic context, the articulation of key planning assumptions, the selection of realistic planning scenarios for the deployment of forces, the identification of the forces that would be required to support such scenarios, the development of "force packages" that could take on such missions and identification of those forces necessary to meet the full range of requirements implicit in the Headline Goal. This will enable national contributions to be tailored to meet specific needs and capability gaps identified.

The Findings of the WEU Audit

This is an ambitious objective because the WEU Audit, which was presented to European Foreign Ministers in Luxembourg in November 1999, identified only five types of limited operation that European forces could undertake today. These include the separation of parties at war, the prevention of conflict, humanitarian aid in the aftermath of a natural disaster, humanitarian aid to support refugee and local populations in a conflict zone and evacuation from a conflict zone of WEU citizens in the event of a man-made disaster. The Audit also stressed that European land forces remain too static with only limited projection beyond EU territory being possible. European air operations would be hampered by a lack of Electronic Warfare (EW) capability and offensive C_2-systems whilst several European countries remain unable to integrate their air forces with those of their allies and lack precision strike capabilities. The Audit also reinforced NATO findings in the wake of the war in Kosovo noting the lack of precision-guided munitions and stand-off capabilities. Moreover, European forces also lacked insufficient access to medical support and the ability to effectively assist in the reconstruction or re-establishment of civilian administrations.

Active and passive aspects of the military strategy

The military strategy also assumes a range of active and passive contextual developments that will be essential to European defence. Active elements will include the progressive professionalisation of European forces, together with a programme of "cultural integration" to harmonise language, training, exercising and doctrine. Passive developments include greater use of civilian expertise to promote better understanding of the environment in which complex security operations will take place.

Direct capabilities

Kosovo demonstrated the changing nature of coalition warfare, which characterises the Headline Goal. The Helsinki Declaration calls on the European Rapid Reaction Force (ERRF) to be "militarily self-sustaining with the necessary command, control and intelligence capabilities, logistics, other combat support services and additionally, as appropriate, air and naval elements". To realise this goal, European forces must be able to act and be supported in doing so. This requires the ability to bring military power to bear, so-called direct capabilities, and sufficient support elements or framework capabilities that can sustain that power over distance and over time. If the force is to be "militarily self-sustaining", i.e., does not need US support it will require a range of capabilities in addition to the Rapid Reaction Force. The direct capabilities will include special forces, specialised infantry, armoured, mechanised and air-mobile ground units. Moreover, the forces will require air superiority and strike aircraft that can operate from land and aircraft carriers to protect the force and provide additional firepower, along with surface and sub-surface naval vessels. Sufficient numbers

of battlefield helicopters will be needed to enhance mobility along with deployable force headquarters. Moreover, some form of tactical missile defence is also likely to be required as an additional layer of protection. In short, the ERRF cannot be a force in isolation because it will need a complex and extensive array of military infrastructure when it is in the field.

The new EU Military Headquarters

Equally, when it is not deployed, the role of headquarters staffs will be vital in maintaining a level of planning and exercising that will enable the force to deploy both rapidly and effectively. Although the EU force will be in many ways a "virtual" force, its state of readiness is such that constant updating of all the units that are allocated to it will be essential, together with a database of all the forces of non-EU countries that have indicated their willingness to participate. Situated below the MS of the EU, the Permanent EU Military Headquarters will be essential as part of a policy of ensuring operational autonomy and strong operational links with NATO. Officers of EU, NATO members would be rotated through such a structure but non-NATO, EU Member States who have little or no experience of multinational coalition operations will need working up to a common level. At the same time, progress towards better interoperability between forces should be based upon best NATO practice, especially in terms of standardisation of equipment and harmonisation of doctrine. In spite of differences over overall strategy, it makes little military sense to develop new modes of co-operation that would reduce the ability of EU forces to work with the United States. Indeed, any such move could only be justified on overtly political grounds that would undermine the effectiveness of the Alliance.

Framework capabilities

Framework capabilities include those capabilities that would enable an EU command to act as a focal point for coalitions of forces even if the ERRF were not deployed. These capabilities include advanced communications, air and sea transport and logistics. However, joint doctrine, language and training that are fundamental for any military force will also have to be improved along with non-military elements such as information power and academic expertise. Imaginative solutions to these problems that could help to offset some of the weaknesses, at least in the interim. Phase I would require the development of some limited but independent assets that would enhance both imagery and technical intelligence capabilities, building upon the satellite imagery capabilities that the French have developed, and enhancing the sharing of intelligence and dissemination of classified information within the EU. The Satellite Interpretation Centre at Torrejon would be well-placed to develop such a capability. Greater utilisation of open and commercial information sources during peace support operations should also be fully explored because civilian technology is available and highly advanced.

Strategic lift

Strategic lift remains a weakness for European forces although there are a range of solutions that should be explored that involve cross-border co-operation and the private sector. A European capability is currently being considered as part of a "composite force" that would incorporate tactical lift, strategic lift and a sub-strategic capability using the Future Large Aircraft (FLA). There are several other options including buying or leasing C-17s from the Americans, the leasing of Russian and Ukrainian AN-74s, leasing or co-opting of civilian assets and the leasing of cargo vessels for fast sea-lift. Imaginative solutions could also be found to these problems. For example, Europe's developing high-speed rail network could be employed to move European forces rapidly in support of PSOs, either adjacent to a theatre (such as the Adriatic coast of Italy) or to a port (UK forces from southern England to Marseilles, for example). High-speed rail systems are broader and stronger than traditional railways and with specially designed wagons, the possibility of rapid transit even of armoured formations should not be discounted, particularly as the Trans European Network develops.

Harnessing cultural diversity

The CESDP could take advantage of the many bilateral and multilateral structures that underline the dynamism in European defence. Over the past decade over twenty bilateral and multilateral forces have been formed across Europe. Some of these initiatives were the result of severe cuts in national defence budgets that left individual national formations no longer viable whereas others, such as Eurocorps, demonstrated a commitment to a European responsibility for European defence. The integration of national elements into a multinational force raises several cultural issues. These not only include the obvious issues such as doctrine, command language and joint training but also different interpretation of missions such as objectives, different perspectives about the nature of operations, acceptable levels of risk, rules of engagement and the use of force, as well as cultural attitudes to local populations. A European Combined Joint Staff College (ECJSC), building upon the experience of Eurocorps would be a useful mechanism for addressing these issues. The college could play a pivotal role in the development of a European Standard Peacekeeping Doctrine.

Strategic intelligence

The Revolution in Military Affairs (RMA) will have a profound impact upon warfighting at every level from peacekeeping to full-scale conflict. At the core are improvements in "Situational Awareness", i.e., control of the battlespace through information and knowledge, and to deny an opponent access to such information. The United States is carrying out most of the development work in this area through its "multi-dimensional warfighting" programme. These include enhanced use of satellite and airborne digitised technologies to provide forces with instant information on the location, movement and strength of adversaries

and the provision of personalised surveillance for combat troops through digital radar and camera technology. As an indication of the level of American commitment, the US Research and Development budget is larger than the defence budget of the United Kingdom. Therefore, it is not envisaged that Europe will spend a similar amount in developing such technologies. However, Europe already possesses the expertise and the technology to provide its forces with sufficiently advanced systems that could make a significant contribution to both the operational effectiveness of European forces and their protection.

Reinforcing the EU Military Role: What Needs to be Done

- **At the core of European defence planning will be a European Combined Joint Task Force, i.e., EU Permanent Military Headquarters onto which European national forces will be able to 'bolt-on'. In addition to their EU duties, the Headquarters will maximise the effective co-ordination of operational planning and act as the operations planning link with NATO through the rotation and 'double-hatting' of officers.**

- **A new peacekeeping doctrine for all EU forces is needed at the military-civilian interface to harmonise the approach of European forces to the management of PSOs. A ECJSC should be established to further this important work. NATO doctrine does not effectively cover these areas.**

- **Building upon the WEU Audit of November 1999, the EU needs to establish specific command, control, communications and computer systems for autonomous operations through a detailed study of existing national assets, planned assets and shortfalls to identify specific requirements related to PSOs, short of full-scale war.**

- **Further satellite intelligence capabilities are needed in addition to Helios and designated military satellite communication systems. However, in the interim, the EU must examine what further use can be made of the steadily improving Commercial Satellite Imagery (CSI) technology for PSOs.**

- **In addition to the establishment of a European air transport command (Eurolift) and the enhancement of a strategic lift capacity, a study should also be undertaken of how Europe's developing high-speed rail network could be**

employed to move European forces rapidly in support of PSOs, either adjacent to a theatre (such as the Adriatic coast of Italy) or to a port (UK forces from southern England to Marseilles, for example). High-speed rail systems are broader and stronger than traditional railways and with specially designed wagons, the possibility of rapid transit even of armoured formations should not be discounted, particularly as the Trans European Network develops.

- **As part of the ESDR, a Europe-wide study should be undertaken to look at the implications of the RMA for European forces, the advantages such developments could offer, and the specific programmes together with likely costs. Indeed, it is only at a European level that such a study could be conducted because of the technological complexity involved and the levels of investments that will be required.**

7. The Role of NATO

The role of NATO

NATO will continue to provide the cornerstone for European defence in the event of a strategic conflict. NATO will remain the primary forum for co-ordination of policy between the two sides of the Atlantic. The Alliance will maintain its Article 5 deterrent role, as well as being the co-ordination point for US and European security efforts in the wider world, and the primary forum for the policy control of the West's nuclear policy. NATO will also act as a channel for US technology in support of European defence. In the event of the EU being unable to manage a crisis, NATO will provide the option of escalating the effort. Moreover, the Alliance will continue to harness the military and political capabilities of the non-EU, NATO Allies. Indeed, NATO's future credibility will be based on the notion of the "big stick", the ultimate sanction that will reinforce the softer "voice" of the EU in European security and at the same time provide the pivotal policy and military conduit through which the Europeans can contribute more effectively to sharing the burdens of global security. However, NATO's primary role will be to manage the increasing difference in US and European strategic policy, i.e., act as an interoperability interface to bridge the gaps in force structure and capabilities that result from different policy perceptions.

NATO: setting the standard for interoperability

NATO will continue to set the standard for interoperability and the standardisation and harmonisation of EU forces and beyond. Indeed, there would be little point in re-creating all of the work that has been achieved, for example, in the Partnership for Peace programme, particularly in the Planning and Review Proc-

ess (PARP), that has been so successful in setting convergence criteria for all practical co-operation between forces throughout the European continent. Interoperability remains the key to successful coalition operations in the future, and NATO remains the best forum for the technical development of planning and operational convergence. For example, the Individual Partnership Programmes (IPP) that help tailor the forces of NATO Partner countries to better integrate them with those of the Alliance involve several non-NATO, EU countries already.

The Role of NATO: What Needs to Be Done

- **NATO's primary role in the future will be to bridge the strategy and technology gap that has emerged by acting as an interoperability interface. In particular, NATO will provide core defence planning functions, co-ordinate North American and European military power for operations both within Europe and beyond and act as a technology 'nexus' ensuring effective interoperability between forces at different states of technological capability and readiness.**

8. Exploiting Europe's Natural Strengths

Situational Knowledge

It is an axiom of non-conventional operations and crisis management that political, cultural and socio-economic understanding is of central importance to successful PSOs. Much of this knowledge exists in knowledge communities that span government, academia, NGOs, the media and the private sector. Access to this range of specialist knowledge provides Europe with a major advantage when planning such operations. Indeed, having accurate and timely expertise on tap when unexpected crises occur can accelerate the speed and improve the reliability of the decision-making process.

Co-ordinating information strategies

Information Power (IP), i.e., influence that can be brought to bear on a situation through the management of information during a crisis, is also crucial to the successful management of EU operations. A robust and well-managed operation would help to shape the international environment in which the EU operates and to shape the regional environment where the ERRF deploys. Such an approach would also help to inform a range of audiences, domestic, international and local, enhancing public support for EU operations. In an ideal scenario, information can act not only as a support to forces but can be used to achieve results directly by

exercising operational information dominance and carrying out information peacekeeping. Clearly, there is a narrow line to tread between information management and censorship, which is not in the European interest because the maintenance of the clearly perceived moral high ground will be vital during any operation.

Securing the European home base

The "passive" aspects of defence are becoming ever more important in the face of asymmetric threats. Political will and military ability to take part in PSOs is in part dependent on the extent to which participation may threaten the European home base. For the EU this issue has positive and negative aspects. On the one hand, if the EU has a secure home base, then it will be more willing to participate actively as a cohesive group in operations and to take the lead in military action. On the other hand, an insecure home base will mean that the EU is less able and less willing to participate energetically in PSOs.

Public support

The political base upon which any European force will operate will also be essential. For example, the EU must strike a balance between the functional need to professionalise and the maintenance of the popular legitimacy engendered by the "citizen army". To that end, it is vital that a strong constituency of European public opinion supports both the concept of European defence and particular operations. To date, much of the development work of the CESDP has taken place behind closed doors involving policy-makers and experts without any true reference to European publics. It is clear that as European forces develop, a parallel Public Relations Campaign will have to be launched that both informs and involves European public opinion. It is inconceivable that European defence can develop much further without the active support of European citizens. The alternative is unattractive: the detachment of the European defence and security effort from the ordinary citizen. Given the inevitable need to professionalise European forces during the period of this strategy, that is a very real danger if it is not actively addressed.

Exploiting Europe's Natural Strengths: What Needs to Be Done

- **The creation of a European single centre supporting the command and planning elements with academic and policy expertise would be an important addition to EU situational knowledge during complex security challenges. The EU Institute for Security Studies could become an important focal point for such expertise.**

- **A European Information Power Policy will involve the development of management structures and the evolution of strategies and doctrines as well as the**

appointment of media affairs officers, Psychological Operations (PsyOps) specialists and Information Warfare (IW) personnel and equipment that can best exploit European assets in this field.

- **Europe needs to protect its home base against threats be they against military personnel, civilians or national infrastructure. This will require increased co-operation in European Critical National Infrastructure (ECNI) protection, intelligence and security, management of the aftermath of attack, information management and international co-operation. An EU policy on critical national protection would help to co-ordinate approaches, lead to an effective exchange of expertise and information and rationalise efforts.**

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Part IV

Equipping and Affording European Defence

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9. Securing Supply: The Defence Industrial Dimension

Defence-industrial rationalisation

On paper, European defence industries seem well-placed to plug the capabilities gap. According to the Stockholm International Peace Research Institute (SIPRI), there are seven European defence companies in the top twenty. Moreover, European defence industries are very much in the news at the moment as the pace of rationalisation that is finally underway, not as a function of EU policy but more the result of corporate and commercial pressure. Indeed, compared with the United States, the failure to modernise and rationalise the European defence industry verges on the shameful. The irony is that the institutional development gives a completely different impression. With the Western European Armaments Group (WEAG), the European Armaments Agency (EAA), the "Organisme Conjointe de Coopération en matière d'Armament" (OCCAR) and the Letter of Intent (LOI) group (not to mention the Western European Armaments Organisation [WEAO]) competing for the role of procurement supremo for European defence, it would appear that the secure and co-ordinated supply of equipment and material is assured. However, due to powerful vested political and industrial interests, progress cannot be assumed.

Paradox in US-European Relations

Moreover, no area highlights the paradox in US/European relations more than the defence market. Political allies though the Americans may be, their massive defence contractors are voracious competitors that have shown themselves willing to use whatever means necessary to achieve market dominance. A further irony is that the very attempts by European governments to protect their indigenous industries through preventing the adoption of a single European market in defence has increased the threat of European companies becoming sub-contractors to the American giants. Certainly, there is no reciprocity in the transatlantic armaments relationship with the US Department of Defence effectively preventing outside access to the US market.

The need for a European Armaments Agency

European procurement practices are still fundamentally *dirigiste* in their approach and involve a micro-management and committee-based mentality that tends to lead to over-sized project teams, bloated costs and production schedules that overrun their targets by significant amounts. It is not without irony that the traditional approach to trans-national procurement is still enshrined in the NATO's AC-313 Working Group on procurement, a practice that is some twenty years out of date compared with the best proactive solutions. Given past European approaches to joint efforts, which tend to be the result of compromise, there is undoubtedly a danger that a genuinely effective EAA will adopt practices that are old-fashioned, thus effectively building inefficiency back into advanced

procurement processes. Where possible, any harmonisation should reflect best practice, and that will require an effective over-seeing body. In short, the EU must back the creation of an effective EAA.

The main tasks of the EAA would be to promote convergence criteria for the requirement of military equipment and to rationalise the current multifaceted and overly complex approach to armaments co-operation. In particular, an EAA would provide an institutional setting to promote industrial rationalisation, promote dialogue to manage the political and technical issues that emerge from the rationalisation of the European defence-industrial base, promote an easier and more effective transfer of defence technology and equipment between EU Member States, promote the exchange of sensitive information and technologies, promote joint research and development and harmonisation of the military requirements of European forces.

Harmonising European procurement processes

However, the Europeans must also face up to several difficult problems in this area that continue to prevent effective harmonisation. One option could be to move away from fixed cost approaches or the policy of Juste Retour that allocate work by national quotas. The focus should shift to effective means production. The US model of using a prime contractor has proved itself more efficient involving a single lead industrial partner who manages all aspects of a procurement programme, thus encouraging flexible and effective project management.

The need for economies of scale

In the longer-run, European defence procurement will need to become more like that of a single state in which the debate is carried out between strategy and the needs of the three services, rather than as a process of horse-trading between states. The progressive harmonisation of equipment requirement and standardisation would suggest that an EAA would enjoy many of the advantages of US procurement policy, i.e., large research and development budgets, long production runs and centralised project management. Indeed, only through such economies of scale can European governments overcome the ever-increasing unit cost of equipment, research and development costs associated with the digitisation of future conflict and the need for expensive mid-life upgrades.

Ensuring European control over supply

Ultimately, European procurement is a question of trust because of the link between national procuement policies and industrial policies – trust between European governments and trust between European national champions. However, it is in these areas that the EU has shown itself to be particularly strong. Indeed, as the complex manoeuvring that has taken place between BAe, Aerospatiale and DASA has shown, along with the subsequent creation of EADS, that goal is still some way off. However, for a CESDP to be effective, it must have access to a secure and independent supply of equipment and technology to ensure

that European policy remains free of restrictions or undue influence. As such, the procurement process is pivotal to European defence. The US must not be permitted to control the 'tap' of supplies to European forces because the temptation to use such a means of control to influence European policy will undoubtedly prove on occasions too strong to resist. Securing Europe's supply of advanced military technology and equipment (and its re-supply) is a pre-requisite for European defence.

Procurement Policy: What Needs to be Done

- **The OCCAR Treaty of September 1998 between France, Germany, Italy and the UK should be developed, based upon the Letter of Intent of July 1998 between France, Germany, Italy, UK, Spain and Sweden that contained important new precedents for the efficient management of European procurement. First, "shares" in a project would henceforth be measured in financial terms rather than allocation of work. Second, OCCAR can manage specific programmes. These are important steps on the road to the creation of a EAA, the harmonisation of requirement, equipment specification, information transfer and ultimately common procurement. The EU must back the creation of the EAA.**

- **Article 296 of the Treaty of Amsterdam that exempts the defence industry from European competition law should be modified to promote the development of a single market in defence. This will help Europe move towards the creation of major European Aerospace and Defence Companies or European Champions. Given the increase in unit costs and technological complexity, European national producers are too small to both compete with the American manufacturers and to generate sufficient capital for research and development.**

- **However, an outright monopoly within the European defence market would not be advantageous. A degree of competition should be maintained.**

- **Transatlantic co-operation should also be promoted on a case-by-case basis where and when there is genuine willingness by the US to transfer technology. The EU must continue to lobby the Americans to open the US market to European manufacturers. An extension of the "Declaration of Principles" that underpins US-UK armaments co-operation should be extended to the EU 15.**

- **The EU should examine how to improve the flow of classified and sensitive data associated with the development of systems and platforms, and actively promote the creation of coalitions led by European manufacturers for specific projects.**

- **The EU should promote flexible project management techniques based upon the Prime Contractor approach favoured by the Americans, and must eventually replace the use of Juste Retour as a basis for sharing out work in pan-European projects.**

10. Defence Expenditure: Affording European Defence

Affording European defence

Affording European defence has been one of the most daunting challenges that confront the EU. It has become axiomatic that European governments do not spend enough on defence although with over 20 per cent of the world's expenditure and around 60 per cent of that of the United States, this accusation seems misplaced. The main issue today is how to spend current outlays more effectively. Much of the debate is fuelled by American frustration over what they see as inadequate burden-sharing, which is based in itself upon a false assumption that the US defence budget, some 3.2 per cent of GDP, should be matched by its European allies. However, the Americans have cast themselves in a global role whilst the European effort remains focused upon the European theatre. A more accurate comparison would be between that portion of US defence expenditure that goes into European defence and that of its European allies. Thus European outlays appear more reasonable. Equally, there is a broad range of commitment amongst the EU Member States that will have to be harmonised. Needless to say, a direct correlation exists between defence expenditure and the development of European defence that no clever re-allocation of resources can resolve. At some point, new money will be needed to move beyond the status quo.

However, before increased expenditure is called for, EU Member States should be encouraged to see how existing resources can be released through re-allocation. A lot of resources are wasted through redundant fixed assets and infrastructure and duplication of effort in non-essential areas. A Revolution in Business Affairs (RBA) is required that transfers best practice from the commercial sector, including the use of commercial techniques, such as outsourcing of non-core activities, leasing of equipment and just-in-time/focused logistics.

Traditionally, defence expenditure has been based upon a narrow national calculation of interest, threat and affordability and it is clear that this will also be

the case for the EU. Given the strategic climate and the possibility of a "ten year rule", i.e., that no catastrophic strategic threat to the European home base is likely to emerge over the next ten years a balance between affordability and capability will be very important. This places an increased premium on the development of common elements in areas such as strategic intelligence, lift and procurement in order to maximise the efficiency of each Euro spent on the European defence effort. Ultimately it is up to political leaders to convince public opinion that there is a return on investment from increases in expenditure. There is no question that the process of professionalisation will mean significant up-front expenditure that will be hard to justify without demonstrating that in the longer run such an investment will lead to future cost efficiency and that every effort is being made to reduce the burden of such investment upon the tax payer through a robust analysis of current expenditure and the adoption of new cost management techniques.

Incremental increases in defence expenditure

Affording European Defence: What Needs to be Done

- **The EU should promote an RBA by examining how to reduce redundant national infrastructures, practices and assets in order to release resources that are currently lost through anachronistic practices. An examination of commercial techniques, such as outsourcing of non-core activities, leasing of equipment and just-in-time/focused logistics would be useful.**

- **A central registry of the inventories of equipment and material of all European forces would enable non-participating EU Member States to support EU-led operations during operations.**

- **In time, a nominal target for defence expenditure of 2 per cent GDP by 2010 for the EU 15 (plus accession states) might be useful.**

- **The EU needs to launch a study to harmonise defence budgeting and auditing techniques amongst the 15 to ensure a like comparison can be made between national defence accounting procedures.**

- **A further study is needed to examine steps towards the creation of a common operational budget. One way forward may be for Member States to allocate part of their defence expenditure for EU-led operations.**

- **Given the constraints upon defence budgets the effort to increase resources available to the EU military effort should have two distinct phases. First, an examination of current commercial practice for cost-cutting and rationalisation, particularly with regard to those areas of combat support services (CSS) that could be outsourced to civilian contractors thus reducing the excessive reliance of European militaries upon static infrastructure and fixed assets. Second, upon completion of such an 'audit' a nominal target of 2 per cent of GDP as a baseline for defence expenditure by EU Member States (plus future members) could be useful in helping to balance spend efficiency and affordability with capability. Indeed, if a Revolution in Military Affairs (RMA) is to take place, it will need to be matched by a Revolution in Business Affairs (RBA) that makes best use of advanced civilian business, cost management processes.**

Part V

Beyond 2015 – A Vision for the Future

VAKAT

11. Towards a Common Defence

Progressive development of common institutional structures

In looking to the future, it is necessary to make certain assumptions that would appear reasonable given the history and development of the European Union. During Phase II, progressive institutional and procedural convergence will take place including the reinforcement of the position of the High Representative as the focal point of decision-making. It is also reasonable to assume that at least one round of enlargement of the EU will have taken place and the Union would comprise a minimum of 21 members. In the event of a second round of enlargement, the membership could increase to as many as 30. As a consequence, several Intergovernmental Conferences will be required merely to accommodate the pace and scope of change. Whilst non-military aspects of EU security would have become firmly entrenched in Pillar I, the separation of military aspects into Pillar II would become increasingly inefficient. This problem would be particularly acute given the budget-driven demands for force specialisation that are already apparent as resources fail to keep pace with demand, reinforcing the need for common military elements. The pressure for harmonisation of the institutional and military aspects of European Defence is likely to be intense.

Towards a common defence

During its conceptual stage, the military aspects of Phase II would run in parallel with Phase I but would look further ahead and involve more conceptual work over a thirty-year planning framework. In particular, this work would examine force levels necessary to protect the European home base from every type of threat in addition to the ability to fight a MTW outside of the European theatre.

Benchmarks for commonality

The mechanism for the transition from intergovernmental, collective structures to common elements would be through the progressive and incremental application of MDCC towards the military sharp-end, i.e., operational structures. In fact, they could serve various functions already by framing consensus on a common policy, establishing "benchmarks" (somewhat arbitrary, perhaps, but intended also as tests of political will), and by providing a mechanism for compliance embedded in a workable and coherent institutional framework.

European defence continuum

In specific terms, Phase II would see a move away from a focus purely on collective security and force projection towards collective and ultimately common defence. In essence, it would be a continuum of Phase I involving progressive commonality in the areas of defence infrastructures, defence resourcing and defence funding, and eventually supreme command and control mechanisms and the development of appropriate institutions and structures more usually associated with national defence efforts.

Specialisation and common defence

The longer-term military development of a CESDP would also emerge from the capabilities and doctrines that the EU needs to move beyond Petersberg-type operations successfully. One of the lessons that emerged from Kosovo was a trend in coalition warfare for coalition members to deploy sub-units. Indeed, it is likely to be increasingly the norm for national elements to deploy support units without their parent formations. This suggests a move away from task-sharing in the medium to long term towards specialisation, especially in the logistics train, and may well herald the emergence of common, supranational 'groupements' that replace national units such as divisions, regiments etc., thus reinforcing the importance of the Macro-Defence Convergence Criteria to the development of a CESDP.

Force specialisation & common defence

Indeed, to some extent specialisation is already underway. Whilst the UK, for example, can still deploy full or part formations as part of the NATO task-sharing philosophy it has less capability in areas such as air defence and armour than the French and the Germans. This is an inevitable outcome because of scare resources that fail to meet mission requirements forcing states to make hard choices based upon their particular strategic calculation, i.e., every European state is forced to some extent or another to set sub-optimal force goals. The outcome of what is a natural process is that the force specialisation/task-sharing divide is likely to be replaced by a natural balance that will, in time, provide a powerful impetus towards common defence.

Towards a Common Defence: What Needs to be Done

- **Phase II (2015–2030) envisages the progressive transfer of national decision-making, command and control competencies into a common structure, in which qualified majority voting in some form would be the rule within a common legal framework. An Evolution of Policy study should be undertaken to examine the mechanisms for such a transfer as part of a Food for Thought Paper.**

- **An Evolution of Warfare study would provide the basis for moving from a combined and joint approach to the development of common force packages and elements. Even at a functional level this would be essential because much of today's military equipment could have a thirty to forty year life-span. The study would be scenario-based, but also look at how key elements can "evolve" into common structures. In specific terms the study would examine command and control elements, capability component options, force mix options, force structures as well as what equipment is likely to be needed.**

12. The Emergence of the EU as an International Security Actor

Towards a New Strategic Security Goal

It is fifty years since the famous Schuman Declaration that helped set Europe on the long road to European Union. It is fitting and appropriate that at the dawn of the twenty-first century, Europe is finally constructing a security and defence policy that reflects its ambitions, its values and its needs. In a way, Europe has reached the end of that initial historic phase, and stands on the edge of a new and exciting period of growth and development, in which the EU strategic security vision must be balanced by practical and achievable goals. This strategy offers a way forward by establishing a NSSG that can realise the ambitions that the European Union represents. As such, the strategy is designed to guide policy debate, to promote public discussion and to inspire academic debate.

The limits of strategy

Furthermore, such is the pace of developments in European defence that the strategy does not attempt to answer all the questions that are emerging. In fact, it probably raises as many questions as it answers. Moreover, there are several important issues which the strategy has chosen not to confront. For example, many American commentators accuse the EU of beginning a process of de-coupling through the creation of the CESDP. However, US policy is also pushing Europe in that direction. National Missile Defence (NMD) has profound implications for Europe because it could represent not only the start of a process of political disengagement by the Americans but also the transfer of threat from one Western ally to another. To many Europeans, these developments underline the need for the EU to be able to operate autonomously whilst at the same time engaging the Americans in a dialogue of genuine equals.

The profound social consequences of European defence

European defence also has profound social consequences within Europe. The implications of professionalisation need to be addressed more fully as those responsible for the conduct of war become increasingly separated from the societies that they serve. Indeed, if conscription in many European countries is to end in the name of military efficiency, it must not do so at the expense of popular understanding and support for Europe's armed forces – something that will only be achieved through the active and continued involvement of public opinion. No strategy can resolve these important political and social questions.

Promoting a more peaceful world through an integrated Europe

The enhancement of the European Union as an international security actor is a process that has been underway for a very long time. It is not new, nor is it surprising given the long journey towards political integration that the countries of Europe have made since World War Two. Indeed, one must not forget that it was from conflict that the Union was born, and it is entirely appropriate that given the all too long experience of such suffering that Europe has witnessed, the

European Union should now fulfil its destiny as a unique and holistic security actor in a complex and challenging international environment. Ultimately, the EU's CESDP is simply a means to an end: the promotion of a more peaceful, stable and secure world through an integrated Europe. Therefore, enhancing the role of the European Union as an international security actor is in the interests of all.

Venusberg Group

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