European defence: 2000 and beyond

In the space of a year, from St-Malo to Helsinki, the European Union has made more progress on common defence than during the previous forty years of European construction. The pace of these developments is as striking as their seriousness and scope. Much more than a technical reaction to the circumstances of the Kosovo crisis, the decisions taken at Cologne and Helsinki are on the one hand a reflection of fundamental political developments in most European countries: the conjunction of a United Kingdom that is more European, a France that is less anti-American, a Germany that is more sensitive to the very notion of national responsibility, and the evolving views in all countries of neutrality or the Union's role in the world, present for the first time the opportunity for major compromises on the European Union's political configuration. This body of converging circumstances should on the other hand allow the Union from now on to play its role as a comprehensive actor with the benefit of a complete range of instruments — from trade to diplomacy, from economy to defence and from humanitarian to military actions.

Of course the list of challenges that the Fifteen will collectively have to face in the coming months is enormous. No less, the drawing up of guiding principles for meeting these challenges does not seem to be something that is out of reach. Depending on the subject at issue, these could be stated as follows:

• Cooperation essential, subordination unacceptable: the establishing of relations between the Union and NATO will without doubt be one of the most delicate issues to be settled for the maintenance of transatlantic harmony. The Union cannot see its status reduced to that of NATO subcontractor any more than the Alliance can be treated as a secondary organisation in matters of European security. If the United States is earnest in its wish to share the burden of crisis management, it will have to acknowledge the European Union's political autonomy. If the Europeans wish to act in partnership with America, it is from within the Alliance that they will be able to exert the greatest influence.

• Discrimination prohibited, differentiation legitimate since all the European countries are involved in the future of the Continent, all must be able to participate in the European Union's military activities. But because the Union is at the same time something other than a crisis-management organisation, associating the NATO non-EU members with the European force will serve if the unanimity of interference and the principle of sovereignty, and that they form a common vision of the Union's strategic principles on the use of force, its ambition, the areas in which it might intervene, a doctrine on the use of its forces, etc. None of these questions was resolved at the time of the Western intervention in Kosovo. Nor can any be left buried if the Union really is to assume strategic responsibility in peacemaking on the European continent.

• No capabilities without cash: the question of military expenditure is without doubt the most politically difficult for all the democratic governments of the European Union. Overall it is of course for the Union less a matter of dramatically raising defence budgets than of allocating available national resources in a different way. But since the defence expenditure of European nations varies widely, it is hard to see how the credibility of military forces can be maintained without more or less painful efforts in the end being taken by all of them.

• No instrument without a strategy: by definition, and following past practice, the European Union has so far not really developed a common strategic culture. Of course, by political choice the question of collective self-defence, in other words a European Union 'article 5', does not arise, and therefore asking it serves no purpose. On the other hand the autonomous management of Petersberg missions presupposes that member countries acquire and develop common principles on the use of force, its legitimacy, the role of the UN, the notion of interference and the principle of sovereignty, and that they form a common vision of the Union's strategic ambition, the areas in which it might intervene, a doctrine on the use of its forces, etc. None of these questions was resolved at the time of the Western intervention in Kosovo. Nor can any be left buried if the Union really is to assume strategic responsibility in peacemaking on the European continent.

Nicole Gnesotto
Director
INSTITUTE ACTIVITIES

Research team

Dr Julian Lindley-French, who is British and a member of the Department of War Studies, King’s College, London, is to join the Institute’s research team in early January. A graduate in Modern History from the University of Oxford, he has a Master’s in International Relations and did his doctoral research at the European University Institute, Florence. A specialist on NATO and European security, he has been a broadcaster in Europe and the United States.

Giovanna Bono, who is Italian and has a Master’s degree in Information Science, joined the Institute’s documentation department in early September. She was previously Information Specialist at the London School of Economics.

Defence industries task force

The third session this year of the Institute’s defence industries task force (organised by Burkard Schmitt) was held in Paris on 27 September. The subject of this meeting was ‘The LoI negotiations – a first assessment’.

A fourth meeting of the Institute’s defence industries task force, entitled ‘Towards a common European demand for defence goods’, took place at the Institute on 10 December.

External publications


Institute seminars

Defence industries task force

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European Disarmament and non-proliferation policy

A second workshop on Europe’s disarmament and non-proliferation policy took place at the Institute on 15 October (Burkard Schmitt). The topic examined was ‘The Europeans and the NPT Conference of the year 2000’. A Chailiit Paper on non-proliferation by Camille Grand, a French specialist and former Institute visiting fellow, is to appear shortly.

Transatlantic relations

Transatlantic relations form one of the Institute’s major areas of work. At the request of the National Defense University, Washington D.C., the Institute organised a seminar (Antonio Missiroli) in Paris on 22 October on the evolution of transatlantic relations. The main topics discussed were the lessons of Kosovo, the future of the European Security and Defence Identity and nuclear issues – a subject that will be at the heart of the strategic debate in the United States in the coming months.

Convergence in European defence

On 6 December the first meeting of a new Institute task force was held to examine the concept of convergence ‘indicators’ in the field of European defence (Maarten Rutter). A Chailiit Paper on this subject by François Heisbourg, the president of the Geneva Centre for Security Policy, will be published in the spring.

Multinational forces in European peacekeeping operations

At the request of the Hungarian Ministry of Foreign Affairs, the Institute jointly organised a conference on this subject (Gordon Wilson) with the Hungarian Institute for Strategic and Defence Studies, in Budapest on 3 and 4 September.

Making CFSP work

The Institute combined with the Swedish Institute for International Affairs (SIIA) and the Swedish National Defence College in organising (Antonio Missiroli) a conference entitled ‘Making the Common Foreign and Security Policy Work’ in Stockholm on 30 September.

Istanbul, is also a former visiting fellow.

Forthcoming

Chajiit Paper 37, ‘The European Union and the non-proliferation of nuclear weapons’, by Camille Grand (Institute visiting fellow), published this month.
Chailiit Paper 38, ‘European defence and flexibility’, by Antonio Missiroli.


Now available on the net

The following publications have recently been added to the WEU website (details on front page):

Readers who need hard copies of previous issues of Institute publications can obtain them from Marie Antinorii on request.

Joint seminars

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Institute publications

Occasional Papers


This was followed in November by Occasional Paper 10, ‘A delicate process of participation’, subtitled ‘The question of participation of WEU Associate Members in decision-making for EU-led Petersberg operations, with special reference to Turkey’. The author, Münevver Cebeci, who is a Turkish researcher based in Istanbul, is also a former visiting fellow.

Research awards

At the Institute

Between September and December the following nationals of WEU countries granted awards worked at the Institute: Joanna Bezala (Polish), whose research topic was ‘Accession of Poland to the EU and NATO, and its consequences for Ukrainian perceptions of risks’; Maria Anguiás Carauel (Spanish), ‘The new European security and defence
architecture: a Spanish view'; Heather Grabbe (British), 'The implications for European security of extending EU border policies eastwards'; Sandra Mezzadri (Italian), 'The opening of defence markets: the stakes and modalities'; Hanna Ojanen (Finnish), 'Finnish and Swedish positions regarding the development of the CFSP and its defence dimension'; Vinko Vegc (Slovenian), 'The impact of European security institutions on the security of Slovenia and Macedonia'; Nataliya Yakovenko (Ukrainian), 'The impact of Ukraine and its place in the new European security architecture: Ukraine's relationships with NATO, WEU and other European institutions.'

At other European Institutes
Ferenc Mdlar (Hungarian), 'The public perception of the changing role of the Armed Forces in the so-called Visegrad countries', at the Royal Institute of International Affairs (RIIA), London; Jana Pakajova (Slovakian), 'The role of Slovak cooperation in crisis management', Institut français des Relations internationales, Paris; Marie Vlachova (Czech), 'Peacekeeping and the change of the military profession', RIHA.

Work for WEU Council
Nicole Gnesotto, the new Director, submitted her proposals for the Institute's work programme to the Permanent Council on 26 October.

Martin Ortega participated in meetings of WEU's Mediterranean Working Group on 22 September and 27 October.

The Institute is preparing a Euro-American seminar, to be held in Paris, in conjunction with the French Presidency of WEU's Transatlantic Forum, in spring 2000.

External activities

Contributions by the research team
September
- Guido Lenzi: Halki international seminar International organisations and the Mediterranean region, with Martin Ortega, National Institute for Global Strategic Studies meeting 'Transition and Perspectives', Algiers.
- Burkard Schmitt: Cercle Stratégique Franco-Allemand 'Political and military consequences of the Kosovo conflict', Berlin.
- Dimitrios Triantaphyllou: OSCE seminar ' Bosnia and Herzegovina Inter-University Steering Committee on Security Studies', Sarajevo. Institute for Regional and International Studies conference 'Security and Reconstruction of South-Eastern Europe: A Policy Outlook from the Region', Varna, Bulgaria.

December
- Antonio Missori: Deutsche Gesellschaft für Auswärtige Politik (DGAP)/Institute of International Relations (IIHR) Prague conference 'CFSP after the Kosovo crisis', Berlin. EU/Institut für Europäische Politik (IEP) conference 'The development of a common European security and defence policy', Berlin.

Support to other European bodies
- Halki International Seminar, September.
- Seminar 'New challenges for European Security', Centro de Información y Documentación Internacionales en Barcelona (CIDOB), 5-6 November.
- Research project 'La Identidad Europea de Seguridad y Defensa' by Felix Artega, former Institute visiting fellow.
- AI seminar on regional cooperation in South-Eastern Europe, Rome, 29 October.
- EuroMeSCo publishing activities.
- Centre for European Reform (CER) project on the future of European defence.
The disappointment that followed the failure of the project to form a single large European aerospace and defence company (EADC) did not last long. With the creation of the European Aeronautic, Defence and Space Company (EADS), Aerospatiale-Matra, CASA and Dasa are taking an essential step along the road to Europeanisation.

For the first time, ‘national champions’ are merging all their assets (with the exception of Dasa's aero-engine subsidiary MTU, which will be retained in the DaimlerChrysler group). With the recent inclusion of CASA, what began last October as a Franco-German rapprochement is turning into a truly European grouping. EADS will be the world number three in the sector, with a workforce of over 95,000 and a turnover of 21 billion euros. In a two-tier shareholding structure, DaimlerChrysler and a French grouping (the State 15%, Lagardère 11%, private investors 4%) will each hold 30% of the capital. SEPI, the Spanish state holding company that controls CASA, will hold 5.6%, and 34.4% will be floated on the stock market.

EADS enjoys a dominant position in the European aerospace industry. Through the combined participation of the three founding members, the group will hold:

- 80% of Airbus;
- 45.76% of Dassault Aviation, which makes Rafale, and 43% of Eurofighter;
- 75% of Astrium, the new satellite company, and 25.9% of Arianespace;
- 37.5% of Matra BAe Dynamics (MBD), the focus of missile production in Europe;
- 100% of Eurocopter, the world leader in helicopters.

After BAe's takeover of Marconi and the Franco-German-Spanish merger, the industrial landscape in Europe is characterised by two poles: on the one hand BAe Systems (formerly BAe), which is vertically integrated and highly specialised in defence; on the other EADS, horizontally integrated and strong in the civil sector. The two companies are structurally linked through participation in the main European programmes. The other ‘national champions’ are grouped around these two giants:

- Finmeccanica is not seeking alliances at the level of the parent companies, but wants its subsidiaries to be included in international joint ventures. Solutions for helicopters, missiles, defence electronics and satellites have already been found; there remains civil and military aircraft.
- Saab seems to be following a similar strategy: linked to BAe Systems through a capital alliance and a commercial agreement, it has recently announced its takeover of Celsius, the Swedish number two. Most of the future Nordic champions' activities will probably be in international joint ventures.
- That leaves Dassault and Thomson-CSF: the first is in EADS's orbit and the second will doubtless remain independent.

Whereas the path of consolidation seems clear regarding missiles (MBD) and satellites (Astrium), the civil and military aircraft sector remains to be resolved. In the Airbus consortium, the distinct predominance of EADS requires the role of BAe Systems to be redefined, and Finmeccanica's subsidiary Alenia is seeking greater involvement. Both factors are linked to fighter aircraft: EADS participates in both Rafale and Eurofighter, which are in direct competition on the export market. With the addition of CASA, EADS will become the leading partner in Eurofighter (43%), which poses a problem for BAe Systems (37.5%). The leadership of Eurofighter will in the end go to the first to forge an alliance with Alenia, which has the remaining 19.5%. There is a strong likelihood that Alenia will look for a deal that includes Eurofighter and Airbus, and that the transformation of the latter will be the occasion for a general settlement in the aircraft sector.

The creation of EADS of course poses new problems for the other Europeans, who will have to reorganise their relations with the tripartite giant, but also for the protagonists, who must now integrate three national champions - a Herculean task. These problems are, however, minor compared with the previous situation. In particular, Europe now has two companies of sufficient size to face US competition. Today the idea that BAe Systems and EADS will in the end merge seems neither probable nor necessary. Once the criteria of efficiency and competitiveness have been met, multiplicity in the industry corresponds better to Europe's plurality, a minimum of intra-European competition is maintained and the impression of a fortress Europe is avoided. It is now up to governments to create, at last, a political and legal framework that allows industry to exploit its strong points fully.

Burkard Schmitt

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