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The European Union's Security and Defence Policy:
Struggling to Find its Role in the Big Power Game[1]

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Abstract

The EU seems to be at a watershed in its foreign, security and defence policy. A number of broad trends—the migration to Europe, Brexit, the Trump Administration's "America first" policy, the re-emerged geopolitical rivalry and the Corona crisis—suggest that the EU is confronted with tough decisions to find its role in this changing environment when the multilateral world order is crumbling. In the past, EU debates on security and defence have been laborious, long-term and often frustrating processes, leading to compromises that leave a lot open. The ambition of strengthening the European Security and Defence Policy has led, de-facto, to an emphasis on the military, although these capabilities are often ineffective. National interests as well as formal compromises that do not overcome contradictions in foreign policy have put Common Foreign and Security Policy in second place. While humanitarian values are verbally emphasised, many indicators point in the direction of realpolitik and an intensified military role for the EU. In this process it is essential to design and agree upon a realistic EU Common Foreign and Security Policy, so that the priorities are clear: first the political concept, followed by the necessary civilian and military capacities.

[1] I am grateful to Ramesh Thakur and Sverre Lodgaard for valuable comment on an earlier version of this manuscript.

I. Introduction

The demands in the EU to act more independently in defence and security policy are not new. What is, however, unprecedented is the urgency of the calls within the EU to find its role in the geopolitical power game between the US, China and partly Russia. Many mainstream European politicians believe that the EU is currently at a cross roads. If the EU wants to be a global player at the big table, it has to act now. The Peace Report of the German Peace Research Institutes calls the pandemic in 2020 a "last chance for Europe."[2]

A few pressing issues have intensified the debate within the EU and the general tone is that the Union needs to put in place a coherent foreign, security and defence policy. The ambitions for Europe as a "peace project", which were at the centre of the debate a decade ago and for which the Norwegian Nobel Committee awarded the EU the Peace Prize in 2012, have been pushed into the background.[3] The peace agenda of the EU plays only a marginal role today. The debate and the practical decision-making is now much more geopolitically- than value-oriented.

EU members are divided about key foreign policy issues and hidden behind well-orchestrated summit protocols are a number of dilemmas. How should the EU position itself as a global "peace power" versus bellicose US-administrations' strategies or aggressive Chinese encroachments and sabre-rattling in Asia and beyond? What role can the EU play after geopolitical competition has re-emerged, threatening the multilateral world and good governance? How can a human rights-oriented policy be designed that does not react reflexively with military means in every crisis? Given numerous opposing national interests in foreign and security matters within the EU, is it possible to establish a primacy of one shared foreign policy? And, considering the sovereignty of the member states in defence policy, is there even a path towards harmonised EU military strategies and capabilities and, if so, for what purpose?[4] And what happens to the purpose of the EU as a social project?

The debate in Europe takes place at a time when the liberal international order has collapsed, and the existing multilateral order is threatened. Several global trends, primarily of a political and security dimension, inside and outside the EU in 2020, suggest that the EU and its member countries, are confronted with potentially threatening developments and tough decisions. Some of these trends are threatening the very existence of the Union (like the EU's failure to agree on a coherent asylum policy and Brexit). Other trends could strengthen the EU's desire for more autonomy in defence and security (such as the US criticism about some of the "free-riders" in the European part of NATO and the new geopolitical rivalries between the US and China). The Corona crisis has added a fundamentally new challenge which, if handled wisely and rationally, could actually contribute to a new

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[2] BICC, HSFK, IFSH, INEF (2020), Friedensgutachten (Peace Report 2020), Im Schatten der Pandemie. Europas letzte Chance. Transcript Verlag. Bielefeld. https://friedensgutachten.de/2020

[3] Vicki L. Birchfield, John Krige, Alasdair R. Young (2017), European Integration as a Peace Project, in: The British Journal of Politics and International Relations, Vol. 19, No. 1, pp. 3-12.

[4] Stephan Keukeleire, Tom Delreux (2014), The Foreign Policy of European Union, Macmillan, Basingstoke.

era in the EU in which solidarity (an often-summoned EU value) plays a central role again and in which some of the wearisome quarrels might be overcome.

I. The Onerous Drive for a Harmonised EU in Security and Defence

Looking at the long journey of the EU, trying to speak with one voice in security and defence policy explains the slow, laborious and only gradual process towards a harmonised EU policy. The EU has been struggling for decades with its role in global politics, foreign, security and defence matters.[5] As a general trend, presently, a more coordinated defence and security policy is called for. French President Emmanuel Macron, most outspoken about the role of the EU, sees this process as a long-term project for Europe to "become autonomous in terms of military strategy and capability."[6] Although the discussions in the EU for a more unified policy look like a dance of two steps forward and one step backward, it is evident that there is a very slow but steady move towards a more coordinated policy. It seems the times for nationally oriented security and defence policies in Europe are over, even though de-globalisation has become a popular narrative as a result of the Corona crisis.

The list is long and has been growing over the past few decades. Numerous working groups, studies, institutional reforms, agreements and treaties, etc. were formed and agreed upon: for intensified cooperation, for an EU military capability, for avoiding duplication in armed force structures and in development of weapon systems, for more efficient procurement and more competition in the defence industry. Efforts for intensified cooperation date back as far as 1976 when the Independent European Program Group (IEPG) was founded as a forum for cooperation in defence production and procurement. One could even go back to the mid-1950s if one counts the failed efforts of the Western European Union. Already in 1978, the European Parliament published an influential report that called for better integration of production and procurement of weapon systems.[7] Besides numerous bi- and multilateral projects between two or more member states or firms in different EU countries, there have been a few distinct political decisions that led to slow, but gradual change towards intensified cooperation within the EU.

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[5] Florence Gaub (2019) Global Trends to 2030. Challenges and Choices for Europe, in: European Union Institute for Security Studies, https://www.iss.europa.eu/sites/default/files/EUISSFiles/ESPAS_Report.pdf. Hans-Georg Erhart, Martin Kahl (eds.) (2010), Security Governance in und für Europa, Nomos Publisher, Baden-Baden.
[6] Interview with the British weekly The Economist, 21 October 2019, https://www.economist.com/europe/2019/11/07/emmanuel-macron-in-his-own-words-english
[7] Egon Klepsch (1979), Two-way street: USA-Europe arms procurement (The Klepsch Report), London Brassey's.

Figure 1: Selected Major Agreements, Actions and Treaties in Security and Defence

During the last three decades, a few outstanding decisions were taken in order to come closer to coordinated security and defence action in the EU (see Figure 1). The Maastricht Treaty of 1992 established the Common Foreign and Security Policy (CFSP), providing the EU with a tool for cooperation. The declaration in 1999 of the European Headline Goals was a reaction to the war in Kosovo where the EU (or for that matter NATO-Europe) had difficulties in contributing air transport or intelligence capacities. While the US air force fought an air war on Serbia in the neighbourhood of the EU, European politicians were frustrated to have no military option. In 2000 it was agreed that the EU would contribute 100,000 soldiers, 400 aircraft and 100 ships for such crisis situations. Compared to the military capacities of the individual member states, this is a tiny fraction. One of the outstanding political decisions on defence matters was the Lisbon Treaty of 2009 which established the Permanent Structured Cooperation (PESCO). The Treaty allows member states to cooperate permanently in security and defence, even if other member states are opposed. The idea was to let EU members go ahead while others might still be reluctant. Twenty-five states have signed up to PESCO.

Another milestone is the decision to give the EU Commission more authority in the defence arena, a trend that has been initiated with the Lisbon Treaty and been pursued gradually during the last decade. The EU Commission has intensified its role in this area that so far has been a prerogative of member states. The Commission in Brussels is not just active in foreign and security policy, but also in applying the rules of the internal economic market

to establish a European Defence Technological and Industrial Basis (EDTIB). It promotes research projects in the area of security, and, in addition, the Commission formulated a road map for the defence sector with its Action Plan.[8]

II. New Challenges and Opportunities

The EU is a strong supporter of a liberal international order and a multilateral world. Now that these have collapsed or have been abandoned by the US, the EU seems to be the only possible champion of these concepts and could possibly play a powerful role as a normative champion. In this situation, the EU finds itself confronted with five trends—migration to Europe, Brexit, the "America first" doctrine, the geopolitical rivalries and the Corona crisis—which have intensified the debate in the EU about its future and which have led to the current push for more responsibilities and capacities in security and defence.

1. Migration to Europe and Fortress EU

The arrival of millions of migrants to Europe, especially in 2015/2016, is perceived now as the "migrant crisis" or "refugee crisis". It should better be called the crisis of the EU's asylum and migration policy. The migration to Europe at that time laid open the fundamental divergencies among EU member countries regarding the practical implications of humanitarian values and, furthermore, the inadequacy of the existing global regimes to cope with refugees. The failure to agree on a common asylum policy was, and remains, a low point in holding up the values so dear to the EU. It also became a moment when the breakdown of the Union was feared. The political polarisation within the EU is principally a division about ethical, legal and political obligations and responsibilities to protect asylum seekers.

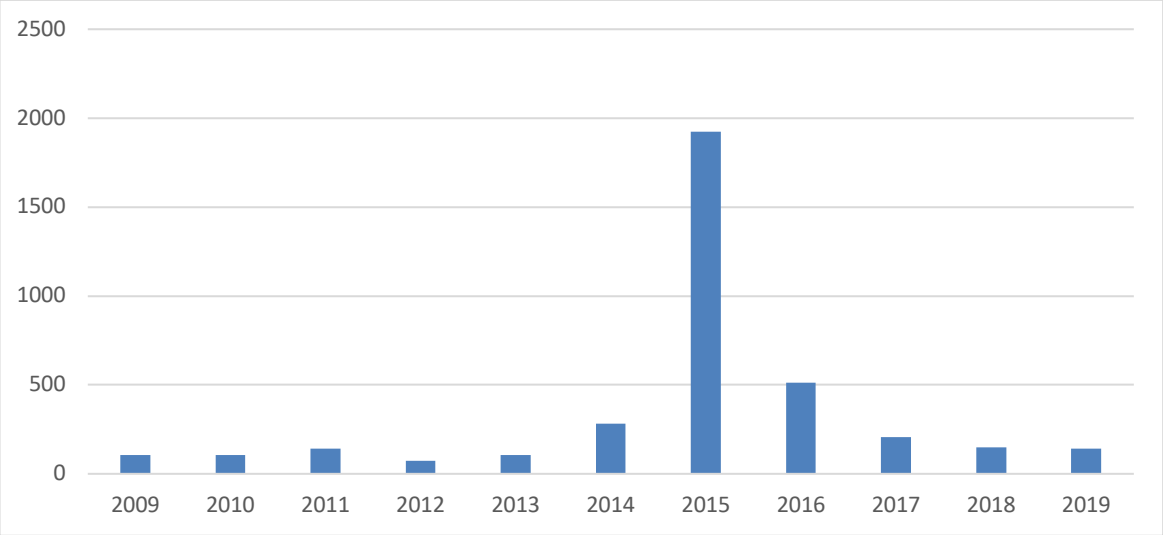
The situation in the mid-2010s was not entirely new. However, the dimension was unprecedented. The year 2015 was the peak in increased migration to Europe (see Figure 2) that began in the middle of the 20th century. The EU had already opened its borders during the Balkan Wars in the 1990s when people fled the war-torn countries of former Yugoslavia. Similarly, in the mid-2010s, most refugees who arrived, mainly in Malta, Greece and Italy by sea as well as in Hungary and neighbouring countries over the land route, came from countries in war, especially from Syria and Afghanistan, but also via North Africa from a number of African countries. The migration routes to Europe in the 2010s were channels for "mixed migration" in which economic migrants found themselves literally in the same boat as refugees.[9] In 2015, the EU was completely unprepared to cope with this situation – and it was primarily civil society that managed to at least feed the immigrants during those first weeks. Though a figure of more than one million refugees in 2015 sounds like a huge number, only a small portion of all refugees arrived in the EU. Other countries host many

[8] Presented in November 2016, https://www.europarl.europa.eu/legislative-train/theme-europe-as-a-stronger-global-actor/file-european-defence-action-plan

[9] Petra Bendel (2017) The EU Refugee Policy in Crisis, Friedrich Ebert Foundation, http://library.fes.de/pdf-files/wiso/13536.pdf Berlin, p. 5.

more refugees. The UNHCR registered 79.5 million forcibly displaced persons worldwide at the end of 2019,[10] by far the majority of them hosted in developing countries.

Figure 2: Illegal Entries in the EU (in 1000 people)[11]



Source: Statista
https://www.statista.com/statistics/454775/number-of-illegal-entries-between-bcps-to-the-eu/

For a long time, the EU member states and their EU institutions (the Commission, the Council and the EU Parliament) have struggled to agree on a common migration policy – and particularly the pattern of distributing immigrants among the member states. So far, they have not succeeded. The core of the problem is the failure of the so-called "Dublin system" and a fairer sharing of responsibilities. The "Dublin system" puts disproportionate pressure on frontline EU member states since it gives EU members the right to transfer migrants to the country of first entry.[12] This puts a heavy burden on countries like Greece, Italy, and Malta as well as Spain and Hungary. The countries where the immigrants first arrive usually have to cope with the situation and have not received the promised and expected assistance from other EU states. This failure, of course, is at the expense of the refugees who live in camps in inhuman and dangerous conditions.

To cope with this fundamental crisis the EU has addressed three issue areas:[13]

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[10] https://www.unhcr.org/figures-at-a-glance.html
[11] The term "illegal entries" is highly problematic. The migrants might be "illegal" under specific national laws, but not so according to international law.
[12] Sergio Carrera, Steven Blockmans, Daniel Gros and Elspeth Guild (2015), The EU's Response to the Refugee Crisis, CEPS Essay 20. https://www.ceps.eu/wp-content/uploads/2015/12/EU%20Response%20to%20the%202015%20Refugee%20Crisis_0.pdf
[13] Petra Bendel (2017), ibid, chose this categorisation.

First, cooperation with countries of origin and transit states, which de-facto tries to outsource the migration policy: Due to the EU's inability to agree on a coherent asylum policy and for fear of growing right-wing populist parties in many EU states, the EU emphasised the idea of cooperating with the home countries of the refugees and transit countries. The aim is to tackle the root causes for migration and support such states with political, humanitarian and development assistance. The EU is one of the biggest donors in reacting to crisis situations. To address the root causes of conflict is a good idea; however, it is by no means a short-term solution. But the EU makes itself dependent on partner governments that are often autocratic and not necessarily complying with the rule of law. Such EU assistance is also problematic because a large part contributes to training and equipping the police, border and military forces with dubious human rights records. The strategy is intended to extra-territorialise the asylum process in an "offshore procedure" by trying to let come to Europe only those people who received their recognition outside the borders of the EU.

Second, strengthening and protecting the external EU borders: Again, the core of the problem is the non-functioning "Dublin system". Therefore, the EU formed a Coast Guard that emerged from the previous EU FRONTEX agency to quickly mobilise border guards when necessary to assist member countries to cope with an influx of refugees. In addition, so-called hotspots were set up where refugees were gathered for the purpose of border management. Several of these hotspots have been set up in Greece and Italy. EU naval forces joined for Operation "Sophia", a military operation started in 2015 as a consequence of migrant shipwrecks in the Mediterranean. The successor, Operation "IRINI" (Greek for peace), in operation now, is no longer intended to rescue shipwrecked refugees (that is left to NGOs that are often hindered in their rescue operations) but to enforce the UN weapon embargo against Libya.[14] As a result of EU policies and the insistence of member states, the EU is strengthening its external borders, physically with fences and primarily with police and military means, to keep the refugees out.

Third, establishment of a common European asylum system: This part is the heart of the migration policy and has, so far, failed. For the past years, the EU has been unable to find a solution or any common ground on migration policy. In the meantime, several EU member states decided not to accept any refugees at all, while others are dragging their feet. As a result, the burden lies on the shoulders of those countries that are either confronted with the arrival of refugees at their border or those that want to meet their humanitarian commitments.

In conclusion, the EU has not been able to come to terms with its internal difficulties in migration policy, at the expense of the rights of refugees that are granted in international law. The political decision-making process has led to move the responsibility for refugees away from justice and home affairs to foreign, security and defence policy, which, in fact, undermines the role of the European Parliament which has limited authority in that area. There is no solution in sight. The EU usually tries to find supra-national solutions or take at least unanimous decisions. This seems not possible when it comes to migration policies. An

[14] https://www.operationirini.eu/about-us/#mission

alternative could be to go back to re-nationalisation and let each country cope with its problems – a path towards the break-up of the Union. Or, to pursue a "two-speed" course which has been practiced in many other areas in the EU – which allows a core group of member states to go ahead with their policy solution. Again, this is not the preferred common road the EU has on its agenda.

2. Brexit: An open ended, but possibly painful divorce

The withdrawal of the UK from the EU has a security and an economic dimension that will affect the bilateral relationship. It is potentially threatening for the Union as other members might follow the British example. All existing EU arrangements and cooperative projects will need to be reassessed. Successive UK governments of different political leanings have never been strong supporters of a common EU defence policy. Alongside cooperation in EU defence policy, Britain has always underlined its special relationship to the US, not the least in defence policy. But in future, the UK will no longer participate in the European Common Foreign and Security Policy (CFSP) or in the Common Security and Defence Policy (CSDP) – which means that agreements on common EU defence and security policy could be more easily achievable after Brexit. At the same time, the UK contributed financially (although not on a large scale) to the EU defence programmes and it has important military capabilities, even projection of force capabilities outside the European continent, that are no longer available to the EU.

The UK government made it clear in parliament that there will be fundamental changes:

> The UK will be leaving the EU's common security and defence structures, and our future relationship with those structures will be as a third country. The UK will pursue a distinctive, independent, and sovereign foreign and defence policy that meets British interests and promotes our values…[15]

The changes will not only be in broader foreign policy relations but also all the way down to cooperation of the armed force and arms industry projects.

Given that the modalities of the relations between the EU and the UK are still not detailed, the future relationship in security and defence is still open. It is safe to predict, however, that Brexit will make cooperation more complicated and possibly more expensive. The network that has grown over decades will need to be adjusted. Will the UK be excluded from joint projects in future or will it have a status as a preferred partner? Whatever the answers, Brexit will be a painful process for the EU and for Britain. Depending on how "hard" or "soft" Brexit will be, the cooperation might result in a sudden standstill, or there might still be ways for partnership and cooperation. In addition, there is still the competition between NATO and EU which has never been solved and might intensify as a result of Brexit.

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[15] UK Parliament, PQ242049, EU Defence Policy, 16 April 2019, https://www.parliament.uk/business/publications/research/eu-referendum/defence-security-and-immigration/.

3. The "America first" policy within NATO and the challenge for the EU

According to the US administration, Europe does not do enough for its own defence. It spends too little and the US has to foot the bill. This fits into Trump's general "America first" policy. In 2014, NATO decided to aim at spending at least two percent of each member state's GDP in their defence budget. In 2019, only nine out of 28 NATO countries—USA, Bulgaria, Greece, the UK, Estonia, Romania, Lithuania, Latvia and Poland—spent two percent or more of its GDP, whereas all other 19 member countries did not reach that threshold, as Figure 3 illustrates. Trump cornered Germany in particular and, in one of his campaign rallies in July 2020, he bluntly said to the amusement of his followers: "Angela, Angela, you have to pay your bill."

President Trump's criticism that too many NATO countries are free-riders and that the US would not accept this any longer, cannot be taken as a simple message to please his voters. Many European countries have regularly rebutted the criticism and argued, for example, that a lot more has been channelled into development aid than what the US has spent. French President Macron countered the US criticism and called NATO in November 2019 "brain dead", a critique directed at the US president's lack of commitment to the alliance. Macron warned that "we find ourselves for the first time with an American president who doesn't share our idea of the European project."[16] Other governments in Europe, trying to rescue the transatlantic partnership, rejected Macron's remarks on NATO.

Despite all diplomatic efforts in the European part of NATO to paint a less drastic picture than President Trump, his criticism, nevertheless, has had its effects. There is both a debate now about intensified EU efforts to spend more in order to be less dependent on the US, to have more autonomy in security matters in Europe and, furthermore, defence budgets have been increased in several countries in recent years. Official NATO data shows that the percentage of the GDP going into the defence budgets has increased in most countries during the last five years and reported growth rates of defence budgets for 2015 to 2019, fluctuating between 1.7 and 5.7 percent real growth.[17]

Defence policy in the EU is complicated by the fact that many (though not all) EU member countries are members of NATO as well, while NATO has European members that are not in the EU. The aim of strengthening EU security and defence policy immediately raises concerns about the role of NATO. While France is strongly in favour of prioritising the EU, most East European governments favour a strong NATO. Others, for example the German government, try to emphasise the importance of a healthy transatlantic relationship in security as well as Europeanisation of defence. With the exit of the UK from the EU, the pendulum swings to stressing the EU role, an issue that was a no-go for the UK. But a division of labour between NATO and EU has never been agreed upon.

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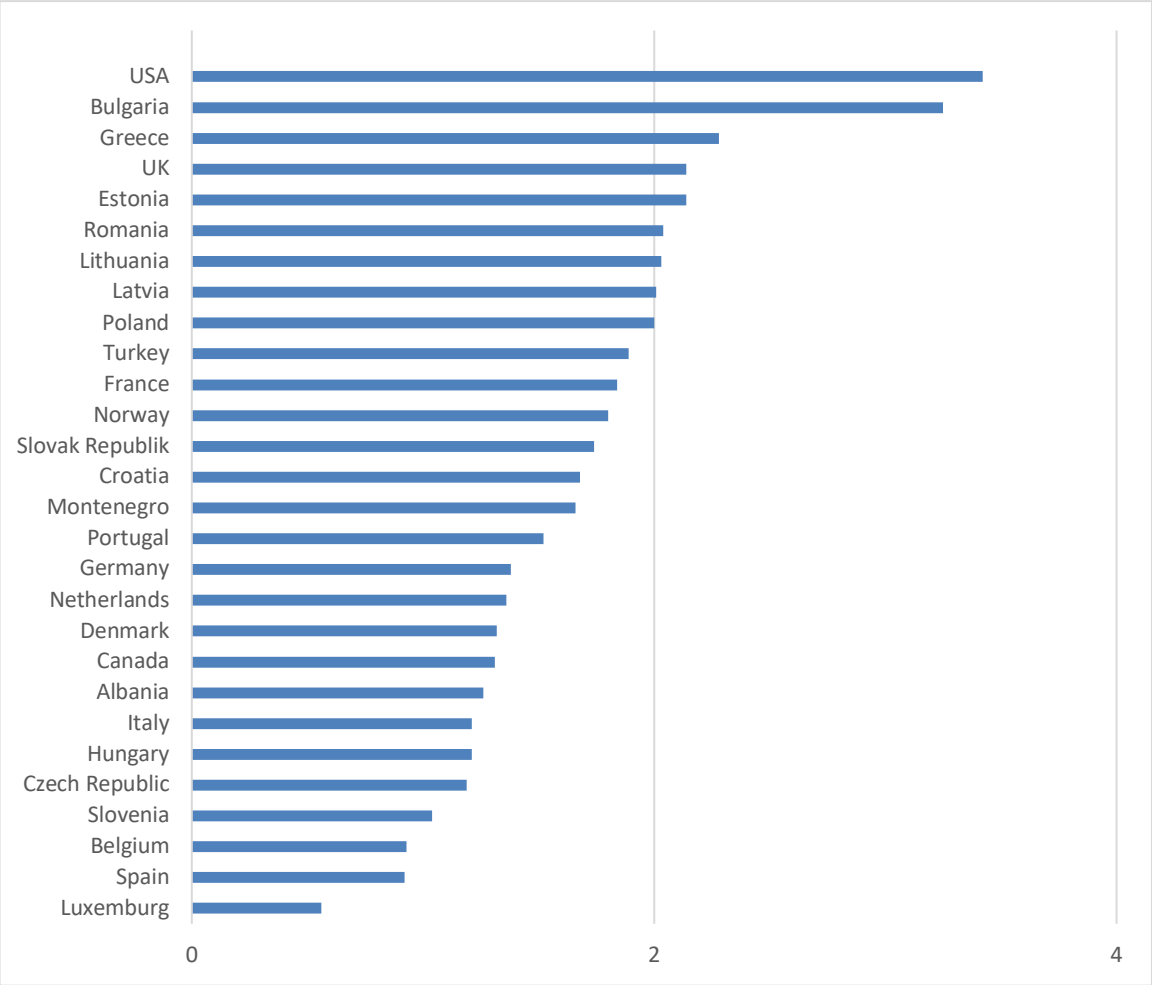
[16] Macron Interview in The Economist, ibid.

[17] NATO Secretary General's Annual Report 2019, p. 40, https://www.nato.int/nato_static_fl2014/assets/pdf/2020/3/pdf_publications/sgar19-en.pdf

Figure 3: Military Expenditure as % of GDP of NATO Countries



Source: NATO Secretary General's Annual Report 2019, p. 40, https://www.nato.int/nato_static_fl2014/assets/pdf/2020/3/pdf_publications/sgar19-en.pdf

Obviously, there is a political understanding among many of the EU governments that the relationship with the US is changing and that the EU has to become more independent in security and military matters. As a consequence, an increasing number of countries invest more resources in defence.

4. The geopolitical challenge: The EU trying to assert itself

The growing economic strength of China has fundamentally shifted power. Already during the Obama Administration, China was seen in the US as its main challenger. With the "Pivot to Asia" strategy, US foreign policy shifted from Europe and the Middle East towards Asia.[18] In this global competition between the two economic and military powerhouses, USA and China, the position of the EU is at best marginal. The Trump Administration has reinforced

[18] Kurt M. Cambell and Ely Ratner (2014) Far Eastern Promises: Why Washington Should Focus on Asia, in: Foreign Affairs, Vo. 93, No. 3, pp. 106-112, 113-116.

the tensions and does not want to play out this competition in multilateral forums but sees it as a bilateral zero-sum game. The EU would like to continue to be closely allied to the US, but this seems more and more difficult, since forums like the UN or the World Trade Organisation are sidelined by the US.

At the same time the EU pursues a policy of cooperation with China to find a balance of interest. It sees China as an economic competitor as well as a systemic rival. China has become uncooperative and expects others to bend to its wishes. Comments about China have more recently been in the tone of China-bashing. The EU official 2019 EU-China outlook illustrates both the cautious approach and the ambition to assert itself:

> China is, simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance. This requires a flexible and pragmatic whole-of-EU approach enabling a principled defence of interests and values.[19]

But that whole-of-EU approach is difficult to achieve, since some of the EU member states (i.e. Greece and Italy for investments, Germany for its exports) do rely economically more on China than others. Thus, in this foreign policy arena, the EU does not speak with one voice and is struggling to find common ground. In his interview with The Economist, French President Macron speaks of the "risk of bipolarisation" between the US and China that could marginalise Europe. He would like to see Europe as "a balancing power" in this rivalry. Josep Borrell, EU High Representative for Foreign Affairs and Security Policy and vice president of the European Commission, envisages a strong role for the EU: "To avoid being the losers in today's US-China competition, we must relearn the language of power and conceive of Europe as a top-tier geostrategic actor."[20]

The relations of the EU to Russia are stressed between a policy of tough sanctions and diplomatic initiatives for dialogue. This is the result of Russia's policy in the Crimea, perceived in contrast to Russia in the EU and the US as "annexation", and Russia's military involvement in the Middle East. On issues of arms control, the EU is interested to keep global forums and treaties intact, but here the EU is not the major player and depends on US-Russia relations. So far, the EU has not been able to prevent or reverse the US policy of departing from arms control treaties, neither in the Iran-P5+1 nuclear deal nor in the INF treaty.

It is not new that the EU, in its Common Foreign and Security Policy, struggles to find its role in this largely geopolitical game. The EU's ambition is to reduce its dependencies on either of the two powers and wants to become a major player itself. This has been hesitantly expressed already in its 2003 Security Strategy, "A Secure Europe in a Better World",[21] which formulated the need to put the EU on the foreign affairs and security map of the world,

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[19] EU-China Strategic Outlook, Brussels, March 2019. https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf
[20] Josep Borrell, Embracing Europe's Power, in: IPG, 25 February 2020, https://www.ips-journal.eu/regions/europe/article/show/embracing-europes-power-4095/
[21] http://www.internationaldemocracywatch.org/attachments/307_European%20Security%20Strategy.pdf

develop tools against global threats and play a stronger role in regional conflicts. In accordance with the UN Millennium goals, the EU strategy made it clear that complex challenges like poverty, hunger, scarce resources, migration etc. could not be solved by military means. The European vision was more self-confidently expressed in the 2016 Global Strategy "Shared Vision, Common Action: A Stronger Europe". The High Representative Federica Mogherini formulated:

> We will indeed have to rethink the way our Union works, but we perfectly know what to work for. We know what our principles, our interests and our priorities are. This is no time for uncertainty: our Union needs a Strategy. We need a shared vision, and common action.[22]

While the 2003 and 2016 strategies concentrate primarily on security, on potential threats and challenges, the Corona crisis has added concerns about the economic viability of globalised structures. Nevertheless, among the principles of the EU is the emphasis on engaging and cooperating and holding on to a multilateral world, and to restoring global governance. But more recently the emphasis has shifted towards increased defence efforts. The Commissioner in charge, Borrell, urged the EU to take "collective security into our own hands" and make "defence a top priority for the Union."[23]

Although the EU has still only limited coherent geopolitical ambitions, the underlying long-term trend shows that there exists a strong impulse towards a more harmonised EU defence policy and corresponding military capabilities. The political will to strengthen the EU defence posture is clearly there; in what way it will be put into practise is still an open question.

5. Corona crisis: An unexpected challenge and rule-changer

The Corona crisis has created a fundamentally new situation and global leadership credentials might be enhanced as, for example, in the case of Germany or damaged as in the case of the US. The US-China rivalry has, according to the EU Commission "exposed the international security threat of a multi-dimensional conflict between the two countries".[24] Not only the EU health systems and the economy in general are affected but, suddenly and unexpectedly, the crisis forced political decision-makers in the EU to throw a number of iron rules overboard in order to cope with the negative economic effects of the lock-down of entire societies. This is most obvious in the budgetary rules of the EU and the member states. As an effect of the Corona crisis, the rules on monetary stability (the long-term debt of member states and the annual deficit rules), spelled out in the 1992 Maastricht Treaty, are no longer iron-cast. The 1997 EU Stability and Growth Pact (with its 60% of BIP debt threshold and 3% of BIP annual deficit) was suspended within a matter of days. What would have been unacceptable in pre-Corona times—the accumulation of debt in unprecedented dimensions

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[22] In the Foreword to the Strategy, p.3. https://euagenda.eu/upload/publications/untitled-8164-ea.pdf

[23] Josep Borrell in his official blog. https://eeas.europa.eu/headquarters/headquarters-homepage/81247/europe-security-and-defence-way-forward_en

[24] Josep Borrell, 30 April 2020 in European Council on Foreign Relations, https://eeas.europa.eu/headquarters/headquarters-homepage/78098/post-coronavirus-world-here-already_en

—is now part of the EU agenda. In July 2020, a package of 1.8 trillion Euros (750 billion recovery fund and 1074 billion EU budget for the years 2021-27) was agreed upon. Although the discussions were difficult and controversial, an agreement was possible. It is meant to be a signal inside and outside the EU about the political will and an economic tool to manage this crisis – a signal not self-evident among 27 sovereign governments who all have their own agenda.

It is not known yet what the long-term budgetary effects of the Corona crisis and the recovery plan will be. In the budgetary area of security and defence, two contradictory scenarios seem possible:

First, given the budget pressures from the negative economic effects of the Corona crisis, defence budgets in the EU might be frozen or even reduced. Already now, security experts NATO Secretary General Jens Stoltenberg and EU Commissioner Borrell have warned against slashing defence spending under pressure from the economic fallout.[25]

Second, in contrast, and more likely, the recovery plans of EU member states and the EU Commission are in such an order of magnitude, that present defence budgets seem almost marginal. Given the trillion-EURO recovery fund and budget and breaking of established budgetary rules, it is likely that the defence industry will profit from these recovery programmes. In many cases, military procurement programmes are already used to stabilise the economic situation by ordering and producing military goods and weapon systems earlier than originally planned.

The budget of the EU Commission for the next seven-year period is controversial since the July compromise of the EU Council goes, according to the EU Parliament, at the expense of important future projects in R&D, climate change and digitalisation. Despite all these uncertainties, substantial amounts will be allocated for defence, since the political will is there to make the EU less dependent on the US. At the same time, a debate about solidarity among the member states has emerged. Although there were heated arguments on how to assist the countries most affected by Corona and who has to foot the bill, a strong current has emerged, pushed primarily by the French and German governments, that generous terms of cooperation and mutual assistance are accepted to initiate the recovery. If this recovery plan works, it will not only have effects on the economy, but is potentially capable of overcoming the long-existing North-South divide in the EU. The North considers itself as economically responsible, while the South is seen as incapable of tough reforms. These notions might be overcome by a carefully managed recovery programme. Whether that is helpful in levelling the East-West divide on different interpretations of the rule of law is debatable.

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[25] Quoted in Alexandra Brzozowski, Europe's defence budget up in the air amid COVID-19 recovery spending, https://www.euractiv.com/section/defence-and-security/news/europes-defence-budget-up-in-the-air-amid-covid-19-recovery-spending/

III. What future? Two Steps Forward, One Step Back

What is the future of the European foreign, security and defence policy (and possibly a re-emerging of a peace policy)? A lot of issues remain unresolved: from differences in the importance of European values to more trivial organisational issues. Common ground, for example, is not only missing in an asylum policy, there is also disagreement on trends to curtail free press and an independent judiciary (particularly in Poland and Hungary but not only there).

A barrier to a harmonised defence policy is, for example, incompatible structures in the armed forces and duplication in development and production of weapon systems. Towards the end of his term, Commission President Jean-Claude Junker, underlined this problem in a 2018 factsheet, published by the Commission. "There are 178 different weapon systems in the EU, compared to 30 in the US."[26] While all these complaints about a lack of coordination and a waste of resources sound familiar, there is, nevertheless, a momentum to overcome national interests.

Beyond these primarily technical and organisational inadequacies, there are some fundamental political—even philosophical—differences. French President Macron emphasised that "military credibility" is essential in a "world where authoritarian powers are on the rise..." And he added: "Basically, I think European humanism, in order to win, needs to become sovereign once again and to rediscover a form of realpolitik."[27] This might be the present political mainstream, but is highly controversial among the people in the EU. Former US President Barack Obama once famously referred to the "Washington playbook" of military power, coming out of the foreign policy establishment. He did not necessarily want to follow that playbook of using the military to solve foreign policy problems.[28] In contrast to their US counterparts who glorify and exalt the military[29], European leaders have largely internalised the futility of war owing to their history. They often stress that the use of force can only be a means of last resort.

While there exists a certain reluctance about military intervention, the EU leaders clearly express a political will and arrange for institutional changes towards Europeanised defence. Among them, the establishment of an EU Defence Fund and the inclusion of defence expenditure in the EU budget since 2017 opened the door to an active role for the EU Commission. The EU 2021-2027 budget allocates a total of €13 billion for security and defence, of which the European Defence Fund has been granted €7 billion.[30] While these figures might still be adjusted, the Commission will play an intensified coordinating role in defence in future. Compared to the total defence expenditures in EU member countries, this is not a

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[26] Defending Europe. The case for greater EU Cooperation on security and defence, https://ec.europa.eu/commission/sites/beta-political/files/defending-europe-factsheet_en.pdf

[27] Macron interview in The Economist, ibid.

[28] Nancy LeTourneau, Obama's Challenge to the Washington Playbook, In: Washington Monthly, March 11, 2016. https://washingtonmonthly.com/2016/03/11/obamas-challenge-to-the-washington-playbook/

[29] Tony Judt, 'What Have We Learned, If Anything?' *New York Review of Books*, 1 May 2008, p. 18

[30] European Council decision 21 July 2020, https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf.

large sum for the seven-year period of the budget. It is almost symbolic or token-politics, except for the fact that it signals the new role of the Commission in defence.

The results of these laborious, long-term and often frustrating processes and debates in the EU are mostly compromises that leave a lot open. The ambition of strengthening the European Security and Defence Policy has led to an emphasis on the military. Common Foreign and Security Policy lags behind due to mutually exclusive national interest and formal compromises that do not overcome the contradictions in foreign policy outlook. While humanitarian values are emphasised (human rights, multilateralism, good governance, free press, independent judiciary, arms control etc.), many indicators point in the direction of realpolitik and an intensified military role of the EU. The political will is there to strengthen EU military capacities; the practice is often contradictory and ineffective.

The EU wants to pacify the conflicts in its immediate neighbourhood, if necessary, by military means. But when it gets practical, it is complicated. In the case of Libya, for example, France and Italy, are on opposing sites in this proxy war. The EU is still far away from a more harmonised EU policy, because the EU is not yet a Union, especially in its Common Foreign and Security Policy. The term is almost an oxymoron; driven by national interests, there is not much 'Common', it has little to do with 'Security' (not to mention peace) and, so far, it is not even a 'Policy' in the sense of a convincing strategy. Conceptually and practically, the civilian and military options are currently blurred. Before EU armed forces' capacities (in what integrated form whatsoever) are formed, it is essential to design and agree upon a realistic EU Common Foreign and Security Policy, so that the priorities are clear: first the political concept, followed by the necessary civilian and military capacities.

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