

3. The military dimension of the European Union

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I. Introduction

The modest attempts of the European Union (EU) to effectively develop its own military security policy were not immediately successful after the major changes which occurred in the late 1980s and early 1990s. In the face of the new challenges and threats that were emerging in Europe and elsewhere, the post-cold war transatlantic ‘division of labour’ as regards security could no longer be predicated on the traditional division into military and non-military areas. Almost a decade passed before the EU states made this realization and developed the concept of the European Security and Defence Policy (ESDP) under the EU’s ‘second pillar’ (common foreign and security policy, CFSP).

Since the 1999 European Council meeting in Helsinki its ‘Headline Goal’—to be able by 2003 to rapidly deploy a sizeable force, up to corps level, for crisis management tasks—has been pursued. Efforts have been made to better meet security threats by implementing the full range of crisis management missions: the Petersberg tasks.¹ Events in 2001 served as a mid-course test for the success of these efforts.

The EU is confronted with several major issues: the ultimate goal and shape of the ESDP; how best to pursue the Headline Goal in both institutional and capability terms; and the challenge of politico-military integration.

This chapter analyses developments in 2001 in the run-up to the deadline of 2003 and assesses the progress of the ESDP. Section II reviews West European efforts until the end of 2000. Section III addresses the steps which have been taken to transform the political commitments made by the EU states into structures and military capabilities and examines the relationship between the EU and other actors. Section IV discusses the EU–US relationship and the challenges to military security cooperation between the EU member states.²

¹ Presidency Conclusions: European Council, Helsinki, 10–11 Dec. 1999, reproduced in ‘From St-Malo to Nice, European defence: core documents’, compiled by M. Rutten, *Chaillot Papers*, no. 47 (May 2001). The Petersberg tasks include humanitarian intervention and evacuation operations; peace-keeping; and crisis management, including peacemaking. They are an aspect of the ESDP as reformulated in the 1997 Treaty of Amsterdam amending the Treaty on European Union, the treaties establishing the European Communities and certain related acts. Excerpts of the treaty concerning the CFSP and ESDP are reproduced in *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 177–81. The Petersberg tasks are discussed in Rotfeld, A. D., ‘Europe: an emerging power’, *SIPRI Yearbook 2001: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2001), pp. 190, 193–195. All EU documentation can be found at the EU Internet site, URL <<http://europa.eu.int/>>.

² Goals have also been set that are intended to improve non-military crisis management and conflict prevention. This chapter does not address those aspects of the EU efforts.

II. From 1998 to 2000

The conflicts in the Balkans made the EU states conscious of the urgent need to reassess and alter the past approach: the European Community and the EU providing aid, trade and cooperation, while the North Atlantic Treaty Organization (NATO) served as the military defender of Europe. Events in the 1990s also demonstrated the growing US reluctance to remain involved in European affairs on the scale of the cold war and the US preference for increased European involvement in situations which affect Europe more than the United States. NATO's intervention in Kosovo in 1999 illustrated the gap between Europe's limited military capability and US military strength. The EU's heavy reliance on the US military capacity during the Kosovo conflict moved the debate on the military security dimension forward and led to the creation of the Headline Goal and related 'collective capability goals' (deployability, sustainability, interoperability, flexibility, mobility, survivability in the areas of command and control, intelligence, logistics, and strategic transport).³

The 1992 Treaty on European Union (Maastricht Treaty) transformed the European Community's European Political Cooperation into a Common Foreign and Security Policy, which aims to 'include all questions related to security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence'.⁴ The EU requested that the Western European Union (WEU) develop and implement decisions and actions. In June 1992 the Petersberg WEU Council agreed on new tasks to strengthen the operational role of the WEU.⁵ The 1996 Berlin NATO meeting gave practical meaning to the Petersberg tasks by envisaging the creation of a Combined Joint Task Force to 'facilitate the use of separable but not separate military capabilities in operations led by the WEU'.⁶ The Berlin decisions thus paved the way from what was considered a military-technical arrangement for borrowing assets from NATO in order to carry out NATO-authorized missions to an EU political security undertaking. In 1997 the WEU's Petersberg tasks were incorporated into the 1997 Treaty of Amsterdam.⁷

A new approach was introduced in the 1998 British-French Joint Declaration on European Defence (Saint Malo Declaration), which noted that 'the [European] Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to

³ For discussion of the EU's military security dimension since 1998 see Rotfeld, A. D., 'Europe: the institutionalized security process', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 250-54; Rotfeld, A. D., 'Europe: the new transatlantic agenda', *SIPRI Yearbook 2000: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2000), pp. 195-200; and Rotfeld, *SIPRI Yearbook 2001* (note 1), pp. 186-99.

⁴ European Communities, *Treaty on European Union* (Office for Official Publications of the European Communities: Luxembourg, 1992). Excerpts are reproduced in *SIPRI Yearbook 1994* (Oxford University Press: Oxford, 1994), pp. 251-57.

⁵ WEU Ministerial Council, 19 June 1992 in Petersberg (Bonn), *Atlantic News*, no. 2436 (23 June 1992).

⁶ NATO, 'Final Communiqué, Ministerial Meeting of the North Atlantic Council, Berlin', Press communiqué, M-NAC-(96)63, 3 June 1996, para 6, URL <<http://www.nato.int/docu/pr/1996/p96-063e.htm>>.

⁷ *SIPRI Yearbook 1998* (note 1).

do so, in order to respond to international crises'.⁸ These steps were a preparation for incorporating the WEU into the EU. In 1999 the post of Secretary General of the Council of the European Union/High Representative for the Common Foreign and Security Policy was created. The Secretary General of the Council of the European Union, Javier Solana, was appointed as the first High Representative for the CFSP.

The 1999 European Council meeting in Cologne had significant implications for the ESDP. The meeting resolved that 'the European Union shall play its full role on the international stage' and that it should be given 'the necessary means and capabilities to assume its responsibilities regarding a common European policy on security and defence'. The EU was to take over the functions of the WEU by the end of 2000. The German presidency conclusions repeated the relevant text of the Saint Malo Declaration regarding the EU's capacity for autonomous action, but the mandate for the EU forces was to be limited to the Petersberg tasks.⁹ The 1999 Finnish presidency decisions envisaged that by 2003 the EU must be able to deploy within 60 days and sustain for at least one year military forces of up to 50 000–60 000 troops (with appropriate air and naval support) capable of carrying out the full range of Petersberg tasks. Collective capability goals in the areas of command, control, communications and intelligence (C³I) and strategic transport were also adopted. In 2000 the EU legislation underwent another change: the Treaty of Nice, which has not yet entered into force, strengthened the links between the foreign, security and defence policy of the EU states and the EU framework.¹⁰ The amendments in the Treaty of Nice reflected the operative development of the ESDP as an EU project.

The 2000 Capabilities Commitment Conference made it possible to combine the national commitments that correspond to the military capability goals set by the European Council meeting in Helsinki.¹¹ The conference identified numerous areas where efforts will be made to improve assets, investment, development and coordination in order to gradually acquire or enhance the capabilities required for autonomous EU action. Denmark opted out of all aspects of EU cooperation with defence implications, but the other EU states

⁸ The British–French Joint Declaration on European Defence is reproduced in *SIPRI Yearbook 1999* (note 3), p. 265. The Apr. 1999 NATO Washington summit meeting agreed on the 'Berlin-plus' deal which assured EU access to NATO planning capabilities, the presumption of availability to the EU of pre-identified NATO capabilities and common assets, identification of a range of European command options, and the further adaptation of NATO's defence planning to incorporate more comprehensively the availability of forces for EU-led operations. NATO, 'Washington Summit Communiqué issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Washington, DC on 24th April 1999: An Alliance for the 21st Century', NAC-S(99)64, 24 Apr. 1999, para. 10, URL <<http://www.nato.int/docu/pr/1999/p99-064e.htm>>.

⁹ It added that such responses to international crises should be made 'without prejudice to actions by NATO'. Cologne European Council, Presidency Conclusions, 3–4 June 1999, reproduced in 'From St-Malo to Nice, European defence: core documents' (note 1), pp. 41–45.

¹⁰ Treaty of Nice amending the Treaty on European Union, the treaties establishing the European Communities and certain related acts, *Official Journal of the European Communities*, C 80/1, 10 Mar. 2001, URL <http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf>. The treaty in its definitive form was signed on 26 Feb. 2001 in Nice after legal and linguistic editing.

¹¹ The Capabilities Commitment Conference was held in Brussels on 20 Nov. 2000. See Sköns, E. *et al.*, 'Military expenditure and arms production', *SIPRI Yearbook 2001* (note 1), p. 245–46.

have committed themselves to making the national contributions, set out in the Force Catalogue (a pool of military assets and capabilities), corresponding to the rapid reaction capabilities. The EU and its partner states pledged over 100 000 troops, 400 aircraft and 100 ships to the European rapid reaction force (ERRF) pool.¹²

The Nice European Council meeting in 2000 decided to make the ESDP operationally capable as quickly as possible, at the latest by the end of 2001.

A credible security actor

Currently, the ESDP is confined to a limited security policy for the EU members; a defence policy has not yet been elaborated. British–French cooperation, as epitomized by the Saint Malo Declaration, represents the new approach to security in Europe. Under Prime Minister Tony Blair the UK has become more ‘European’, and in the second half of the 1990s France became more positive towards NATO. Thus both countries moved closer towards the centre of Europe’s political spectrum from the two extremes—‘Atlanticist’ (the UK) and ‘Europeanist’ (France)—around which the other EU countries were formerly grouped.

All EU members now agree that the European Union must become a credible security actor, although views differ, particularly as regards various aspects of the European–US relationship. Thus the question is not whether a European force should be created but how and to what extent the force is to be developed, what degree of ‘autonomy’ is to be pursued and what roles it is to play. Although there is consensus on the need for an autonomous military security role for the EU, there is a spectrum of views: ranging from those of sceptics, who point to the allegedly insurmountable complexities of the scheme, to those of the enthusiasts, who assert that without a workable security component the CFSP is doomed to fail.

It is difficult to differentiate the various views within the EU with regard to the building of a ‘European force’. However, with the two major European powers—France and the UK—placed in the middle, there remain states that are either cautious about the evolution of the ESDP and opt for retaining a strong transatlantic link (e.g., Denmark, the Netherlands and Portugal) or more pro-integrationist (e.g., Greece, Luxembourg and Spain). Unlike those states which support ambitious military missions for the ERRF (e.g., France), countries such as Finland and Sweden emphasize the non-military aspects of crisis management and envisage the ERRF concentrating on peacekeeping. However, the dividing lines between these groups are not clearly definable.¹³

¹² ‘From St-Malo to Nice, European defence: core documents’ (note 1), pp. 158–63. Analysts claim, however, that because of the need to rotate military personnel 180 000 troops would be required.

¹³ E.g., unlike most of the Italian political community, Italy’s Foreign Minister Renato Ruggiero took a strongly pro-European stance (one indication of which was Italy’s participation in the A400 military Airbus project). After Ruggiero’s resignation foreign policy under Prime Minister Silvio Berlusconi shifted towards a more Atlanticist position.

The varying interpretations of the strategic vision by the major European countries are important. While most of the EU countries support the short-term pragmatic approach to building the ERRF, France champions its long-term goal of a more ambitious '*puissance* Europe', going beyond 2003. Various statements by French officials have suggested that France's goal is not merely a modest crisis management capability for the EU, but the more ambitious project of a standing force.¹⁴

For the UK a credible European security capability means strengthening the European pillar of NATO. The UK is also determined to avert the possibility of more radical plans being pushed through by other EU states. The UK does not want to deplete the modest European resources in order to implement a scheme that might undermine the transatlantic links.¹⁵ It therefore advocates effective use of NATO's assets, avoiding duplication and thus cutting the cost of future EU military operations.

Germany's stand on the ESDP is cautious and points both to increasing 'Europe's ability to act in accordance with its responsibilities, its resources and with international expectations' and developing a 'real strategic partnership' with the USA. German Defence Minister Rudolf Scharping reaffirms that 'in the military field, our goal is not to create a European army' and emphasizes the ESDP's close cooperation with NATO. Germany has expressed the view that both Euro-Atlantic security institutions will benefit from 'synergy and integration'.¹⁶

III. Towards operational capabilities

In order to bring the common security policy into being, as laid out in the Maastricht Treaty and other legally and politically binding documents, the ESDP is now focused on the preparation for and fulfilment of the Petersberg tasks. In 2001 work on the EU's new military capabilities was conducted under the EU presidencies of Sweden and Belgium.

The main EU goal in 2001 was to achieve an 'initial operational capability' by the end of the year. In the first half of 2001 Sweden's priorities in the security field emphasized the civilian aspects of crisis management and conflict prevention. Consequently, the Swedish presidency report on the ESDP to the Gothenburg European Council meeting was predominantly oriented to

¹⁴ The suggestion by French armed forces chief of staff Gen. Jean-Pierre Kelche in early 2001 that the ERRF should have its own planning staff independent of NATO was negatively received by other EU states, fuelling fears that France is pursuing an autonomous European defence at the cost of NATO's role in Europe. 'EU: controversy characterizes debate on rapid reaction force', Radio Free Europe/Radio Liberty, *RFE/RL Newswire*, 28 Mar. 2001, URL <<http://www.rferl.org/nca/features/2001/03/280320011104323.asp>>.

¹⁵ Terriff, T. *et al.*, Royal Institute of International Affairs (RIIA), *European Security and Defence Policy after Nice*, Briefing Paper, New Series, no. 20 (Chatham House: London, Apr. 2001), URL <<http://www.riia.org>>.

¹⁶ Scharping, R., 'European security policy and global stability', *U.S.I. Journal*, vol. 131 (Jan./Mar. 2001), pp. 18–19.

the non-military aspects of European security.¹⁷ Nevertheless, a number of steps were taken to improve the EU's ability to conduct military crisis management operations. Major progress was made in consolidating the necessary internal structures and procedures, but in other areas EU members' efforts encountered obstacles. The Belgian presidency actively turned towards the military security field.¹⁸ As agreed at the Gothenburg European Council meeting, the civilian aspect of the ESDP was also pursued in the latter half of 2001, although the development of the EU policing capability lagged behind military crisis management efforts.¹⁹

Both presidencies pursued the following security-related goals: (a) to enable the EU to respond more rapidly in a crisis (at the latest by the December 2001 European Council meeting in Laeken, Belgium), including taking the necessary measures for implementation and validation of the crisis management mechanisms and further discussions with NATO on mutual arrangements; (b) to ensure the follow-up of the military capability objectives (including defining the details of the evaluation mechanism and organizing the Capabilities Improvement Conference, CIC) in order to realize the Headline Goal commitments; (c) to pursue permanent arrangements with the 15 non-EU European countries; (d) to establish similar arrangements with other potential partners; (e) to set up a satellite centre and an institute for security studies within the EU; (f) to identify possible areas and modalities of cooperation with international organizations; and (g) to further enhance the cohesion and effectiveness of the EU's conflict prevention capability.²⁰

The ESDP structures and procedures

The EU has set up structures and procedures which enable it to analyse, plan, decide on, launch and carry out military crisis management operations when NATO 'as a whole is not involved'. In accordance with the 1999 Helsinki guidelines, the 2000 Nice European Council meeting endorsed the creation of

¹⁷ Presidency Report to the Gothenburg European Council on the European Security and Defence Policy, Press Release, Brussels, no. 9526/1/01, 11 June 2001, URL <<http://ue.eu.int/Newsroom/loadDoc.asp?max=1&bid=75&did=66829&grp=3577&lang=1>>. Both the Nice and the Gothenburg mandates also included recommendations concerning civilian crisis management measures. Of its 5 annexes only the 1 on EU exercise policy is devoted to military-related issues. The other annexes deal with the policing and civilian aspects of crisis management. The appointment of Finnish General Gustav Hägglund (a military representative of a neutral country) to head a new EU Military Committee was interpreted as a possible upgrading of non-military issues at the cost of the ERRF.

¹⁸ According to Belgian Defence Minister André Flahaut the presidency priorities were: military capabilities, a European White Paper on defence, closer contacts with public opinion and national and European parliamentary assemblies, health issues (in the context of the depleted uranium issue), and cooperation between the armed forces of the EU members and in terms of armaments. *Atlantic News*, no. 3308 (13 July 2001), p. 3.

¹⁹ For discussion of EU policing activities see Dwan, R. (ed.), *Executive Policing: Enforcing the Law in Peace Operations*, SIPRI Research Report no. 16 (Oxford University Press: Oxford, forthcoming); and Dwan, R., *International Policing in Peace Operations: The Role of Regional Organizations*, SIPRI Research Report no. 19 (Oxford University Press: Oxford, forthcoming).

²⁰ European Council, Nice, 7–9 Dec. 2000, Presidency Report on the European Security and Defence Policy, VIII, reproduced in 'From St-Malo to Nice, European defence: core documents' (note 1), pp. 175–76; and Presidency Report to the Gothenburg European Council (note 17).

three new bodies—the Political and Security Committee (PSC), the European Union Military Committee (EUMC) and the European Union Military Staff (EUMS)—for the oversight of ERF policy and strategy.²¹ All decisions within these bodies require consensus, which ensures that the ESDP remains a ‘common’ rather than a ‘single’ policy.²²

The politico-military structures of the Secretariat of the European Council were strengthened in 2001. The EU’s Situation Centre monitors both civil and military occurrences and provides early warning and crisis monitoring. In order to strengthen the ESDP Solana increased the number of staff and facilitated a process whereby some of the WEU functions are to be assumed by the EU.²³

The Political and Security Committee

On 22 January 2001 the Political and Security Committee, which deals with all aspects of the CFSP, replaced the Political Committee for the CFSP. The PSC is the ‘linchpin’ of the ESDP and the CFSP and exercises ‘political control and strategic direction’ of the EU’s military response to crises.²⁴ It also plays a major role in coordinating consultation with NATO and third-party states that are involved in a crisis situation. The PSC meets at the ambassadorial or equivalent level in Brussels (usually twice a week). Ten tasks have been assigned to the PSC, including: drawing up ‘opinions’ for the Council of the European Union (hereafter Council), providing guidelines for other committees which address CFSP issues, sending guidelines to the EUMC and taking responsibility for the political direction of the development of military capabilities. The PSC examines political, diplomatic and civil measures, as well as military options. It is not yet certain how the PSC will cooperate with other bodies, such as the Committee of Permanent Representatives of the Member States at the European Union (COREPER).

As a rule, the chairmanship of the PSC rotates with the presidency. However, the Secretary General of the Council of the European Union/High Representative for the CFSP can act as chairman in a crisis.²⁵ Formal consultations between the EU and NATO started in early 2001 at the level of the PSC and the North Atlantic Council (NAC).

²¹ Presidency Conclusions (note 1), pp. 171–72.

²² Belgium, Germany and the Netherlands had opted to give the ESDP structures a more *communautaire* character but were effectively opposed by other states including France, the UK and some others.

²³ The European Union Institute for Security Studies and the European Union Satellite Centre, which are intended to support the CFSP and ESDP, formally began operation on 1 Jan. 2002.

²⁴ Nice European Council Meeting Presidency Conclusions, Nice, 8 Dec. 2000, Annex III, reproduced in ‘From St-Malo to Nice, European defence: core documents’ (note 1), pp. 191–93.

²⁵ The creation of the post of the Secretary General of the European Council/High Representative for the CFSP was intended to enhance the European political security identity. It is the hope of some EU states that the post will evolve into that of a ‘secretary of state’ for the EU.

The European Union Military Committee

There are two additional military-related bodies: the European Union Military Committee and the European Union Military Staff, which is discussed below. The EUMC was made permanent on 9 April 2001, and its first formal meeting was held on 23 May. It is composed of the national defence ministers represented by their military representatives (most of whom are also NATO military representatives) and is the highest military body within the Council. It gives advice and makes recommendations to the PSC on all military matters and has the right to initiate proposals and activities. It also provides military direction to the EUMS and acts as a liaison between it and the PSC. In crisis management situations it acts on the request of the PSC.²⁶ The EUMC is responsible for maintaining an official military relationship with non-EU European NATO members and organizations. The first meeting of the EUMC and NATO's Military Committee was held on 12 June at NATO Headquarters. Information was exchanged on existing assets and capabilities and the ongoing work of both bodies. It was decided that the two bodies will meet as required and at least once during each EU presidency.

Some meetings of the General Affairs Council, a group made up of foreign ministers from member states, have also included defence ministers. Discussions have begun on the establishment of a separate Defence Ministers Council to better handle military capability requirements and overall military coordination. In the past the idea had been rejected by the EU foreign ministers. The EU defence ministers held their first informal meeting on 6 April 2001 to discuss the issues of operationalization of crisis management capabilities and the agenda for the November 2001 CIC. A second informal meeting was held in October. The establishment of a Defence Ministers Council was also discussed at the CIC, but no decision was taken. The Belgian presidency report on ESDP invited the Spanish presidency to further examine the proposal. When the ERRF has developed further, the role of the defence ministers is bound to increase.

The European Union Military Staff

The third body, the European Union Military Staff, was made permanent on 11 June 2001. Its 135 staff members provide military expertise and early-warning capability and support the EUMC in situation assessment and the military aspects of strategic planning, including the 'identification of European national and international forces'.²⁷ However, the EUMS does not have the capacity to plan operations and there is no plan to create a separate EU planning headquarters like that of NATO. The EUMS links the EUMC with national and multinational military headquarters. These arrangements are voluntary for EU members and independent from the control or scrutiny of the European Commission or the European Parliament. The EUMS is part of the

²⁶ 'From St-Malo to Nice, European defence: core documents' (note 1), pp. 193–96.

²⁷ 'From St-Malo to Nice, European defence: core documents' (note 1), pp. 196–98.

Council Secretariat, headed by the High Representative for the CFSP. In addition to his CFSP competences, his role as an integrating force of foreign and security policy has potentially been significantly enhanced.²⁸

Procedures and exercises

Deployment of the ERRF can be initiated independently or in conjunction with other international organizations such as the Organization for Security and Co-operation in Europe (OSCE) or the United Nations. Any military response to a crisis that is carried out under an EU joint action is to remain under the political and strategic control of the EU, even when the assets of NATO or another organization are used.²⁹

If a deployment of the ERRF is to be made, the PSC requests, and the Military Committee issues, an 'initiating directive' to the EUMS Director General. The EUMS draws up strategic options which are sent back to the EUMC. The EUMC may add comments and returns the directive to the PSC. Once it has been given PSC approval the 'initial planning directive' provides guidelines for military action. The host country (i.e., the country to which the troops will be sent) is then asked to accept the action. Gaining the approval of all the EU states will present difficulties. There will be a need for political unity and cooperation in sharing resources and carrying out such missions.

In June 2001 crisis management procedures and measures to facilitate decision making and adequate coordination of all the EU instruments were further elaborated and tested at a PSC crisis management workshop. As a result, the EU Exercise Policy and an EU Exercise Programme for 2001–2006 were agreed.³⁰ The PSC has overall responsibility for all EU exercises. The EU Exercise Policy sets out the requirements for and categories of international crisis management exercises (e.g., chain of command and procedures and arrangements with NATO and other non-EU European partners), including 'the most demanding' ones. The EU has invited NATO to observe all of the EU exercises as long as such invitations are reciprocated; it can also invite non-EU European NATO members and EU candidates to take part in exercises as well as other states, organizations and non-governmental organizations (NGOs). A second workshop, a meeting of the PSC and the EUMC, was held in October 2001.³¹ It examined the issues of financing crisis management operations, improving public and parliamentary knowledge of the ESDP, crisis management, health issues related to military operations and the like.

An exercise to test and validate the structures and procedures of the European crisis management mechanisms was carried out in May 2002. Joint EU–NATO command post exercises are scheduled for 2003, as soon as a formal

²⁸ Cornish, P. and Edwards, G., 'Beyond the EU/NATO dichotomy: the beginning of a European strategic culture', *International Affairs*, vol. 77, no. 3 (2001), p. 595.

²⁹ 'From St-Malo to Nice, European defence: core documents' (note 1), Annex III, pp. 192–93.

³⁰ Presidency Report to the Gothenburg European Council (note 17), Annex IV to the Annex, 'Exercise Policy of the European Union'.

³¹ 'Developing procedures and preparing exercises', Presidency Report to the Laeken European Council on European Security and Defence Policy, p. 7.

agreement between the EU and NATO has been reached. No aspect of the EU Exercise Policy can be carried out until capability deficiencies have been addressed; its implementation will therefore remain limited in scope for some time to come.

Military capabilities

Although structure and procedure are important, military capability is crucial.³² A large number of forces are to be made available for EU missions, but their quality varies. A pool of forces and capabilities exists from which forces can be rapidly assembled for particular operations on a case-by-case basis once the endorsement of the relevant national governments has been given. The units have to meet specific criteria as regards availability, deployability, sustainability and interoperability. Following the Capabilities Commitment Conference in November 2000 the EU Secretariat identified deficiencies in the force contributions made by the member states, including: insufficient long-range heavy air and sea lift capacity to rapidly deploy a substantial force; ineffective command and control systems at various levels; and problems associated with intelligence collection, interpretation and dissemination capability.

Consequently, the EU states were requested to review their contributions and take steps to remedy the shortfalls before the 2001 CIC under the Belgian presidency. Work was undertaken to further develop and refine operational and strategic capability requirements for: interoperability, rotation and readiness; C³I; ISTAR (intelligence, surveillance, target acquisition and reconnaissance); and strategic mobility and logistics. The offers of capabilities by 15 non-EU European NATO members and states which are applying for EU membership were reviewed and clarified. The member states also worked on the details of the follow-up and evaluation mechanism for military capabilities. The focus was on reviewing the Headline Goal to ensure its compatibility with the pledges undertaken in NATO's defence planning process (Defence Capabilities Initiative, DCI) and the review process of the Partnership for Peace (PFP).

At the CIC in Brussels the EU member states made 'significant' quantitative and qualitative improvements to address the existing deficiencies. The participants adopted a statement on Improving European Military Capabilities and the European Capability Action Plan (ECAP) to gradually advance national and international solutions.³³ EU states claimed to have fulfilled some two-thirds of the 144 required capabilities. Of the remainder, 20 are considered serious and unresolved, of which 15 are addressed by NATO's DCI.³⁴ It was

³² After the meeting with the EU defence ministers in Apr. 2001, Solana reportedly stated: 'We can have committees and procedures, but if we don't have capabilities we have nothing'. *The Guardian*, 7 Apr. 2001, p. 7.

³³ 'Statement on improving European military capabilities, European Capability Action Plan', Presidency Report to the Laeken European Council on European Security and Defence Policy, Annex I.

³⁴ 'EU resolves two-thirds of gap in capabilities', *Defense News*, 26 Nov.–2 Dec. 2001, p. 8; and Monaco, A., 'The rapid reaction force: the EU takes stock', *European Security Review*, no. 9 (Dec. 2001), pp. 1–2. In Jan. 2002 the Chairman of the Military Committee, Gen. Gustav Häglund, stated that

stated that the EU ought to be able to carry out the whole range of Petersberg tasks by 2003. This was an indirect admission that work on the development of capabilities might not be complete and that some shortfalls will not be rectified by that date.

Force capabilities

The EU states confirmed the existence of a pool of more than 100 000 troops, some 400 combat aircraft and 100 ships. With regard to land-based forces, progress has been made in the areas of multiple rocket launchers, transmission, electronic warfare, armoured infantry and bridging engineering. Improvements were sought with regard to protecting deployed forces and commitment capability and logistics. The need to improve the quantity of available ground elements and the operational mobility and flexibility of deployed forces was also expressed.

Progress was reported regarding naval and aviation resources. However, improvements are required as regards naval aviation resources, maritime medical evacuation and other problems (including combat search and rescue tasks and precision guided weapons).

Strategic capabilities

There are a sufficient number of C³I headquarters at the operation, force and component levels as well as deployable communication units. The member states have also offered to provide additional intelligence and surveillance resources. However, a qualitative analysis of these contributions has yet to be made and may reveal deficiencies. Assistance for strategic decision making is inadequate, and additional efforts are needed because the ISTAR capability remains limited.

Air and maritime strategic mobility has improved, but there is still a lack of wide-body aircraft and 'roll-on roll-off' (ro-ro) ships. No progress is being made as regards the plan to build a fleet of Airbus A400M transport aircraft, and some EU states have expressed a preference for the use of leased Ukrainian Antonov-24 aircraft or for optimizing the use of existing resources by coordinated or joint use, and the like.³⁵

The EU member states are also attempting to improve the quality of their forces in eight areas: force structure; budget; staff; multinational cooperation;

the EU possessed 90% of the capabilities defined in the Force Catalogue. *Atlantic News*, no. 3355 (25 Jan. 2002), p. 3. See also chapter 6 in this volume.

³⁵ Funding and fielding the Airbus is seen as the litmus test of how serious the EU is about the Headline Goal. Italy has decided that it will not take part in the multinational project to build the A400M Airbus heavy-lift aircraft (it had committed itself to purchase 16 aircraft). 'Rome puts off decision on role in Airbus project', *Financial Times*, 9 Nov. 2001, p. 8. In Mar. 2002 Germany presented a two-stage purchase plan for the 73 A400M aircraft which it is committed to buy. With Germany's full order, the 8 EU countries (Belgium, France, Germany, Italy, Luxembourg, Spain, Turkey and the UK) would buy 196 aircraft. If the total dropped below 180, the contract would have to be renegotiated. 'Berlin clears way to A400 project funding', *Financial Times*, 20 Mar. 2002, p. 2. See also chapter 6 in this volume.

logistics; training; research, technology, industrial cooperation and public procurement; and civilian–military cooperation.

Non-EU European contributions

The offers of additional capabilities by non-EU European states (NATO states and the states which are applying for EU membership) were welcomed.³⁶ The offers made by these states at the November 2000 ministerial meeting were included in a supplement to the Force Catalogue. The non-EU European states were also requested to make similar offers at the CIC meeting in November 2001.

The European Capability Action Plan

The European Capability Action Plan was initially proposed by the Netherlands and subsequently addressed by the Belgian presidency. It aims to address capability deficiencies. It is not a timetable for action and goals but a set of principles and mechanisms for monitoring and encouraging gradual progress towards achieving the Headline Goal. ECAP is based on national decisions and aims at rationalizing the defence efforts of the members and increasing synergy between national and multinational projects. Its underlying principles are:

1. There is a need for enhanced effectiveness and efficiency of European military capability efforts. The plan calls for increased cooperation between member states and groups of member states in order to achieve rationalization gains.
2. The plan proposes a ‘bottom–up approach’ to European defence cooperation. The commitments of member states will be voluntary, rather than subject to a European-level scheme.
3. Coordination between EU member states and cooperation with NATO are targeted at removing specific shortcomings, avoiding wasteful duplication and ensuring transparency and consistency with NATO.
4. Broad public support is important and the public should be provided with a ‘clear picture’ of the CFSP/ESDP so that political action can be made more effective and political will strengthened.

The plan calls on member states to conclude their current projects and initiatives and make the new capabilities available to the EU. This requires: (a) making additional national forces and capabilities available and including them in future projects and initiatives; (b) making existing capabilities more effective and efficient and seeking ‘creative responses’ that go beyond traditional military procurement programmes; and (c) applying multinational solu-

³⁶ The EU has envisaged two formats for cooperation with the non-EU European countries: ‘15+6’ (non-EU European NATO states: Czech Republic, Hungary, Iceland, Norway, Poland and Turkey) and ‘15 + 15’ (non-EU European NATO states plus candidate states: Bulgaria, Cyprus, Estonia, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia).

tions (co-production, financing and acquisition of capabilities) and coordinating the management and use of equipment.

A meeting of senior national experts will analyse and evaluate the plan, which will continue to be developed by the EUMC. A Headline Task Force consisting of panels of experts on specific types of capability will be established to analyse remaining problems and identify feasible national and multi-national solutions. The results of the analysis will be reported by the PSC to the Council at regular intervals.³⁷

The Headline Goal after 11 September 2001

The CIC was held after the terrorist attacks on the USA. The hope was expressed that the changed strategic situation would positively affect the military approach of the EU and its financial status. The Afghanistan campaign re-emphasized the urgency of acquiring military airlift and airborne refuelling capabilities and the means to destroy air defences. British Defence Minister Geoff Hoon proposed that the Headline Goal be updated and refined as necessary to ensure its relevance.³⁸

The EU High Representative for the CFSP pointed to new ESDP responsibilities which include putting additional emphasis on preparation for operational readiness, taking full account of the terrorist threat to European forces and civilian populations and further improving the early-warning process. In this context, Solana called for the strengthening of the Secretariat and the EU Situation Centre, in particular. He also warned against overburdening national budgets in response to suggestions by some EU countries that additional capabilities should be earmarked for combating terrorism.³⁹

Although there was hope that the Petersberg tasks might be modified to address the new challenges, the goal of proclaiming the EU military structures as operational was given precedence, while the new elements were not mentioned in the December 2001 presidency conclusions.⁴⁰

EU–NATO cooperation

Official EU documents stress that a permanent and effective relationship with NATO is a crucial element of the ESDP. The ESDP is intended to lead to an EU–NATO ‘genuine strategic partnership’ for the management of crises, and the decision-making autonomy of both organizations is to be retained.⁴¹

³⁷ European Capability Action Plan (note 33). See also de Grave, F., ‘European Security and Defence Policy as a framework for defence co-operation’, *RUSI Journal*, Feb. 2002, pp. 13–15.

³⁸ ‘EU resolves two-thirds of gap capabilities’ (note 34).

³⁹ Summary of the intervention by Javier Solana, EU High Representative for Common Foreign and Security Policy, at the informal meeting of defence ministers, Brussels, 12 Oct. 2001.

⁴⁰ In Oct. the EU defence ministers considered drawing up a White Paper on security and defence. However, this was postponed so that progress towards the Headline Goal would not be delayed. *Atlantic News*, no. 3332 (26 Oct. 2001), p. 3.

⁴¹ The Feira European Council identified 4 areas for developing the EU’s relationship with NATO: security issues, capability goals, the modalities for EU access to NATO assets and the definition of permanent consultation arrangements. Presidency Conclusions, Santa Maria da Feira, 19–20 June 2000,

During the Swedish presidency letters were exchanged with the Secretary General of NATO confirming the permanent arrangements for consultation and cooperation between the EU and NATO.⁴² In February 2001 the PSC and the NAC met for the first time under the new permanent EU–NATO consultation arrangement. It has been agreed that the two bodies will meet formally at least three times during every EU presidency and that there will also be at least one EU–NATO ministerial meeting per presidency.

The first such ministerial meeting was held on 30 May 2001 in Budapest. NATO Secretary General Lord Robertson noted the progress that had been made, especially on the technical side, and urged that additional efforts be made by EU and NATO members. He stressed four aspects of EU–NATO cooperation: the equal status of both organizations; the need for coherence in defence planning to avoid unnecessary duplication; the participation of non-EU European NATO members; and the need to focus on capabilities.⁴³

In addition to the NAC–PSC meeting, the first sessions of the EUMC and the NATO Military Committee were held. The EU–NATO ad hoc group on capabilities exchanged information on relevant aspects of EU and NATO work in this area, and the NATO experts were thanked for their contribution to the development of the Headline Goal and the EU Exercise Programme.

The EU and NATO have conducted joint crisis management activities in the western Balkans (in southern Serbia and Macedonia). This cooperation took the form of ministerial and political NAC–PSC consultations and joint activities of the Secretary General of the Council of the European Union/High Representative for the CFSP and the NATO Secretary General, as well as of their representatives.

The discussions between the EU and NATO on the arrangements which permit EU access to NATO's assets and capabilities (guaranteed permanent access to NATO's planning capabilities, presumption of availability of pre-identified assets and capabilities, and identification of a series of command options), as envisaged at the Nice European Council meeting, were not finalized in 2001. Work on a security agreement (exchange of classified CFSP/ESDP documents between the EU and NATO) was also not completed.⁴⁴ Because the Belgian presidency was unable to conclude the EU–NATO agreement on access to NATO's assets and capabilities, the Laeken Presidency Conclusions were limited to a reiteration of the intention to finalize the security arrangements with NATO and to conclude the relevant agreements.

appendix 2, reproduced in 'From St-Malo to Nice, European defence: core documents' (note 1), pp. 130–32.

⁴² Because Sweden is a non-NATO EU member it may have been more constrained in attempting to develop EU–NATO cooperation than the succeeding Belgian presidency.

⁴³ Opening statement by the Secretary General, NATO–EU Ministerial Meeting, Budapest, 30 May 2001, URL <<http://www.nato.int/docu/speech/2001/s010530a.htm>>.

⁴⁴ Informal meetings between Solana and Lord Robertson had led to an interim security agreement for the exchange of documents, which laid the groundwork for the arrangements envisaged in the treaty.

Cooperation with non-members

The Nice European Council meeting established the modalities for the involvement of non-EU nations in EU-led operations. It proposed that regular (non-crisis) 'dialogue, cooperation and consultation' be carried out between the 15 EU states and the 15 non-EU European nations. Each non-EU European state is to appoint a representative from its mission to the EU and a military liaison officer as a contact to the EUMS. In the event of an EU-led operation using NATO's assets, the partners will be consulted and the non-EU European NATO countries will have the automatic right to take part. For an EU-led operation which does not use NATO's assets, the partners will be consulted in advance and may be invited to participate.

However, it was not possible to achieve a cooperation agreement between the EU and NATO. In 2001 Turkey, and later Greece, obstructed the talks on permanent arrangements (see section IV). Nevertheless, issues such as NATO's assets and capabilities and solutions to the European command problem were discussed.⁴⁵ After the 11 September terrorist attacks Solana reiterated that the EU 'should make the best possible use of the contributions of candidate countries and NATO allies'.⁴⁶

Both the Swedish and the Belgian presidencies sought to implement the arrangements approved at the Nice European Council meeting. The EU foreign and defence ministers met their counterparts of the non-EU European NATO members and the states which are applying for EU membership ('the fifteen') and the non-EU European NATO states ('the six') to inform them of the outcome of the November 2000 Capabilities Commitment Conference and the November 2001 CIC. Civilian aspects of crisis management, the implementation of arrangements for consultation and participation, EU-NATO relations, crisis-related topics and so on were also discussed. The non-EU European countries have appointed their representatives to the PSC and the EUMS. The first meetings at the EUMC forum were held during the Swedish presidency.

The European Council meeting in Laeken stressed the need to implement the Nice arrangements, the additional contribution by 'the fifteen' to the civilian and military capabilities and participation in crisis management operations by 'the six' (in particular, by setting up a Committee of Contributors to function in the event of an operation). Altogether, the declared non-EU European members' contributions amount to some 15 000 troops plus equipment.⁴⁷

Arrangements have also been developed with other partners such as Canada (EU-Canada summit meeting, 19 September), Russia⁴⁸ (EU-Russia summit

⁴⁵ According to a NATO concept, the natural choice would be the Deputy Supreme Allied Commander, Europe (SACEUR); the role of the Deputy Supreme Allied Commander, Atlantic (SACLANT) in a European operation was also discussed. *Atlantic News*, no. 3286 (25 Apr. 2001), p. 2.

⁴⁶ *Atlantic News*, no. 3329 (17 Oct. 2001), p. 3.

⁴⁷ For the breakdown of the contributions see *Jane's Defence Weekly*, vol. 36, no. 24 (12 Dec. 2001), pp. 25-27.

⁴⁸ The EU agreed that the PSC will hold monthly meetings with Russian officials. The decision reportedly overruled the position of its representatives to the PSC who signalled that such meetings

meeting, 3 October 2001) and Ukraine (EU–Ukraine summit meeting, 11 September).

Cooperation with international organizations

The evolution of European crisis management capabilities calls for enhanced, mutually reinforcing cooperation between the EU and other international organizations (e.g., the UN and the OSCE). Themes and areas for EU–UN cooperation have been endorsed by the Council. They emphasize not only civilian aspects but also the potential of developing the military aspects of crisis management and their contribution to peacekeeping operations, especially in the western Balkans, the Middle East and Africa.

In early 2002 the prospect emerged of a first test for an ESDP crisis management deployment substituting for NATO's Operation Amber Fox (Task Force Fox, TFF) in the Former Yugoslav Republic of Macedonia (FYROM).⁴⁹

IV. Challenges to politico-military integration

The EU–US relationship

The USA has supported the idea of a stronger European role in security matters since the European Security and Defence Identity (ESDI) concept was launched within NATO in 1994. Since the 1998 Saint Malo Declaration, however, the evolving EU defence capability has led to US concern that it might eventually result in a challenge to NATO's importance in European security affairs and a transatlantic rift. In 2001 the tension between the EU and the George W. Bush Administration gradually decreased owing to several factors: the USA's growing interest in Asian security problems, which resulted in a reduced interest in Europe (a process which accelerated after the change in Russia's policy in the autumn of 2001); the problem of international terrorism which became the matter of utmost concern to the USA; and the exposure of Europe's lack of military capacity in the campaign in Afghanistan.

In the first months of 2001 there was disagreement between the European states and the USA over a range of issues, most notably the US missile defence plans and the creation of the ERRF. The disputes were magnified by misunderstandings and a considerable 'Euro-scepticism' in the new US administration and were not the result of irreconcilable differences.⁵⁰ In a

would be too constraining for the Committee. Zecchini, L., 'Notre ami Vladimir Poutine . . .' [Our friend Vladimir Putin . . .], *Le Monde*, 11 Oct. 2001, p. 17.

⁴⁹ In early 2002 the Spanish presidency announced the goal of taking responsibility for peacekeeping in Macedonia from NATO by the summer of 2002. It is hoped that by that time the crisis caused by Greece will have been resolved because final agreement must be reached with NATO on EU use of NATO capabilities.

⁵⁰ *The Economist* commented on this in mid-2001: 'The Europeans will swallow their reservations about missile defences, if Mr. Bush can persuade them that the pursuit is practical (and practicable), not ideological . . . For their part, the Americans will swallow their reservations about Europe's defence initiative, if it does not draw resources away from NATO'. 'Mr. Bush goes to Europe', *The Economist*, 7 June 2001.

move to stave off a transatlantic rift, the British, French and German defence ministers sought to reassure the USA that any crisis would be considered by NATO before the EU decided to handle it. French approval for giving NATO a de facto right of first refusal was welcomed, since it was the first time that France had expressed this view.⁵¹

Another key issue was defence planning, with France calling for a larger European staff to ensure that the ERRF could operate on its own.⁵² However, this was opposed by the UK and other EU states. During his visit to the USA, on 23–24 February, Blair sought to assure the Bush Administration that the ERRF would not compete with NATO, but would rely on NATO's planning staff and add to NATO's resources. The Blair–Bush joint statement underscored that NATO will remain the essential foundation of transatlantic security. Both states supported the goal of non-EU European NATO members and other partners assuming greater responsibility for crisis management by strengthening NATO's capabilities when NATO as a whole chooses not to engage.⁵³ In March German Chancellor Gerhard Schröder travelled to Washington with a 'strong and reassuring signal' that the ESDP is not intended to weaken or undermine NATO.⁵⁴

Although reassured, the US administration still expressed concern.⁵⁵ The informal EU defence ministers meeting in April confirmed that there is no intention to set up a planning system similar to that of NATO.⁵⁶ NATO Supreme Allied Commander, Europe (SACEUR), General Joseph W. Ralston, acknowledged in May that NATO–EU relations were 'moving in the right direction, although slower'.⁵⁷

The attacks of 11 September shifted US attention towards terrorism and the Central Asian region. However, pressure increased for the EU to play a greater role in conflict prevention and crisis management, whether or not NATO is involved. In this context, the NATO Secretary General and the USA began to demand more strongly that a greater financial contribution be made by Europe.

EU access to NATO capabilities: Turkish opposition

Following the 1999 Cologne and the June 2000 Santa Maria da Feira European Council meeting decisions, the EU and NATO worked on permanent arrangements enabling EU access to NATO's military assets and planning capabil-

⁵¹ Fitchett, J., 'US and EU ponder defense trade-off', *International Herald Tribune*, 8 Feb. 2001, pp. 1, 5.

⁵² In the spring of 2001 French Defence Minister Alain Richard was to have downplayed earlier calls for an ERRF planning capability independent of NATO. 'EU told to buy strategic capability', *The Guardian*, 7 Apr. 2001, p. 7.

⁵³ *Atlantic News*, no. 3271 (28 Feb. 2001), p. 4.

⁵⁴ Background briefing by senior administration official on the President's meeting with Chancellor Schroeder of Germany, White House Office of the Press Secretary, 29 Mar. 2001, URL <<http://usinfo.state.gov/products/pdq/pdq.htm>>.

⁵⁵ 'Rumsfeld hesitates to OK defense plan', *Washington Times* (Internet edn), 19 Mar. 2001, URL <<http://www.washingtontimes.com/world/default-2001319221547.htm>>.

⁵⁶ *Atlantic News*, no. 3284 (11 Apr. 2001), p. 3.

⁵⁷ *Atlantic News*, no. 3291 (17 May 2001), pp. 1–2.

ities. The European Union and NATO agreed that the EU's incipient military crisis management capability should be autonomous. However, different interpretations of 'autonomy' soon emerged. The controversy over access extended to the scope of guaranteed permanent access. NATO members (chiefly the USA) are willing to allow automatic access to planning when the EU leads operations. In order to maintain NATO's primary role, the USA proposes that the EU rely on NATO planning and close coordination with it. The risk is that lack of progress on assured access to NATO capabilities may lead EU countries to establish their own operational planning cell within the ERRF, thus leading to an eventual weakening of the transatlantic link.

It was Turkey, a non-EU NATO member, which blocked this proposal, insisting on allowing EU access on a case-by-case basis. The NAC ministerial meeting in December 2000 failed to reach agreement on the issue.⁵⁸ Turkey's opposition blocked progress in the talks on EU access to NATO capabilities for almost the whole of 2001. Its main concern was that any arrangements in this area which benefit the EU will potentially harm Turkish security interests.⁵⁹ Turkey insisted on being given either full say within the ESDP or participation at least comparable to the level it had as a WEU Associate Member. This was unacceptable to the EU as it requires maintaining absolute CFSP/ESDP decision-making autonomy and unanimity. Nevertheless, Turkish Foreign Minister Ismail Cem insisted that 'Turkey is not prepared to allow the use of these capabilities and assets it shares unless it has a right to participate *reasonably* in their use'.⁶⁰

In June 2001 British and US diplomats put forward a compromise formula. In May the UK had presented a paper which proposed that non-EU European NATO members would have 'interlocutors', who would meet periodically and in the event of crises with the PSC. These countries would also have military liaison officers permanently attached to the EUMS. The British paper proposed expanding considerably the role of the Committee of Contributors, a body envisaged by the Nice European Council meeting for day-to-day management of crisis operations. The paper noted that Turkey's participation would be of 'particular benefit' in the cases of EU-led operations, although it stopped short of guaranteeing that Turkey would be included in the decision making. The compromise also included an indirect assurance that the ERRF would not intervene in Greek-Turkish disputes.⁶¹ On this basis, British, Turkish and US diplomats drafted an accord, but it was promptly rejected by

⁵⁸ In addition, the EU is interested in obtaining automatic access to some NATO common assets such as command, control and communications (C³) capabilities including the use of airborne warning and control system (AWACS) aircraft and so on, which is unlikely to be accepted by the USA. Nassauer, O. and Gourlay, C., 'Controversy over EU access to NATO capabilities', *European Security Review*, no. 4 (Mar. 2001), pp. 3-4.

⁵⁹ Turkey has also been suspected of trying to manipulate the NATO issue to achieve a 'backdoor entry into the EU'. Of 16 possible conflict scenarios envisaged by NATO, 13 would involve Turkey. The EU also envisages that several operations would take place in the area. Fitchett, J., 'Turkey puts roadblocks in EU force negotiations', *International Herald Tribune*, 26 Jan. 2001, p. 4.

⁶⁰ Cem, I., 'A necessary role in defence', *Financial Times*, 29 May 2001, p. 15.

⁶¹ Gordon, M., 'Pact could end Turk objection to EU force', *International Herald Tribune*, 5 June 2001, p. 4.

the Turkish National Security Council, and especially by the Turkish General Staff.⁶² This development was badly received by the EU.⁶³ The EU–Turkey talks continued, but the deadlock persisted. The 11 September terrorist attack on the USA apparently strengthened Turkey’s hand, and Turkey stressed its position as a country located in a volatile region. Ankara submitted a number of conditions to the EU countries which it asked them to meet.⁶⁴

It was not until 26 November that partial progress was made by Turkish, British and US officials. Agreement was reached on two points: the ERF will not be used in potential crises in Cyprus or the Aegean region, and the EU will not intervene in any potential crisis between Greece and Turkey. In response to Turkey’s demand for an automatic invitation to autonomous operations (when NATO’s capabilities are not used) either affecting its security interest or close to Turkey geographically, the EU proposed that in each case Turkey’s request would be evaluated and decided upon through a consultative mechanism.⁶⁵ The EU argued that to accept Turkey’s demand would require a change in the Treaty on European Union under which the veto of a single EU state could prevent Turkey from participating in autonomous operations. On 28 November, during the discussion of the ‘case-by-case’ formula, Greek Foreign Minister George A. Papandreou signalled that Greece, which had not been directly involved in the negotiations, might use its right of veto within the EU to block Turkey’s full participation in the ERF.

On 2 December, British, Turkish and US diplomats announced that they had broken the two-year deadlock over EU access to NATO capabilities. They agreed on a carefully drafted ‘Istanbul Document’.⁶⁶ Greece, however,

⁶² Anatolia Agency (Ankara), 4 June 2001, in ‘Turkish military hands Rumsfeld note on ESDI issues’, Foreign Broadcast Information Service, *Daily Report–West Europe (FBIS-WEU)*, FBIS-WEU-2001-0604, 4 June 2001.

⁶³ Foreign Minister of Belgium Louis Michel stated soon after the start of the Belgian EU presidency: ‘We will not yield to Turkey’s pressures. The EDSP would not be formed by non-EU member countries’ approval’, Anatolia Agency (Ankara), 18 July 2001, in ‘Belgian envoy asks Turkey to soften stand on ESDP’, FBIS-WEU-2001-0718, 18 July 2001.

⁶⁴ The conditions were reportedly: guarantees that the EU corps will not be used to resolve conflicts between allied countries; inclusion of Turkey in the EU decision-making mechanisms whenever operations affect its national interests and are close to its geographic location; participation of the non-EU NATO ‘6’ in EU military manoeuvres; allowing Turkish military officers to maintain offices in the EU military headquarters; and strengthening the role of the Committee of Contributors. ‘The European army is locked on Turkey’, *Hurriyet* (Istanbul), 12 Oct. 2001, in ‘Turkey’s conditions for participation in the new European defense doctrine reported’, FBIS-WEU-2001-1014, 12 Oct. 2001.

⁶⁵ ‘Progress on European army’, *Milliyet* (Istanbul), 27 Nov. 2001, in ‘Turkish sources report progress in ESDP dispute with EU’, FBIS-WEU-2001-1127, 27 Nov. 2001.

⁶⁶ The ‘Istanbul Document’ envisaged, among other things, that: (a) the ESDP will ‘in no case and in no form of crisis’ be used against any ally; (b) there will be expanded deliberations with the non-EU European NATO states, which will be ‘associated’ to decisions and actions; (c) the ‘15+6’ consultations will be more frequent and facilitated by the appointment of ‘permanent interlocutors’ of the PSC and ‘representatives’ to the EUMC from non-EU European NATO states; (d) in cases of an EU planned autonomous operation in the ‘geographic proximity’ of a non-EU European ally or such affecting that ally’s national security interests, the Council will consult it and, taking into account the outcome of these deliberations, shall decide on whether that ally should participate; and (e) the NATO ‘6’ will take the role of observers for the operations in which they do not take part if coordinated by Supreme Headquarters Allied Powers Europe (SHAPE). For the text and discussion of the agreement see ‘The Istanbul document’, *I Kathimerini* (Athens), 11 Dec. 2001, in ‘Greek paper carries “text” of “Istanbul Document” on ESDP’, FBIS-WEU-2001-1212, 11 Dec. 2001.

promptly declared that it would not accept a text that is not completely clear and which contains too many ambiguities.

On 10 December Greece decided to de facto block the proposed agreement. The Greek objections referred to its national interest and guarantees that the deal with Turkey would not undermine the EU's decision-making autonomy, the main reason apparently being that the ERRF should not constrain Greece in its disputes with Turkey.⁶⁷

Against this background, the Laeken European Council meeting declared that 'the EU is now able to conduct *some* crisis-management operations' and 'will be in a position to take on progressively more demanding operations, as the assets and capabilities at its disposal continue to develop'.⁶⁸ Putting the best face on the failure to conclude the agreement on EU access to NATO's assets, Solana insisted that the operational capability of the ERRF is a separate issue.⁶⁹

The financial hurdle

The EU states are faced with the necessity of buying new equipment and modernizing their armed forces, which will be an expensive process. As most of the resources will have to be found within existing military budgets, there is a need to improve and accommodate defence cooperation within the EU, enhance the interoperability of forces, increase effectiveness and efficiency in building capabilities, and redistribute resources more rationally at national and EU levels.⁷⁰ The gap between the development of the new ESDP bureaucracy and the lack of progress in finding ways to finance future EU military operations were criticized by some EU members, the West European public and NATO.

In response, Solana suggested in May that certain strategic capabilities could be developed collectively, resulting in savings. Additionally, Sweden presented a paper on funding common elements of crisis management operations (*matériel* supplied by states).⁷¹

In addition to advancing the work done by the Swedish presidency in the first half of 2001, the Belgian presidency was requested to develop a plan for

⁶⁷ Greece has asked for 'counter-concessions'. E.g., it presented a demand that Turkey be denied a veto regarding the intervention of the ERRF in a hypothetical confrontation between Greece and Turkey and that Turkey should not be allowed to block an ESDP operation in the Balkans. Greece also demands that when Cyprus joins the EU it be accorded full participation rights in the ERRF. 'Greece blocks accord with Turkey', *Financial Times*, 17 Dec. 2001, p. 2.

⁶⁸ Declaration on the Operational Capability of the Common European Security and Defence Policy, Annex II (A), Laeken, 14–15 Dec. 2001, URL <<http://www.eurunion.org/legislat/Defense/Laeken%20ESDP.htm>>.

⁶⁹ Lobjakas, A., 'EU: Laeken summit mired in controversy over defense policy', Radio Free Europe/Radio Liberty, *RFE/RL Newslines*, 14 Dec. 2001, URL <<http://www.rferl.org/nca/features/2001/12/14122001092130.asp>>. The Belgian Foreign Minister went further and suggested that the EU would send a 'multilateral' EU force to participate in an Afghanistan peacekeeping operation. This declaration was disavowed by other EU states.

⁷⁰ de Grave (note 37).

⁷¹ *Atlantic News*, no. 3292 (22 May 2001), p. 4; and *Atlantic News*, no. 3294 (29 May 2001), p. 3.

financing the implementation of crisis management operations.⁷² The gap between the political declarations and desires of the EU states, on the one hand, and the financial commitments and resources, on the other, was glaring in 2001. There were sharp disagreements over how the ERRF should be financed (e.g., shared cost versus investment by individual countries).⁷³

Europe has not perceived much need for increased defence spending, and, consequently, military spending had been declining.⁷⁴ The EU member governments were slow to increase their defence spending to fill the gaps in hardware identified by the two capabilities conferences held in 2000 and 2001. So far, the ESDP implementation has not led to the expected European arms industry consolidation.⁷⁵

Solana has tried to strike a positive note in the debates on defence spending, claiming that 10 of the 15 EU member states will spend more in 2001 than in 2000.⁷⁶ Other estimates present a different analysis of the situation.⁷⁷

At the end of the year the dispute over finances continued. In order to break the deadlock, the EUMS, headed by Solana, submitted three options to the member states. The first, supported by Greece, Luxembourg and Portugal, envisages charging the states for the entirety of the operational expenditure based on gross national product—‘all costs are common’. Austria, Germany, Ireland, Spain and the UK opposed it, advocating a second proposal—the use of an existing NATO system (‘costs lie where they fall’). The system could reduce the administrative burden at the ‘top’ of the EU, since member states would be responsible for the management of the operational costs. The third, ‘intermediate’ or compromise option—backed by France, Italy and the Netherlands—would increase common costs (e.g., renting buildings or the cost of temporary staff) but charge operational spending to member states participating in any operations, much like the second option.⁷⁸

⁷² According to a report commissioned by the British Government, the member states will have to restructure their defence budgets to meet the additional spending estimated at \$25 billion dollars over the next 10–15 years, based on acquisition and initial running costs. The amount is much higher if the cost of supporting the additional systems is taken into account. Dempsey, J. and White, D., ‘Not rapid enough’, *Financial Times*, 19 Nov. 2001, p. 15.

⁷³ The European Parliament was also reluctant to approve additional funds for the ERRF, fearing that it would set a dangerous precedent because the ERRF would be outside the Commission’s purview. The European Parliament has more control over the activities of the European Commission than of the Council.

⁷⁴ See also chapter 6 in this volume.

⁷⁵ Taylor, S., ‘Europe’s defence industry frustrated at government reluctance to boost arms spending’, *European Security Review*, no. 7 (July 2001), pp. 5–6. However, apart from increased spending, restructuring of military expenditure is needed as many current programmes are of cold war origin.

⁷⁶ Solana, J., ‘European defence: the task ahead’, *European Voice* (Internet edn), URL <<http://ue.eu.int/solana/print.asp?docID=68380&BID=108>>.

⁷⁷ International Institute for Strategic Studies, *The Military Balance 2001/2002* (Oxford University Press: Oxford, 2001), pp. 34–35, noted that the spending of European NATO members fell on average by 6.7% in real terms between 1999 and 2000. Germany’s spending will continue to decrease, while British and French budgets will experience modest increases in 2002. Other European NATO states will experience downward trends. See also ‘Financial and economic data relating to NATO defence’, NATO Press Release M-DPC-2 (2001), 18 Dec. 2001. URL <<http://www.nato.int/docu/pr/2001/p01-156e.htm>>.

⁷⁸ ‘Wrangling over finances delays EU defence policy’, *Financial Times*, 2 Nov. 2001, p. 8.

V. Conclusions

Building up the ESDP should allow it to shoulder a larger share of the burden of European security, thus rebalancing the transatlantic security relationship in order to make it work more effectively and efficiently. The military capabilities provided by the ESDP have the potential to help redefine that relationship.

In the aftermath of the terrorist acts of 11 September there was a change in the general political outlook, which led to the transformation of transatlantic relations and the improvement of NATO–Russian relations. These developments will influence the evolution of the ESDP, although exactly how and to what degree was not clearly demonstrated by the end of 2001.⁷⁹ With US interest shifting elsewhere, the potential for a crisis over the EU–NATO relationship has abated. The post-11 September developments brought home to the EU the reality of its role and potential in the transatlantic relationship. This will influence the division of labour and complementarity between Europe and the USA and will increase pressure on Europe to improve its military capabilities both in the EU and NATO.

The military-related bodies of the ESDP were established and began operation in 2001. EU–NATO institutional cooperation was also strengthened, as evidenced in the western Balkans. Some EU capability shortcomings were addressed wholly or in part in 2001, but the EU plans concerning the most critical aspects of its ERRF (intelligence, logistics, communications and strategic transport) either are still encountering political and financial obstacles or will need a much longer implementation period than the target date of 2003. Although the ESDP has been declared operational and able to perform the less demanding Petersberg tasks, the crucial issue of EU access to NATO's assets and capabilities remained unresolved. The two-year stalemate caused by Turkey's intransigence regarding this issue was broken, but Greek opposition created new problems.

The reasons why the Headline Goal schedule has not been met are complex. While the EU has avoided falling into the trap of Europeanism-versus-Atlanticism, the scope of the ERRF has not yet been clearly defined. The issue of unavoidable but rational duplication of efforts by the EU and NATO has not been sufficiently addressed. This will need to be done in order to agree how and where to allocate EU resources. Nonetheless, financial considerations are bound to constrain excessive EU duplication.

Defining the ESDP and building public support for increased spending will be challenging issues in the years ahead. Before the 11 September terrorist attacks the EU governments did not perceive an urgent need for military-related spending increases. Now their taxpayers must be persuaded of the need to spend more. The European states are slow to increase their military budgets,

⁷⁹ However, this does not imply that the EU has been passive as regards terrorism; both the Council and the European Commission are implementing measures to address terrorism. See European Union, '11 September attacks: the European Union's broad response', URL <<http://europa.eu.int/news/110901/>>.

demonstrate flexibility and inventiveness in rationalizing procurement policies (standardization, 'shopping around', leasing of equipment, possible cooperation with the USA, etc.), and embark on regulation and restructuring of the defence industry. There is a need for a synergistic and rational approach to defence spending, and the creation of a single arms-procurement organization would make a positive contribution in this respect.

The lack of leadership within the EU, its cumbersome decision-making bodies and the propensity of the major EU governments to act alone in a crisis (as was demonstrated in November 2001 during the campaign in Afghanistan) illustrate the difficulty of forging a common foreign, security and defence policy. The 'security culture' that is evolving within the EU (cooperation between its pillars and institutions, dialogue between society and its leaders, harmonization of the civil and military aspects of the ESDP, etc.) must become more deeply rooted and develop more rapidly. Bureaucratic conflicts within the EU, such as the dispute over the distribution of tasks between the ESDP bodies and the Community institutions, illustrate the challenge of harmonizing the collaboration of the EU's two pillars. The negative outcome of the Irish referendum on the Nice Treaty in June 2001 underscored the gap and the need for dialogue between the public and government. The future enlargement of the EU and NATO also poses challenges which may temporarily weaken the ESDP.

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