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THESIS

**AMBITIONS VERSUS CAPABILITIES:
THE EUROPEAN UNION'S
SECURITY AND DEFENSE POLICY**

by

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June 2002

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THE EUROPEAN UNION'S SECURITY AND DEFENSE POLICY**

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ABSTRACT

The European Security and Defense Policy (ESDP) represents a long-term project on the part of the European Union (EU) members to perform a broad range of operations, including crisis management, peacekeeping and peacemaking, known as the Petersberg Tasks. The EU's goal is to develop capabilities for autonomous military action in crises in the event that the North Atlantic Treaty Organization (NATO) as a whole is not engaged. Progress in developing capabilities necessary to support the ESDP has, however, been disappointing. Indeed, there is currently a mismatch between EU capabilities and ambitions. The shortcomings in EU capabilities reflect Cold War procurement and military planning as well as an unwillingness of most of the EU governments to spend more on defense. Although increasing military budgets would help to reduce the mismatch, EU members would also have to improve the efficiency with which funds are spent. This would require changes in the EU's military-industrial base, procurement policy, technology acquisition and R&D practices as well as in enhanced transatlantic cooperation. Achieving the goals of the ESDP will also require the EU member nations to deepen their consensus about their purposes and thereby reduce the many ambiguities that currently surround the ESDP.

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I. INTRODUCTION

As the European Union (EU) has emerged as an international economic power, political leaders in EU member states have asked whether and to what extent it should develop common military means to achieve political and security objectives. The rationales for this new thinking have included the new challenges facing European security as a result of the end of the Cold War and the breakup of the Soviet Union, a perceived decline in U.S. interest in European affairs, and a growing desire on the part of many Europeans to assume a greater degree of responsibility in international security affairs. The Maastricht Treaty, which entered into force in 1993, established a Common Foreign and Security Policy (CFSP) and stipulated that it would “include all questions related to the security of the Union, including the eventual framing of a common defense policy, which might in time lead to a common defense.”¹ In 1999, most of the EU states agreed to pursue a European Security and Defense Policy (ESDP) whose goal is to “give the Union a capacity for autonomous action in international crisis management, where NATO as such is not engaged, in compliance with the principles of the UN Charter and acknowledging the prerogatives of the UN Security Council.”² The ESDP covers all matters relating to the EU’s military aspirations. Collective defense remains the responsibility of the Atlantic Alliance for the EU members in the North Atlantic Treaty Organization (NATO).

Progress in developing the ESDP has, however, been disappointing to those who advocate the creation of a genuine capability on the part of the EU to achieve its political and security objectives with military force. The setbacks in EU efforts to resolve the crises in the former Yugoslavia highlighted this lack of progress throughout the 1990s. In an attempt to improve its operational capabilities, the EU has developed a variety of new political and military structures, to include a standing Political and Security

¹ Treaty on European Union, Article 17, par. 1, available on line at the European Union website <http://www.europa.eu.int/abc/treaties_en.htm> 2 February 2002.

² Fact sheet entitled “Common Foreign and Security Policy/European Security and Defense Policy,” The European Council, 13 October 2001 <<http://ue.eu.int/pesc/pres.asp?lang=en>>.

Committee (PSC), a Military Committee, and a Military Staff. The creation of these new structures was in keeping with the EU's fondness for institution building.

Despite the EU's new political-military institutions and decision-making processes, the ESDP still faces serious challenges -- for example, the gap or mismatch between the EU's security ambitions and its capabilities. The EU will need to narrow this gap as well as work out the many ambiguities and disagreements among member nations surrounding the ESDP if it wishes eventually to become an important global political actor. The future of the ESDP remains unclear. To clarify its prospects, the following questions must be addressed:

- What are the ambitions of EU member nations concerning the ESDP?
- What capabilities will the EU need to develop to achieve its goals?
- How can the EU reduce the mismatch between its ambitions and capabilities?

Several disagreements among EU member nations as well as ambiguities surrounding security and defense policies have slowed the progress of forming an effective ESDP. One such disagreement concerns the future role of NATO with regard to European security: to what extent should the EU cooperate in security matters with NATO and its most powerful member, the United States? Views on this matter have traditionally revolved around the British and French positions. Britain has traditionally opposed European defense cooperation outside of NATO, while France has sought to diminish NATO's role and U.S. influence in European affairs. Largely as a result of the crisis in the former Yugoslavia, European differences have narrowed. France found virtues in NATO under the pressure of the Balkans conflicts, and Britain in 1998 abandoned its previous position, which opposed dealing with military security matters in the EU. The United States has also come to see greater utility in the concept of a stronger and more autonomous European defense identity. Differing views, however, remain over the extent of the ESDP's autonomy from NATO and the price the EU is willing to pay for such independence.

Additional unanswered questions concern the use of military force in pursuing EU foreign policy objectives. For example, what missions will EU forces be required to

perform? The crises in the former Yugoslavia helped to illustrate the differences among EU member nations regarding the use of force in pursuing political objectives. Although Britain and France actively employed military force in efforts to resolve the crises, other countries (including Germany) faced great domestic obstacles to the use of force. EU members have often been guided by their own national interests in deciding what foreign policy objectives to pursue. In the conflicts in the former Yugoslavia, Britain, France and Germany all had separate agendas at one time or another. These national interests have often hampered consensus building, as suggested by the disjointed nature of the EU's response to the Balkans crises.

There also exists a large degree of ambiguity concerning the missions that the EU's military forces will be expected to fulfill. At the Western European Union (WEU) Council of Ministers meeting in Petersberg, Germany, in June 1992, it was agreed that, in addition to the continuing collective defense obligations of the WEU members, the military forces of the WEU states could be required to carry out what came to be known as the Petersberg tasks. These tasks include "humanitarian and rescue tasks; peacekeeping tasks; [and] tasks of combat forces in crisis management, including peacemaking."³ The EU adopted the "Petersberg Tasks" in Article 17, par. 2, of the Treaty of European Union. These tasks have yet to be fully defined, however. The "lower end" Petersberg Tasks such as humanitarian relief and rescue operations are relatively easier to accomplish. However, "peacekeeping" and "peace enforcement" are highly ambiguous terms. The manner in which missions are defined will determine the capabilities that the EU will need to acquire and further clarify the gap between EU ambitions and those capabilities.

Meeting at Helsinki in December 1999, the European Council agreed that, "cooperating voluntarily in EU-led operations, Member States must be able, by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000-60,000 persons capable of the full range of Petersberg tasks."⁴ This force structure,

³ "Western European Union Council of Ministers Petersberg Declaration, Bonn, 19 June 1992," Western European Union Documents, 19 October 2001 <<http://www.weu.int/eng/comm/92-petersberg.htm>>.

⁴ Presidency Conclusions, Helsinki European Council, 10 and 11 December 1999.

known as the “headline goal,” is to include sufficient air and naval forces to conduct operations outside the realm of collective defense, which will remain NATO’s responsibility for the EU states that are members of the Alliance. This goal does not, however, take into account support forces, reserve forces or those troops that would be needed to replenish deployed forces should an operation suffer reverses or last for an unexpected duration. Important capabilities such as strategic lift, intelligence gathering assets and precision strike systems are currently not sufficient to support and sustain the large numbers of forces specified in the “headline goal” and to perform the missions outlined by the Petersberg tasks. The EU has also not yet fully worked out the manner in which capabilities which have been designated as NATO assets would be used to support EU-led operations, nor has it fully addressed the implications for non-EU European NATO members, such as Poland, the Czech Republic, Hungary, Norway and Turkey.

The causes of the apparent mismatch between ambitions and capabilities of the EU’s security and defense policy appear to be several-fold. During the Cold War most EU member nations emphasized acquiring the capability to defend their borders instead of the power projection capabilities required to conduct the types of missions outlined in the Petersberg Declaration. Another reason has been the lack of a perceived threat to the security of the EU. Most EU members have not viewed instability in the Balkans as a direct threat. Other threats, such as weapons of mass destruction, are not on the “radar screens” of most citizens, and politicians have been reluctant to emphasize them. Most EU member nations have also lacked the political will to make military power a high priority. They have chosen to emphasize priorities such as social welfare, which are viewed as more relevant to the average citizen.

One of the greatest causes of the mismatch between ambitions and capabilities has been the low levels of defense spending as a percentage of GDP. In 1985, the European members of NATO, on average, spent 3.1 percent of GDP on defense, compared to 6.5 percent by the United States. By 1998, U.S. military spending had declined to 3.2 percent of GDP, while NATO European spending as an average percentage of GDP had fallen to 2.1 percent, with Germany shrinking to just 1.5 percent.⁵ NATO European

⁵ The International Institute for Strategic Studies, The Military Balance, 1999-2000 (London: International Institute for Strategic Studies, 1999): 300.

spending has also been less efficient than that of the United States. EU member nations have often continued to pursue their own national security objectives, which have led to the retention of separate and disjointed procurement policies, research and development (R&D) efforts, and training practices. Although the EU has repeatedly expressed the desire to pursue a common foreign and security policy, the manner in which it has provided for the military implementation of that policy has not been well coordinated.

A. STATEMENT OF PURPOSE

This thesis investigates the prospects for the EU to reduce the apparent mismatch between its ambitions and military capabilities. One of the most effective means of improving capabilities will probably be to spend more on defense. As noted by John Chipman, a British defense expert, “unless defense expenditure is allowed substantially to increase, the build-up of a serious defense capability will remain the stuff of communiqués.”⁶ However, with shrinking European defense budgets and a continued lack of willingness to spend more, the EU will need to pursue other alternatives. One such alternative involves the transformation of the European defense industry. European leaders have argued that the consolidation of defense industries in Europe will make them more efficient and cost effective and thus lead to economies of scale and the more efficient use of defense resources. The United States is also a major factor in any EU plans to transform the European defense industry, and many transatlantic issues will need to be worked out.

This thesis focuses on the European Union’s security and defense policy and the factors that affect its development and that will eventually determine its success or failure. The analysis concentrates on the EU’s ambitions and its actual capabilities to use military force in the pursuit of its foreign policy goals. This thesis also examines the prospects for resolving the apparent mismatch between these ambitions and capabilities.

⁶ The International Institute for Strategic Studies director John Chipman, quoted in Alexandar Nicoll, “European leaders found wanting when it comes to putting up cash for defense,” Financial Times 22

B. METHODOLOGY

This thesis is largely based on statements by U.S., NATO and EU government officials as well as those from scholars and experts involved in defense and security related matters. This thesis also makes use of the various agreements, treaties, speeches and other documents related to the ESDP. Chapter II reviews the ambitions of the EU in the realm of security and defense policy. It also identifies various ambiguities concerning the roles and missions of the EU's military forces as well as the disagreement over to what extent the EU seeks autonomy from NATO. Chapter III analyzes the EU's military capabilities and to what extent current capabilities are lacking. Chapter IV examines the apparent mismatch between EU ambitions and capabilities, the causes of this mismatch, and ways in which it might be reduced. The integration of the European defense industry is discussed as one of the potential means of improving military capabilities. Chapter V draws conclusions about the future of the EU's security and defense policy. It also highlights some of the effects of the terrorist attacks of 11 September 2001 on this policy and offers suggestions as to how the EU can successfully implement its ESDP.

II. AMBITIONS, DIFFERENCES AND AMBIGUITIES

A. AMBITIONS

Current European Union ambitions to develop an autonomous military capability can be accounted for by various factors. The creation of such an EU military capability is often viewed as a result of a process of greater integration among EU members. Until recently, this integration process has mainly been in economic policy. Other factors have included desires to check a perceived U.S. dominance of European affairs and concerns over growing U.S. unilateralism. Worries have also surfaced over potential U.S. disengagement from Europe and how this would affect European security affairs if the EU did not have the capability to conduct autonomous military action. A final factor affecting EU ambitions involves the EU's desires to play a more active role in international security affairs. These factors have combined to create a strong ambition to move forward with the development of the ESDP.

1. The Momentum of Integration

Some see the development of a military capability to implement foreign and security policy as part of the EU's ongoing integration process. One general explanation for greater integration in the area of foreign and security policy revolves around the idea that such integration is a natural progression from relatively successful economic integration. From the early days of the European Coal and Steel Community, the EU has made remarkable progress towards the integration of economic policies, as witnessed by the initiation of the European Monetary Union in 1999. To many policy makers in EU countries, the next logical step would be to continue such integration, extending it into the realm of foreign and security policy, with a corresponding EU military capability.

Scholars have developed various theories to help explain the integration process of the EU and relate it to other trends in domestic and international politics. Theories such as neofunctionalism, intergovernmentalism, and institutionalism have all sought to

explain EU integration and assess the prospects for further integration, including in foreign and security policy. One concept associated with the influential theory of neofunctionalism is that of spillover. The spillover theory suggests that economic integration creates an impetus for increased contact and cooperation and leads to greater political integration.⁷ However, concepts such as spillover appear to be more useful in helping to explain economic integration, because national governments have generally been less than enthusiastic about the transfer of political power to multinational or supranational institutions. This has especially been the case in foreign and security policy. For this reason the governments of EU member states have been careful to phrase documents pertaining to the ESDP in a manner which recognizes the importance of national interests. The ESDP involves intergovernmental cooperation without any transfer of sovereignty.

The history of the EU does, however, point to an increasing trend towards greater integration among the member nations. This integration has been most evident in economic policy but has also occurred in foreign and security policy. To date, however, this integration has taken the form of greater intergovernmental cooperation among EU nations rather than the pursuit of supranational institutions. The successful use of any EU military capability to implement foreign and security policy will require that the EU member states speak with one voice and common resolve. Stated EU ambitions and the steps taken so far to create a CFSP represent a movement towards closer policy coordination, and the development of an ESDP is intended to put some actual muscle behind the EU's political aspirations. A desire to promote further integration is but one motivating factor for the development of the ESDP.

2. Counterbalancing U.S. Dominance and Unilateralism

Another motivating factor for the development of an ESDP has been the desire on the part of many Europeans to balance perceived U.S. dominance of European and global security affairs and to counter American unilateralism. This thinking often defines the

⁷ John Van Oudenaren, Uniting Europe: Integration and the Post-Cold War World (Lanham, Maryland: Rowman & Littlefield, 2000): 22.

ambition to develop an ESDP as a counter to a United States perceived as hegemonic and unilateralist. One of the most vocal members of the EU to express this opinion has been France. According to French Foreign Minister Hubert Védérine, “We cannot accept either a politically unipolar world, nor a culturally uniform world, nor the unilateralism of a single hyperpower.”⁸ Perhaps because he views the United States as a “hyperpower,” the French Foreign Minister sees a need to counterbalance America’s simultaneous economic, military, technological and cultural dominance through the bonding together of European nations.⁹

This criticism of American dominance is long standing and was exemplified by European reactions to U.S. policy throughout the Balkans crises. The United States was accused of acting only when it served its own interests while the Europeans argued that their troops were the ones on the ground and in harm’s way. The United States was to a large extent able to dictate the scope and pace of Operation Deliberate Force and Operation Allied Force, because of its military power in relation to that of the other members of the Alliance. This fact struck a chord with many EU member nations as yet another example of unwelcome U.S. dominance and unilateralism. Many Europeans are concerned about the power of the United States and its perceived ability to influence events in Europe. In this vein, Stéphane Rozés, Director General of CSA Opinion, has stated, “There is a great deal of fear out there that the strength of America’s economy will impose not only economic changes but social changes as well. What they see is an America that has the ability to impose its values and they are not values that the Europeans believe in.”¹⁰

There are also concerns that a lack of European military capabilities may even increase U.S. unilateralism. Some Europeans have argued that, if the EU does not develop the capability to respond to military crises, the United States may be compelled to act more on its own and thus according to its own distinct agenda. NATO Secretary-

⁸ Védérine quoted in Craig Whitney, “France Presses for A Power Independent of the US,” New York Times 7 November 1999: sec. 1, p. 9.

⁹ John Vincour, “France Has a Hard Sell to Reign In US Power,” International Herald Tribune 6 February 1999: 2.

¹⁰ Suzanne Daley, “In Europe’s Eyes, Americans Become Uglier And Uglier,” Seattle Times 9 April 2000.

General Lord Robertson, while recently addressing the European members of the Alliance, stated that Europe is “militarily undersized” and that, “if we are to ensure that the United States moves neither toward unilateralism nor isolationism, all European countries must show a new willingness to develop effective crisis management capabilities.”¹¹ Operations in Afghanistan have highlighted such concerns, as only a few EU member nations have been capable of providing assistance to coalition efforts, an issue that was also present during the Kosovo and Bosnian conflicts. This military capabilities gap between the United States and its European allies has become even more critical in the U.S.-led war on terrorism; and it is a compelling argument for the EU to improve its own military capability. Indeed one of the factors that has prompted a large degree of U.S. unilateralism in Afghanistan has been the fact that most EU nations are not capable of long-range power projection operations.

American policies such as sanctions against Cuba and Iran are viewed as ways in which the United States has sought to impose its values on the rest of the world. European criticism in other areas such as the Bush administration’s stance on the Kyoto environmental accords and U.S. policy on the death penalty may also encourage a desire to check America’s attempts to influence world values. American policy concerning the development of strategic missile defenses has also sparked new concerns about American unilateralism and decoupling as well as fears over a new arms race. Certain aspects of America’s war on terrorism (e.g., the detention camp in Cuba) have also added fuel to the fire for those weary of U.S. unilateralism. It appears that the Bush administration’s honeymoon with its European partners is over, as several EU member nations have begun an ever-increasing criticism of U.S. policy. In reaction to President Bush’s January 2002 State of the Union address, in which he referred to North Korea, Iraq and Iran as an “axis of evil,” some politicians in EU countries have criticized U.S. policy. The French have referred to the current administration’s approach to addressing the threat of terrorism as “simplistic,” and many other EU members have called for U.S. restraint and greater consultation with America’s coalition partners.¹² French Foreign Minister Hubert

¹¹ Colleen Barry, “NATO’s Robertson Warns of U.S. Unilateralism if Military Gap With Europe Isn’t Bridged,” Associated Press 3 February 2002.

¹² Geoff Winestock, “EU Seeks Viable Counter to Unilateralism—Amid Criticism of U.S., Its Engagement Policy Yields Few Successes,” Wall Street Journal 19 February 2002: A12.

Vedrine recently stated that, “Today we are threatened by a new simplistic approach that reduces all the problems in the world to the struggle against terrorism.” Declaring that “This is not well thought out,” he went on to suggest that the Europeans would need to take a tougher stance against the United States which acted “unilaterally, without consulting others, making decisions based on its own view of the world and its own interests.”¹³ Actions and attitudes on both sides of the Atlantic are responsible for creating the perception of U.S. dominance and unilateralism. Such perceptions have served as a motivating factor for many Europeans to call for greater autonomy for the European Union, with an improved capability to implement its own foreign and security policies.

3. Concerns of U.S. Disengagement

Yet another motivation on the part of many Europeans for the pursuit of an ESDP has been the concern that declining U.S. interest in European affairs might create a security void, which the EU is not presently capable of filling. Since the end of the Cold War, the Europeans have seen the U.S. military presence in Europe decline. Despite the fact that the United States maintains a continuing interest in European security, mainly through its commitment to the Atlantic Alliance, many Europeans are concerned over a degree of U.S. disengagement. These concerns have been amplified by the events since 11 September 2001.

Concerns over potential U.S. disengagement surfaced throughout the 1990s with regard to the crises in the former Yugoslavia. While some Europeans were condemning U.S. unilateralism, others were criticizing a lack of U.S. interest and active engagement in the region. The initial U.S. reaction to the crisis in Bosnia was to endorse the European view that it was essentially a European issue and that a European solution was required. As the European efforts to resolve the conflicts in the former Yugoslavia proved ineffectual, America’s detachment drew criticism. Europeans argued that an uninterested United States was standing by and allowing the situation to deteriorate into a

¹³ Suzanne Daley, “A Nation Challenged: The Allies,” New York Times 7 February 2002, late ed.: A-14.

state of crisis, while the Europeans were actively engaged in the region, looking for solutions. America's war on terrorism has rekindled concerns that the United States has focused its attention on other areas of the world, particularly Asia and the Middle East, at the expense of its commitment to European security. It is felt that if a crisis developed in Europe, a United States engaged in other areas of the world might not feel obligated to intervene or be capable of lending assistance. The realization on the part of many Europeans that they might find U.S. assistance not available at all has reinforced the belief that a viable ESDP is essential.

4. Desire To Do More

Yet another factor currently motivating the EU member nations to develop a greater military capability to back up their foreign and security policies is the desire to take a more active role in international politics. These current desires are largely part of the legacy of the events in the former Yugoslavia, which highlighted the fact that the Europeans were not the main players in settling conflicts in Europe. Before events in Bosnia turned for the worse, European expectations were high. Luxembourg Foreign Minister Jacques Poos declared, "This is the hour of Europe," and that, "if one problem can be solved by the Europeans, it's the Yugoslav problem. This is a European country and it's not up to the Americans and not up to anybody else."¹⁴ Events, however, proved that it was not "the hour of Europe," because the Europeans played a secondary role as American warplanes and influence dominated the operations that ended the crises in Bosnia and then again in Kosovo. The sum of the Europeans' experiences in the Balkans encouraged European governments to take greater responsibility in international affairs in proportion to the EU's growing economic influence.

5. Conclusions

The current factors motivating the members of the EU to create a military capability giving credibility to the ESDP include interpretations of the crises in the

¹⁴ Jacques Poos on the ITN News, June 28, 1992, cited in Gow, Triumph of the Lack of Will, 48, 50, as quoted in Yost, NATO Transformed: 193.

former Yugoslavia. Throughout the crises, perceptions of U.S. dominance and unilateralism led observers in many EU countries to advocate developing capabilities to lessen European dependence on American military assets. Subsequent events have rekindled many of the sentiments stemming from the EU's lack of military capabilities during the Balkans crises. Despite these current motivations, however, actual progress in the creation of an effective ESDP remains slow. Aside from various EU pronouncements and the creation of institutional mechanisms for the ESDP, the EU still lags behind in acquiring the capabilities needed for crisis management operations. It is yet to be seen whether recent events will convince EU members that systemic change is needed now or whether, as after the Balkan crises, only marginal progress will be made in reducing the gap between EU aspirations and capabilities. The EU will need to overcome many obstacles if it wishes to realize its goals in security and defense policy, to include the many differences among the member nations.

B. DIFFERENCES

1. The Role of NATO and the United States

One of the main reasons why progress towards the creation of a genuine European Security and Defense Policy (ESDP) has been slow resides in the differences among EU member nations over (a) the role of NATO and the United States and (b) the degree to which the EU should create an autonomous military capability. Attitudes towards these issues have generally reflected those of Britain or France. Britain had long opposed any form of European defense cooperation outside of NATO that might threaten Europe's transatlantic relationship with the United States. Britain believed that, if the EU developed a genuine military capability and was able to manage its own security affairs, the United States would disengage from its European commitments and thus seriously threaten the Atlantic Alliance. The British have long viewed NATO as the principal security organization in Europe. Phrases such as "where the Alliance as a whole is not engaged," which are found throughout EU documents relating to ESDP, can be viewed as

an assurance on the part of many EU nations, including Britain, that an autonomous EU military capability is not to compete with the Alliance as a whole.¹⁵

The British have, however, become more willing to accept a greater role for the EU in security affairs. At the British-French Summit at St. Malo in December 1998, London and Paris declared that “the 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 do so, in order to respond to international crises.”¹⁶ This summit is widely viewed as the beginning of the EU’s ESDP. Britain, however, maintains a special relationship with the United States and remains concerned about the effects of the EU’s efforts on transatlantic relations and NATO. This concern is illustrated by a recent House of Lords committee report which states: “It would be extremely damaging to the EU/US relationship if the ESDP initiative created new institutions, from which the US were excluded, with no real development of new European military capabilities.”¹⁷ Most Europeans still see the utility of a strong Alliance, especially in the area of collective defense, and recognize that the EU is nowhere close to having the capabilities to perform the types of operations that NATO as a whole can.

The French, in contrast, have historically pushed for an autonomous security role for the EU. They have sought to diminish U.S. influence in European affairs, and have seen an autonomous European Union military capability as a means to lessen U.S. dominance. They also see a more balanced Alliance as being more cohesive, and consider this another argument for stronger European military capabilities. The French view the ESDP and autonomous EU military capabilities as a natural progression of European integration. They expect the EU to develop the ability to exert its influence in foreign and security affairs as it has in the economic arena. Due to the crises in the

¹⁵ Edward D. Gunning Jr., *The Common European Security and Defense Policy (ESDP)*, *Institute for National Security Studies Occasional Paper 41* (Colorado Springs: United States Air Force Institute for National Security Studies, July 2001) 6.

¹⁶ Maartje Rutten, “British-French summit St-Malo, 3-4 December 1998,” *From St-Malo to Nice, European defense: core documents*, (Institute for Security Studies Western European Union: Paris, May 2001): 8.

¹⁷ Alexander Nicoll, “Spending Call For EU Rapid Reaction Force,” *London Times* 8 February 2002: 4.

former Yugoslavia, however, France has moderated its position based on the realities of EU inadequacies and dependence on U.S. military capabilities.

Largely as a result of the crises in the former Yugoslavia, differences within the EU have narrowed. France found virtues in NATO under the pressure of the Balkans conflicts. As previously stated, Britain in 1998 abandoned its opposition to dealing with military security matters within the EU framework, and endorsed an effort to achieve greater EU military autonomy.

The United States has also come to see greater utility in the concept of a stronger and more autonomous European Union. A long-standing U.S. position has been that America's European allies have lagged behind for too long in burden sharing and that improved EU military capabilities would be welcome. There are, however, U.S. concerns over the extent to which the EU is seeking autonomy in the areas of security and defense.

Differing views also remain among the EU member nations over the extent of the ESDP's autonomy from NATO and the price the EU is willing to pay for such independence. Some experts believe that the different perspectives such as the French view, which emphasizes an independent European Union security role and military posture, and that of other EU members, which stresses compatibility and co-operation with NATO, could have serious negative consequences for the development of the ESDP.¹⁸ The issue of autonomy has far reaching consequences for the EU. This issue will not only affect the direction and scope of capabilities procurement but also the ability to create an ESDP that is credible in the eyes of the world.

2. The Scope of EU military operations

There also exist considerable differences between the Member States regarding the scope of EU military operations. At the Western European Union (WEU) Council of Ministers meeting in Petersberg, Germany, in June 1992, it was agreed that, in addition to

¹⁸ Richard Latter, "Short Report summarizing the results of Wilton Park Conference No. 645, held on 10-14 September; place not given: EU Common Security and Defense Policy: From Aspiration to Action," FBIS, 25 September 2001: par. 29.

the continuing collective defense obligations of the WEU members, the military forces of the WEU states could be required to carry out what came to be known as the Petersberg tasks. These tasks include “humanitarian and rescue tasks; peacekeeping tasks; [and] tasks of combat forces in crisis management, including peacemaking.”¹⁹ While the EU adopted the “Petersberg Tasks” in Article 17, par. 2, of the Amsterdam Treaty of European Union, no further elaboration has as yet been forthcoming. It should also be noted that the WEU as a security organization was quite different from the EU. The WEU members were all members of the Atlantic Alliance, which is not the case with all current EU members, and thus the Petersberg Tasks were shaped within a context different from current EU aspirations.

For the EU, the question has arisen as to whether these tasks represent the final ambitions of the EU’s security and defense policy or merely the groundwork for even more ambitious and demanding roles. If the latter were the case, it should be assumed that the EU would seek an even more autonomous role in the implementation of its foreign and security policy than previously stated. This would have far reaching consequences not only for the non-EU NATO European members but for the United States as well. It appears that some French policy makers have suggested that the current Petersberg Tasks are not the full extent of the EU’s military ambitions.²⁰ On the other hand, Antonio Martino, the Italian defense minister, sees the Petersberg Tasks in a different light and has stated that “My view is that Europe should be doing very few things,” and that “There are certain goals that can be provided at the European level but they are very few.”²¹ The EU will need to consider whether it will seek only to develop those capabilities required to work in cooperation with NATO or whether it plans to strike out on its own in the quest for autonomy without having to depend on NATO or, more specifically, the United States.

¹⁹ “Western European Union Council of Ministers Petersberg Declaration, Bonn, 19 June 1992,” Western European Union Documents, 19 October 2001 <<http://www.weu.int/eng/comm/92-petersberg.htm>>

²⁰ *Achieving the Helsinki Headline Goals, Discussion Paper* (London: Center for Defense Studies, Kings College, November 2001) par. 3.1.

²¹ Michael Smith, “Italy Seeks To Cut Back Tasks Of Euro-Army,” London Daily Telegraph, 21 February 2002: p. 1.

Not only will the EU need to clarify the scope of its ambitions concerning the use of military force but it will also need to define the geographical range of intended operations. It will need to decide whether to adopt a global outlook or to remain content with a regional role. Interests among the EU member nations diverge in this regard. Some member nations – above all, the United Kingdom and France – have long-standing overseas interests and see the utility of maintaining a more global perspective, whereas several of the smaller states have no such ambitions and are content with the EU playing a regional role with an emphasis on civil vice military power.²² Becoming a global political actor, however, involves having the military means to back up diplomacy without suffering from a lack of credibility and influence. Aside from Britain and France, no other EU members maintain the power projection capability needed to deploy forces far beyond their borders. Yet even London and Paris lack the expeditionary capability to move the men and material needed for a large-scale operation outside of the European region. Acquiring the capabilities for global power projection would require an increase in military expenditures which the EU member nations are currently unwilling to make. Some doubt whether the EU nations could agree on the use of power projection capabilities even if they were able to obtain them. Each EU member retains distinct national interests and primary responsibility for its own defense. The scope of EU operations will be bound by these factors unless there is a genuine convergence of interests.

Differences are prevalent not only between large and small states of the EU but also according to geographic location. For instance, perceived threats from the Southern Mediterranean region are of less importance to many Northern European nations not only due to variations in geographic proximity but also to a lack of large immigrant populations from that specific area. The geographic boundaries of EU ambitions will have an impact upon the types of capabilities the EU member nations will need to acquire. Costs will also play a part in these decisions, as some EU member nations that have not historically maintained any form of power projection capability would probably not wish to spend money on expeditionary warfare capabilities to be employed in areas of

²² Fraser Cameron, The Foreign and Security Policy of the European Union: Past, Present and Future (Sheffield Academic Press: England, 1999) 110-111.

no direct relevance to their national interests. EU expansion is also an important factor to consider, as any territorial additions to the EU will almost certainly have an impact on the geographical range of intended operations. Moreover, the addition of new sets of national interests will in all probability complicate the EU's intergovernmental decision-making process regarding the ESDP.

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3. Conclusions

Current differences among EU member nations present a challenge to the pursuit of the ESDP as part of the EU's CFSP. In comparison with EU economic policies, foreign and security policy is much more politically sensitive for each EU member nation. As security and defense matters remain mostly under national auspices, it is important for the EU to reduce the differences among its members and thereby build consensus over its common foreign and security policy and the potential use of military means in its implementation. The EU needs to better define the scope of potential EU military operations and the meaning of an "autonomous" military capability. The ESDP and its goals must be grounded in shared definitions to ensure its credibility and legitimacy.

C. AMBIGUITIES

The many ambiguities surrounding the process of creating an ESDP have hindered progress. One of these ambiguities concerns the very nature of the Petersberg Tasks. These tasks are generally broken down into "low and high end" categories. According to NATO documents, "lower end" operations include humanitarian operations, disaster relief, search and rescue, non-combatant evacuation operations, military aid and support to civil authorities, and enforcement of sanctions.²³ These types of operations are easier to accomplish than "higher end" tasks for several reasons: they generally do not require large numbers of combat forces, although they may call for large

²³ *Achieving the Helsinki Headline Goals*, Discussion Paper (par. 3.3) references NATO documents

contingents of support forces; they generally involve fewer risks and have a higher probability of success; and finally, they are less politically sensitive and not as likely to cause dissension among EU member nations. These “lower end” tasks are generally viewed as the types of missions that the EU is currently capable of performing with only minimal assistance, if any, from NATO or the United States; and they are probably what the Italian Defense Minister had in mind when he said that “Europe should be doing very few things.”²⁴

The “higher end” tasks such as “peacekeeping,” “crisis management,” and “peacemaking” are harder to define and to accomplish, thus presenting more of a challenge to the EU. These tasks imply the use of military capabilities in the upper end of the war-fighting spectrum. “High end” tasks can be thought of as including the types of operations conducted by NATO in the Bosnia and Kosovo conflicts. They are more difficult to accomplish and more politically sensitive; and most importantly, they can involve the employment of large numbers of forces and the use of technologically advanced equipment and armaments. These types of missions also have the potential to escalate into combat operations which could easily exceed the limits of the EU’s current military capabilities. Most upper level Petersberg Tasks would almost certainly require a type of power projection capability that the EU does not currently possess; nor is the EU likely to achieve such a capability in the near future.

The manner in which tasks are defined will help to determine the capabilities that the EU will need to acquire. It will also aid in the clarification of the mismatch between EU ambitions and military capabilities. It appears that the ambiguous nature of the Petersberg Tasks derives in part from an unwillingness on the part of EU member nations to make commitments beyond the rhetorical ones of proposals to acquire the necessary military capabilities to implement the EU’s CFSP. Thus the Petersberg Tasks are not defined by specific force level requirements but by ambiguous descriptions of the nature of the proposed operations. Without specific definitions each member nation is allowed to hold its own interpretation of what (for instance) “peacekeeping” means and of what forces it judges may be required to accomplish such a mission.

AJP-01(b) and AJP3.4.1 ‘PSO’ for definitions of ‘lower order’ military operations.

²⁴ Antonio Martino quoted in Smith.

This has created a situation in which it is possible for two countries to have substantially different views of what constitutes a specific task; and this does not help with consensus building. Perhaps a capabilities-based definition of proposed missions might better help to clarify the gap between EU ambitions and capabilities and allow for a more realistic appraisal of what types of tasks the EU is capable of performing. It would be more productive to match available capabilities to specific tasks instead of declaring that the EU will be able to perform tasks along a wide and ambiguous spectrum of conflict. At present it is likely that NATO allies, especially the United States, will need to be involved in the accomplishment of any upper level Petersberg Tasks. Such a situation amounts to continuing EU dependence on U.S. and NATO assets and implies that EU member nations will have to consider carefully what they intend to achieve in seeking a more autonomous security role in Europe.

III. THE CAPABILITIES – AMBITIONS MISMATCH

The December 1999 European Council decision at Helsinki marked an important stage in the development of the ESDP and a significant step in defining the capabilities needed to accomplish its objectives. The EU announced plans to form a corps-sized European Rapid Reaction Force (RRF) as the central element of the ESDP. Although this military capability is meant to be the main instrument of the European Union's security policy, many questions have arisen over the practical obstacles to fulfilling such an ambition. Some observers judge that the EU has set unrealistic expectations and that the goals set at Helsinki are not obtainable within the stated timeframe. Another question is whether announced force structures are sufficient to fulfill the EU military ambitions represented by the Petersberg Tasks. The decisions made at Helsinki offered no further clarification regarding the scope of EU ambitions and subsequent EU-level commitments to improving military capabilities have remained relatively vague in nature. The Helsinki declaration did, however, mark a beginning of a process of identifying the capabilities the EU needs to develop to achieve its many ambitions.

A. HEADLINE GOALS

At the EU summit meeting in Helsinki the member nations agreed to a "headline goal" as the first step in identifying the capabilities needed to make the ESDP work. The European Council declared:

To develop European capabilities, Member States have set themselves the headline goal: by the year 2003, cooperating together voluntarily, they will be able to deploy rapidly and then sustain forces capable of the full range of Petersberg tasks as set out in the Amsterdam Treaty, including the most demanding, in operations up to corps level (up to 15 brigades or 50,000-60,000 persons). These forces should be militarily self-sustaining with the necessary command, control and intelligence capabilities, logistics, other combat support services and additionally, as appropriate, air and naval elements. Member States should be able to deploy in full at this level within 60 days, and within this to provide smaller rapid response elements available and deployable at very high readiness. They must be able to sustain such a deployment for at least one year. This will require an

additional pool of deployable units (and supporting elements) at lower readiness to provide replacements for the initial forces.²⁵

As the Council has stated, by 2003 the EU is expected to be able to deploy 50,000 to 60,000 personnel for a year or more to accomplish even the “most demanding” missions outlined by the Petersberg Tasks. However, serious doubts exist regarding the ambiguity of the “headline goal” and the size and types of forces designated in it.

According to David Yost, the “headline goal” seems to suggest “that the EU’s current aspirations extend to being able to undertake operations like the SFOR and KFOR peacekeeping missions, not a combat action like *Operation Allied Force*.”²⁶ As François Heisbourg has pointed out:

Since the Council decision indicates that the number mentioned includes both logistic units and combat support units, only 20,000 combat forces may be available. Such a fighting force could not be deployed for the *most demanding* Petersberg Tasks. With such a force the EU could take over from NATO the KFOR operations in the Federal Republic of Yugoslavia. Conversely, an intervention in a non-permissive environment in Kosovo could not be carried out with such a force. And it is questionable whether it would be sufficient in a semi-permissive environment. For relatively large-scale sustained combat operations, the EU might need 50,000 to 60,000 combat forces. This would thus require a headline goal of 150,000-180,000.²⁷

Heisbourg’s final figures reflect the fact that as a general rule, a 3:1 ratio of combat forces is needed to allow for the roulement of forces. This 3:1 ratio is even more critical if troops are engaged in actual combat operations in order to effectively train, refit and return them to the fight.

Heisbourg and Yost have highlighted the ambiguity of the headline goal and have raised doubts concerning the number and types of forces specified in it in relation to the declared ambitions. It is generally agreed that these force sizes are insufficient to

²⁵ “Presidency Conclusions,” Helsinki European Council 10-11 December 1999, available online at: <<http://ue.eu.int>>.

²⁶ David S. Yost, “The NATO Capabilities Gap and the European Union,” *Survival*, vol. 42, no. 4, Winter 2000-01: p. 115.

²⁷ François Heisbourg, with contributions by Nicole Gnesotto, Charles Grant, Karl Kaiser, Andrzej Karkoszka, Tomas Ries, Maartje Rutten, Stefano Silvestri, Alvaro Vasconcelos and Rob de Wijk, *European Defense: Making it Work*, Chaillot Paper no. 42 (Paris: Institute for Security Studies, Western

perform sustained missions such as those at the higher end of the Petersberg Tasks. This is because the headline goal stipulates that this force is to be “militarily self sustaining,” with “the necessary command, control and intelligence capabilities, logistics, [and] other combat support services.”²⁸ This combat service support requirement would reduce the actual warfighting capability of such a force to between 20,000 and 30,000 persons. If one assumed that these forces required a 3:1 rotation ratio, actual combat troops available at any given time would dwindle even further. At these force levels it is possible that only the lowest level of Petersberg Tasks could be performed and only in a permissive environment. The confusion and ambiguity surrounding the headline goal are evident when one remembers that such a force is meant to be capable of performing the full range of the Petersberg Tasks.

If one were to use a more realistic figure such as the 50,000 to 60,000 combat forces, mentioned by Heisbourg as required for conducting relatively large-scale sustained combat operations, then indeed the EU would need between 150,000 to 180,000 combat troops for purposes of roulement. If one were to then add logistics and support personnel, a force of over 200,000 would not be out of the question. These figures are far higher than those in the headline goal but constitute a much more realistic estimate of the size of the forces needed to accomplish all of the Petersberg Tasks. Perhaps the headline goal was set artificially low to ensure that the 2003 deadline could be met. This can be viewed as a realistic assumption when one notes that the member states have already made commitments which in total far exceed the targets set at Helsinki. The EU member states thus appear to wish to set ambiguous standards at artificially low levels to achieve a sense of progress in the area of the CFSP. Progress, however, is far from reality when it comes to acquiring the forces needed to close the gap between capabilities and ambitions.

European Union, September 2000) p. 80; emphasis in the original.

²⁸ “Presidency Conclusions,” Helsinki European Council 10-11 December 1999.

1. Meeting the Headline Goal

In reality, the targets set at Helsinki were not difficult to meet. As Yost has pointed out, “the EU’s declared force goals for ‘Petersberg tasks’ appear remarkably unambitious, since they are similar to the goals France announced for itself on a national basis in 1996.”²⁹ Heisbourg has estimated that by 2002, as the United Kingdom fully implements the reforms of its Strategic Defense Review and France completes its reforms of 1996, “at a pinch, Britain and France together could by then be able to field close to 100,000 fully-trained, fully-equipped professional soldiers in short expeditionary operations.”³⁰ Other EU nations have likewise initiated military reforms. According to Yost, “The EU’s ‘headline goal’ for 2003 is cast in such broad terms that the member states are almost certain to declare victory in meeting it.”³¹

It was not surprising that at the Capabilities Commitment Conference held in Brussels on 20 November 2000 the EU member states promised to make national contributions to meet the requirements of the RRF which far exceeded the goals outlined at Helsinki. Member states pledged 100,000 troops to meet their goals. The largest contributions included 13,000 troops from Germany, 12,500 from the United Kingdom, 12,000 from France and 6,000 each from Italy and Spain.³² It is important to note that these forces were pledged not as a standing European army but as a pool of forces, which could be offered by nations to participate in EU-led operations. The commitment of forces in an actual EU-led operation would require a separate national decision at the time of the crisis.

Taking into account these pledges and declarations made on the operational capability of the ESDP at Nice in December 2000 and at Goteborg in June 2001, the European Council, meeting in Laeken in December 2001, declared that the EU is now

²⁹ Yost, 117.

³⁰ Francois Heisbourg, “Emerging European Power Projection Capabilities,” paper presented at the Joint RAND/CGSP Workshop, ‘NATO’s New Strategic Concept and Peripheral Contingencies: The Middle East,’ Geneva, 15-16 July 1999, available online at <www.gcsp.ch>.

³¹ Yost, 115.

³² Kori N. Schake, “Do European Union Defense Initiatives Threaten NATO?,” Strategic Forum (Institute for National Strategic Studies, National Defense University August 2001) No. 184, available online at <www.ndu.edu/inss/strforum>.

capable of conducting some crisis-management operations. The Presidency Conclusion from Laeken states:

The European Council has adopted the declaration on the operational capability of the European security and defense policy set out in Annex II, as well as the Presidency report. Through the continuing development of the ESDP, the strengthening of its capabilities, both civil and military, and the creation of appropriate structures within it and following the military and police Capability Improvement Conferences held in Brussels on 19 November 2001, the Union is now capable of conducting some crisis-management operations.³³

Declaring the ESDP capabilities “operational,” however, appears to be more of a political aspiration than a realistic assessment of the EU’s ability to conduct operations along the full range of the Petersberg Tasks. The Laeken Summit recognized the need for continued cooperation with NATO to address capability shortcomings, avoid wasteful duplication, and ensure transparency and consistency. Overstating the abilities of the EU runs the risk of seriously undermining its credibility. What these crisis management operations might consist of was not further identified, and it was noted that the EU must continue to work with NATO to carry out these operations.

2. Focus on Capabilities

Aside from troop commitments, however, the more important issue for the success of the ESDP remains whether the capabilities needed to conduct EU military operations will be forthcoming. At the Capabilities Commitments Conference in November 2000, in addition to the 100,000 troops pledged, EU members also made commitments to make available 400 combat aircraft and 100 ships for EU-authorized operations. However, as Sir Timothy Garden has pointed out, “the numbers of armed forces pledged are not the key question: rather the quality of the performance of armed forces, and their availability and sustainability will be dependent on clusters of ‘enabling capacities’ of which the Europeans are somewhat short.”³⁴

³³ “Presidency Conclusions,” Laeken European Council 14 and 15 December 2001, Sec. 1, par. 6, emphasis added, available online at <<http://europa.eu.int/council/off/conclu>>.

³⁴ Timothy Garden, “European Defense Moves Forward Slowly,” The Source 22 September 2001.

In a study published by the Center for Defense Studies at King's College London, an analysis of NATO efforts such as the Defense Capabilities Initiatives (DCI) along with national defense plans was reported to reveal a series of areas where enabling capacities are likely to improve: in particular in strategic transport, air-to-air refueling, amphibious capabilities, some aspects of joint multinational headquarters, elements of ISTAR (intelligence, surveillance, target acquisition and reconnaissance), satellite communication and satellite surveillance. The study, however, also pointed out capability shortfalls: in tactical transport, air/ground surveillance capabilities, suppression of enemy air defenses, data fusion and ground links and all-weather precision offensive forces.³⁵

B. LESSONS FROM OPERATIONS IN THE FORMER YUGOSLAVIA

It is common knowledge that the EU member states lack the power projection capabilities needed to conduct upper-level Petersberg Tasks. These capabilities include strategic mobility assets, precision guided munitions and command, control, communications, intelligence, surveillance and reconnaissance (C4ISR). These shortfalls have existed for many years and are responsible for the mismatch between EU aspirations and actual capability to conduct military operations. The various NATO interventions in the former Yugoslavia are instructive in highlighting these EU capabilities shortfalls. These operations show that the EU was not capable of performing high-end Petersberg Tasks without the assistance of others, a situation that is largely still the case.

1. Operation Deliberate Force

Operation Deliberate Force began on 30 August 1995. The NATO air strikes against Bosnian Serb forces were a response to a Bosnian Serb mortar attack on civilians in the city of Sarajevo. The operation lasted for 11 days during which a total of 3,515 air strike sorties were flown against 338 individual Bosnian Serb military targets. A total of 1,026 bombs were dropped of which 708 were precision munitions. One plane, a French

³⁵ *Achieving the Helsinki Headline Goals* (London: Center for Defense Studies King's College, November 2001) par. 5.2.

Mirage 2000K, was shot down in the course of the campaign by a man-portable surface-to-air missile. Six EU member nations (France, Germany, Italy, Spain, the Netherlands and the United Kingdom) flew a total of 714 sorties, which equates to 29.1% of the total flown. In contrast, U.S. pilots flew 2,318 sorties or 65.9% of the total flown. Of the six EU member nations that flew sorties in Bosnia only France, Spain and the United Kingdom employed precision-guided munitions (PGM). These European nations dropped 86 of these munitions as compared to the United States, which dropped 622. Aside from two High-Speed Antiradiation Missiles (HARM) used by Spain, the rest were fired from American aircraft.³⁶ In addition to the number of airstrike sorties, the United States also dominated air support operations. These consisted of Navy and Marine Corps EA-6B and Air Force EC-130 airplanes in the jamming of Serb radar and other EC-130 missions to provide airborne command and control.³⁷ These figures clearly show that the EU was not capable of conducting this high-end Petersberg Task type of operation without the assistance of other nations, specifically the United States.

2. Operation Allied Force

Another NATO operation that highlights the gap between EU aspirations and military capabilities was Operation Allied Force in Kosovo in March-June 1999. This operation was aimed at enforcing compliance with a United Nations Security Council Resolution calling for the end of Serbian aggression in Kosovo. On 24 March 1999, NATO forces commenced air operations directed against Serbian military targets in Kosovo. On 24 April 1999, the air campaign was extended to targets of military importance in other parts of Serbia. The strategic objectives for the use of force in Kosovo included to “deter [Yugoslav President] Milosevic from continuing and escalating his attacks on helpless civilians and [to] create conditions to reverse his ethnic cleansing.”³⁸ Of the 23,614 air munitions dropped by NATO aircraft, more than 30%

³⁶ Robert C. Owen, Deliberate Force: A Case Study in Effective Air Campaigning (Maxwell AFB, AL: School of Advanced Airpower, June 1998).

³⁷ John A. Tirpak, “Deliberate Force,” Air Force Magazine, 28 October 1995: vol. 80, no. 10, available online at <http://www.afa.org>.

³⁸ “Joint statement of William S. Cohen, Secretary of Defense and General Henry H. Shelton, Chairman of the Joint Chiefs of Staff,” Senate Armed Service Committee Hearing on Kosovo After-Action

were PGMs. Of the total number of aircraft deployed, the United States contributed 770 and the other allies 275. This allied contribution included 192 fighter-bombers, 63 support aircraft, 19 reconnaissance and three helicopters.³⁹

The European allies flew 47% of the total number of strike sorties throughout the operation, but this number is misleading in view of the disproportionate number of U.S.-flown sorties that required precision strike and all-weather capable aircraft.⁴⁰ Of the 38,000 sorties flown, 27% were strike and 73% were support sorties.⁴¹ Due to the nature of the operations, to include topographical conditions, rules of engagement and weather patterns, the Allies emphasized the employment of PGMs and aircraft capable of delivering such munitions. Of the 23,614 air munitions dropped by NATO aircraft, more than 30% were PGMs. The number of PGMs employed by the allies was only 7%, and only eight of the 13 air forces that flew in Operation Allied Force even carried PGMs.⁴² This reflected the shortfall in these types of munitions among the Europeans. Furthermore, it should be noted that almost all bombing targets in Serbia, including Kosovo, were identified using U.S. assets.⁴³

As was the case in Operation Deliberate Force in Bosnia, the European Allies were highly dependent on the United States in support operations, as they accounted for only 29% of combat support sorties for refueling, command and control and suppression of enemy air defenses (SEAD).⁴⁴ Operation Allied Force also highlighted European reliance on U.S. technology and illuminated interoperability problems in areas such as secure communications. Most of the allied nations lacked secure air-to-air and air-to-ground communications, so information had to be passed in the clear, placing operations

Review, 14 October 1999.

³⁹ "Operation Allied Force Fact Sheet," available online at <<http://defenselink.mil/specials/kosovo/index.html>>.

⁴⁰ From prepared statement of William S. Cohen, Secretary of Defense, to the Senate Armed Services Committee Hearing on Operations in Kosovo on 20 July 1999, available online at <<http://www.defenselink.mil/dodgc/lrs/docs/test07-20-99Cohen.html>>.

⁴¹ United Kingdom Ministry of Defense Web site, <<http://www.kosovo.mod.uk/account/stats.htm>>.

⁴² Richard Sokolsky, Stuart Johnson and F. Stephen Larrabee, "Persian Gulf Security: Improving Allied Military Contributions (Rand, 2001) 75.

⁴³ Joschka Fisher quoted in John C. Hulsman, "The guns of Brussels: Burden sharing and power sharing with Europe," Policy Review June-July 2000: Issue 101, 35-49.

⁴⁴ Cohen, statement to the Senate Armed Services Committee.

security at risk. The United States had to resort to “legacy” systems to facilitate U.S.-European cooperation.⁴⁵

The European Allies were also dependent upon U.S. electronic warfare capabilities. As during Operation Deliberate Force, the contributions by U.S. EA-6B Prowlers in jamming target-acquisition radar were vital to the safety of Alliance aircraft. The Europeans also showed deficiencies in computerized weapons, night vision equipment, and advanced communications resources. U.S. General Michael Short, who oversaw the bombing campaign, was reported to have curtailed the use of European aircraft to avoid unnecessary risk, due to their lack of night-vision capabilities and laser-guided munitions.⁴⁶

German Foreign Minister Joschka Fischer has commented on this discrepancy in capabilities: “The Kosovo war was mainly an expression of Europe’s own insufficiency and weakness; we as Europeans never could have coped with the Balkan war that was caused by Milosevic without the help of the U.S.”⁴⁷ Elmer Brok, the German Chairman of the Committee on Foreign Affairs, Human Rights and Security and Defense Policy of the European Parliament, sums up the lessons that Europeans can draw from the conflict in the former Yugoslavia:

What we have learned from Kosovo and from the whole Yugoslavia conflict is that with proper European capacities, we should have avoided war in the very beginning and the loss of many, many lives in this region before the shooting started in the beginning of the 1990’s. I think this is our main concern: to get capacities to prevent such wars. We can only prevent them if we have enough military capacity to show that we can also use military instruments.⁴⁸

The two military operations fought in the former Yugoslavia clearly showcased the lack of EU capabilities and helped to highlight the nature and extent of these shortfalls.

⁴⁵ Yost, 105.

⁴⁶ Hulsman, 35-49.

⁴⁷ Hulsman, 35-49.

⁴⁸ Elmar Brok, Hearing before the House of Representatives Committee on International Relations, 106th Congress, First Session, 10 November 1999: Serial No. 106-106, 19, available online at <http://www.house.gov/international_relations>.

C. THE MISMATCH

Operations in the former Yugoslavia clearly illustrate the many shortfalls which prevented the EU from performing Petersberg Task types of operations. These continuing shortfalls are found not only in equipment and technology but are also present in defense investment, procurement and research and development (R&D), all of which combine to create a mismatch between EU aspirations and military capabilities. While EU countries may have enough troops on paper to meet the goals set down in Helsinki, they still lack the vital combat and support capabilities to move them, give them sufficient firepower, and sustain them during operations along the full spectrum of the Petersberg Tasks. This lack of capabilities means that the EU will continue to depend on NATO and more specifically the United States to accomplish upper-level Petersberg Tasks. This situation does not bode well for those who seek an autonomous EU military capability. However, until the gap between ambitions and capabilities is closed, it will remain the reality.

IV. IMPROVING EU MILITARY CAPABILITIES

The EU's goal of developing a credible and autonomous military capability, one able to perform all of the Petersberg tasks by 2003, is dependent on its ability to improve its current military posture and resolve many remaining policy issues. At present, despite the fact that the objectives articulated at the Helsinki Summit are relatively vague, the EU cannot realistically say that it will be able to field and support forces capable of performing more than the simplest peacekeeping missions in a benign environment without depending on NATO and specifically U.S. support. As illustrated by NATO's campaigns in the former Yugoslavia, the mismatch or gap between EU aspirations and military capabilities is clearly visible. These gaps are caused not only by a lack of military equipment but also by European-American disparities in technology, investment and defense procurement.

EU member nations will need to greatly improve their capabilities in such areas as precision-guided munitions, electronic warfare and unmanned reconnaissance vehicles if they are to make the ESDP a success. In order to accomplish this, the EU member nations' biggest hurdle will be to overcome their unwillingness to spend more on defense. As stated in March 2001 by Ambassador Alexander Vershbow, then the U.S. Permanent Representative on the North Atlantic Council, "the bottom line on capabilities is exactly that – the bottom line."⁴⁹ Not only will the members of the EU need to increase defense expenditures, they will also have to find innovative ways to maximize the utility derived from scarce resources. This will certainly require coordination between NATO and the EU in the area of military planning to avoid wasteful duplication. It should be noted that projects such as NATO's Defense Capabilities Initiative (DCI) have set goals to enhance the Alliance's capabilities while avoiding any harmful duplication of effort.

EU member nations will also need to support the restructuring of both the European and the transatlantic defense industrial bases. This transformation will need to include the greater integration of defense industries in areas such as procurement,

⁴⁹ Alexander Vershbow, "The Transatlantic Relationship at the Crossroads? Meeting NATO's Five Challenges," Netherlands Institute of International Relations (Clingendel: 23 March 2001) available at

technology sharing and research and development (R&D). Integration is seen as a means to increase capabilities while using fewer resources, to take advantage of economies of scale, and to address problems such as interoperability and technology and R&D shortfalls. The United States will also need to be an active participant in any transatlantic defense industry integration and cooperation efforts, which will require governments on both sides of the Atlantic to address various obstacles, including technology transfers. As increased military spending is not likely to be pursued by the EU member states, the restructuring of the European and transatlantic industrial base may be a key element in reducing the mismatch between EU aspirations and military capabilities. The goals of the ESDP include achieving greater autonomy in the EU's military role and reducing the capabilities gap between the United States and the EU.

A. THE LACK OF EU CAPABILITIES

Shortcomings in European military capabilities have been a source of transatlantic tension for many years. General U.S. attitudes are that the Europeans have not invested enough in building military capabilities, and that they complain of U.S. dominance but at the same time refuse to spend the money to acquire the means for more autonomous action. Europeans generally see the United States as unfairly accusing them of free-riding and sometimes even as a hindrance to European efforts to improve their capabilities, as in the case of U.S. restrictions on technology transfers. Regardless of these differing views, the fact remains that the lack of EU military capabilities has created a gap which divides the United States from its European Allies.⁵⁰ This capabilities gap is especially relevant for the future of the EU's ESDP and its stated goal of developing the ability to conduct autonomous military action in crises in which the United States chooses not to become involved.

<<http://www.allied.be/usa/ambassador/s20010323a.htm>>.

⁵⁰ David S. Yost, "The NATO Capabilities Gap and the European Union," *Survival* Vol. 42, No. 4, Winter 2000-01: 97.

1. The Mismatch Defined

Operations in the former Yugoslavia clearly illustrate many gaps, which together constitute a large mismatch between EU ambitions and its military capabilities. The gaps in equipment and technology derive from gaps in investment, procurement and R&D. These capabilities cover the entire military spectrum: strategic mobility assets, surface ships and submarines, precision-strike munitions, electronic warfare, power projection, and command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR).⁵¹ While EU countries have enough troops to meet the goals set in Helsinki, they still lack the capabilities to move them, arm them with sufficient firepower, and sustain them during the operations envisaged by the Petersberg Tasks without U.S. or NATO assistance.

There are many reasons for the deficiencies in EU military capabilities and the consequent capabilities gap between the EU and the United States. One reason has to do with the legacy of the Cold War. During the Cold War the defense policies of most NATO European countries were focused on territorial and collective defense under NATO's Article 5. Most European Allies did not need to procure power projection assets. The European Allies were also dependent on a strong U.S. deterrent, to include U.S. troops stationed in Europe. The U.S. military presence allowed the Europeans to rely less on their own ability to conduct military operations while encouraging dependence on the United States military umbrella. This was in contrast to the United States, whose global commitments demanded that it maintain forces capable of overseas power projection. As U.S. power projection capabilities grew, the general trend in Europe was to concentrate on the forces needed for territorial and collective defense. The principal exceptions to this trend among the European Allies were Britain and France.

⁵¹ Yost 98.

2. Defense Spending

The most common references to the lack of EU military capabilities concern the differences in defense spending between the United States and its European allies. William Cohen, then U.S. Secretary of Defense, stated that “the U.S. spends about 3.4% of its Gross Domestic Product (GDP) on defense, while the 15 – Member EU averages less than 1.8%.”⁵² Several EU countries have been criticized for failing to enact the costly reforms needed to create highly mobile and capable forces, the kind needed to conduct Petersberg Task types of operations. According to John Chipman, director of the London-based International Institute for Strategic Studies (IISS), the figures do not support assertions that most European defense budgets are no longer shrinking and that some are actually rising.⁵³ The IISS reports that NATO European defense spending in real terms is falling at a rate of almost 5% a year, that overall R&D spending is falling by 2% a year, and that procurement spending among European NATO members has fallen by 6.9% since 1996, compared to a 4.7% increase in the United States.⁵⁴

Chipman has said that European nations “will have to show a willingness to spend real money” and that “It is equally important that Europeans do not replace failures to produce new capabilities with successes in developing new institutions to coordinate military power that does not exist.”⁵⁵ Some European leaders have also agreed that it will be necessary to spend more on defense to build an autonomous crisis management capability and to rectify noted deficiencies.⁵⁶ In reference to plans to create an EU Rapid Reaction Force, Javier Solana, High Representative for the EU’s Common Foreign and Security Policy, stated quite clearly, that “in the short and medium term we [the Europeans] will have to increase defense budgets.”⁵⁷

⁵² William Cohen as quoted in John Davis, “Time For Europe to Police its Own Backyard,” Veterans of Foreign Wars Magazine February 2001: 22-28.

⁵³ John D. Morrocco, “Allies’ Capability Gap Finds No Easy Solution,” Aviation Week and Space Technology 18 June 2001: 140.

⁵⁴ Morrocco, “Allies’ Capability Gap,” 140.

⁵⁵ Morrocco, “Allies’ Capability Gap,” 140.

⁵⁶ Denis M. Groves, “The European Union’s common Foreign, Security and Defense Policy,” Berlin Information-Center for Transatlantic Security: 24.

⁵⁷ Solana quoted in John C. Hulsman, “The Guns of Brussels: Burden Sharing and Power Sharing with Europe,” Policy Review.

Not only do the EU member nations spend less on military forces than the United States, this spending is generally seen as less efficient. As William Cohen has pointed out, “NATO European countries spend roughly 60% of what the U.S. does, and they get about 10% of the capability.”⁵⁸ Defense spending and procurement are not coordinated at the supranational level in the European Union. Each EU member nation plans and executes its own defense policy with little or no regard to a common European Union defense policy.

This lack of coordination can lead to great inefficiency in procurement. Political considerations and preferences accorded to national defense industries have led to procurement practices which (viewed from an EU wide perspective) can be seen as wasteful duplication. Each EU member nation is not only responsible for equipping its own military forces but also for training them as well. Although multinational exercises have been conducted by EU member states, the majority of training is still conducted at the national level, leading to less overall efficiency. National interests and separate military policies do not allow the EU to make the most efficient use of its resources a situation, which will need to be addressed in light of stagnant and shrinking defense budgets.

In part, the low levels of European defense spending are a result of an emphasis on alternate budgetary priorities such as social and welfare programs. In many EU member nations defense issues have long been of lesser importance and to shift now to increasing defense spending would require a fundamental political and social change. In many EU member countries there is also a lack of a national consensus over the need for higher defense spending due to the absence of any perceived threat that would warrant such a commitment.

Some nations also perceive existing threats differently due to such factors as size or geographic location. Some of the smaller nations see less utility in maintaining sizable military forces or investing in new capabilities. EU military capabilities have not kept pace with increasing ambitions mainly as a result of the general downward trend in European defense budgets. This trend has not allowed the EU to acquire the military

⁵⁸ William Cohen quoted in John Davis.

capabilities needed to perform operations along the full range of the Petersberg Tasks nor to reduce its dependence on NATO and U.S. assets.

B. REDUCING THE GAP

Reducing the mismatch between EU ambitions and capabilities will be a major undertaking. It will require the EU to improve its own capabilities while reducing the gap that exists between these capabilities and those of the United States. Among other things this will require a fundamental shift in the willingness of European nations (both EU and NATO members) to raise defense spending and restructure the way in which this spending is allocated. It will also require a commitment by the EU members to restructure the European military-industrial base, as well as to build new transatlantic military-industrial relationships, which will also involve U.S. commitments. Initiatives have also been proposed and adopted by the EU and NATO to solidify commitments and increase defense cooperation. NATO approved one such initiative at its 1999 Washington Summit – the Defense Capabilities Initiative.

1. Defense Capabilities Initiative

The DCI launched by the Allies at the 1999 Washington Summit is intended to improve the Alliance’s defense capabilities. This effort in turn may narrow the military capabilities gap between the United States and the EU. The stated aim of the initiative is to “strengthen the military capabilities of all Allies, not just those of European Allies, and across all Alliance missions.”⁵⁹ As a NATO initiative, the DCI was designed to improve capabilities in five functional areas: deployability and mobility; sustainability and logistics; command, control, and communications (C3); effective engagement; and survivability of forces and infrastructure.⁶⁰ Within these areas, the Allies identified 58 specific points for the improvement of capabilities and many short and long-term

⁵⁹ “Strengthening European Security and Defense Capabilities,” NATO Fact Sheet, updated 15 December 2000, available online at <<http://www.nato.int/docu/facts/2000/dev-esdi.htm>>.

⁶⁰ Franklin D. Kramer, “Testimony of the Honorable Franklin D. Kramer Assistant Secretary of Defense for International Security Affairs to the Senate Foreign Relations Committee, Subcommittee on European Affairs,” 9 March 2000, available online at <<http://www.defenselink.mil/>>.

objectives. In addition, the Allies created a High Level Steering Group (HLSG) to oversee the implementation of the DCI and to coordinate, focus and prioritize the work of NATO's many capabilities-related committees.

In a March 2001 report to the U.S. Congress on Allied Contributions to the Common Defense, the Secretary of Defense stated, "The Alliance has made modest progress in some DCI areas, albeit with an uneven level of effort by its 19 members."⁶¹ The report cited progress made by Belgium, Denmark, the Netherlands, Norway (a non-EU member) and Portugal in the area of day/night all-weather capabilities for aircraft. The European Allies' efforts are also mentioned in the acquisition of advanced fighters, long range cruise missiles, medium lift transport aircraft and attack and transport helicopters; but it is noted that most of these systems will not be fully functional until the latter part of the decade. Allied efforts are applauded in joint procurement of defense capabilities as a means for cost savings and increasing interoperability. However, the analysis concludes that "in many other respects, progress toward DCI objectives has been disappointingly slow."⁶²

In May 2001 Alexander Vershbow stated that "only 50 percent of DCI commitments have actually been met, a record that no one should be proud of."⁶³ The main reason for this lack of progress is identified as the Allied reluctance to make the necessary investments to field a force capable of meeting future Alliance challenges. In the opinion of Franklin Kramer, then U.S. Assistant Secretary of Defense, "What it comes down to is money...[DCI] will fail unless some nations spend more, all spend smarter, and all stop reduction."⁶⁴ Perhaps the greatest achievement of the DCI towards the goal of narrowing the capabilities gap has been to once again highlight European Allies' capability shortfalls. Spotlighting these shortfalls, however, has not resulted in

⁶¹ Department of Defense. Report to the United States Congress on Allied Contributions to the Common Defense March 2001: II-2, available at http://www.defenselink.mil/pubs/allied_contrib2001/index.htm.

⁶² Department of Defense, Report to Congress, March 2001.

⁶³ Alexander Vershbow, "Vershbow Remarks on Euro-Atlantic Security and Defense." The United States Mission to the European Union 15 May 2001 <http://www.useu.be/Categories/Defense/PolSecVershbowEuroAtlSec15May01.html>.

⁶⁴ Kramer quoted in Loren B. Thompson, "Regional Integration And Trans-Atlantic Decay," Sea Power January 2001: 49.

the gains necessary for the European Union to conduct autonomous military actions along the full range of the Petersberg Tasks.

2. European and Transatlantic Defense Industry Transformation

Both the Europeans and the Americans have begun a process of restructuring transatlantic and European military industries. In response to U.S. material and technological advantages in such operations as the Kosovo campaign and in the wake of the December 1998 British-French St. Malo Summit, the EU indicated a growing commitment to improving military capabilities at the June 1999 EU Summit in Cologne.⁶⁵ In addition to moving towards greater cooperation with the United States, EU members have sought to integrate their own defense industries and policies. Increased integration is viewed as a means of addressing the lack of interoperability between the armed forces of EU members and those of the United States and the lack of technology sharing and cooperation in military R&D. EU members are also looking for ways to save money through cost-effective and rational acquisition of military equipment. The transformation of the European military-industrial base and the manner in which EU members procure military equipment will involve the following elements:

- The consolidation of military industries through mergers and acquisitions
- The joint procurement of military equipment
- Changes in government policies relating to technology transfers, export regulations and industry consolidation in both the United States and Europe
- The consolidation of technology and research and development efforts
- Greater transatlantic military-industrial cooperation

Whether a fully integrated European military industry and greater cooperation with the United States are achievable and whether such developments will bring about a decrease in the various capabilities gaps are questions yet to be answered. There has been a definite and positive trend in the restructuring of the European military-industrial

⁶⁵ Jean Betermier, "European Defense Industry Mergers," Euro-Forum (CSIS), <www.csis.org/europe/frm990609.html> 9 June 1999.

base, which should lead to real progress in strengthening the ESDP and narrowing the capabilities gap.

a. Mergers, Acquisitions and Joint Ventures

This restructuring effort has been underway for several years, led by European military-industrial consolidation and cooperation, through mergers, acquisitions and joint ventures. EU members have recognized the need for national and transnational military industry integration to create multinational firms capable of competing and cooperating with their American counterparts. The EU recognizes the advantage the United States has enjoyed in areas such as technology development and application, which are to some extent a result of U.S. military-industrial integration and cooperation. An example of the trend in European national industrial integration is the recent creation of BAE Systems, which was the result of the acquisition of Marconi Electronics Systems by British Aerospace. BAE Systems has established a dominant position in the U.K. market; and through joint ventures such as those with Matra BAe Dynamics, Airbus and the Eurofighter consortium, it has also maintained a strong presence throughout Europe.⁶⁶ The merger of France's Aerospatiale Matra, Germany's Daimler Chrysler Aerospace and Spain's CASA resulted in the formation of the European Aeronautics, Defense, and Space Company (EADS). EADS now controls 100 percent of Eurocopter, 80 percent of Airbus, 27 percent of Arianespace (the Paris-based satellite launch organization), and 50 percent of all European military missile projects through its partnership with BAE Systems and the Italian defense firm Alenia.⁶⁷ Other recent industry consolidations have involved the acquisition by the French electronics giant Thales (formerly Thomson-CSF) of the British electronics firm Racal and the planned merger of British GKN and Italy's Finmeccanica in the field of helicopter manufacturing. The latter would reduce the number of helicopter manufacturers in Europe by half.⁶⁸

⁶⁶ Thompson 50.

⁶⁷ Thompson 50.

⁶⁸ Thompson 50.

The consolidation of European military industries may have several benefits, to include the reduction of unnecessary redundancies in this sector and increased cooperation between EU members. Consolidation may also reduce equipment production in an over-saturated European marketplace and aid companies in marketing their products.⁶⁹ Europeans have realized that economies of scale, which consolidation may promote, will be necessary in the future if transatlantic cooperation and eventual integration is to be achieved. Some also view this emerging trend of European consolidation as leading to more transatlantic cooperation and eventually to transatlantic military industry consolidation.⁷⁰

b. Fortress Europe

EU efforts to narrow the capabilities gap through closer intra-European industrial cooperation have become a touchy political issue between the United States and the EU member nations. Some Americans have argued that intra-European defense cooperation represents a desire on the part of the Europeans to go it alone and eventually achieve military autonomy.⁷¹ The U.S. Department of Defense was reportedly disappointed that Marconi and DASA were not to be acquired by U.S. companies. This leaves U.S. industry to face two European giants (BAE Systems and EADS) that maintain a dominant position in their home markets, can hold their own against U.S. firms such as Boeing and Lockheed Martin, and are in a position to expand into the U.S. defense market.⁷² John Hamre, then Deputy Secretary of Defense, noted that EADS “does have a ‘Fortress Europe’ look about it. These megamergers prevent U.S. companies from competing in the European market.”⁷³ This “Fortress Europe” frame of mind views European industry consolidation as a means of blocking U.S. manufacturers and encouraging a “buy European” mentality. The decision on the part of many EU

⁶⁹ “Consolidation Expected for European Industry,” National Defense August 2001: 26.

⁷⁰ George I. Robertson, “Europe’s new defense era.” 5th Forum Europe Defense Industries Conference, Brussels, 23 May 2000, available online at <<http://www.nato.int/docu/speech/2000/s000523a.htm>>.

⁷¹ Paul Mann, “NATO’s Transatlantic Market Pits Politics Versus Business,” Aviation Week and Space Technology 21 May 2001: 91.

⁷² Thompson 50.

⁷³ Thompson 50.

members to purchase the A400M military transport, produced by Airbus, instead of the Boeing C-17, widely viewed as more cost-effective, is considered an example of this mentality.⁷⁴

The notion that a military-industrial “Fortress Europe” in the defense industry is actually a reality has yet to be proven, given today’s level of transatlantic cooperation. Europeans have also sought to assure the United States that this is not the case. According to retired French Admiral Jean Betermier, “the EU’s goal is to create vital multinational firms capable of effectively competing and cooperating with their American counter-parts in the European and Transatlantic marketplace.”⁷⁵ Opposition to an integrated European military industry remains, however, and some defense analysts contend that partnership alone will not be enough to end the “Fortress Europe/Fortress America” problem and that more transatlantic integration will need to take place.⁷⁶

c. Defense Procurement

Another element in the process of reducing the capabilities gap and creating an integrated European military industry involves the European attempt to consolidate procurement activities. The joint procurement of equipment would offer many advantages to EU members. It would increase interoperability, which is increasingly important to accomplish crisis management tasks. It would also offer cost savings at a time of falling or stagnant defense budgets, in view of the rising prices of high technology military equipment. Joint procurement would also facilitate the sharing of technology development costs, which may help to narrow the many capabilities gaps.

There are several examples of the European trend towards integrated procurement policies. One such example involves France, Germany, Italy, the United Kingdom, Sweden and Spain, which have recently agreed to procure the Meteor beyond-visual-range missile manufactured by MBDA. Finland, Norway and Sweden have also

⁷⁴ Thompson 50.

⁷⁵ Betermier.

⁷⁶ Dov S. Zakheim, Toward a Fortress Europe? (Washington D.C.: Center for Strategic and International Studies, November 2000) 43.

agreed to purchase the NH90 helicopter from the multinational NH Industries (NHI), which is a consortium involving EADS, Augusta Westland, the Netherlands' Fokker, and Portugal's OGMA. Another example is the Eurofighter Typhoon, which is being produced by a consortium consisting of EADS, Britain's BAE SYSTEMS and Italy's Alenia Aerospazio. The Eurofighter will fulfill requirements for the next generation combat aircraft for Britain (which will acquire 232 Eurofighters), Germany (180), Italy (121) and Spain (87).⁷⁷ Eurofighter Typhoon is now in production and will enter service in 2002.

However, the biggest example of this new cooperation in procurement involves the acquisition of the A400M transport aircraft, produced by the Airbus Military Company (AMC). At the 2000 Farnborough Air Show, Belgium, France, Germany, Italy, Luxembourg, Spain, Turkey, and the United Kingdom initially agreed to purchase the A400M from AMC. This commitment was confirmed at the 2001 Paris Air Show with the addition of Portugal. The nine participating countries have agreed to acquire 212 of the transport aircraft.⁷⁸ The Europeans see this project as a crucial test of their ability to transform the way they procure new equipment and improve their capabilities.

The agreement to purchase the A400M also highlights the various problems associated with European military procurement projects to date. Italy and Portugal have not officially signed a contract for the A400M because their participation has yet to be approved by their respective parliaments. Italy's participation has recently become even more doubtful due to objections that the plane is too expensive. Italy's Defense Minister, Antonio Martino, has recently stated that it is not necessary and "does not meet Italy's needs."⁷⁹ Although Germany has agreed to purchase the largest number of aircraft (73), the strength of its commitment is in doubt due to budgetary constraints and legal issues.⁸⁰

⁷⁷ "Defense Briefs," Defense Daily International, 19 October 2001: vol. 2, no. 39.

⁷⁸ John D. Morocco, "Europe Nears Contracts for A400M Transport, Meteor," Aviation Week and Space Technology 25 June 2001: 35.

⁷⁹ Martino quoted in "Chirac Urges Italian Airbus Deal," BBC News Online 27 November 2001, 27 November 2001 <http://www.news.bbc.co.uk/low/english/world/europe/newsid_167800/1678834.stm>.

⁸⁰ BBC News Online 27 November 2001.

In order to successfully unify procurement, the EU members will have to agree upon a common procurement policy framework and overcome the many obstacles of national defense policies and procedures and national bureaucratic roadblocks. In May 2001, Ambassador Vershbow stated:

Funding and fielding the Airbus A400M is the litmus test for how serious the EU is about putting muscle behind what is still only a goal. EU governments must be ready to pay the costs that come with developing key airlift capability if they want to be able to act independently.⁸¹

Perhaps the terrorist attacks of 11 September 2001 will provide a boost for projects like the A400M transport, as European nations seek to strengthen their military capabilities.

Several EU members are improving the procedures of joint procurement through participation in the Organization for Joint Armament Co-operation, known by its French acronym OCCAR (Organisation Conjointe de Cooperation en Matiere de l'Armement). OCCAR was created in 1996 by France, Germany, Italy and the UK as a multinational armaments agency and gained legal authority in 2001. It is open to all European nations under certain conditions, including their participation in a major project involving at least one OCCAR partner nation. Cooperative projects in Europe have traditionally suffered from complex management and decision-making arrangements, as well as cumbersome workshare requirements. According to a British government statement, "OCCAR will provide improved management of collaborative defense equipment programs involving European partners, will avoid the need to develop individual procedures each time a new collaborative venture commences, and will build a center of expertise using principles of best procurement practice."⁸² OCCAR participants have also pledged to eliminate the "juste retour" principle, which linked national cost-shares on specific programs to national industrial workshares. However, the details of new workshare arrangements have yet to be worked out, and some industry and government officials are reportedly skeptical as to how this will be achieved.⁸³

⁸¹ Vershbow, "Vershbow Remarks"

⁸² "UK Government: OCCAR achieves legal status," M2 Presswire 30 January 2001: 1.

⁸³ John D. Morocco, "European Nations to Team Up on Next-Generation Technology," Aviation Week and Space Technology June 18, 2001, Vol. 154, Issue 25: 162.

As the A400M procurement project highlights, EU member nations do not speak with a single voice when it comes to making decisions affecting their own national security. Although the EU's common goal is to improve capabilities, the manner in which each nation goes about achieving this goal may be different. The current agreement is that the EU's military security affairs will be handled on an intergovernmental basis. However, the EU member nations must strike a balance between the desire to pursue national goals and objectives and the necessity to accept a measure of effective coordination in support of the ESDP. More cooperation and consensus, implying national policy changes, will be needed if the EU is to succeed in projects such as the A400M.

d. Defense Technology

European technology gaps, applied and fundamental, have arisen due to several factors. The first is the European unwillingness to maintain, much less increase, spending on military research and development. With the end of the Cold War, European defense spending (with the exceptions of Greece and Turkey) declined and shifted from areas such as the improvement of technology to the maintenance and upkeep of existing equipment. Figures from the OECD show that during the period 1989-1994 government R&D expenditures for France were \$34.4 billion, \$17.9 billion for the United Kingdom and \$10.6 billion for Germany, as opposed to the United States, which spent \$228 billion.⁸⁴

Even while taking into account the relative sizes of the U.S. armed forces and the EU member nations' forces and the higher degree of U.S. reliance on high-technology weapons and equipment, the spending gaps are still significant. Gordon Adams, director of security policy studies at the Elliot School of International Affairs at George Washington University, estimates that "within five years U.S. combined procurement and R&D defense spending will exceed \$100 billion, which will be more than double the combined spending of all European NATO allies."⁸⁵ The technology gap

⁸⁴ Hans Heerkens, "Closing the Transatlantic Technology Gap," *Interavia* November 1999, Vol. 54, Issue 636: 20-21.

⁸⁵ Mann 91-95.

is further widened by the inability of small European national markets to support the development of major weapons systems, unlike the large and relatively unified American market that can readily develop new technologies through such projects as technology demonstration ventures.

Some European countries are attempting to narrow the gap in advanced technologies through the creation of a European Technology Acquisition Program (ETAP). France, Germany, Italy, Spain, Sweden and the United Kingdom have formed a partnership involving Alenia, Aerospazio, BAE Systems, Dassault Aviation, EADS and Saab. ETAP is focused on the development of advanced technologies adaptable to existing aircraft such as the Eurofighter, as well as offering the potential for collaboration in developing capabilities for the next generation of manned and unmanned aircraft.⁸⁶

European companies have also been involved in two other programs that may eventually improve their capabilities in electronic countermeasures, and thus address the shortcomings that were evident during the NATO campaigns in Yugoslavia. The partnership of Dassault Electronique, Thales and Matra Defense is expected to begin full initial operating capability of the Spectra integrated countermeasures system in 2002. This system, designed for France's Rafale aircraft, includes protection against radio frequency, infrared and laser threats.⁸⁷ For the Eurofighter, EADS has been awarded the contract for production of the Defensive Aids Subsystem (DASS). The EuroDASS will include an integrated radar-warning receiver and jamming transmitter as well as an active missile warning capability.⁸⁸ These two projects are important achievements in high technology electronics and demonstrate the Europeans' ability to produce technology comparable to that of the United States.

EU members have also sought improvements in technology through greater cooperation between national research organizations. The close cooperation between the research institutes of Sweden's FAA, the UK's DERA, Germany's DLR, the Netherlands' NLR, France's ONERA, Spain's INTA and Italy's CIRA has led to the

⁸⁶ John D. Morocco, "European Nations to Team Up on Next-Generation Technology," Aviation Week & Space Technology 18 June 2001, Vol. 154, Issue 25: 162.

⁸⁷ David Rockwell, "Military Avionics: New Directions," Aviation Week and Space Technology 12 January 1998, Volume 148, Issue 2: 170.

foundation of the European Research Establishments in Aeronautics (EREA). An eventual goal is that EREA will evolve into a union of European research establishments with a centralized management structure.⁸⁹ There have also been several joint technology ventures, including one involving NLR and DLR in the creation of a unified management structure for windtunnel research and one between ONERA and DLR in support of the Eurocopter consortium.

e. Transatlantic Technology Cooperation

Cooperation in military technology with the United States has been more problematic than intra-European ventures. There are, however, some successful examples of transatlantic technology transfers and R&D cooperation, including the cooperation between the Italian firms Alenia Aerospazio and Aeronavali in partnership with Boeing in the development, production and support of a tanker/transport version of the 767 aircraft. Alenia and Aeronavali will take part in all program phases, including design, development, production and logistics support.⁹⁰ The French engine manufacturer Snecma and General Electronics also teamed up to build the CFM56 turbofan engine and the U.S. Department of Defense worked with British Aerospace in the adaptation of the Goshawk trainer and the Harrier VSTOL strike fighter. The majority of the technology transfer from the United States to Europe has, however, been limited to production technology, as in the case of U.S. products such as the F-16 fighter built under license in Europe. The scope of U.S.-European technology cooperation remains small, and U.S. officials continue to insist that the Europeans are not doing enough on their own to address the technology gap.⁹¹

One of the greatest obstacles to transatlantic technology sharing has been U.S. export controls and other regulations dealing with the transfer of defense technology. In October 2000 Rudy de Leon, then U. S. Deputy Secretary of Defense,

⁸⁸ "Defense Briefs," Defense Daily International 19 October 2001, Volume 2, Issue 39: 1.

⁸⁹ Heerkens 20-21.

⁹⁰ Jim Proulx and Barry Rosenberg, "Alenia Aerospazio and Aeronavali," Overhaul & Maintenance 20 September 2001: 13.

⁹¹ Mann 95.

stated, “For a number of years now, many on my side of the Atlantic have been concerned about the emergence of a ‘Fortress Europe,’ only to realize that American export controls in some cases support a ‘Fortress America’ mentality.”⁹² European efforts to respond to American pressure to improve defense technology have often been met by a restrictive U.S. export control system.⁹³ These restrictions have arisen mainly because of U.S. fears that transfers of sensitive technology could find their way into the hands of third parties that represent threats to the United States.

Some changes in the U.S. system for sharing technology have, however, been made. The Department of Defense has proposed to simplify the export-control process through the enactment of the Defense Trade Security Initiative (DTSI), which includes reforms in program authorizations, export licensing and information exchanges.⁹⁴ The DTSI is designed to encourage other nations to enhance the effectiveness of their export-control systems, which several European countries have done, and to increase transatlantic technology sharing. The DTSI also includes proposals to drop the requirement for licenses for the transfer of unclassified defense items to certain EU members and to negotiate International Traffic in Arms Regulations (ITAR) exemptions on a country by country basis, to ensure that European nations’ export controls and technology security practices are up to U.S. standards. This provision, however, is a point of contention among many EU member nations that would prefer to negotiate on a group basis – for example, the bloc of six nations that have agreed to harmonize controls on military technology.⁹⁵

The long-term U.S. goal is to ease licensing restrictions and remove other barriers that hinder transatlantic R&D and technology transfers, while improving the security of these transfers. Rudy de Leon summed up Washington’s position by stating that “we are committed to closing the ‘capability gap’ with our allies, widening the ‘technology gap’ with our adversaries and helping American and European industry to

⁹² Rudy de Leon, “European Institute Roundtable,” Washington D. C., 17 October 2000, remarks as prepared, available online at <<http://www.defenselink.mil>>.

⁹³ Rudy de Leon, “Close NATO’s ‘Capability Gap’ with Transatlantic Partnership,” Aviation Week and Space Technology 26 June 2000: 102.

⁹⁴ Thompson 51.

⁹⁵ “Arms Across the Sea,” The Economist 3 February 2001: 64.

jump the ‘trans-Atlantic gap’ to form more cooperative ventures.”⁹⁶ In order to accomplish this the United States will need to prove to its European partners that the reforms are not only about the export of American goods, while the Europeans will need to show that they are capable of protecting the security of technology transfers and serious about committing the resources to make such transfers work.

f. Transatlantic Defense Industry Cooperation

Greater transatlantic military-industrial cooperation could help to improve EU military capabilities while also benefiting U.S. industries. In October 2000, Rudy de Leon, then Deputy Secretary of Defense, stated:

An America more open to European business, and a Europe more open to American business, means both more competition and cooperation, which means more innovation, which means more capable and interoperable systems for our men and women in uniform. And because of more competition and potentially larger buys, this means we will get that capability at lower cost.⁹⁷

There are already many examples of this transatlantic cooperation: EADS is working with Northrop Grumman in defense electronics and unmanned aerial vehicles (UAVs) as well as with Boeing in missiles; Thales cooperates with Raytheon in military radars; Airbus, Lockheed Martin, Boeing, and BAE Systems have joined in tanker aircraft. This transatlantic cooperation has also taken the form of acquisitions and contracting. General Dynamics (GD), through a Canadian subsidiary, recently defeated Thales of France to win a contract to build a military communications system for Britain and also acquired the Spanish firm Empresa Nacional Santa Barbara de Industrias Militares, which produces the Leopard main battle tank under license from the German company Krauss-Maffei Wegmann. GD now has the rights to the Leopard tank’s production technology, and it is GD’s biggest competitor to its own M1A1 Abrams tank.⁹⁸

⁹⁶ Rudy de Leon, “Close NATO’s Capability Gap,” 102.

⁹⁷ Rudy de Leon, speech given to the European Institute Roundtable, Four Seasons Hotel, Washington, DC, Tuesday, October 17, 2000.

⁹⁸ Greg Schneider, “General Dynamics Moves Into Europe; Defense Company Scores Major Coup

The consolidation within the U.S. and European military industries, rather than between them, could over the long term widen the capabilities gaps by limiting competition and reducing the incentives of military industries to exploit the most advanced technologies. American concerns over the transfer of sensitive technologies are valid, but they must be balanced against the risk of impeding the development of European capabilities. The American attitudes that the improvement of EU capabilities is solely a European responsibility and that the EU is being spoon fed by America in the area of military technology improvement must also be overcome. Improving EU military capabilities has benefits for both sides of the Atlantic. Increasing transatlantic military-industrial cooperation would allow for greater levels of competition. This in turn would encourage innovation and interoperability in defense systems. As Rudy de Leon has stated, “quite simply, we need more and stronger links between more companies, competing in markets on both sides of the Atlantic.”⁹⁹ Despite the concerns that transfers of technology would remove European incentives to innovate and that U.S. firms would lose their competitive edge, the benefits for all the Allies – including the United States – of improving European capabilities would be substantial. A U.S. policy stance that protects U.S. industry yet encourages greater transatlantic technology sharing and industry cooperation, with European industry improvements, would be most beneficial to both the United States and its European Allies.

C. CONCLUSION

The EU member nations have made some progress in improving their military capabilities and reducing the mismatch between these capabilities and their stated ambitions. This progress, however, does not equate to a victory for the EU in fulfilling its quest for autonomous military capabilities. The EU realizes that troop commitments alone are not enough to accomplish the types of missions defined by the Petersberg Tasks. The EU is, however, heading in the right direction: namely, if it can find the fortitude necessary for the long and arduous journey, it may one day possess the

With a Contract Win and Acquisition,” *The Washington Post* 6 August 2001, final ed.: E1.

⁹⁹ Rudy de Leon, “Close NATO’s Capability Gap,” 102.

capabilities necessary to accomplish its ESDP objectives. However, for this to happen the EU will have to accomplish several tasks. It will have to continue to work with NATO to strengthen its capabilities, reduce wasteful duplication, and improve interoperability. EU members of NATO will have to maintain their commitment to collective defense. The EU member nations will need not only to spend more but also to spend more efficiently. This can be best accomplished through measures such as the continued restructuring of the European military-industrial base, establishing closer ties with the United States, accepting national role-specialization, and consolidating national training programs and facilities in multinational arrangements.

This task may prove to be more difficult now in light of a weaker euro and the stagnation of European economies. The events of 11 September 2001 may also affect the capabilities gap. According to an October 2001 analysis, the gap will grow as the United States makes new commitments to increasing defense spending. Indeed, the gap will probably widen if the United States increases defense spending over a sustained period in a drive to transform its military to respond to the threats which surfaced on 11 September 2001.¹⁰⁰ The barriers that the ESDP faces are clearly not insurmountable if the European Union nations set their minds to the task, achieve consensus, and commit the resources. However, based on their past performance, this may be easier said than done.

¹⁰⁰ Martin Aguera, "Spending Gap Bedevils NATO," Defense News 8-14 October 2001: 1.

V. CONCLUSION

Closer integration among the EU member nations in the area of security and defense policy is a growing reality. However, the issue remains as to whether this integration will translate into the improvement of military capabilities necessary to fulfill EU ambitions. Today's European Union is the descendant of the European Coal and Steel Community established in 1951. It was not until 1991, with the Treaty of Maastricht, that the members of what was then the European Community (EC) decided to pursue a Common Foreign and Security Policy (CFSP); and it was not until 1999 that the members of what had become the European Union decided to pursue a European Security and Defense Policy (ESDP). In other words, it has taken about 50 years for the European integration movement to begin pursuing the ESDP. One must wonder how many years it will take for the EU to truly develop the capability to pursue the ESDP through military means to the extent of its stated goals without reliance on NATO and more specifically U.S. assistance. Other fundamental questions also remain: whether this type of autonomy is even desired on the part of all EU members, whether it will be beneficial to the EU and/or the Atlantic Alliance, what the EU's goals are with regard to the nature and scope of the operations it wishes to perform, and whether the EU member nations can reach a consensus on the employment of troops under EU auspices.

In the wake of the events of 11 September 2001, the ESDP has taken on an even greater importance. As events unfold, the EU may find itself in even greater need of an autonomous and effective military capability. Such a force may be needed to fill a security vacuum if America's attention is drawn away from Europe for a significant amount of time. U.S. operations in Afghanistan and the greater attention given to the Middle East and Asia since 11 September 2001 illustrate this risk. These events suggest that the Europeans may have to accept greater responsibility for the management of security crises in and around the European region. It is therefore urgent that EU members improve their capabilities beyond the rhetoric of "paper commitments" of existing forces.

The improvement of military capabilities will require the EU members to take many actions. First and foremost the EU members will need to spend more on their

armed forces. In view of U.S. decisions since 11 September 2001, the military spending gap between the United States and the European Union may widen at an even faster pace. President Bush wishes to increase the Department of Defense's budget by \$120 billion over the next five years, including a \$48 billion increase in Fiscal Year 2003, which would raise the defense budget to \$379 billion.¹⁰¹ The EU cannot be expected to match the amount of money the United States spends on military forces but its spending as a percent of GDP will definitely need to increase if it is to fulfill its ESDP ambitions.

Increasing military spending will require greater determination from all members of the EU. At present, the EU is more inclined to spend its money on social priorities at home and on aid to developing countries abroad. The EU accounts for 56 percent of the world's development aid and 36 percent of the United Nations budget.¹⁰² The willingness to spend more on military capabilities is affected not only by social conditions but also by economic circumstances. The recent slow growth trends in EU economies do not improve prospects for substantially higher military spending, especially in the absence of any perceived threat to the European Union's security on the horizon. Even the events of 11 September 2001 have yet to produce new concerns in the EU over the need to greatly improve military capabilities. This is not surprising given the lack of progress in light of the crises in the former Yugoslavia, a conflict that took place in the EU's immediate proximity. NATO's Secretary General, Lord Robertson, has complained that Germany is the only European country that has increased its military spending – \$780 million from a tax to fight terrorism – since 11 September 2001.¹⁰³

The Europeans must not only spend more on defense; they must also spend more efficiently. This is important because significant increases in European defense appropriations are not likely within the next several years. A NATO Parliamentary Assembly Committee Report suggests that greater efficiency can be reached through “improved planning, programming and budgeting techniques, a greater level of force integration; improved European and transatlantic procurement collaboration; industrial

¹⁰¹ Steven Erlanger, “Europe's Military Gap,” New York Times 16 March 2001: A-1.

¹⁰² Erlanger, A-1.

¹⁰³ Erlanger, A-1.

integration or teaming at the European and transatlantic levels and military reform.”¹⁰⁴ An important aspect of reform involves the improvement of procurement practices and the pooling of resources. Co-operative procurement agencies like OCCAR should help to reduce the share of procurement done at the national level. The Europeans have taken other steps to improve the efficiency of their military spending, but they are still hampered by factors such as divergent national interests and a lack of consensus.

Achieving greater efficiency will clearly require actions not only on the part of the Europeans but also on the part of the Americans. Transatlantic cooperation is important in areas such as defense industry cooperation and integration. However, it will be vital to achieve greater cooperation in defense technology sharing and transfers. Once the Europeans agree to measures to safeguard sensitive technology, the United States will need to ease restrictions on the sharing of that technology. While valid concerns on both sides of the Atlantic must be addressed, this is an area in which both sides can benefit.

Most experts agree that the EU must concentrate on specific force improvements, including strategic lift and refueling capabilities, precision-guided munitions and electronic warfare assets. The EU cannot hope to improve its capabilities across the board. It must therefore focus on the most vital requirements in the near term. In order to better identify vital capabilities, EU members will need to clearly define their goals and aspirations, to include a detailed definition of the Petersberg Tasks.

An ESDP supported by effective military capabilities will be beneficial to allies on both sides of the Atlantic. EU military forces capable of complementing existing NATO military assets and able to perform a broad range of crisis management tasks will allow the EU to take greater responsibility for its own security while increasing its share of burden sharing with the United States. Stronger EU military capabilities will bolster the Atlantic Alliance as the primary security institution in Europe and the only organization capable of collective defense.

The EU will need to decide what sort of power to be in international politics. This may eventually involve the issue of collective defense. At present eleven of the

¹⁰⁴ Paul Helminger, General Rapporteur, “Defense Budget Trends Within the Alliance,” *NATO Parliamentary Assembly, Committee Reports*, 12 April 2000: par. 51, available online at <<http://www.naa.be>>.

fifteen members of the EU are members of the Atlantic Alliance, and they remain committed to NATO as the most reliable means of providing collective defense in Europe. In terms of crisis management and the other Petersberg Tasks, capability improvements could enable the EU to meet challenges with military tools that complement the political, economic and other non-military tools it already possesses. At present the EU does not have the capability or the consensus necessary for autonomous military action on a large scale. The EU does, however, possess effective crisis management tools along the lower end of the military spectrum. It can employ these tools while moving toward its goal of playing a greater role in international security affairs. Reducing the mismatch between EU military capabilities and ambitions will require determination, but it promises to offer a major contribution to international security in the Euro-Atlantic region and beyond.

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