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THESIS

**LESS IS MORE: POOLING AND SHARING OF
EUROPEAN MILITARY CAPABILITIES IN THE PAST
AND PRESENT**

by

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June 2012

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EUROPEAN MILITARY CAPABILITIES IN THE PAST AND PRESENT**

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ABSTRACT

This thesis analyzes the policy implications of the pooling and sharing of forces and weapons as a feasible way to strengthen European military power in an era of scarcity. This thesis argues that pooling and sharing is likely to be successful only if states enhance their emphasis on collective defense by mutual aid and self help and reduce particularist and parochial interests of local gain. Pooling and sharing could improve European military capabilities significantly and for the long term if differences in location factors are taken into account and all states concentrate on their respective strengths. Pooling of money in the form of common funding can set incentives, and is easier than pooling of established military structures. The analysis of NATO's experiences proves that pooling and sharing is a painstaking process that has to be organized in a way that accounts for national specifics. More competition and less concentration are the key to ensuring guaranteed access to military assets. The behavior of the United States and its bilateral relationship to European states has an important influence on pooling and sharing in Europe.

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LIST OF ACRONYMS AND ABBREVIATIONS

AGS	Alliance Ground Surveillance
AWACS	Airborne Warning and Control System
BMVg	Federal Ministry of Defense
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defense Policy
DCI	Defense Capabilities Initiative
EADS	European Aeronautic Defence and Space Company
EATC	European Air Transport Command
ECAP	European Capabilities Action Plan
EDA	European Defence Agency
ECSC	European Coal and Steel Community
ESDP	European Security and Defense Policy
ESS	European Security Strategy
EU	European Union
FRG	Federal Republic of Germany
GDP	Gross Domestic Product
HHG	Helsinki Headline Goal
IAI	Instituto Affari Internazionali
IISS	International Institute for Strategic Studies
ISR	Intelligence, Surveillance and Reconnaissance
MSC	Munich Security Conference
NATO	North Atlantic Treaty Organization
(NATO) SC	North Atlantic Treaty Organization Strategic Concept
NAEW&CF	NATO Airborne Early Warning & Control Force
NORDEF	Nordic Defence Cooperation
NRF	NATO Response Force
R&D	Research and Development
SEEBRIG	South-Eastern Europe Brigade
SIPRI	Stockholm International Peace Research Institute
UN	United Nations

UAV	Unmanned Aerial Vehicle
UK	United Kingdom
USA	United States of America
WEU	Western European Union

EXECUTIVE SUMMARY

This thesis investigates the extent to which pooling and sharing of military forces and weapons represents a feasible approach to improving European military forces in times of economic scarcity.

While pooling means the merging of capabilities, whereby the national power of disposition stays national and all member states still have access to their own assets, sharing means the eschewal of one's own national capabilities and is possible in two ways: the building of common, multinational capabilities, or reliance on the capabilities of other nations.

Security, national sovereignty, and resource efficiency are three factors that countries can each choose to emphasize differently. Most—if not all—European states are emphasizing national sovereignty and resource efficiency, with the typical effect of small quantities, unilateral cuts, and/or free-riding in relying on the United States to provide security¹. A greater European emphasis on security instead of national sovereignty can lead to more defense cooperation, and pooling and sharing are suitable means to achieving this stronger cooperation. To what extent will national sovereignty suffer from pooling and sharing? The sovereignty of European nations in security affairs is already limited. However, the nations are likely to pursue pooling and sharing only when their security is thereby enhanced and their sovereignty is not additionally confined. It is not the right way if sovereignty is understood in a way that every state has to have its own capabilities. The decisive point for sovereignty is not that every nation relies on its own (limited) capabilities but that there be alternatives and competition between force providers. Some other national dependencies—for example, on oil and other natural resources—can influence a state much more. Thus, the influence of pooling and sharing on national autonomy should be kept in mind but not overestimated. National strength and national vulnerability is based on many factors. National autarchy is not an

¹The American emphasis lies on security and national sovereignty, in conjunction with high defense spending and unilateral behavior. One may hypothesize that there will be a future shift to more resource efficiency at the expense of national sovereignty and, perhaps, some lower demands in marginal areas of security.

alternative, because it cannot assure access to the growing global pool of technological and management skills, and is therefore at least as dangerous.

Pooling and sharing are not able to compensate completely for Europe's low defense spending, but they are able to improve Europe's military strength if implemented in the right way. Times of austerity combined with an allegedly low threat level are not best suited to encourage multinational military cooperation. In times of austerity, pooling and sharing will only improve military means when military cooperation is implemented comprehensively and controlled, not anywhere and accidentally. Therefore, Europe needs a target-actual-comparison of military capabilities that reveals a need for changes. Redundant capabilities should be deleted in those countries where they incur the highest costs. Sparse capabilities should be implemented as common-shared capabilities or role-shared capabilities in countries with the best location factors. National differences, low trust, and the dominance of the United States can be stumbling blocks for further military cooperation in Europe, while institutions, and especially their common funding, are capable of promoting pooling and sharing.

Only a handful of the twenty-seven European Union (EU) nations spend around three quarters of the EU defense budget. The behavior of these states is decisive. More than half of the twenty-seven states contribute less than one percent of the EU overall defense budget. These states' engagement in pooling and sharing cannot widely affect European military capabilities.

The biggest part of the military budget is for personnel, and there are big differences among costs per soldier in the EU. Low costs for personnel are good location factors for realms that are personnel intensive. Such differences can be used in a long-term view. NATO's experiences, such as with AWACS, show that pooling and sharing are the right way to go. However, patience and endurance are needed to implement really multinational solutions. Overall, it is often much easier and cheaper to pool money for common funding than to pool the real capabilities of different nations.

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I. INTRODUCTION

This thesis investigates the extent to which the pooling and sharing of military, forces, weapons and other assets represents a feasible approach to improving European military forces in times of economic scarcity in the present and future.

Pooling and sharing are special forms of cooperation, particularly in large organizations and the armed forces. “Pooling” means the merging of capabilities, whereby the national power of disposition stays national. Pooled assets are no longer separate, but separable. “Sharing” means the eschewal of one’s own national capabilities and is possible in two ways: either the building of common, multinational capabilities that are inseparable, or the use of capabilities of other nations that are willing to provide capabilities for others in a specialized role or as a lead nation for special tasks. Following these definitions, pooling signifies that all member states still have access to their own assets, which is not the case with sharing. Pooling and sharing can occur together.²

The question of pooling and sharing has been an issue in the European Union since the birth of European Security and Defence Policy (ESDP), if not since the foundation of NATO at the end of the 1940s.³ This policy was further developed and implemented in various steps and renamed the Common Security and Defence Policy (CSDP) in December 2009.

In the light of the financial crisis that began in 2008 and the resulting fiscal austerity measures in many member states of the European Union, as well as in the

²The European Air Transport Command (EATC) and the multinational procurement of three C-17 cargo aircraft are typical examples of common and shared capability. Most of the national air transport aircraft assigned to the EATC and pooled in Eindhoven are still separable and have caveats ensuring national use if needed.

³Pooling of resources in Europe was a topic since the very first beginning of the European integration movement after World War II. The European Coal and Steel Community (ECSC), established in 1952 by a treaty among France, Germany, Italy, and the Benelux States aimed at pooling coal and steel resources under a High Authority. “This choice was not only economic but also political, as these two raw materials were the basis of the industry and power of the two countries. The underlying political objective was to strengthen Franco-German solidarity, banish the spectre of war and open the way to European integration.” See European Union, *Treaty establishing the European Coal and Steel Community, ECSC Treaty*, in Europe Summaries of EU legislation, last updated, October 15, 2010, http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_ecsc_en.htm, accessed 11/19/2011.

United States, barring a major new crisis of war, further increases of national defense budgets so that individual states may acquire expensive military capabilities seems to be improbable. On the basis of well-developed alliance and cooperative structures (NATO, EU, etc.), Europe has lately embraced, once more, the idea of pooling and sharing military assets and capabilities.

The feasibility of pooling and sharing in general depends on a number of issues that are closely related to the research question:

- What are the politics and economics of defense pooling and sharing at the national level, as well as in the European context?
- Does pooling and sharing limit EU member states' sovereignty, and, if so, are EU member states prepared to cede some sovereignty in the area of security and defense?
- How can pooling and sharing address the major shortcomings and redundancies in capabilities?
- Are European military expenditures able to generate capabilities that are sufficient for European purposes?
- How divergent or convergent are the national security interests and national security cultures of the European states that would participate in a pooling or sharing arrangement, and are there reasons for distrust among the nations when it comes to security and defense?
- Which roles play institutions such as the EU and NATO for pooling and sharing, and what precedents may serve as a guide to policy?
- What role and influence has the United States in the pooling and sharing of Europe's military capabilities?

This analysis does not anticipate a detailed analysis of European military capabilities, as it would go beyond the scope of this thesis.

A. THESIS ORGANIZATION

The first part after the introduction will apply general theories, politics, and economics on pooling and sharing. As a first step, this thesis addresses the interdependence of national security, sovereignty, and resource efficiency, using a model called the "defense interest trilemma." One center of gravity is the research on how far national sovereignty is affected by pooling and sharing.

In the next chapter, the thesis provides a model of how capability gaps and redundancies in capabilities can be addressed with pooling and sharing. The third chapter tries to answer how far pooling and sharing is capable of dealing with the current level of European military expenditures. Based on these findings, the fourth researches national differences and specifics and the behavior towards cooperation, primarily focused on the four big EU member states. The fifth chapter examines the roles of EU and NATO for pooling and sharing in Europe. Thereby Thereafter, NATO's experiences with pooling and sharing—aside from common-funding mechanisms—are the main focus of analysis. The last chapter deals with the role and influence of the United States in pooling and sharing Europe's capabilities.

All findings are brought together in the conclusion, which answers the question of whether and how far pooling and sharing may be able to improve European military forces in times of economic scarcity.

B. IMPORTANCE

The member states of the European Union together undertake the world's second largest defense outlays, after the USA. Nonetheless, the results of this spending, in the form of deployable military forces, satisfies neither the European member states nor their close Atlantic ally, the United States—though for different political and strategic reasons that cannot be fully explored within the limits of this thesis. Even before the Euro crisis of 2009 and in the aftermath, EU member states have viewed their defense spending as more than enough granted their own policies.

More than twenty years after the end of the Cold War, the NATO-European states rely to some lesser or greater degree on their transatlantic partner when it comes to security and military crisis management. Then in the early 1990s, the crises in ex-Yugoslavia showed that—even if the political will was there—a solitary European military intervention would not be effective. The Libyan intervention in 2011 further suggested that European military forces and arms, of their own, were still insufficient, even for a temporary, limited engagement in such a crisis. While a major external threat to the EU member states, as in the era of total war, is not likely to menace EU territory

directly, security and violent crises in the EU's sphere of interest are still likely to happen, and the European Union must be capable of dealing with such crises, even if the Americans choose not to become involved.

In the future, Europe would not be well advised to rely solely or permanently on U.S. military forces. Reductions in projected U.S. military spending are foreseeable in the year 2012, and the U.S. strategic focus has shifted to the Middle East and Asia. The U.S. security guarantees—particularly when it comes to regional crises—are not as forthcoming as in the era 1949–1999. On the other hand, the United States for decades has demanded larger European contributions to security and defense as part of the dynamics of burden sharing that are central to the Atlantic Alliance⁴. Europe now has to take the policy implications of this decades-old burden-sharing debate more seriously if it seeks regional security and aspires to become a global security provider.

The decline of defense budgets across the European Union and the ongoing austerity measures to counter the post-2008 financial crisis make it unrealistic to expect improvements in European military capabilities by increased defense spending. Therefore, it is imperative that European governments use their scarce money efficiently.

There are many redundancies in military capabilities and the overall personnel strength of two million soldiers in the European Union as a whole cries for improvement, because only a small fraction of this total force can deploy to an actual operation. Additional, only an eighth of research and technology money is used for common

⁴The Allied quest for a better burden-sharing balance and greater European military capabilities has been present since NATO was established in 1949. However, during the Cold War, the Soviet threat united Western powers and also concentrated defense efforts amid some controversy. At the same time, the U.S. strategic focus on Europe and the resulting U.S. security guarantees for the European Allies limited the incentives for Europeans to invest more in security and defense. Today, of course, the Soviet threat is long gone and with it, the immediate cause for transatlantic unity. There is multifaceted literature on burden-sharing in NATO, e.g., Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-shifting in NATO* (New York, M. E. Sharpe, 2003) or Stanley R. Sloan, *Permanent Alliance? NATO and the Transatlantic Bargain from Truman to Obama* (New York, The Continuum International Publishing Group Ltd, 2010). Following article shows that the burden-sharing and burden-shifting debate is a continuum. Ellen Hallams and Benjamin Schreer, "Towards a 'post-American' alliance? NATO burden-sharing after Libya," *International Affairs* (March 2012, vol. 88, iss. 2), 313–327.

research programs. The twenty-seven member states field twenty-five armies, twenty-one air forces and eighteen navies,⁵ nearly all of them with different weapons systems and without coordination in force planning.

The importance of this thesis, which will analyze the feasibility of pooling and sharing military capabilities among the EU member nations for an effective and efficient future force, flows logically from this argument. Pooling and sharing might become the nucleus of a truly integrated European common security and defense policy and for a European Union that can fulfill its security responsibilities on the global stage.

C. PROBLEMS AND HYPOTHESES

This thesis proposes that all states must find the right mixture of the three irreconcilable interests of national security, sovereignty, and resource efficiency. Therefore, two hypotheses will guide this research: First, as has been the case since 1945, no European nation is able to ensure its security alone. This assertion implies that member states' capacity for sovereignty is already limited in the realm of war and peace and the employment of armed force for policy ends. Therefore, a further emphasis on national sovereignty leads in the wrong direction.

While the European Union, as a supranational organization, ties its member states closely in many policy areas, security and defense policy remains an intergovernmental issue, and the European Union cannot force its member states to cooperate in the policy area of security and defense. While the relative power of the European Union in security and defense has grown since 1998, it is still very limited. In principle, national security remains the sole responsibility of each member state, and the states retain the ultimate decision-making authority and veto powers. The European Union coordinates member-state policies or implements supplemental common policies as long as they are not covered elsewhere. Following this principle of subsidiarity, the European Union performs its common security policy only in areas that cannot be managed more effectively on lower levels. In other words, member states are sovereign in decisions concerning their

⁵Jolyon Howorth. *Security and Defence Policy in the European Union* (New York, NY: Palgrave Macmillan, 2007), 253.

military forces, and the European Union has no legal instruments to enforce security-related decisions that would limit national sovereignty. At the same time, however, no single European nation is able to deal with emerging security challenges and threats alone. Moreover, a decision-making process based on unanimity might paralyze the ability of the European military to develop capabilities. Various national interests and national particularities are not likely to be unified perfectly in the foreseeable future.

Second, pooling and sharing is able to improve European military capabilities significantly and over the long term at least as long as the bigger European states participate. Really broad improvements are only possible when institutions set incentives, such as common funding, and economical location factors are used as primary guidelines for implementing lacking capabilities. Otherwise, scarce defense budgets will not allow perceptible improvements, and pooling and sharing solutions will mainly be used to reduce costs, without necessarily improving the strategic and operational effectiveness of the forces involved. This latter point is especially true in light of the financial crisis and the resulting austerity in most EU member states.

Military cooperation among twenty-six sovereign states⁶ with different interests, to say nothing of divergent sizes and strengths, is not a surefire success. Many cost-saving measures are pursued on the national level. For example, the structural changes implemented in the German and British military forces in 2010 and 2011 do not reflect European coordination or cooperation. Both states will considerably reduce the size of their armed forces, but both intend to maintain the full range of national capabilities. Great Britain's thinking seems to be very Euro-critical but even in Germany—calling for a stronger Europe all the time (including further coordination with the European Union or other European countries on military issues)—the most recent cuts did not unfold under close coordination with an allied or EU framework.

Pooling and sharing signify a process of cooperation and concentration that can happen in such different areas as material, personnel, infrastructure, and services. Military capabilities must work reliably and in an orderly fashion. Best practices include

⁶Denmark does not take part in the Common Security and Defence Policy.

regulations that are not too complex. Different languages, complicated work-sharing contracts, dependencies and national caveats may complicate the system more than helping strengthen capabilities. Pooling and sharing may be cost efficient, but they can also increase mutual dependence. Connected with decision-making processes that demand unanimity, dependencies that paralyze the system are likely to occur when single states are able to monopolize or control key capabilities. Therefore, pooling and sharing will mostly happen in subsidiary areas like education and training.

Trust in partner nations is considered to be the glue of all common improvements. Currently some European states, such as the UK, seem to trust more in a strong U.S. ally than in each other. This reality must figure in all planning and policy if the European Union is to surmount obstacles and harness incentives to strengthen European capabilities. Capabilities will only be improved when integrated European military capabilities are stronger than the separate national capacities had been before.

D. LITERATURE REVIEW

The pooling and sharing of defense and military forces in political and strategic cooperation are not political or military issues that have received special, comprehensive scholarly treatment or analysis by policymakers. Nevertheless, the literature in social science offers basic explanations about cooperation in general.

Wallace J. Thies⁷ analyzed the likelihood of cooperation in relationship of threats and resources, with the result that cooperation was found to be unlikely in times of low threat and scarce resources. In NATO, attempts to shift the burden are long common practice. His findings are as applicable to pooling and sharing as Theodore Moran's findings⁸ on dependence, security, and efficiency, which play a central role in this thesis. According to Moran's finding, competition in a market is more important than own

⁷Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-shifting in NATO* (New York, M. E. Sharpe, 2003). 256.

⁸Theodore H Moran, The Globalization of America's Defense Industries: Managing the Threat of Foreign Dependence *International Security* (summer 1990, vol. 15, no. 1) 57–99, <http://www.jstor.org/stable/2538982>, accessed 02/06/2012.

national capabilities. In the same way, Daniel Drezner's findings on outsourcing are widely applicable to pooling and sharing; through a better allocation of resources all participants are better off.⁹

Haas describes political integration as a "process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states."¹⁰ He argues that "satisfaction with the organization's performance would lead to shifting loyalties."¹¹ In view of the current Euro crisis, it is unlikely that satisfaction in the EU is increasing at this time.

Robert Axelrod's findings on cooperation are based on a game-theory approach and give some interesting insights about cooperation in general. A good way to encourage others to cooperate is to make it clear that you will reciprocate. He emphasizes that reputation plays a major role, and that it is best for someone who uses the strategy of complete cooperation to have everyone know he is following this strategy. That means that pooling and sharing solutions should work best when all nations clearly state their intentions with reference to cooperation in an open process.

In the literature, trust and political will are the conditions most cited as important for cooperative solutions such as pooling and sharing. Axelrod's findings are different: He argues with reference to the social structure of cooperation that "the foundation of cooperation is not really trust, but the durability of the relationship."¹² The durability of the relationship can be assumed inside the European Union and NATO. If his findings are adaptable to cooperation in the realm of pooling and sharing, it opens new possibilities to

⁹Daniel W. Drezner, The Outsourcing Bogeyman *Foreign Affairs* (May/June 2004, no. 22), 83.

¹⁰Erich B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces 1950–1957* (Stanford, CA: Stanford University Press, 1958) 16.

¹¹Erich B. Haas, *Beyond the Nation-State* (Cambridge: Cambridge University Press, 1964), 155.

¹²"When the interaction is likely to continue for a long time, and the players care enough about their future together, the conditions are ripe for the emergence and maintenance of cooperation. ... Whether the players trust each other or not is less important in the long run than whether the conditions are ripe for them to build a stable pattern of cooperation with each other." *Ibid.*, 132.

think about such cooperation. Cooperation, for example, where two partners are mutually dependent without any fallback option, can generate trust.¹³

Seth G. Jones investigated whether and why European states cooperate in security issues in his 2007 book, *The Rise of the European Security Cooperation*. To answer this question, he examined four areas related to security cooperation: European security institutions, economic sanctions, arms production, and the military forces. With regard to pooling and sharing, especially the latter two are interesting. His finding is that cooperation has increased since the end of the Cold War in all these areas. He argues that “security cooperation has occurred ... largely because of structural changes in the international system. The current unipolar system has provided a significant impetus for European states to aggregate resources. Security cooperation through the European Union decreases the U.S.’s ability to impose its will on the European states.”¹⁴ He argues that structural conditions, “including concerns about a reunified and powerful Germany played the critical role in causing greater European security cooperation. ... European cooperation is thus a function of relative power.”¹⁵ Emphasizing these structural reasons, Jones predicts that “a further withdrawal of U.S. forces from Europe, a strong Germany, and a continuation of U.S. global preponderance will lead to greater security cooperation among EU states.”¹⁶ While “states have traditionally shied away from constructing multilateral forces,”¹⁷ Jones argues that aggregating military power spread “blood costs” but can be problematic if states’ positions about the desired outcome of cooperation differ.¹⁸ Jones writes:

States are much stronger when they combine military power than when they act unilaterally. Constructing joint military forces merges military

¹³In this case, cause and effect are changed. While normally mutual trust causes cooperation, cooperation without fall back option can also generate trust.

¹⁴Seth G. Jones, *The Rise of European Security Cooperation* (Cambridge: Cambridge University Press, 2007), 31.

¹⁵*Ibid.*, 47.

¹⁶*Ibid.*, 221.

¹⁷*Ibid.*, 185.

¹⁸*Ibid.*, 187–188.

resources (troops, weapons, technology) and augments their ability to project power abroad. Combining power also necessitates maximizing efficiency. On the strategic level, military have different grand strategies, military doctrines, and force structures. On the operational and tactical level, they may have different command, control and communication (C³) equipment as well as intelligence, surveillance, and reconnaissance (ISR) capacities. Soldiers even speak different languages. Creating multilateral forces with an integrated civilian-military organizational structure can help overcome these problems by forcing participant states to address their differences.¹⁹

NATO has long experience with pooling and sharing, which was enshrined in its basic charter as a lesson of allied cooperation in the Second World War. Such capabilities as NATO's Integrated Command Structure and AWACS are common shared assets for which plentiful research is available. More recently NATO has started its multinational project Alliance Ground Surveillance. Since 2010, NATO has tried, under the slogan of "Smart Defence," to encourage members to cooperate in developing, acquiring, and maintaining military capabilities and to provide more security for less money.

The first broad study on the EU level on pooling and sharing dates from February 2008 and suggests that "there is far too much duplication of defense effort spread across the member states of the EU."²⁰ It differentiates four types of pooling: 1. sharing of capabilities, wherein member states create common capabilities through the provision of national capabilities, but without a structure to organize their use; 2. pooling of capabilities, in which states retain ownership of their capabilities, which are delegated to a common entity while the nation keeps control of their use; 3. pooling through acquisition, wherein multinational organizations, rather than states, actually hold the assets. (NATO AWACS is such an example); and 4. role sharing, wherein states relinquish capabilities on the assumption that another country will make them available when necessary.²¹ These definitions are refined in other research papers, but they will not be used in this thesis. According to this study, different nations prefer different solutions.

¹⁹Ibid., 28.

²⁰Jean-Pierre Maulny, Fabio Liberti and Gerrard Quille, "Pooling of EU Member States Assets in the Implementation of ESDP," *European Parliamentary Studies* (2008): 22.

²¹See Ibid., iii.

This study argues “that pooling and cooperation can drastically reduce capability gaps, thereby reducing the costs of procurement and in-life support”²² of equipment. The study notes that pooling solutions are hindered because the defense-planning processes of the nations are not harmonized and nomenclature varies. According to this study, providing niche capabilities in the form of role sharing could become part of an international pooling strategy and enable smaller states to take part “in missions which otherwise have been beyond their scope.”²³

This study predicts that lower defense spending, industrial interests and the multiplication of transnational companies and cooperative programs will overcome the resistance to major capability pooling in the next few years.²⁴ The study also recognizes that budgetary aspects of pooling are important. The “ATHENA mechanism,” existing since 2004 for common funding of EU operations, covers ten percent of operational costs, while ninety percent has to be paid by the nations. This system could be adapted for pooling solutions. Another possibility is to increase common funding of research and technology. In 2008, only 12.4 percent of national budgets were spent on cooperative programs.

In reference to European capabilities, the literature shows that there are still deficits. The scholarly literature and national and EU analyses (and the analyses of deployments such as those in the Balkans or in 2011 in Libya) unanimously note that the European Union lacks military capabilities for autonomous deployments without the United States. Robert Kagan mentions as a result of the inadequate coordination of European military capabilities a kind of work-sharing that “consisted in the United States ‘making the dinner’ and the Europeans ‘doing the dishes.’”²⁵ Jones argues that

²²Ibid., 4.

²³Ibid., 13.

²⁴Ibid., 16.

²⁵Robert Kagan, *Of Paradise and Power: America and Europe in the New World Order* (New York, NY: Alfred A. Knopf, 2003), 23.

“nationalism and a desire to protect state sovereignty and autonomy will prevent EU states from attaining the same degree of military cooperation that they have achieved in the economic realm.”²⁶

The EU tries to encourage its participating member states to pool and share, and several of its organs are concerned with pooling and sharing. *An Initial Long-Term Vision for European Defence Capabilities and Capacity Needs*, published by the European Defence Agency in 2008,²⁷ “calls in question the taxpayer’s willingness to fund ‘defense’ if this is seen as wholly concerned with interventions abroad or deterring increasingly improbable conventional attacks on European territory.”²⁸ It continues that “attempting to harmonize technical requirements is difficult or impossible if the underlying thinking on conceptual requirements, and financial and timescale expectations, has not been converged from the outset.”²⁹

In 2010, Germany and Sweden launched a joint pooling and sharing initiative on the EU level that was accepted by all participating nations. According to this so-called Ghent-Initiative, all EU member states should assess and categorize their military capabilities by the criteria of operational effectiveness, economic efficiency, and political implications. While such specific capabilities that are considered essential³⁰ will remain solely under national responsibility, other capabilities could be pooled or shared by some or all member states. Inefficiencies in defense spending would be rectified by this process of consolidation. Up to now, the number of truly new proposals has been limited.

²⁶Jones, *The Rise of European Security Cooperation*, 219.

²⁷The *European Union Capability Development Plan* from 2008 deals exclusively with multilateral opportunities for cooperation in the defense sector but this plan is not free available.

²⁸European Defence Agency *An Initial Long-Term Vision For European Defence Capability and Capacity Needs*, October 3, 2006, 12, http://europa.eu/legislation_summaries/foreign_and_security_policy/cfsp_and_esdp_implementation/l33238_en.htm, accessed 03/15/2012.

²⁹*Ibid.*, 21.

³⁰“Combat forces, intelligence, fighter airplanes and war ships could serve as an example within this category.” European Union, “Pooling and sharing, German-Swedish initiative,” (Berlin and Stockholm, November 2010), http://www.europarl.europa.eu/meetdocs/2009_2014/documents/sede/dv/sede260511-deseinitiative_sede260511deseinitiative_en.pdf, accessed 11/10/2011.

The high representative of the European Union for Foreign Affairs and Security, Catherine Ashton, wrote on 23 May 2011 that the Council of the European Union “wants to turn the financial crisis and its impact on national defence budgets into an opportunity for greater cooperation in the area of capability development.”³¹ The Council sees pooling and sharing as a long-term approach and “encourages member states to apply pooling and sharing on a systematic and sustainable basis promoting multinational cooperation, including on a regional basis, as a key method to preserve and develop military capabilities.”³² The European Parliament has launched study papers for pooling and sharing.³³ In September 2011, the European Defence Agency released a call for proposals to conduct research on pooling and sharing and the costs of non-cooperation in European defense.³⁴ This research aims to get a clearer picture of pooling and sharing options to support the member nations in their decisions.

On the national level, the recent security and defense white papers or green books of Germany, France, and the United Kingdom take clear but different positions. While the United Kingdom emphasizes bilateral cooperation, especially with the United States and France, the German and French positions are more open to multilateral solutions on the European level in accordance with tradition. According to many press articles, the

³¹Council of the European Union, 3091st Foreign Affairs Council meeting, Brussels, May 23, 2011, 22. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/122187.pdf, accessed 11/21/2011.

³²Ibid.

³³In April 2011, for example, the Policy Department of the Directorate-General for External Policies of the Union has published a study headlined *The Impact of the Financial Crisis on European Defence* with a country-specific annex.

³⁴The tender is dated on 21 September 2011 and named *Pooling and Sharing - The cost of non-cooperation in European defence*. The aim of the contract is to survey the existing academic and government literature, analyzing the costs and benefits of European collaboration highlighting the most effective models and most convincing case studies and produce a generic mathematical assessment model to assess the benefits and the probability of success of future collaboration particularly with regard to different types of pooling and sharing based on concrete success criteria and factors. The study will feed into the Agency’s strategic approach on the ‘business case’ for Europe and support the promotion of work on specific future pooling and sharing options. See http://www.eda.europa.eu/procurements/11-09-21/11_CAP_OP_165_-_E2%80%9CPooling_and_Sharing_-_The_cost_of_non-co-operation_in_European_defence%E2%80%9D.

2011 Libyan intervention fostered French-British military collaboration, but at the same time, Germany's political behavior of *Schaukelpolitik* in connection with this intervention, once again, was not suited to enhancing military cooperation. Moreover, the German parliamentary decision-making process for military deployments is considered untrustworthy by certain allies. The meaning of pooling and sharing for the smaller states becomes clear, for example, in an interview with the Estonian minister of defense, Mart Laar, in the June 2011 issue of *Jane's Defense Weekly*. He stated that cooperation is particularly important for small countries that cannot independently develop a full range of capabilities. He cites as the noteworthy example NATO's Baltic air policing mission. It would be disproportionate for the Baltic States to develop their own fighter capability. It is better to spend these states' money in other niches.³⁵

Leading research institutes involved with defense issues in Europe have published one or more research papers on pooling and sharing, often connected to the ongoing austerity measures.³⁶ Jolyon Howorth asks a decisive question: "How can a given nation-state be persuaded to concentrate its limited efforts on a narrow sector of the overall security project—say, the development of air-to-air refueling—while leaving the air defence of its territorial space to the specialized air-force of another member state?"³⁷

Biscop and Coelmont fear that after an initial enthusiasm, conservatism might yet gain the upper hand. Going for pooling and sharing only in some peripheral areas will not change the face of European defense.³⁸ If states do only pool and share what they already have, this does not lead to a solution of capability shortfalls. Pooling and sharing has to be a long-term platform to launch new capability initiatives. They suggest the establishment of a permanent platform in the form of a "capability-generation

³⁵Bruce Jones, "Interview: Mart Laar, Estonia's Minister of Defence," *Jane's Defence Weekly* (London, June 30, 2011).

³⁶For example the German Institute for International and Security Affairs (SWP) or the Swedish Defence and Research Agency (FOI) published research papers and studies.

³⁷Jolyon Howorth, *Security and Defence Policy in the European Union*, 253.

³⁸Sven Biscop and Jo Coelmont, "Security Policy Brief Pooling & Sharing: From Slow March to Quick March?" (May 2011, no. 23), <http://www.egmontinstitute.be/papers/11/sec-gov/SPB23-BiscopCoelmont-.pdf>, accessed 11/20/2011.

conference” comparable to existing “force-generation conferences.” A bird’s eye view of all member state plans and intentions would permit an assessment of the relevance of national capabilities. That would help the nations focus on required capabilities, disinvest in overcapacities, and identify pooling and sharing possibilities. Financial margins allow the launching of multinational programs. They suggest using the EU mechanism of “permanent structured cooperation” because it allows single states to decline to participate if they wish.

Relatively skeptical, but explicitly elaborated, is Tomas Valasek’s article, “Surviving Austerity.”³⁹ He argues that deep cooperation remains highly sensitive: governments are reluctant to build joint units because this would require them to share decisions on how and when to use them. “Some cooperative projects have produced too little savings and the appetite for pooling and sharing has waned.”⁴⁰ According to his findings, military integration works best when participating countries have similar strategic cultures, a high level of mutual trust, comparable attitudes towards the defense industry, and relatively low corruption in defense procurement. For pooling and sharing, many of these factors have to align. Therefore, “future defense integration will remain an exception rather than the rule.”⁴¹ In his view, the idea that EU defense could begin around a single core group and spread out with a “snowball-effect” is unrealistic, because of different threat perceptions, political interests, and military cultures. Pooling and sharing will never compensate for inadequate defense budgets. The EU member states “will almost certainly do ‘less with less’ rather than ‘more with less.’”⁴²

Data about defense spending, military structure, and cooperative projects are available in secondary sources like the Stockholm International Peace Research Institute

³⁹Tomas Valasek, “Surviving Austerity: The Case for a New Approach to EU Military Collaboration,” (London: Centre for European Reform, 2011).

⁴⁰Ibid., 8.

⁴¹Ibid., 29.

⁴²Ibid., xx.

(SIPRI)⁴³ or the yearly “Military Balances”⁴⁴ of the International Institute for Strategic Studies (IISS). Some institutions, such as NATO⁴⁵ and the European Union⁴⁶ also regularly collect, analyze, and evaluate the defense spending of their member states. U.S. defense spending is the most frequently used benchmark for EU defense spending as a whole.⁴⁷

E. METHODS AND SOURCES

Pooling and sharing are special forms of cooperation that have become common in different areas, and they are not solely a military issue.⁴⁸ Overall, expensive infrastructure can be employed more efficiently if it works to capacity. Pooling and sharing are means to increase utilization. A comparison with cooperation in these civilian areas will show that pooling and sharing may promise more output for the same money.

In the economic field and in other public sectors, cooperation is common, and a comparison with this area may offer findings that are also true for cooperation between nations. In an interdisciplinary view, this study applies different economic and social theories and studies on pooling and sharing of the military in Europe, assuming that the

⁴³SIPRI Yearbook 2011, <http://www.sipri.org/yearbook/2011/files/SIPRIYB11summary.pdf>, accessed 03/12/2012.

⁴⁴For the newest defense data of the European countries see Chapter Four: Europe of *The Military Balance 2012* (London: Routledge 2012, 112:1), 71–182, <http://dx.doi.org/10.1080/0459-7222.2012.663213>, accessed 04/30/2012.

⁴⁵On March 7, 2012 NATO has published the newest “Financial and Economic Data Relating to NATO Defense: Defense expenditures of NATO countries (1990–2010),” http://www.nato.int/cps/en/SID-79287486-D7B07F73/natolive/news_71296.htm?selectedLocale=en, accessed 04/30/2012.

⁴⁶Since 2004 the European Defence Agency yearly publishes the defense data of the participating member countries. http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010, accessed 04/30/2012.

⁴⁷Every year, for example, the European Defence Agency publishes an EU-U.S. Defense Data comparison. For the newest one (January 2012) see http://eda.europa.eu/publications/12-01-12/EU-U.S._Defence_Data_2010and_National_Defence_Data_2010.

⁴⁸Since the idea of pooling and sharing private used cars spread in the 1980s a lot of people have become very comfortable with this situation. They are still mobile but at much lower costs, and they do not have to worry about the maintenance, parking and other things. Doctors are conducting their profession on more and more specialized basis and working together in medical centers so that they are able to share expensive equipment. Certain sports require costly infrastructure and material. Usually they are organized in clubs in a way that infrastructure and material costs are shared by all members.

civil and military domains are similar enough to allow such an approach. Such topics as outsourcing, comparative advantages, and location factors seems to deliver useful explanations and hints for pooling, sharing, and other forms of military cooperation to enhance military output. Dependencies in the economic realm, for example, are equally unacceptable in the military domain.

For years, NATO has been *the* important actor in Europe's security issues. Therefore, NATO's experiences with pooling and sharing provide ample sources to study state behavior and apply the results to military pooling and sharing in the European Union in general.

The common security and defense policy of the European Union is based on EU regulations and institutions. However, the primary actors in defense issues remain the individual member states. Therefore, differences in national interests, threat perception, strategic culture, and political decision making are a primary focus of interest because they can be real obstacles and to pooling and sharing. The thesis concentrates primarily on the national specifics of France, the United Kingdom, Germany, and Italy, because these four states provide nearly three quarters of EU defense spending.

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II. THEORETICAL FRAMEWORK

A. THE DEFENSE INTEREST TRILEMMA

Security, national sovereignty, and resource efficiency are three factors that countries may choose to emphasize differently as a result of political and strategic culture, tradition and particular interests in their variety. An emphasis on two factors rules out the third, as Figure 1 elucidates.

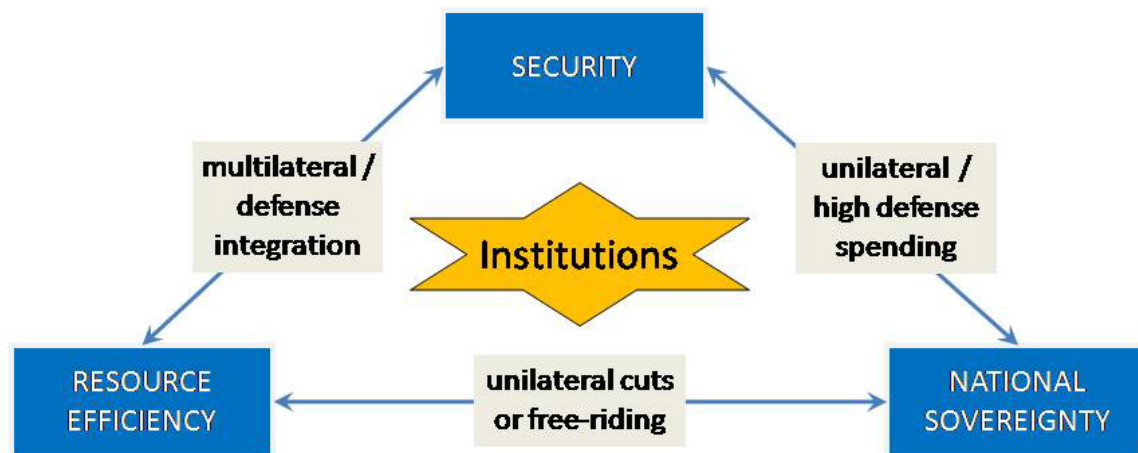


Figure 1. Defense Interest Trilemma

Up to now, the American emphasis, for example, has been on security and national sovereignty, leading to high defense spending⁴⁹ and the unlimited option for unilateral behavior.⁵⁰ One can suggest that, in view of the imperative of austerity, there

⁴⁹In the wake of the 11 September attacks the U.S. defense budget grew more than 75 percent in the last ten years. For detailed data see *SIPRI Yearbook 2011*, <http://www.sipri.org/yearbook/2011/files/-SIPRIYB11summary.pdf> or Figure 6.

⁵⁰The 2010 U.S. Quadrennial Defense Review (QDR) states that “America’s interests and role in the world require armed forces with unmatched capabilities and a willingness on the part of the nation to employ them in defense of our interests and the common good. The United States remains the only nation able to project and sustain large-scale operations over extended distances.” Further on this review asserts that “America’s Armed Forces will retain the ability to act unilaterally and decisively when appropriate, maintaining joint, all-domain military capabilities that can prevail across a wide range of contingencies. U.S. Department of defense, “U.S. Quadrennial Defense Review (QDR) 2010, iv and 10, http://www.-defense.gov/qdr/images/QDR_as_of_12Feb10_1000.pdf, accessed 04/30/2012.

will be a future shift to more resource efficiency at the expense of national sovereignty and, perhaps, some lower demands in marginal areas of security if no major security threat might emerge.

Most—if not all—EU states emphasize resource efficiency and national sovereignty with the typical effect of unilateral cuts and/or freeriding. In their view, the military means of the United States are large enough broadly to shelter the EU against outside threats. It is a matter of fact that the military strength of NATO highly depends on U.S. forces and weapons. “The United States is the indispensable member of NATO.”⁵¹

But how do pooling and sharing affect EU members’ sovereignty in the area of security and defense? How sovereign are these states already in the realm of defense and security? Are they able to take unilateral action at all, or is their sovereignty limited to the decision to take part in a collective deployment or not? The militarily most powerful EU actors are the United Kingdom and France. Both are still capable of national nuclear strikes and autonomous expeditionary operations, and their status is largely built on these capabilities. However, collective actions with conventional forces, such as the 2011 intervention in Libya, reveal the limits of EU overall arms in conflict. If such a brief and locally limited operation was not possible without the United States, one can draw conclusions about the futility of action by a single EU nation—unless the intervention is truly limited, as with some British and French operations in Africa.⁵² Thus, with a partnership-based view, resource-efficient security can be best guaranteed by de-emphasizing national sovereignty. That results in defense integration and a division of labor, with pooling, and especially sharing of capabilities, fitting perfectly in this domain.

⁵¹International Institute for Strategic Studies, *The Military Balance 2012* (London: Routledge, 2012), 40. Robert Gates advised the European allies as follows: “To avoid the very real possibility of collective military irrelevance, member nations must examine new approaches to boosting combat capabilities – in procurement, in training, in logistics, in sustainment.” Robert Gates, Speech in Brussels (June 11, 2011). <http://blogs.wsj.com/washwire/2011/06/10/transcript-of-defense-secretary-gates-speech-on-natos-future/tab/print/>. Leon Panetta, the incumbent U.S. Secretary of Defense said: “As for the United States, many might assume that the U.S. defense budget is so large that it can absorb and cover alliance shortcomings, but make no mistake about it; we are facing dramatic cuts with real implications for alliance capability. Leon Panetta, Brussels, Belgium, U.S. Department of Defense (October 5, 2011), <http://www.defense.gov/speeches/speech.aspx?speechid=1618>, accessed 05/02/2012.

⁵²“Operations ponctuelles,” as the French call them.

By sharing capabilities in common, for example, countries can have access to assets that they are not capable of affording individually.

B. POOLING AND SHARING AND NATIONAL SOVEREIGNTY

One fundamental question is, whether pooling and sharing limits EU members' sovereignty. Jones argues that "nationalism and a desire to protect state sovereignty and autonomy will prevent EU states from attaining the same degree of military cooperation that they have achieved in the economic realm."⁵³ Jones might be right, because some states like the United Kingdom are really Euro-skeptical, and this view is supported by the majority of their citizenry. Such domestic factors might hinder a larger engagement in pooling and sharing. However, the European states are better off if they see the situation realistically and in the long term. Claudia Major⁵⁴ argues that the years since 2007 with the financial crisis have shown that national sovereignty based on autonomy is illusory. In a globally interdependent world, in which major evolutions do not stop at state borders and in which risks are interdependent, only cooperation can preserve sovereignty. States are able to keep their sovereignty if they put together their individual and limited capacities to act. Member states' sovereignty is already limited in the realm of war and peace and the use of armed force to the ends of policy. Pooling and sharing may be cost efficient but can also increase mutual dependence. Together with decision-making processes that demand unanimity, as in the EU's common foreign and security policy, dependencies are likely to occur that paralyze the system when single states are able to jam key capabilities. Therefore, pooling and sharing is easier and more likely to happen in subsidiary areas like military education and training.

Theodore Moran has examined American industrial dependencies from other states in the realm of defense.⁵⁵ His research delivers valuable findings for pooling and

⁵³Seth Jones, *The Rise of European Security Cooperation* (Cambridge: Cambridge University Press, 2007.) 219.

⁵⁴Claudia Major, "Legitimation und Umriss einer Europa-Armee," *Reader Sicherheitspolitik* (September 2011), <http://www.readersipo.de/portal/a/sipo>, accessed 11/20/2011.

⁵⁵Theodore H Moran, "The Globalization of America's Defense Industries: Managing the Threat of Foreign Dependence," *International Security*, vol. 15, no. 1 (summer 1990): 57–99. <http://www.jstor.org/stable/2538982>, accessed 02/06/2012.

sharing. His basic consideration is that dependency from other countries is not a problem as long as there is enough competition between other companies or other countries. Moran describes a conflict between the economist and the defense strategist. While the economist worries about efficiency, the defense strategist is concerned with vulnerability and dependencies from other countries that might limit the nation's sovereignty. Defense strategists want to have as much production as possible at home. As a matter of fact, the defense sector is so critical that the forces of markets and economic liberalism cannot solve the problems alone. Therefore, national governments have to intervene. But the question is how they should intervene so that these neo-mercantilist policies are in the state's best interest. National preventive measures should primarily aim on strengthening the competition and not on protecting domestic capacities and industries that are not competitive. According to Moran's examination, (Figure 2) the dividing line between a secure and an insecure framework runs basically through the market situation.

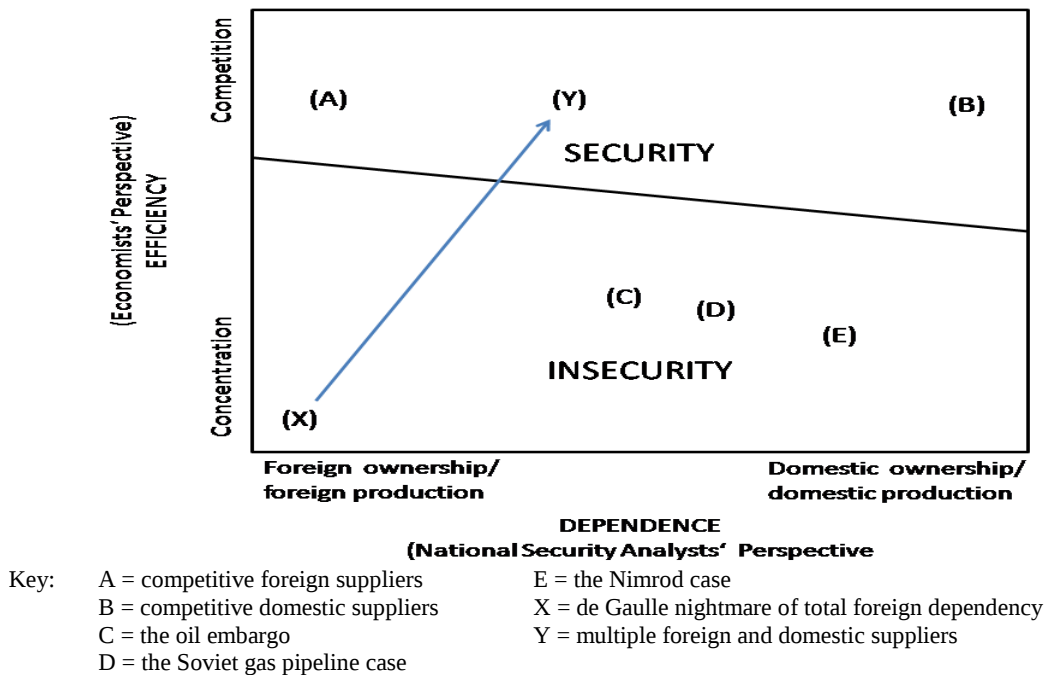


Figure 2. A Common Framework for Economists and National Security Analysts⁵⁶

⁵⁶Theodore H. Moran. "The Globalization of America's Defense Industries: Managing the Threat of Foreign Dependence, 71.

As long as there is enough competition, the situation is secure. Quasi-monopolistic or narrow oligopolistic conditions symbolize an insecure setting. Whether companies are in foreign or domestic ownership is only of secondary interest. However, the worst case is a concentrated or nearly monopolistic market in foreign ownership. If the market is concentrated, but in domestic ownership, it is a little bit better, but still an insecure environment, because the countries' influence on privately owned companies is mostly limited. On the contrary, a competitive market—whether in foreign or domestic ownership—is relatively secure. If a state has to depend on one single company in foreign ownership, it will produce the worst case for national security.

Following his arguments, a national-security policy that aims for a secure environment should spend money smartly by promoting more competition. Strengthening the competition is better than enshrining uncompetitive national industries. A rule of thumb for a competitive market is the 4/50 rule, which suggests that if four independent actors control less than fifty percent of a market, there is enough competition, and it is unlikely that the participating companies will be able to coordinate their behavior in an unfavorable way, even if they share a common objective.

Moran uses real cases and European experience to underpin his argument. In all these cases,⁵⁷ the situation developed into a national problem because of a lack of own capabilities and too little competition or quasi-monopolistic markets. A competitive and specialized market is better insurance for a country than its own, sometimes obsolete or uncompetitive, industry or military. A state—even if it is as mighty as the United States—cannot provide competitive products and solutions for all technological areas. States have to specialize on domains where they have exceptional strength.

The 4/50 rule is plausible for pooling and sharing, too, and seems to have untapped potential. Dependencies in the area of defense are not a comfortable situation. Having some mechanisms in mind, economic and efficiency interests on one side and defense strategist interest such as sovereignty on the other side, are compatible. Some

⁵⁷Among others, the French dependency on U.S. technology by developing nuclear weapon, the oil embargo in the 1970s and the Soviet gas pipeline case. See legend A, B, C, D, and E in Figure 2.

other dependencies—for example the dependency on oil and other natural resources—can influence the economy much more. Thus, the influence of pooling and sharing on national autonomy should be kept in mind, but shouldn't be overestimated. National strength and national vulnerability are based on many different factors. National autarchy as not an alternative, because it cannot ensure access to the growing global pool of technological and management skills, and is therefore at least as dangerous. Overall, pooling and sharing does not really coincide with a loss in sovereignty and dependency and does not have only negative implications. "Dependencies—that also teach the relationship between Europe and America—are not an expression of weakness, but, properly used, evidence of confidence, efficiency and strength."⁵⁸

C. THE INTERFACE OF EFFICIENCY AND SOVEREIGNTY

Military capabilities can be individually available by all nations, they can be pooled, commonly shared, provided by some nations in a role-share function or not available at all.⁵⁹ Figure 3 displays a theoretical model showing the different levels of dependency and efficiency of national capabilities and how the EU military power could be improved by more extensive pooling and sharing. The underlying consideration is that capabilities that are not available at all or only available to a very few nations (in the red area) could be improved by pooling and sharing. Capabilities that are maintained by nearly all nations could be supplied more efficiently by reducing the number of providing countries. For that, pooling and sharing are also possible.

⁵⁸Thomas de Maizière German Minister of Defense, Statement at the 48th Munich Security Conference (February 2012), <http://www.securityconference.de/Dr-Thomas-de-Meiziere.809.0.html>, accessed 03/10/2012.

⁵⁹This classification is general and not specifically military. It is also applicable in daily life: One can have an own car or dwelling or not, share cars or a habitat with others or rely on others, for example a taxi driver or a hotel, which provide the function when and where it is needed.

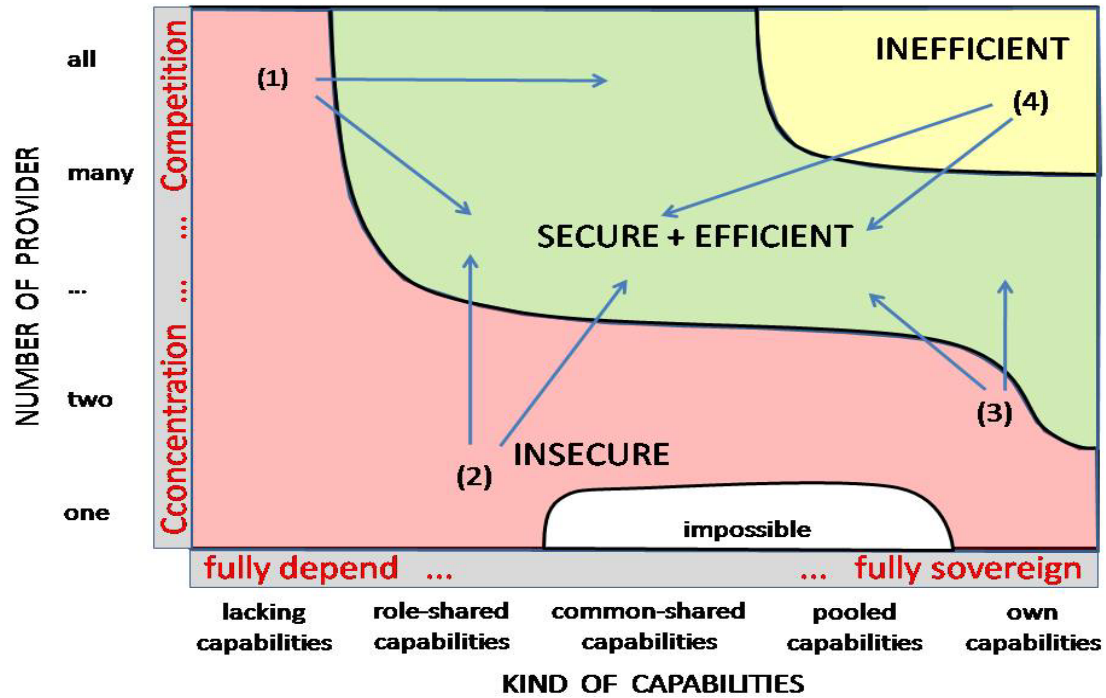
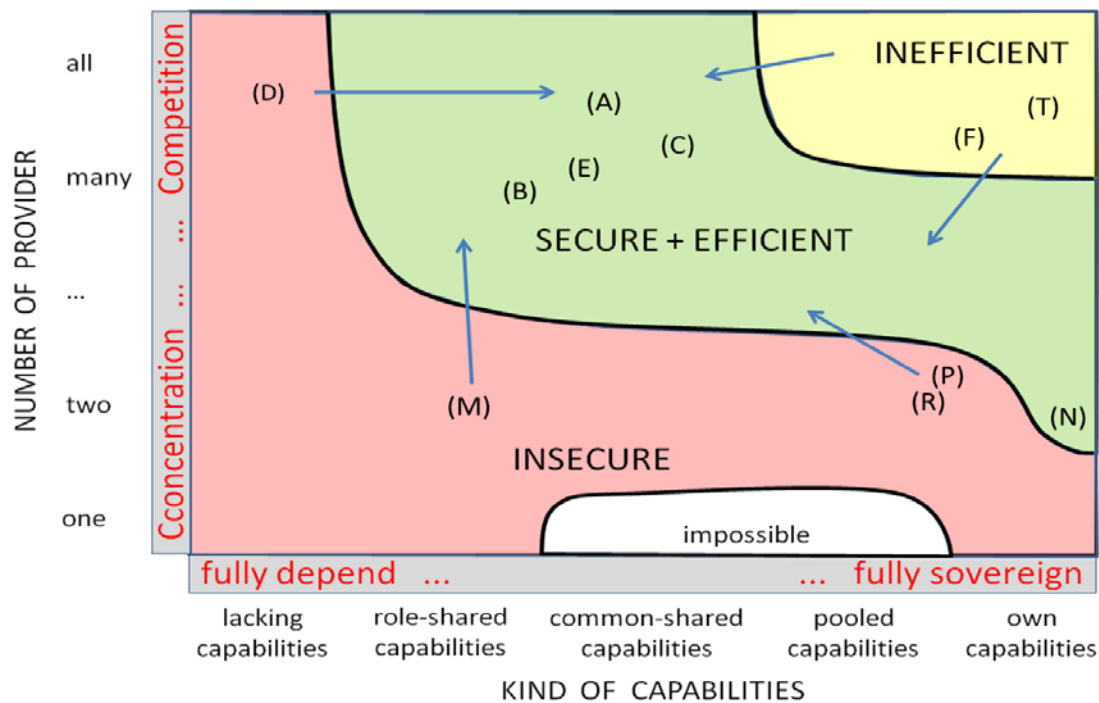


Figure 3. Theoretical Framework for Strengthening European Military Capabilities

Capabilities that are not available at all (category 1) should be built up as common-shared capabilities or as role-shared capabilities by some of the nations. The dependence on capabilities that are only maintained by one or two nations (category 2) could be reduced if these capabilities are changed in common-shared capabilities or if more nations took responsibility to the same role. The dependence on capabilities that can be provided by only a very few nations (category 3) could be reduced by encouraging more nations to acquire these capabilities. Efficiency could be improved by pooling these capabilities. Capabilities that are maintained by nearly all countries (category 4) could be reduced and pooled or commonly shared. This measure would not significantly affect national sovereignty.

Measures of categories 1, 2, and 3 would strengthen capabilities but they would also tend to cost additional money. Measures in category 4 could achieve savings because they would eliminate duplication of capabilities. However, they would not strengthen capabilities or diminish capability gaps. Figure 4 illustrates the status of some selected capabilities and the directions in which they could be constructively developed.



Legend:

Already secure and efficient:

- (A) AWACS
- (B) European Battle Group
- (C) C-17
- (E) European Air Transport Command
- (N) Nuclear Forces⁶⁰

Insecure/Insufficient:

- (D) Missile Defense
- (M) Medical Evacuation
- (P) Precision Guided Ammunition
- (R) Air to Air Refueling

Inefficient:

- (F) Fighter Aircraft
- (T) Tanks
- ...

Figure 4. Examples of Selected Capabilities

D. OUTSOURCING AND BETTER ALLOCATION OF RESOURCES

The times of self-sufficient economies are long gone. As by pooling and sharing, today's economics are based on a high division of labor. Outsourcing, as a process whereby special business functions are transferred to others, can give useful hints for pooling and sharing. On a national and international level, companies outsource fringe functions to other companies to concentrate on their core business, where they have real advantages. Outsourcing is very similar to role- or task-sharing. Both are ways of

⁶⁰Nuclear capabilities are an exception in that the acquisition of such capabilities by additional EU nations would probably not enhance the security of the European Union as a whole in foreseeable circumstances. The curve in the model on the right side is intended to reflect this fact.

proceeding a higher form of division of labor. That creates open spaces for concentration on new things in the core business area, and is thought to strengthen expertise.

Outsourcing is quite normal in open markets. A highly divisional economy delivers greater completions and is able to allocate labor and capital more efficiently with clear benefits in the long run. Despite some fears, outsourcing of goods and services does not stop at national borders.⁶¹ When a company decides to outsource business functions outside its own nation, better location factors, such as cheap labor, better-educated work forces, or natural resources and climatic conditions, are usually the primary reasons. As with pooling and sharing, the main alternative to outsourcing is to continue to do everything inside a company or country.

Outsourcing and sharing is not a one-way street. Thus, it is also possible to insource business functions or to take an active role as a nation that shares its capabilities with others. In economics, supply and demand regulate price, and therefore insourcing will only be possible if the domestic location factors in a specific area are able to compete with other companies or countries. Shared capabilities have a value, too, which depends on how valuable and reliable these capabilities are considered by other nations. In economics, the competitiveness of a business area has to be the core of any calculation, and competitive disadvantages cannot easily be eradicated.

Like outsourcing, sharing is not a problem as long as business is booming. As long as released work forces quickly find new jobs, the specter of such cuts is harmless.

⁶¹Outsourcing is a topic that is widely reflected in the scholarly literature and some people fear that outsourcing is a kind of sellout of domestic capabilities and it increases the number of unemployed people at home. One example that analysis the complexities, the limit and dangers and the net effect of outsourcing on the United States, is Murray Weidenbaum, Outsourcing: Pro and Cons, *Business Horizons* (July–August 2005, vol. 48, iss. 4), 311–315. “Often the most effective (or only) way to achieve desired effectiveness is to outsource the entire activity—be it energy, computer, communications, distribution, auditing, or facilities design, construction, or operation—to a group that has the needed specialists yet can flexibly adapt outputs to meet internal divisional needs.” James Brian Quinn, Strategic Outsourcing: Leveraging Knowledge Capabilities. *Sloan Management Review* (1999, vol. 40, no. 4), 9–21.

In the realm of economics, tariffs and other protective politics are used to contain international outsourcing, sometimes with negative effects. <http://dialnet.unirioja.es/servlet/articulo?codigo=2486660>. Daniel Drezner’s example of 45,000 to 75,000 lost jobs in the U.S. steel-using industry, indirectly caused by protecting the domestic steel producers, draws an unequivocally picture. See Daniel W. Drezner, The Outsourcing Bogeyman, *Foreign Affairs*, (Mai/June 2004, no. 22), 83.

In times of recession, however, people make a bogeyman out of all things that go along with reductions. Such domestic factors have to be considered when it is expedient to diminish national capabilities.

The realm of defense is mostly considered a national core function and therefore to be sequestered from sharing with others. The negative effects can be similar when the adherence to ineffective areas of defense leads to a suppression of other areas, because every dollar or Euro can be spent only once. In the end, with a multinational division of work in the area of defense, all nations will be better off, because specialization leads to cheaper capabilities with higher quality. Assuming that the times are over where European states fight against each other, any improvement of European military capability is not a zero-sum game. In other words, one state's improvement of military capabilities does not have to be another state's loss, but an improvement for all. However, states want to act independently and shy away from giving up any sovereignty in defense issues.

E. HOW TO IMPLEMENT POOLING AND SHARING

A lot of military assets remain durable for a longer time as they are functional and cost efficient. The effect of pooling and sharing is not worth the effort if the old furniture in the European house, as it were, is only arranged in a new way. It is necessary to separate useful from useless and eradicate over-capacities. Figure 5 illustrates how to implement pooling and sharing efficiently.

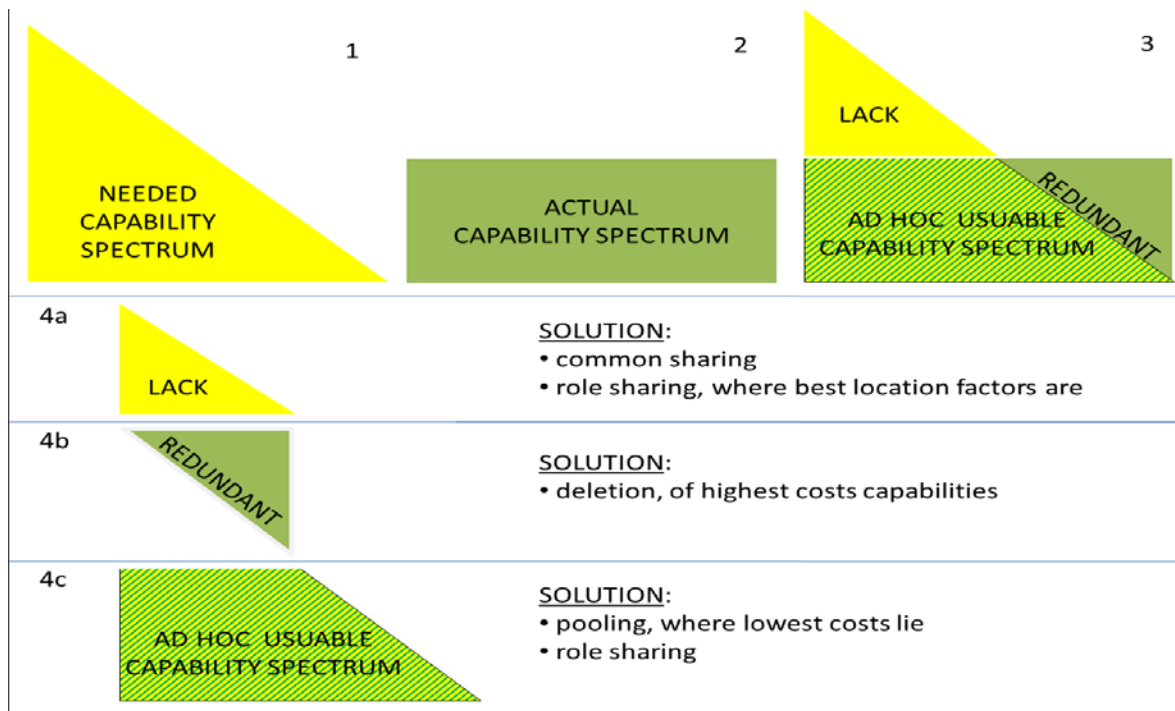


Figure 5. How to Implement Pooling and Sharing

It is important that the EU member states make a common analysis of their interests and agree on capabilities that are needed (no. 1). They need to access the actual spectrum of capabilities (no. 2) and make a target-actual-comparison that reveals the need for changes (no. 3). Lacking capabilities (no. 4a) should be acquired as common-shared capabilities or as role-shared capabilities, in countries with the best location factors⁶².

While some shortcomings in interesting technological fields might be filled by some nations voluntarily, expensive capabilities in edge areas that do not assure a major right of say are unlikely to be filled without incentives.⁶³

Redundant capabilities (no. 4b) should be abandoned in these countries in which they entail the highest costs. All other capabilities (no. 4c) could be analyzed to

⁶²Capabilities, for example, that need many personnel should not be built up in countries in which the costs for personnel are extremely high.

⁶³Areas like logistics are expensive and guarantee not a major say in core military decision processes.

determine whether (and to what extent) they have potential for pooling and role-sharing. Institutions could play a decisive role in initiating such an analysis and enhancing further cooperation.

F. CONCLUSION

Pooling and sharing is a wide field that opens more opportunities than to just put some assets together in the same location to save costs. Pooling bundles the responsibilities, and because of the economy of scales, efficiency is much higher. Pooling and sharing is able to provide efficient solutions for military needs that—if properly organized—provides better quality than the present patchwork of European military capabilities. Applying economic theories to pooling and sharing provides several ways to promote and foster pooling and sharing solutions. However, in the realm of security and defense, it can be problematical if a single state, motivated by domestic issues, has the ability to block military capabilities because this state is the single provider of a specialized capability. Therefore, pooling and sharing should be organized in a way that the system has redundancies. Role-shared capabilities should be made available by at least two or three nations. The 4/50 rule is a good measurement to avoid unwanted dependencies and monopolistic situations. Then, a nation that does not want to participate will not paralyze the whole system.

As the next chapter make obvious, these theories are not simply and entirely applicable because governmental actors and political elites as well as special interest groups and institutions are following own and highly diverse agendas. In reality domestic factors and interests—other than military ones—strongly influence politics in the military realm. In Europe, “a lack of specialization creates excessive redundancies. Though plans have been put forward to address these issues, they are rarely implemented, often because of domestic politics.”⁶⁴

⁶⁴Richard Weitz, “Transatlantic Defense Troubles,” *Strategic Insights* (winter 2011, vol. 10, iss. 3), 52.

III. MILITARY DEFENSE CONTRIBUTION ANALYSIS

A. EUROPEAN MILITARY EXPENDITURES

The member states of the European Union together post the world's second largest defense outlays, after those of the United States. Nonetheless, the results of this spending, in the form of deployable military forces, satisfies neither the European member states nor their close Atlantic ally, the United States—though for different political and strategic reasons. Even before the Euro crisis of 2009 and onward, EU states viewed even this status-quo defense spending as more than enough. The decline of defense budgets across Europe and austerity measures make it unrealistic to expect improvements in European military capabilities by increased defense spending. Therefore, it is important that European governments utilize their scarce treasure more efficiently.

The High Representative of the European Union for Foreign Affairs and Security, Catherine Ashton, wrote on 23 May 2011 that the Council of the European Union “wants to turn the financial crisis and its impact on national-defense budgets into an opportunity for greater cooperation in the area of capability development.”⁶⁵ The Council sees pooling and sharing as a long-term approach and “encourages member states to apply pooling and sharing on a systematic and sustainable basis promoting multinational cooperation, including on a regional basis, as a key method to preserve and develop military capabilities.”⁶⁶ As Figure 6 shows, Europe's defense budget has been nearly unchanged over the last twenty years and is therefore no match for the combined North American budget.

⁶⁵3091st Foreign Affairs Council meeting (Brussels, May 23, 2011) Press Release, 1, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/122187.pdf, accessed 03/12/2012.

⁶⁶*Ibid.*

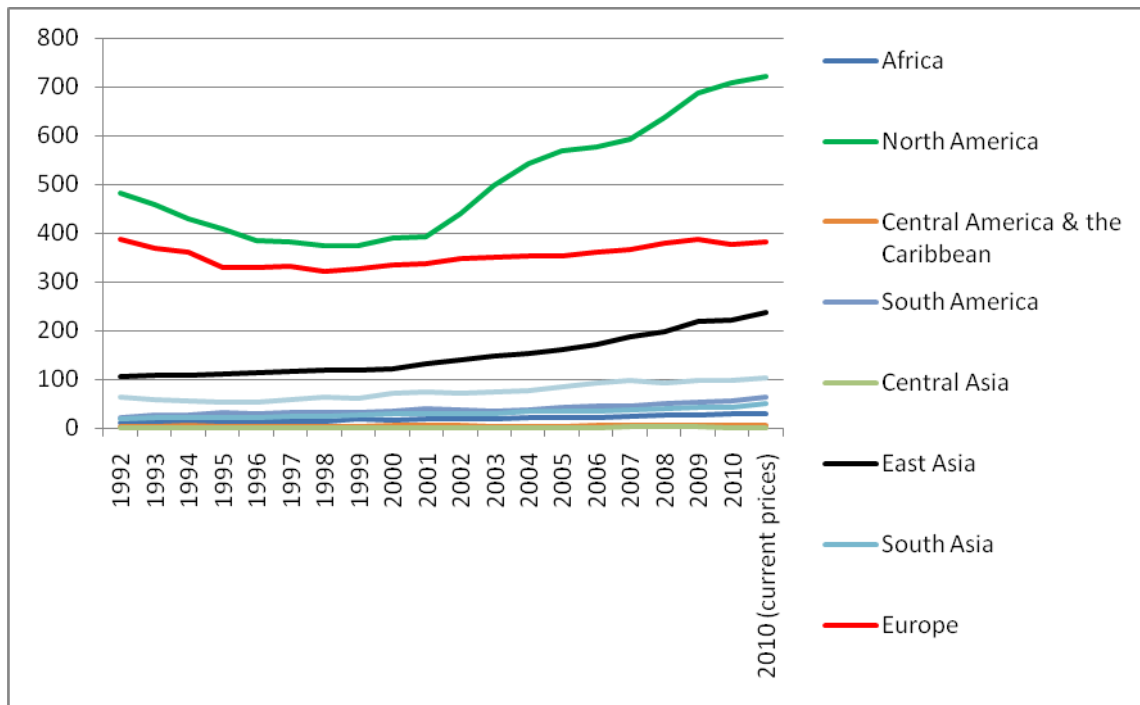


Figure 6. World Defense Spending 1992–2010 (in Billions of U.S. Dollars)⁶⁷

While the U.S. defense budget grew more than 75 percent in the last ten years in the wake of the 11 September attacks,⁶⁸ in Europe, in the last two decades after the end of the Cold War, the peace dividend was harvested at least twice or threefold, and all member states of the EU “are seeking to do more with less.”⁶⁹

As Figure 7 displays, the defense spending in Europe is relatively concentrated. As analysis of the defense budgets shows, the Pareto effect occurs nearly textbook-like in the realm of European defense expenditures, when 20 percent of the states provide 80 percent of the funding. The ten biggest defense spenders inside the European Union

⁶⁷Figure 6 is based on data provided by the SIPRI Yearbook 2011.
<http://www.sipri.org/yearbook/2011/files/SIPRIYB11summary.pdf>, accessed 03/12/2012.

⁶⁸While U.S. defense spending has nearly doubled since 2000, EU defense spending has been steadily reduced. The EU has more inhabitants than the United States but nearly half the defense spending.

⁶⁹Bastian Giegerich. Military Capabilities: Time for Capitals to Act in Sven Biscop, Jolyon Howorth and Bastian Giegerich, “Europe: A Time for Strategy,” *Egmont Paper* 27 (Gent: Academia Press, January 2009), 29.

account for more than 90 percent of the whole EU defense outlay. More than half of the states contribute less than one percent, but still weigh in with a full vote in any decision-making processes that require unanimity.

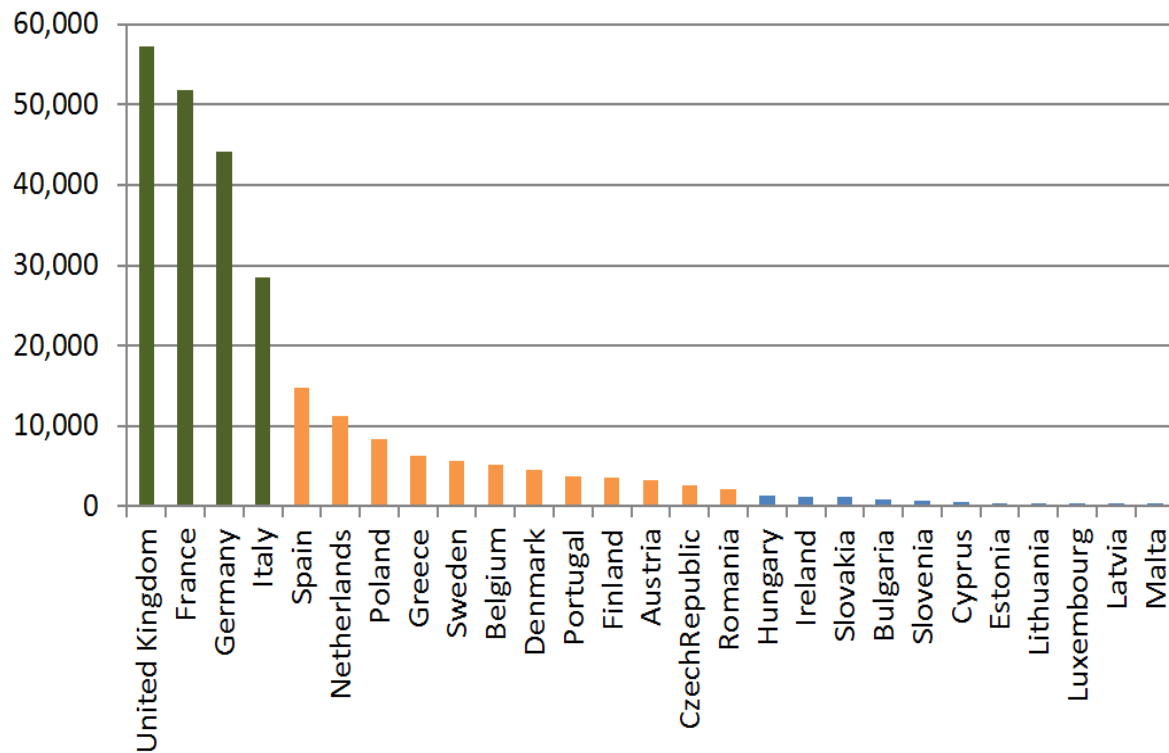


Figure 7. European Union Defense Spending 2010 in A-B-C Clusters (in Millions of U.S. Dollars)⁷⁰

When the defense contributions of the European Union member states are as different as displayed, a clustering A-B-C analysis ⁷¹ can help to set the lever at the right place. If every nation continues to spend its money without coordinating with its allies or partners—or, worse, unilaterally cuts its military spending as a short-term response to the

⁷⁰Based on data provided by the European Defence Agency “Defence Data: EDA participating Member States in 2010,” (January 18, 2012), 2. http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010, accessed 03/07/2012. More than half of the states contribute less than 1 percent of the overall EU defense spending.

⁷¹A-B-C analyses are used to divide substantial from insubstantial parts, where A-parts are the parts that contribute to 70–80 percent of the results, B-parts additional 10–20 and C-parts only 5 to 10 percent. Therefore, any effort for rationalizing should firstly address the A-category.

financial crisis—improvements in capability are not likely. Indeed, European security could suffer, perhaps significantly. However, the behavior of the small contributors does not really have an effect on the overall output. What is more important is how the biggest states spend their money.

Britain, France, Germany, and Italy are the four leading nations that provide more than half of the military personnel of the European Union and nearly seventy percent of defense expenditures. Consequently, the European Union's military power depends highly on the capabilities of these four countries, and the behavior of these four will largely determine the future of the whole military integration process.

B. POOLING AND SHARING IN TIMES OF AUSTERITY

For states, it is always a question how much to spend on defense. "Reductions or increases in the budget percentages ... are crucial indicators of where governments put their priorities."⁷² As long as there was a common threat, states and citizenry were willing to put a lot of more effort on defense. Defense spending of the NATO agreed-upon two percent of GDP is the exception, as Table 1 highlights. The average in Europe is 1.6 percent with clearly decreasing tendency.⁷³

⁷²According to Budge, in Great Britain "the shares for defence and agriculture drop steadily over the whole [post-1945] period, while expenditure on the social areas ... generally goes up." Ian Budge, "Great Britain and Ireland: Variations in Party Government," 46.

⁷³"Today, only just five of 28 allies – the U.S., U.K., France, Greece, along with Albania – exceed the agreed 2% of GDP spending on defense," noted Robert M. Gates, at that time U.S. Secretary of Defense, in his speech about NATO's future security agenda in Brussels on June 10, 2011, <http://www.defense.gov/speeches/speech.aspx?speechid=1581>, accessed 12/03/2012.

USA	5,5	5,3	4,7	4,8	4,5	4,1	3,8	3,5	3,3	3,1	3	3,1	3,1	3,4	3,8	4	4	3,9	4	4,3	4,7	4,8	4,45
Country	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	av. last 5 yr
Greece	3,8	3,8	3,5	3,6	3,6	3,6	3,2	3,3	3,4	3,5	3,6	3,6	3,4	3,2	2,6	2,7	2,9	2,9	2,8	3	3,2	2,07	2,8
United Kingd.	4	3,9	4,1	3,8	3,5	3,3	3	2,8	2,6	2,5	2,4	2,4	2,4	2,5	2,5	2,5	2,4	2,4	2,3	2,5	2,7	2,56	2,5
France	3,5	3,4	3,4	3,3	3,3	3,3	3	2,9	2,9	2,7	2,7	2,5	2,5	2,5	2,5	2,6	2,5	2,4	2,3	2,3	2,5	2,01	2,3
Bulgaria	4,4	3,8	3	3	2,6	4	2,9	2,2	2,4	2,5	2,8	2,8	3	2,9	2,8	2,6	2,6	2,4	2,6	2,1	2	1,74	2,1
Estonia	xxx	xxx	xxx	0,5	0,8	1	1	0,9	1	1,1	1,3	1,4	1,5	1,7	1,7	1,7	1,9	1,9	2,1	2,2	2,3	1,72	2,1
Cyprus	5,4	7,4	7,3	9,1	4,1	4	3,2	4,8	6	5,1	3	3	3,4	2,3	2,2	2,1	2,2	2,1	1,9	1,8	2	2,06	1,9
Portugal	2,7	2,7	2,7	2,7	2,6	2,5	2,4	2,3	2,2	2	1,9	1,9	1,9	2	1,9	2	2,1	2	1,9	1,9	2,1	1,61	1,9
Poland	1,8	2,6	2,3	2,2	2,5	2,3	2	2	2	2	1,9	1,8	1,9	1,9	1,9	1,9	1,9	1,9	2	1,7	1,8	1,81	1,8
Italy	2,3	2,1	2,1	2	2	1,9	1,7	1,9	1,9	1,9	2	2	2	2	2	2	1,9	1,8	1,7	1,8	1,8	1,40	1,7
Slovenia	xxx	xxx	xxx	2,2	1,8	1,7	1,6	1,6	1,4	1,4	1,2	1,1	1,3	1,4	1,4	1,5	1,4	1,6	1,5	1,5	1,6	1,62	1,6
Latvia	xxx	xxx	xxx	..	0,7	0,8	0,9	0,7	0,6	0,6	0,8	0,9	1	1,6	1,7	1,7	1,7	1,8	1,7	1,7	1,4	1,08	1,5
Netherlands	2,7	2,5	2,4	2,4	2,2	2,1	1,9	1,9	1,8	1,7	1,7	1,6	1,5	1,5	1,6	1,5	1,5	1,5	1,5	1,4	1,5	1,43	1,5
Czech Rep.	xxx	xxx	xxx	xxx	2,3	2,3	1,9	1,8	1,7	1,9	2	2	1,9	2	2,1	1,9	2	1,7	1,6	1,4	1,4	1,39	1,4
Romania	4,7	4,6	4,8	4,3	2,7	3,1	2,8	2,5	3	3	2,7	2,5	2,4	2,3	2,1	2	2	1,8	1,5	1,5	1,4	1,29	1,4
Slovak Rep.	xxx	xxx	xxx	xxx	2	1,9	3,2	3	2,3	1,8	1,6	1,7	1,9	1,8	1,9	1,7	1,7	1,6	1,5	1,5	1,4	1,29	1,4
Finland	1,5	1,6	1,8	1,9	1,9	1,8	1,5	1,6	1,6	1,5	1,3	1,3	1,2	1,2	1,4	1,4	1,4	1,4	1,2	1,3	1,5	1,50	1,4
Germany	2,8	2,8	2,2	2	1,9	1,7	1,6	1,6	1,5	1,5	1,5	1,5	1,4	1,5	1,4	1,4	1,4	1,3	1,3	1,3	1,4	1,34	1,3
Lithuania	xxx	xxx	xxx	..	0,8	0,5	0,5	0,5	0,8	1,2	1,1	1,7	1,8	1,7	1,7	1,5	1,4	1,4	1,4	1,4	1,4	0,90	1,3
Sweden	2,5	2,6	2,5	2,4	2,5	2,4	2,3	2,2	2,1	2	2	2	1,8	1,7	1,7	1,5	1,5	1,4	1,4	1,2	1,2	1,23	1,3
Hungary	3,1	2,8	2,4	2,4	2,2	2,1	1,6	1,5	1,7	1,4	1,6	1,7	1,8	1,6	1,7	1,5	1,4	1,2	1,3	1,2	1,1	1,04	1,2
Belgium	2,5	2,4	2,3	1,8	1,7	1,7	1,6	1,5	1,5	1,5	1,4	1,4	1,3	1,2	1,2	1,2	1,1	1,1	1,1	1,2	1,2	1,12	1,2
Spain	2	1,8	1,7	1,5	1,7	1,5	1,4	1,4	1,3	1,3	1,2	1,2	1,2	1,2	1,1	1,1	1	1,2	1,2	1,2	1,1	1,05	1,1
Austria	1,2	1,2	1,2	1,1	1,1	1,1	1,1	1	1	1	1	1	0,9	0,9	0,9	0,9	0,9	0,8	0,9	0,9	0,9	0,86	0,9
Malta	1,1	0,9	0,9	1	1	1	0,9	0,9	0,9	0,8	0,7	0,7	0,7	0,7	0,7	0,7	0,9	0,7	0,7	0,7	0,7	0,71	0,7
Ireland	1,1	1,3	1,3	1,2	1,2	1,2	1	1	0,9	0,8	0,8	0,7	0,7	0,7	0,6	0,6	0,6	0,5	0,5	0,6	0,6	0,59	0,6
Luxembourg	0,9	0,9	0,9	0,9	0,8	0,8	0,9	0,7	0,7	0,7	0,7	0,6	0,8	0,7	0,7	0,7	0,6	0,6	0,6	0,6	0,6	0,48	0,6

Table 1. EU and U.S. Defense Spending in Percent of the GDP⁷⁴

France and especially Italy are strongly affected by the current financial crisis, and further budgetary cuts are very likely.

Analyzing the bargaining and burden-shifting in NATO, Wallace J. Thies presents some interesting findings on the likelihood of cooperation that are illustrated in Figure 8 and also true for the ongoing attempts to promote pooling and sharing inside the European Union. Thies concludes that, cooperation between states is much easier in times of plentiful resources and with a common outside threat (Case 1). In Europe, both factors seem to be absent in recent times (Case 4), and that makes it harder for states to

⁷⁴NATO members agreed at the 2002 summit in Prague on a defense spending goal of 2 percent of GDP. In Table 1, defense spending that reaches at least 1.8 percent of GDP is shown in green, defense spending of less than one percent of GDP is marked in red, all others are highlighted in orange. The last column shows the average defense spending of the last five years. Based on data provided by the Stockholm International Peace Research Institute (SIPRI), <http://milexdata.sipri.org>, accessed 03/07/2012.

cooperate. If the threat level increases⁷⁵ and the resources remain scarce (Case 2), he sees a danger of political conflicts. As long as the threat level stays low, a better economic situation will not enhance the prospects for multinational cooperation, because there is no stimulus or incentive for such cooperation (Case 3).

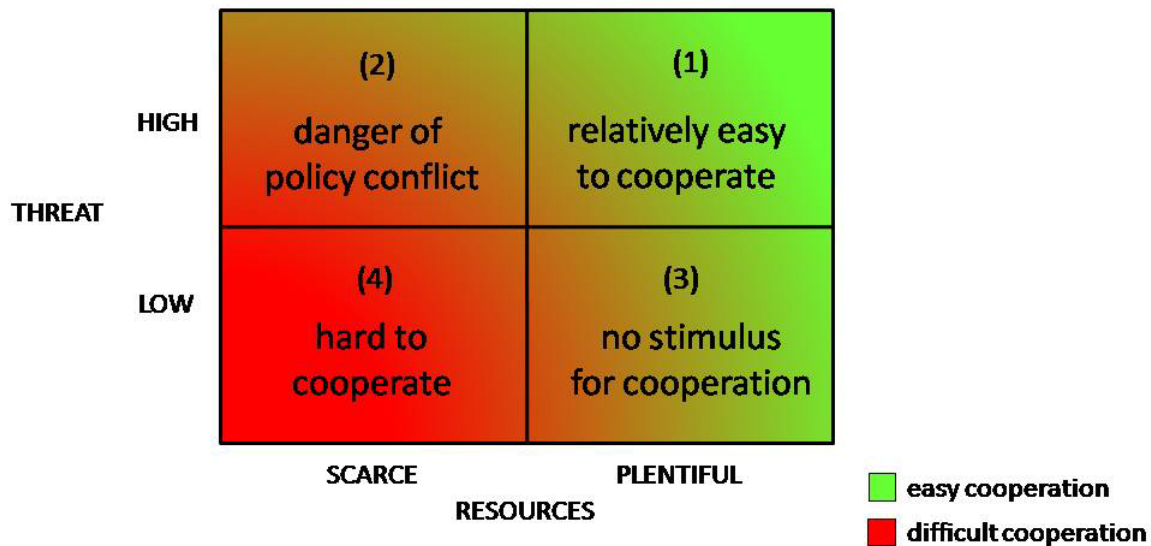


Figure 8. Ease of Cooperation⁷⁶

These findings suggest that times of austerity are not propositions for enhanced cooperation.⁷⁷ In times of low threat and scarce resources, burden-shifting and free-riding are more likely than real cooperation.

⁷⁵Such situations could occur through higher threats through other states (for example by a nuclear capable Iran, or a huge rearmament of Russia or an uncooperative behavior of China) or a strong reduction of the U.S. capabilities on that Europe strongly relies at the moment. Hopefully, there will be no European 9/11 weak-up call. “It will not be any European statesman who will unite Europe; Europe will be united by the Chinese.”—Charles de Gaulle.

⁷⁶Figure 8 is based on Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-shifting in NATO* (New York, M. E. Sharpe, 2003), 256.

⁷⁷In contrast, the High Representative of the European Union for Foreign Affairs and Security, Catherine Ashton, wrote on May 23, 2011 that the Council of the European Union “wants to turn the financial crisis and its impact on national defense budgets into an opportunity for greater cooperation in the area of capability development.” 3091st Foreign Affairs Council meeting (Brussels, May 23, 2011) Press Release, 1. http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/122187.pdf, accessed 03/12/2012.

C. RESEARCH AND DEVELOPMENT SPENDING

Technological-innovation cycles go faster and faster. Considering the size and capacities of European states, it is obvious that it is impossible for these states to stay technologically up-to-date in all military areas without distinctly enhancing defense spending. In the existing system, procurement cycles are not able to keep pace with technological innovation, and acquisitions—whether national or international—are too long-lasting and complex.

Figure 9 illustrates the commitment of life cycle cost over a product life cycle. The biggest part of the overall life cycle costs of a weapon system is fixed in the development phase. Therefore, really effective pooling and sharing has to start right at the beginning of the procurement cycle. Pooling and sharing is most effective when material demands are aligned from the beginning.

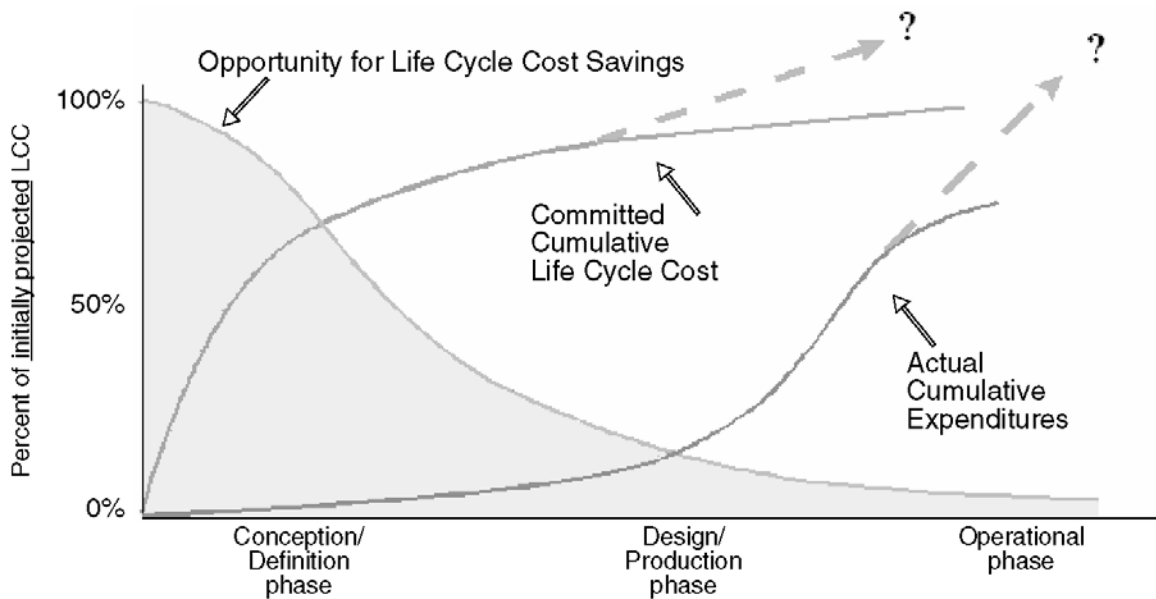


Figure 9. Commitment of Life-Cycle Cost Over the Product Life Cycle⁷⁸

Common research and development/technology lays a solid foundation. In the modern military, numbers and kinds of weapon systems are *the* factors that dominate structural organization. Therefore, significant sharing solutions, such as NATO-AWACS,

⁷⁸Anna Sandberg, Ulrika Strömberg, "Gripen: with focus on availability performance and life support cost over the product life cycle," *Journal of Quality in Maintenance Engineering* (1999, vol. 5, no. 4), 327.

are based on common material assets. However, “attempting to harmonize technical requirements is difficult or impossible if the underlying thinking on conceptual requirements, and financial and timescale expectations, has not been converged from the outset.”⁷⁹ To meddle with established national systems, attempting to pool them afterwards generates only limited revenues. Caused by the complexity, higher cost for personnel stationed abroad, and required adaptations, pooling and sharing of established capabilities can sometimes cause costs that are higher than revenues.⁸⁰

Moran makes some sound recommendations about how to spend in a way that will contribute to more competition. In particular funding that is spent on research and development (R&D) can contribute to more competition if it is spent wisely. According to Moran, R&D money should strictly adhere to the 4/50 rule, and such money should not be spend for companies or countries that belong to an already concentrated market or cartel. In the EU, a multinational coordination of R&D should be possible because the budgets are highly concentrated as Figure 10 displays.

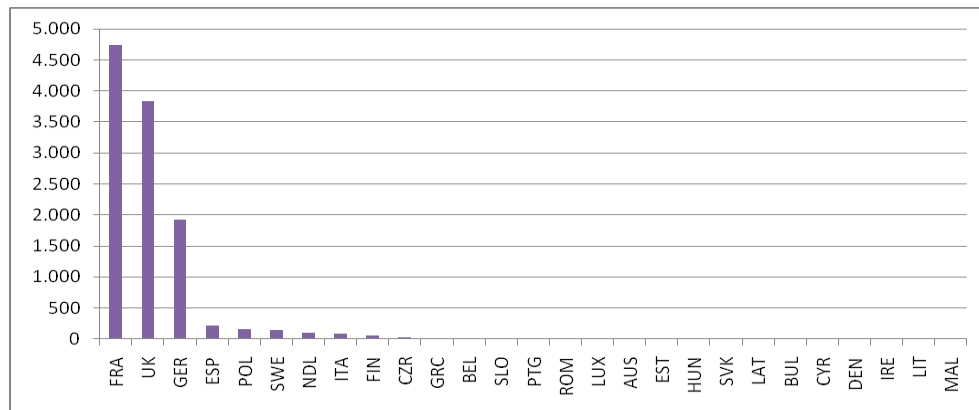


Figure 10. European Union Military Research and Development Spending 2010 (in Millions of U.S. Dollars)⁸¹

⁷⁹European Defence Agency *Initial long-term Vision for European Defence capabilities and capacity needs* (Brussels October 3, 2006) 21, http://europa.eu/legislation_summaries/foreign_and_security_policy/cfsp_and_esdp_implementation/l33238_en.htm, accessed 03/15/2012.

⁸⁰To a certain extent, transport issues seem to be an exception because their generated output is relatively universal.

⁸¹Figure 10 is based on data provided by the European Defence Agency. http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010, accessed 03/07/2012.

Some 93 percent of that money is spent by only three nations: France, United Kingdom and Germany. Only six European states (the United Kingdom, France, Germany, Italy, Spain and Sweden) have industrial capacities considerable enough to develop and build international, competitive, weapon systems.

Every Euro (or dollar) can be spent only once, and it is not likely that defense spending will be palpably increased. Therefore, it is very important to spend on projects that will have a payoff for defense, and rely on private financed R&D in areas where civil use dominates.

D. MILITARY PERSONNEL

The regions in Europe have different economic structures, but overall, the total of around two million soldiers in Europe encumbers so many resources that there is not enough money left for materiel investments. Policy requires a change in this state of affairs. “Economics is primarily about the efficient use of scarce resources, and the notion of opportunity cost plays a crucial part in ensuring that resources are indeed being used efficiently.”⁸²

The theory of comparative advantage⁸³ states that if countries specialize in producing goods where they have a lower opportunity cost - then there will be an increase in economic welfare. ... Even if one country is more efficient in the production of all goods (absolute advantage) than the other, both countries will still gain by trading with each other, as long as they have different relative efficiencies.⁸⁴

In reviewing their military capabilities nations should think about considering comparative advantages, too. The biggest part of defense spending is expenditure for personnel, and there are big differences between the European Union nations. Figure 11

⁸²The Economist: “Economic A-Z: Opportunity costs,” <http://www.economist.com/economics-a-to-z/o#node-21529616>, accessed 03/10/2012.

⁸³In his 1817 book *On the Principles of Political Economy and Taxation*, David Ricardo explained the theory of comparative advantage. In his example Portugal could produce both wine and cloth with less labor than England. However, England was relatively better at producing cloth. Therefore, it made sense for England to export cloth and import wine from Portugal.

⁸⁴Economics help, “Dictionary: comparative advantage,” <http://www.economicshelp.org/dictionary-/c/comparative-advantage.html>, accessed 03/10/2012.

displays the average defense spending for one person (soldier, gendarme, or civil personnel) funded by each national-defense budget.

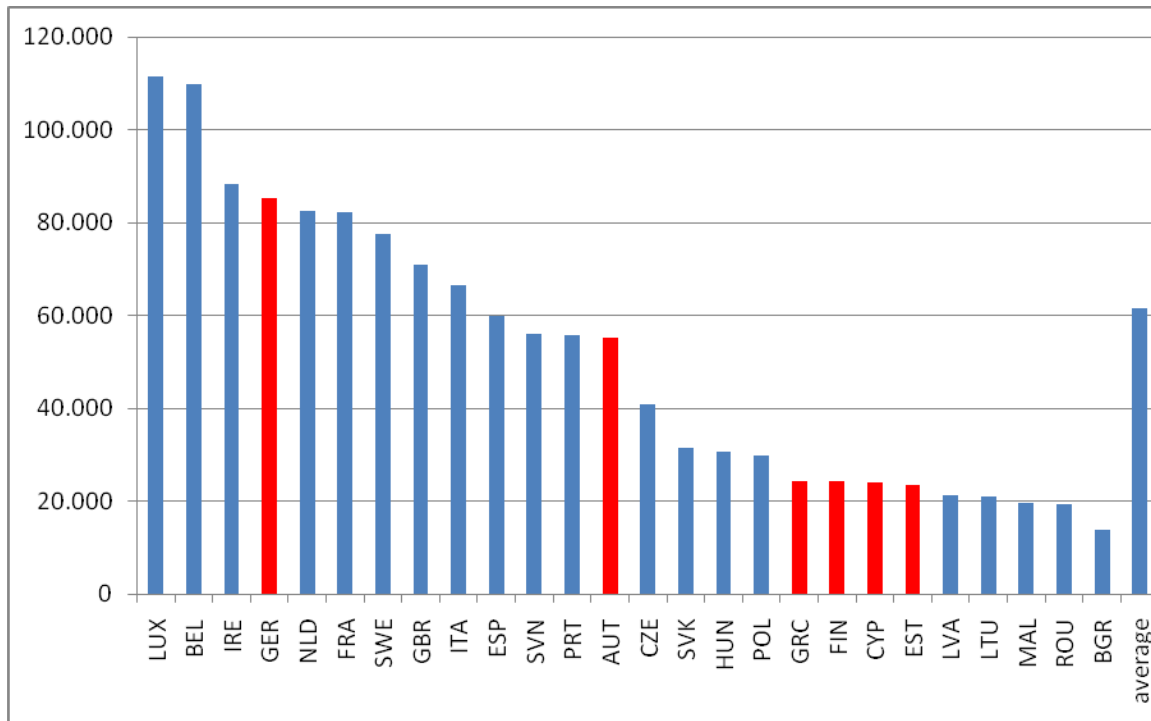


Figure 11. Average Defense Expenditures 2010 in U.S. Dollar per Military Personnel⁸⁵

This graph seems to offer opportunities to distribute defense capabilities differently from how it is done today. But in the same way as the military weapons of the nations are not equal or simply comparable, that is all the more true for the military personnel. National differences in education, diverse traditions, preparedness, training and other factors are likely to explain a great part of these differences. However, the dominant share of more than 50% personnel costs in the EU's overall defense spending allows not setting the personnel costs aside although "these distributions will not soon change due to the rigidity of many military pay structures."⁸⁶ A proper part of the average spending differences is likely to be the result of diverse location factors, such as

⁸⁵Based on data provided by the European Defence Agency, http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010, accessed 03/07/2012. The part of personnel costs of the defense budget divided through the number of civil and military personnel paid out of the defense budget. The red marked countries include conscript personnel.

⁸⁶Richard Weitz, "Transatlantic Defense Troubles" *Strategic Insights* (winter 2011, vol. 10, iss. 3), 59.

obvious lower level of personnel costs. In a Europe-wide view, states with low personnel costs have location advantages and personnel-intensive military functions should be arranged in these countries. High-cost countries should concentrate their efforts on cutting-edge technology with lower manning requirements. So far the economic theory; in practice, such arrangements will immediately experience their political limitations as long as the national differences are as diverse as outlined in chapter IV. The realization of such a division of labor will be extremely difficult and highly sensitive. Up to now, there are tentative attempts to open the military service of single nations on EU level, such as in Belgium, but they are more the exception⁸⁷ than the rule. In Germany such attempts did not overcome the first obstacles.⁸⁸ A very special example for military multi-nationality with its own history is the French Légion Étrangère.⁸⁹ In the United States the service in the military is not limited to U.S. citizenship.⁹⁰

⁸⁷ In 2004, Belgium, as one of the highest costs countries in Figure 11, started such a recruiting campaign. Citizens of all EU member states can apply to military service in the Belgian army. An essential prerequisite is French or Dutch language skills. More information is available at <http://www.mil.be/jobs> available. See Embassy of Belgium in Berlin "Nachbar Belgien, Eine Publikation der Belgischen Botschaft in Berlin" (March 2004 / no. 2), <http://www.diplomatie.be/berlin/media/berlin/Nachbar%20Belgien%202004.pdf>, accessed 05/02/2012.

⁸⁸ In 2011 Germany, the German Ministry of Defence considered to open the military service in the Bundeswehr for citizens without German nationality. See Federal Ministry of Defence, "Massnahmenpaket zur Steigerung der Attraktivitaet," 13, <http://ausser-sicherheitspolitik.de/wp-content/uploads/2011/02/-110105-BMVG-F%C2%9F-S-I-Ma%C2%A7nahmenpaket-Attraktivit%C3%A4t.pdf>. This proposal was stopped and not further detailed. See Bundeszentrale für Politische Bildung, Kurzmeldungen Deutschland: Ausländer in der Bundeswehr, March 22, 2011, <http://www.bpb.de/gesellschaft/migration/dossier-migration/56914/kurzmeldungen-deutschland>, accessed 05/04/2012.

⁸⁹ Founded in the first half of the 19th century the Légion Étrangère is directly subordinated to the French president. Today the "7699 legionnaires and non-commissioned officers hailing from 136 different countries, including France." see <http://www.legion-recrute.com/en/>, accessed 05/02/2012.

⁹⁰ The number of legal-resident soldiers without U.S. citizenship has grown. Often the military service allows this so called "green card soldiers" applying for U.S. citizenship. According to the U.S. Citizenship and Immigration Services (USCIS) "in fiscal year 2010 it granted citizenship to 11,146 members of the U.S. armed forces at ceremonies in the United States and 22 countries abroad. This figure represents the highest number of service members naturalized in any year since 1955. This number is a 6 percent increase from the 10,505 naturalizations in fiscal year 2009 and a significant increase from the 7,865 naturalizations in fiscal year 2008. Since September 2001, USCIS has naturalized nearly 65,000 service men and women, including those serving in Iraq and Afghanistan." Homepage of the U.S. Citizenship and Immigration Services, "USCIS Naturalizes Largest Number of Service Members Since 1955," <http://www.uscis.gov-/portal/site/uscis/menuitem.5af9bb95919f35e66f614176543f6d1a/?vgnextoid=628d8ef34e03c210VgnV-CM100000082ca60aRCRD&vgnnextchannel=6a6e25b763b17210VgnVCM100000082ca60aRCRD>, accessed 05/03/2012.

A broader implementation is likely to spark a glowing debate about not only classes but nations that buy themselves out of military duty and danger.⁹¹ However, with end of the conscription in nearly all EU nations, inside the European nations such a status is reality: military service is done by volunteers and mostly no more a common duty for all. The individual willingness to serve in the military highly depends on alternative opportunities.⁹²

If personnel-intensive military tasks in Europe are tendentiously trans-located to lower-income-level countries and these states get support by common funding and state-of-the-art equipment, all are better off. This basic economic principle should be considered and at least partly applied to Europe's military especially in those areas that are similar and comparable.

The demographic development enhances the need. Some countries such as Germany, Italy or Hungary, face huge demographic problems. The former population pyramid is turned upside down. Therefore, in these states young people are, or will, become a really scarce resource.

⁹¹For such kind of discussions see Michael Wolffsohn, "Die Unterschicht übernimmt die Landesverteidigung" *Welt-online* (January 16, 2011), <http://www.welt.de/debatte/kommentare/-article12186329/Die-Unterschicht-uebernimmt-die-Landesverteidigung.html>, accessed 05/02/2012.

⁹²Regional differences inside the United States influence the distribution of military contributions in a similar way. The recruiting of military personnel in the United States differs from state to state. While most of the armament is produced in the northeast part of the United States, or in some regions in California, the southern states and other less industrialized states clearly provide more military personnel. While Alabama, Oklahoma, and Texas contributed around seven recruits per 10,000 inhabitants for the U.S. forces in 2004, states like Ohio, California, or Michigan generated only 0.5 recruits. Montana (8.5) contributed twentyfold more recruits than Michigan (0.4). These figures express the number of total military recruits in 2004 from the Army, Army Reserves, Navy, Navy Reserves and the Air Force. Per capita figures expressed per 10,000 population. Source: Statemaster.com, "Military Statistics," http://www.statemaster.com/graph/mil_tot-mil_rec_arm_nav_air_for_percap-navy-air-force-per-capita, accessed 03/09/2012. Considering only the age group of 18–24 year olds, the differences are similar. While in 2010 the northeast region contributed only fifteen recruits per 10,000 people in this age range, the southern region provided 28.3 recruits, nearly ninety percent more military personnel. See National Priorities Project, "Military Recruiting,," <http://nationalpriorities.org/en/publications/2011/military-recruitment-2010/>, accessed 03/09/2012.

International pooling is often connected with stationing military personnel in foreign countries what causes much higher costs for the sending nations as stationing soldiers at home.⁹³ Therefore, areas that are personnel intensive are not best suited for pooling.

E. CONCLUSION

Pooling and sharing will only save money when at least the major European defense spenders are involved—United Kingdom, France, Germany, and Italy, and a few other nations. Encouraging pooling and sharing only in peripheral areas, or without the participation of the major defense providers, will not change the face of the EU defense posture.⁹⁴

Just as it is not economical to operate a hospital in every small city, it isn't possible to have high specialized forces in every small country. The European Union is a political organization, and in the same way a partnership of convenience. Specialization is the dictate of the moment. As in economics, all states are better off if they focus on their strengths. A concept that prioritizes width to depth exhausts scarce resources.

If Germany, for example, takes seriously its announcement that unilateral deployments are not an option, then it is incumbent to dispense with certain capabilities and rely on other European member states. Such a relinquishment can be a confidence-building measure. Dependency can be reduced to measures like the 4/50 rule. With four states contributing more than 75 percent, the 4/50 rule cannot be applied. There are two ways to generate less concentration: One is to integrate relatively capable partners outside the EU, for example Turkey, Norway, or Canada. The other way is to strengthen the

⁹³ Stationing troops in foreign countries has mostly political or strategic reasons that have regularly to be reviewed. The U.S. decision, for example to reduce their army troops stationed in Germany and the British decision to draw back its 20,000 or so soldiers stationed in Germany is consequential, because there is no urgent political need. While Britain can for the same money maintain a lot of more troops at home the United States are able to shift its troops to more urgent needs.

⁹⁴Sven Biscop and Jo Coelmont. "Security Policy Brief Pooling & Sharing: From Slow March to Quick March?" (Brussels: Egmont Institute, May 2011, no. 23), <http://www.egmontinstitute.be/papers-11/sec-gov/SPB23-BiscopCoelmont.pdf>, accessed 11/20/2012.

capabilities of the medium-sized countries inside the EU, such as Sweden, the Netherlands, Spain, or Poland. Both ways are not mutual exclusive.

Austerity is not the best time for closer defense cooperation. The economic crisis has led to further decreases in defense budgets; however, the downward defense spending trends pre-date the economic crisis.

IV. NATIONAL DIFFERENCES AND CHARACTERISTICS

Not only do the defense expenditures of the EU member states vary, but also their military ambitions, strategic culture, national interests, threat perception, and preferred partners. Analysis shows that several impediments hamper pooling and sharing of military capabilities between two or more EU member states and that national interests and openness to participate in pooling and sharing arrangements are highly diverse. Several stumbling blocks are discussed in Tomas Valasek's relatively skeptical article "Surviving Austerity."⁹⁵ He argues that deep cooperation remains highly sensitive: governments are reluctant to build joint units because this may require them to share decisions on how and when to use them. According to his findings, military integration works best when participating countries have similar strategic cultures, a high level of mutual trust, comparable attitudes towards the defense industry, and relatively low corruption in defense procurement. For pooling and sharing to work, many of these factors have to align. He predicts that "future defense integration will remain an exception rather than the rule."⁹⁶ In his view, the idea that EU defense could begin around a single core group and spread out with a "snowball-effect" is unrealistic, because of different threat perceptions, political interests, and military cultures.

In general, states use their capabilities and resources to provide security, promote national interests, and maintain and improve their positions in the international system. Military force is one of the most potent instruments and can easily be translated into power. However, as Helga Welsh has observed, "Power cannot be strictly measured; it is a relative term that must take into account verifiable indicators, such as economic and military clout, as well as the willingness to use it and other people's perception of it."⁹⁷

⁹⁵Tomas Valasek, "Surviving Austerity: The Case for a New Approach to EU Military Collaboration," (London: Centre for European Reform, 2011), 8.

⁹⁶Ibid., 29.

⁹⁷Helga A. Welsh, "Germany: Ascent to Middle Power," in Ronald Tiersky and John Van Oudenaren, eds., *European Foreign Policies: Does Europe Still Matter?* (Lanham, Maryland: Rowman & Littlefield Publishers, 2010), 220.

This chapter will compare the different positions of these four major European nations, with a special focus on obstacles to further cooperation and what hinders states from being willing to cooperate by pooling and sharing their capabilities.

A. MILITARY AMBITIONS

According to Bastian Giegerich,

a country's level of ambition (in the military sense) is a function of its broader goals, which in turn are shaped by many factors: history, geography, military traditions, politics, demographics, foreign policy, threat perception, membership of international organizations, and economic and financial strength.⁹⁸

The United Kingdom has a self-perception as a major power with global security interests and responsibilities. Its military ambitions underpin its leading function in international institutions such as the UN, the Commonwealth and NATO.⁹⁹ France places emphasis on military instruments as well as on the political power that France draws from its status.¹⁰⁰ Germany's military ambitions are that of a "self-restraining but responsible power [that is] embedded in Europe."¹⁰¹ As Germany, Italy has a preference for civilian instruments and rejects militarism and force as instruments for pursuing national interests. Italy likes to interact with institutionalized multilateral frameworks.¹⁰² In a metaphorical sense, the military capabilities of the European Union are like a left hand (Figure 12). As the thumb, the United Kingdom is connected but a little bit separated

⁹⁸Bastian Giegerich, "Military Capabilities: Time for Capitals to Act," in Sven Biscop, Jolyon Howorth and Bastian Giegerich, eds. *Europe: A Time For Strategy*, Egmont Paper 27 (Academia Press, Gent, January 2009), 29, <http://www.egmontinstitute.be/paperegm/ep27.pdf>, accessed 20/03/2012.

⁹⁹Elke Krahmann, "United Kingdom: Punching Above Its Weight," in Emil J. Kirchner and James Sperling, eds., *Global Security Governance: Competing Perceptions of Security in the Twenty-First Century* (London and New York: Routledge, 2007), 109.

¹⁰⁰Thierry Tardy, "France: Between Exceptionalism and Orthodoxy," in Emil J. Kirchner and James Sperling, eds., *Global Security Governance: Competing Perceptions of Security in the Twenty-First Century* (London and New York: Routledge, 2007), 43.

¹⁰¹Alexander Siedschlag, "Germany: From a Reluctant Power to a Constructive Power?" in Emil J. Kirchner and James Sperling, eds., *Global Security Governance: Competing Perceptions of Security in the Twenty-First Century* (London and New York: Routledge, 2007). 63.

¹⁰²Paolo Foradori and Paolo Rosa, "Italy: New Ambitions and Old Deficiencies," in Emil J. Kirchner and James Sperling, eds., *Global Security Governance: Competing Perceptions of Security in the Twenty-First Century* (London and New York: Routledge, 2007). 88.

from the rest and tries to keep a tight hold on European defense. France is not coincidentally best expressed by the index finger, pointing and demanding what has to be done. Like the thumb and especially together with it, these fingers are capable of limited autonomous action. Germany as the middle finger has the most volume. This finger's overall strength is comparable to the former two, but a middle finger is usually not used for individual or separate action. Italy, as the ring finger with its comparable smaller capabilities, expresses the sense of togetherness. The ring finger and the little finger, expressing all the other EU nations, are not capable of powerful individual actions. However, if they are hurt, they can negatively influence the whole hand. Really powerful actions are only possible when all fingers work together. Clenched as a fist, the hand is much more resistant to the outside and able to punch back. Staying with this metaphor, the United States is the missing strong right hand. The world is definitely not left-handed and the European hand is not accustomed to being used in the first place.

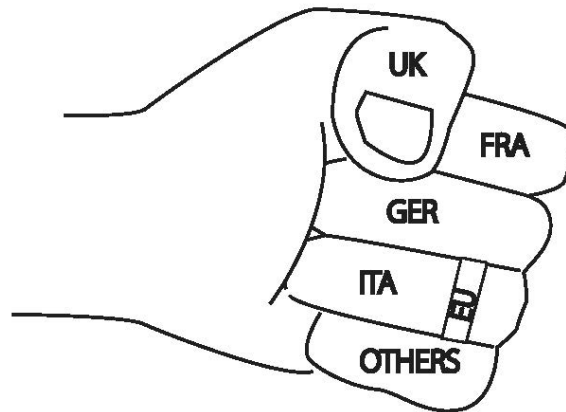


Figure 12. The “Left-handed” European Defense

Figure 13 expresses the different military ambitions of EU member states. The positions of the spheres are determined by the relative defense spending per GDP and the percentage of deployed troops, while the size of the sphere indicates absolute defense spending. The military ambitions of the big four European states are different. The spheres of the United Kingdom, France, and Germany are similar in size; but as a percentage of GDP, the United Kingdom spends more than twice the amount of Germany or Italy and has twice as many military personnel in deployments.

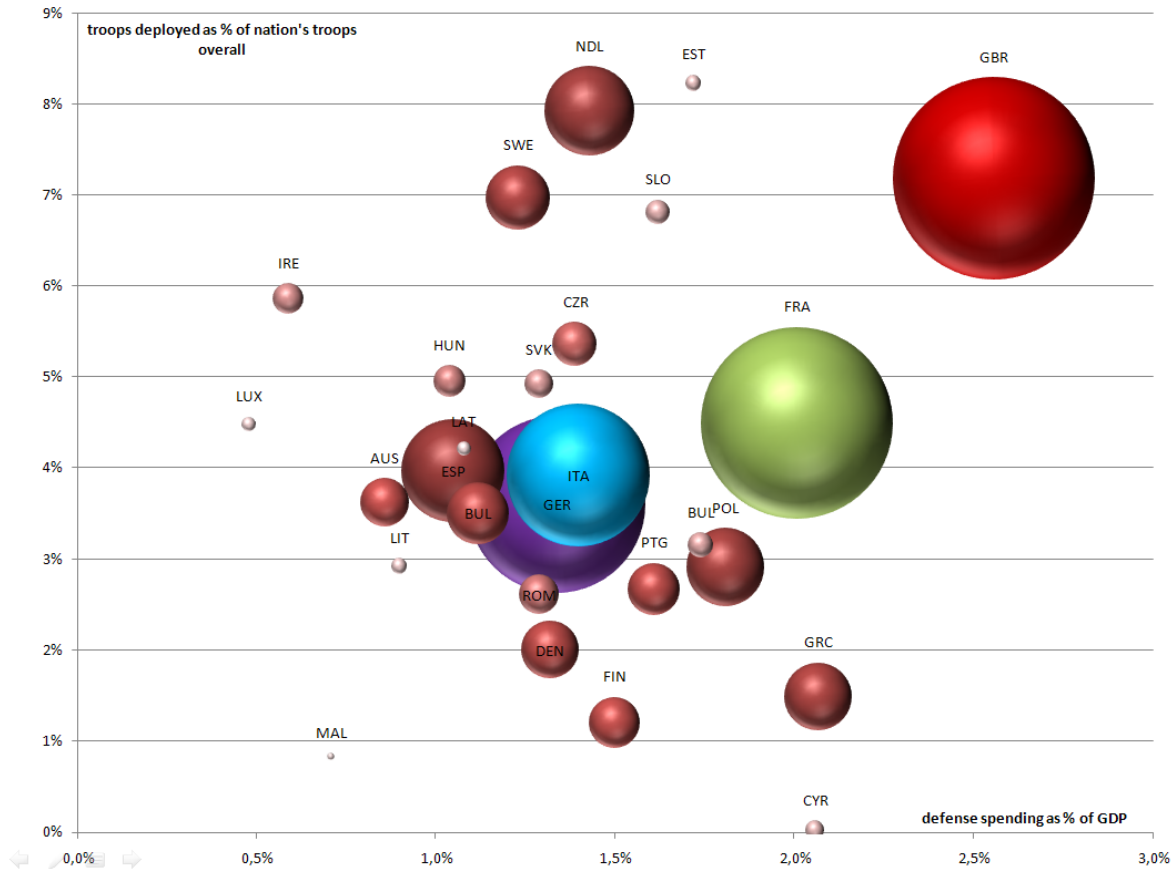


Figure 13. European Union Comparison of Military Ambitions 2010¹⁰³

B. NATIONAL INTERESTS AND THREAT PERCEPTION

The European States “are sometimes divided on key issues, and fail to coordinate their actions effectively.”¹⁰⁴ There are comparatively few basic differences between the big four states’ views about the threat assessment of Russia. A large group of EU states,

¹⁰³Size of spheres corresponds to sum of defense spending 2010. Based on data provided by the European Defence Agency “Defence Data: EDA participating Member States in 2010,” (January 18, 2012), http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010, accessed 03/07/2012. Partly, the defense expenditures include costs for pensions. For Italy, for example, other sources calculate a defense spending of 1 percent of GDP if such spending is subtracted. Germany did not provide figures about military deployment to EDA but the deployment figures are distributed electronically through the Federal Ministry of Defence. http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/NY3BCsMgEET_yL331-q9o04tonOgS3QTdJODX11LCHAbE8Bj60Ii4k6NT3sRletM088NfxpczmsZzQk1gbfuWWXk1YGI0u-10OVBsgdqmM0f8B2jFotf6QgHYh1dvoLmUivX6XOdIUQHspzy8K-RtX/, accessed 04/09/2012.

¹⁰⁴Charles Grant, “Is Europe Doomed to Fail as a Power?” (London: Centre for European Reform, 2009), 8, http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/essay_905-1273.pdf, accessed 20/03/2012.

including Germany, Italy, Spain, and (usually) France, always supports engagement with Russia. Even though Britain is comparatively moderate, the Baltic States, Poland, and Sweden still sniff trouble in the wind.

“Europe lacks a common strategic culture: some countries take defence seriously and believe in intervening to solve security problems, and some do not.”¹⁰⁵ Britain and France are exceptional in the European Union in that both have worldwide ambitions and interests.¹⁰⁶ Both countries are permanent members of the UN Security Council and both underpin their power by independent nuclear forces.¹⁰⁷ These weapons have to be “regarded as a purely national insurance premium.”¹⁰⁸ They separate both countries from the non-nuclear-weapon-state members of the EU and facilitate the retention, with limited efforts, of an effective deterrence posture and a major power status.

The United Kingdom strongly relies on its special relationship with the United States. France tries to hold up its status as a world power, and in France the need for military means is broadly accepted as part of the national ethos. France’s definition of its vital interests is comparatively broad¹⁰⁹ and the French threshold for the use of military

¹⁰⁵Charles Grant, “Is Europe Doomed to Fail as a Power,” 18.

¹⁰⁶Up to now, the Common Security and Defence Policy (CSDP) has not been able to develop enough drive to spread the British-French thinking on defense to other European Union states.

¹⁰⁷“Our nuclear deterrence protects us from any aggression against our vital interests emanating from a state—wherever it may come from and whatever form it may take. Our vital interests, of course, include the elements that constitute our identity and our existence as a nation-state, as well as the free exercise of our sovereignty.” Nicolas Sarkozy, President of the French Republic, Speech in Cherbourg, March 21, 2008.

¹⁰⁸Marc Ullmann, “Security Aspects in French Foreign Policy,” *Survival* (1973, vol. 15, no. 6), 263.

¹⁰⁹“The integrity of our territory, the protection of our population, the free exercise of our sovereignty will always constitute the heart of our vital interests. But they are not limited to that. The perception of these interests evolves with the world’s rhythm, a world marked by the growing interdependence of the European countries and also by the effects of globalization. For example, the guarantee of our strategic supplies or the defense of allied countries are interests, among others, that should be protected.” Jacques Chirac, speech at Landivisiau-l’Île Longue/Brest, 19 January 2006, www.elysee.fr.

forces is lower than in many other EU countries.¹¹⁰ To the extent that France's interests and attitudes converge with those of other EU states, France uses "the European stage as a geopolitical amplifier and multiplier of French influence."¹¹¹ In the 2011 Libyan intervention, for example, France was the driving factor that fueled the decision-making process, and France took the lead in Europe.¹¹²

France strongly promotes further European integration, but at the same time France is mindful of maintaining her independent and autonomous decisions. Africa is historically of high interest to France, but not for most of the other EU states. The 2008 French Defense White Paper favors a "united Europe, consistent in the area of defence."¹¹³ France wants the European Union to be more capable of conducting peace support missions, and at the same time France is focusing more of its attention on Asia.¹¹⁴

Germany is fully integrated in international structures and acts as a soft power using civilian instruments but also employs military power, if reluctantly. In economic issues, Germany is a powerhouse, and Europe's locomotive. As one of the largest exporting nations in the world, Germany is particularly dependent on international

¹¹⁰In Germany, for example, the threshold for the use of military force is much higher. In 2010, the then German President Horst Köhler mentioned "national economic interests" in a radio interview, and he stepped back when the media criticized his statement, connecting his words to the German deployment of forces in Afghanistan. Sebastian Fischer and Veit Medick, „Köhler entfacht neue Kriegsdebatte" *Spiegel online*, <http://www.spiegel.de/politik/deutschland/0,1518,696982,00.html>, accessed 05/03/2012.

¹¹¹Ronald Tiersky. "France: Nostalgia, Narcissism, and Realism" in Ronald Tiersky and John Van Oudenaren, eds., *European Foreign Policies: Does Europe Still Matter?* (Lanham, Maryland: Rowman & Littlefield Publishers, 2010), 162.

¹¹²Tiersky puts it properly when he notes that "France, if it is to be truly France, must lead, or at least it must try. By contrast, the British and Germans have largely given up the idea that they are global powers. France's continuing international dilemma is therefore to conceive a more realistic foreign policy, yet without abandoning the idea that France has a special role to play in the world and without giving up the hope of rallying Germany and Britain behind it." *Ibid.*, 161.

¹¹³French White Paper on Defence and National Security, 24, Council on Foreign Relations, <http://www.cfr.org/france/french-white-paper-defence-national-security/p16615>, accessed 03/17/2012.

¹¹⁴*Ibid.*, 7, 18.

stability, free trade, and a secure and reliable flow of resources.¹¹⁵ However, for years, Germany's military has had to live with an underfunded transformation process¹¹⁶ because Germany's financial priorities lie in other areas.¹¹⁷ Germany is far from being a leading military power and shows no such ambitions. Military forces are not Germany's preferred means for influencing world politics and security.¹¹⁸ However, power interests cannot be denied.¹¹⁹

Overall, Germany's population feels secure and safe. Germany's geostrategic position in the heart of Europe, surrounded by friendly neighbors, makes an attack on its territorial integrity very unlikely.¹²⁰ Germany's populace does not feel threatened by the

¹¹⁵The German "economy is by far the largest in Europe and the fourth largest in the world." Helga A. Welsh, "Germany: Ascent to Middle Power," 219. Germany is behind the United States and Russia as the world's third biggest exporter of weapons with a global share of 9 percent. SIPRI Press Release of March 19, 2012, "Rise in international arms transfers is driven by Asian demand, says SIPRI," <http://www.sipri.org/media/pressreleases/rise-in-international-arms-transfers-is-driven-by-asian-demand-says-sipri>, accessed 05/04/2012.

¹¹⁶During the last several years, Germany's defense budget has been about 1.3 percent of GDP, and Germany was ranked as number 21 of the 28 NATO countries by this metric. It is not likely that this budget will be enhanced. "Security and defence policy cannot be formulated independently of the general budgetary development. In consequence the central fiscal objective of the Federal Government, to continue to consolidate the Federal Budget, also places binding constraints on Bundeswehr planning." German Ministry of Defense, White Paper 2006 on German Security Policy and the Future of the Bundeswehr (Berlin, October 2006), 62, http://merln.ndu.edu/whitepapers/germany_white_paper_2006.pdf, accessed 05/03/2012.

¹¹⁷Financing the reunification, keeping the economy strong and the unemployment rate low as well as compliance with the European debt limit are more likely to attract votes than higher defense spending. Germany's biggest endeavor these days is to take care of the Euro and keep the common currency in place.

¹¹⁸"Since World War II, antimilitarism and even pacifism have acquired strong roots in Germany. ... Germans continued to regard the direct application of force as a very last resort, one to be employed only in the most compelling circumstances, such as a looming humanitarian catastrophe, and when all other means had proved inadequate." John S. Duffield, "Political Culture and State Behavior: Why Germany Confounds Neorealism," *International Organization* (1999), 765–803.

¹¹⁹Germany's attempts, for example, to get a permanent seat in the UN Security Council can be seen as a clear sign of its determination to have a greater say in international affairs.

¹²⁰Chapter 1 of the German White paper 2006 describes the Fundamentals of German Security Policy. International terrorism, proliferation of weapons of mass destruction and disintegration of states are some of the mentioned threats. German Ministry of Defense, "White Paper 2006 on German Security Policy and the Future of the Bundeswehr," (Berlin, October 2006), 14, http://merln.ndu.edu/whitepapers/germany-white_paper_2006.pdf, accessed 05/03/2012.

military forces of other states,¹²¹ and for Germany, terrorism is not an extraordinary or imminent threat and certainly not a reason to attack other states.

Italy has to struggle with difficult domestic factors, such as unstable political situations,¹²² political corruption, huge deficits, and a great north–south divide. These factors have led some European observers to see Italy more as a problem child than a bastion of calm. However, Italy wants to be taken seriously by the other big allied countries.¹²³ Italy’s engagements in Euro-Atlantic and international institutions, combined with its good relationship with the United States, are Italy’s qualifications to act at eye level with the other big European states.¹²⁴ Italy has—in comparison with the United Kingdom and France—no global ambitions. Italy’s “primary security interests are regional. Italy has a strong interest in avoiding insecurity spillovers from troubled neighboring regions.”¹²⁵ Migration, for example, is such a problem.¹²⁶

C. STRATEGIC CULTURE AND MILITARY DOCTRINE

Britain’s strategic culture is dominated by its special relationship with the United States. Britain emphasizes NATO, and not the EU, though its posture was amended

¹²¹According to polls, the biggest fears are connected to economic issues, like economic recession or the loss of jobs. “Germans mainly feel threatened by a severe economic crisis and its implications for the labour market and the social welfare system.” Sozialwissenschaftliches Institut der Bundeswehr, “Annual Opinion Poll on Opinions on Defense and Security Issues in Germany,” 5, <http://www.sowi.bundeswehr.de/portal/a/swinstbw>, accessed 03/20/2012.

¹²²Owing to party fragmentation and the huge number of parties, almost all post-1945 Italian governments have been relatively weak coalition governments. For Italians, local and family structures are said to be more important than the national government far away in Rome.

¹²³Examples of situations that stirred up Italy’s discontent were the start of the G-7 meetings and the German-British-French-U.S. meetings about Pershing II and ground-launched cruise missile installations in Europe. See Mark Gilbert, “Italy: The Astuteness and Anxieties of a Second-Rank Power,” in Ronald Tiersky and John Van Oudenaren, eds., *European Foreign Policies: Does Europe Still Matter?* (Lanham, Maryland: Rowman & Littlefield Publishers, 2010), 242.

¹²⁴To stay on par with the other nations, “Italy has a strong interest in keeping NATO—its main military asset—anchored to Europe.” Riccardo Alcaro, *The Italian Government and NATO’s New Strategic Concept*, Documenti IAI 1012 (Rome: Istituto Affari Internazionali, July 2010). 4.

¹²⁵*Ibid.*

¹²⁶Due to its nearness to North Africa and its long shorelines “the Italian peninsula represents ... the closest and most porous, and hence the favourite, point of access to Europe for economic migrants.” Osvaldo Croci, “Italian Security Policy after the Cold War,” *Journal of Modern Italian Studies* (2003, vol. 8, no. 2), 268.

somewhat under the Blair cabinet in 1998. For France, “the lessons of the colonial and decolonization periods are still relevant today”¹²⁷ and “France is without doubt one of the European countries that put the most emphasis on military force in its international policy.”¹²⁸ Irondelle and Besancenot describe the French security culture as “based on the sacrosanct principle of autonomous decision-making and independent defence capabilities. ... French security culture gives priority to military and diplomatic responses over civilian and preventive responses.”¹²⁹ Such policy also derives from the bitter experience with allies in two world wars and the perception that the Anglo Saxon powers are unreliable in a true crisis.

Germany’s strategic culture, since unification, has subordinated military means to other aspects of statecraft. The legacy of the world wars led to a general skepticism about the use of military power far from Germany’s borders, and soldiers have had less say in policy than in other western democracies. Up to the end of the Cold War, deployments beyond central Europe were not an option for West-German forces. After the nation’s reunification, Germany’s 500,000 strong forward defense oriented air and land forces were reduced and reorganized with an ever tighter budget and ever more missions outside of central Europe. Today, Germany’s forces symbolize a tool of foreign-policy for crisis management in a multinational context. Germany’s defense-planning guidelines explicitly mention the need for pooling and sharing.¹³⁰ As with France and the UK, 10,000 soldiers can be earmarked at the same time for international conflict

¹²⁷Episodes such as “the conquest of Algeria and the golden age of imperialism at the end of the nineteenth century ... had a lasting, if limited, impact ... on French strategic thinking.” Étienne de Durand, “France,” in Thomas Rid and Thomas Keaney, eds., *Understanding Counterinsurgency: Doctrine, Operations, and Challenges* (London and New York: Routledge, 2010), 11–12.

¹²⁸Bastien Irondelle and Sophie Besancenot, “France: A Departure from Exceptionalism,” in *National Security Cultures: Patterns of Global Governance*, ed. Emil J. Kirchner and James Sperling (London and New York: Routledge, 2010). 36.

¹²⁹*Ibid.*, 22.

¹³⁰Federal Ministry of Defence, “Defence Policy Guidelines” (Berlin, May 27, 2012), 12, [http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/LY1BDoMwDAR_FN-59RUtvVQJWGZF4q-DEhO9jpGovc9jR0Jd8GgckGqrGTB-aF0zpCqkMCR3Lxm1jWD9qhmEPUYVTNQ5r3c_C6jS4GW-OFnCr_X3fv19y2DAUrvZ9SFpqdj1JeN7x11YA!/,](http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/LY1BDoMwDAR_FN-59RUtvVQJWGZF4q-DEhO9jpGovc9jR0Jd8GgckGqrGTB-aF0zpCqkMCR3Lxm1jWD9qhmEPUYVTNQ5r3c_C6jS4GW-OFnCr_X3fv19y2DAUrvZ9SFpqdj1JeN7x11YA!/) accessed 03/20/2012.

prevention.¹³¹ Despite that transformation, the European Union's potentially most powerful state does not act like France or the United Kingdom in matters of statecraft and arms. Germany's security culture is characterized by "multilateralism, emphasis on soft power, and pursuit of policy goals by civilian means."¹³² Germany's security culture is "strongly institutionalized at home and abroad."¹³³ "Europeanization has become the preferred strategy to overcome domestication in Germany's security policy, but absolute limits – as defined by the Bundestag and the Federal Constitutional Court – are clearly identifiable."¹³⁴ Thus, Germany is not likely to act alone in the likely cases in which other western allies are enjoined to act, civilian instruments are emphasized, and military forces are seen by makers of policy as a last resort. From a German perspective, "security policy should be part of a civilized discourse that fosters democracy, human rights, and the rule of law."¹³⁵ Having the German threat perception in mind and considering the abuse of soldiers and by soldiers in the III. Reich, it is comprehensible that Germany's populace is very reticent to use its forces abroad, and that this position differs from the French and British strategic cultures.

Mark Gilbert gives a convincing view of Italy's interests and strategic culture.¹³⁶ In his view, Italy is a second-rank power that "picked its side in the Cold War conflict and stuck to it."¹³⁷ As he observes, "Italy did not take a high profile on the international stage."¹³⁸ Italy shows no ambitions or means to be a leading power in Europe, such as France or the United Kingdom. As with Germany, Italy's World War II experiences still exert a decisive influence on Italy's strategic culture. The Italian constitution, for

¹³¹Ibid., 11.

¹³²Helga A. Welsh, "Germany: Ascent to Middle Power," 218.

¹³³Sebastian Harnisch and Raimund Wolf, "Germany: The Continuity of Change," in Emil J. Kirchner and James Sperling, eds., *National Security Cultures: Patterns of Global Governance* (London and New York: Routledge, 2010). 59.

¹³⁴Ibid.

¹³⁵Helga A. Welsh, "Germany: Ascent to Middle Power." 212.

¹³⁶Mark Gilbert, "Italy: The Astuteness and Anxieties of a Second-Rank Power," 235–259.

¹³⁷Ibid., 241.

¹³⁸Mark Gilbert, "Italy: The Astuteness and Anxieties of a Second-Rank Power," 241.

example, “rejects war as an instrument of aggression against the freedom of other peoples and as a means for the settlement of international disputes.”¹³⁹ The same article of Italy’s constitution states that “Italy agrees, on conditions of equality with other states, to the limitations of sovereignty that may be necessary to a world order ensuring peace and justice among the Nations. Italy promotes and encourages international organisations furthering such ends.”¹⁴⁰ In accordance with this constitution, Italy has been and remains an active promoter of closer European integration and the construction of a supranational European Union.¹⁴¹

As a cofounder of NATO, Italy has been and remains a close ally to the United States and a reliable member of the Alliance that regularly participates in crisis-response operations.¹⁴² The level of military personnel provided for deployments has been comparable to that of Germany, but only half as high as that of the United Kingdom, the Netherlands, or Sweden.¹⁴³

Luigi Caligaris wrote in 1983 that “public and political keenness about defence issues seemed to evaporate when the economic crisis was brought in front of the Italian

¹³⁹Senato della Repubblica, Constitution of the Italian Republic, 1948, Article 11, 6, http://www.senato.it/documenti/repository/istituzione/costituzione_inglese.pdf, accessed 04/03/2012.

¹⁴⁰Ibid.

¹⁴¹Italy actively participated in the 1948 attempts to build a federal European state and in 1950 Italy responded positively to the European Coal and Steel Community, as the first step to a European Community. Italy also voted for the European Defense Community and the European Political Community that was deeply developed and worked out but eventually failed at the end of 1954.

¹⁴²Despite the opposition of public opinion and the particularly critical view of the Catholic Church, Italy took part in the 1991 Desert Storm Operation in Iraq and in the 1999 Operation Allied Force in Yugoslavia—two examples in which Italy made a *bella figura* as a reliable NATO ally. In contrast with Germany and France, Italy backed the U.S. position on Iraq in 2003.

¹⁴³This statement is based on data provided by the European Defence Agency (see Figure 13). For details on Italy’s participation in deployments, see Gianluca Pastori *Shaping National Role Abroad: Italian Military Missions Since the Eighties*, in Massimo de Leonardis, ed. Discussion Papers no. 25, “Italy’s Foreign and Security Policy after the Second World War,” 183–198, http://www.libreriamilitareares.it/-BIBLIOTECA/OPERE%20STAMPATE%20NEL%202010/2011%20II/DE%20LEONARDIS%-20Ed.%20ITALIAN%20DEFENSE%20POLICY%201945-2010%20UNISCI_January2011.pdf, accessed 03/17/2012. The author states that peace support operations will be prevalent in the future and that it will be challenging for Italy to support these missions.

audience, in dramatic terms.”¹⁴⁴ Nearly thirty years later, this statement seems to remain true. Military issues are still not at the top of Italy’s agenda and receive “little public attention or systematic discussion in Italy, and the lack of a coherent, articulated national security policy made defence planning unusually vulnerable to the vicissitudes of domestic politics.”¹⁴⁵ Italy’s defense spending is comparatively low, and Italy’s military strength is therefore limited.¹⁴⁶ Given the country’s enormous public deficits, it is not likely that Italy’s military expenditures will increase in the future. Therefore, Italy will rely heavily on further European military integration.

D. POLITICAL DECISION MAKING AND PUBLIC OPINION

As Jan Budge has noted, “The working British constitution ... is ruthlessly simple: a government supported by the majority party in the House of Commons can do anything.”¹⁴⁷ The constitution of the Fifth Republic gives the French president nearly unlimited authority over his forces. The political decision-making process in Berlin makes cooperation with Germany comparatively difficult. The authority over German forces is held by the German parliament and the parliamentary decision-making process for military deployments is considered by other states to be untrustworthy, or at least unpredictable.

The EU member states are liberal democracies in which mass public opinion functions as a limiting factor. Policymakers tend not to decide against an overwhelming public consensus.¹⁴⁸ According to Thomas Risse-Kappen, “The factors that shape political decisions go far beyond the world of defence. Similarly, the political will to

¹⁴⁴Luigi Caligaris. “Italian Defence Policy: Problems and Prospects,” in *Survival* (1983, vol. 25, no. 2), 75.

¹⁴⁵Luigi Caligaris. “Italian Defence Policy: Problems and Prospects,” 75.

¹⁴⁶“Italy has been considerably slower than the United States, France, Germany, and Great Britain in obtaining new, technologically advanced defense systems.” Mark L. Schwartz, “Italy’s Role in NATO: Can It Swim with the Big Fish?” *The Atlantic Community Quarterly* (Fall 1987), 306.

¹⁴⁷Ian Budge, “Great Britain and Ireland: Variations in Party Government,” in Josep M. Colomer, ed., *Comparative European Politics*, 3rd edition (London and New York: Routledge, 2008). 32.

¹⁴⁸Thomas Risse-Kappen, “Public Opinion, Domestic Structure, and Foreign Policy in Liberal Democracies,” *World Politics* (July 1991, vol.43, no. 4), 510.

sustain a deployment cannot be precisely measured, and can easily evaporate.”¹⁴⁹ In democracies, a lack of public support can easily become the weakest link in a state’s freedom of action. Public perceptions of the military in the four big European states are clearly different. “When the British ‘Tommy’ Went to War, Public Opinion Followed” is the title of an article published in 2005.¹⁵⁰ That is similar to the French public’s view but different from the German or Italian public’s view.¹⁵¹ Germany’s populace is very risk averse and opposes most out-of-area deployments. Germany seems to be relatively weak in this regard. The casualty numbers seen in the United States, Canada and Great Britain would probably not be accepted by the German public.

E. NATIONAL BEHAVIOR TOWARD COOPERATION

Since the end of the Cold War, nations have more and more pooled their forces on the national level by putting similar troops and weapon systems together in the same location to ease logistics, reduce administrative overhead, pool expertise and thus reduce the overall costs. Critical capabilities and force enablers have been centralized at the joint level and are shared by all services of national military forces in order to avoid costly duplication and allow for a centralized management of critical capabilities. In the light of the financial crisis in Europe and the resulting austerity measures in most member states of the EU, this process has gained attractiveness at the international level.

Great Britain’s December 2010 Green Book¹⁵² makes some clear statements in connection with the intentions and the limits of the UK’s military cooperation. The government of the UK states that it will use pooling and sharing as long as its freedom of

¹⁴⁹Bastian Giegerich, “Military Capabilities: Time for Capitals to Act,” 31.

¹⁵⁰Paul Baines and Robert M. Worcester, “When the British ‘Tommy’ went to War, Public Opinion Followed,” *Journal of Public Affairs* (2005, vol. 5, no. 1), 4–19.

¹⁵¹The majority of the German public does not support out-of-area deployments of the Bundeswehr. “54 percent advocate an immediate termination of the Bundeswehr mission in Afghanistan and also the withdrawal of all military personnel from the country. ... For some years, the proportion of persons who expect positive results from the mission has been declining.” Sozialwissenschaftliches Institut der Bundeswehr, “Annual Opinion Poll on Opinions on Defense and Security Issues in Germany,” 7.

¹⁵²British Ministry of Defence, “Adaptability and Partnership: Issues for the Strategic Defence Review,” (London, February 2010), 16, http://www.mod.uk/NR/rdonlyres/790C77EC-550B-4AE8-B227-14DA412FC9BA/0/defence_green_paper_cm7794.pdf, accessed 11/28/2011.

action is not jeopardized. The UK does not exclude multilateral solutions, but generally favors bilateral solutions with partner states inside and outside the EU, particularly those whose defense and security postures are similar to its own. Such arrangements are considered potentially more straightforward and more fruitful than complex multilateral agreements, which can be hampered by contractual and political issues and which suffer from over-complexity. Overall, the British position on European defense cooperation is relatively skeptical.

[The] possession of a national security capability, including any advantages, is not sufficient in itself. The UK also requires freedom of action: the ability to determine its internal and external affairs and act in the country's interests free from intervention by other states or entities, in accordance with EU and international law. In particular, this includes being able to conduct combat operations at a time and place of our choosing. This freedom is the essence of national sovereignty.¹⁵³

France would find it is difficult to rely on the military forces and arms of other states without a guarantee that those capabilities would be available to France to pursue its priorities in national security policy, including French military operations abroad. In principle, France would like “to preserve the full spectrum of its capabilities, even for high-intensity warfare and large scale operations. But ... France is definitely punching above its weight.”¹⁵⁴ This is one of the reasons why France changed its behavior to more “emphasis on multilateral rather than unilateral options, and on civilian rather than military instruments.”¹⁵⁵ The United Kingdom is the only other state in the European Union that shares a similar security culture. This is why France has recently deepened its bilateral military relationship with the United Kingdom.

Outside the European Union, France cooperates mostly with former French colonies in Africa. Beyond training and equipment programs and military assistance agreements, France has a foot in Africa with prepositioned forces on permanent bases at

¹⁵³British Ministry of Defence, “Equipment, Support, and Technology for UK Defence and Security: A Consultation paper,” (December 2010), 16, http://www.mod.uk/NR/rdonlyres/F4ACE80C-BFD7-463D-99A6-2B46098BB0C4/0/cm7989_Eqpt_supp_tech_ukdef.pdf, accessed 03/20/2012.

¹⁵⁴Bastien Irondelle and Sophie Besancenot, “France: A Departure from Exceptionalism,” 37.

¹⁵⁵*Ibid.*, 39.

strategic sites.¹⁵⁶ France uses the realm of security very actively for commercial policy. France has important military–industrial capacities that are only partly interwoven with those of other European countries. Most of France’s military equipment is produced domestically.¹⁵⁷ When French economic interests are at stake—above all in the realm of armaments—France acts very self-confidently and calculatingly. Cooperation is often tied to the delivery of arms.¹⁵⁸ For France, its own defense industry is an important part of its strength, and France is loath to sacrifice this highly valued asset on the altar of European defense.¹⁵⁹

“If France cannot rely exclusively on national sources, the preferred form of compromise is more extensive bilateral and multilateral cooperation in specific arms projects with European partners.”¹⁶⁰ Bilateral arrangements are more common than pan-European approaches. For France, the fact that the United Kingdom will not commit itself to cooperate more profoundly in the EU’s Common Security and Defence Policy (CSDP) is a comfortable situation that allows Paris to rely on the Franco-German leadership

¹⁵⁶Senegal, Côte d’Ivoire, Gabon, and Djibouti. Alain Rouvez, “French, British, and Belgian Military Involvement,” in David R. Smock, ed., *Making War and Waging Peace: Foreign Intervention in Africa* (Washington, D.C.: United States Institute of Peace Press, 1993), 48–49.

¹⁵⁷France has “an exceptionally high level of national self-reliance in the development and acquisition of weapons and other types of military equipment.” David S. Yost, “France,” in Douglas J. Murray and Paul R. Viotti, eds., *The Defense Policies of Nations: A Comparative Study*, third edition (Baltimore and London: The Johns Hopkins University Press, 1994), 237.

¹⁵⁸Recent examples include the French airbase in Abu Dhabi or the cooperation with India. “France, the only major Western country not to impose sanctions on India after the 1998 Pokhran-II nuclear tests, has three major ongoing defence projects with India - the Rs 23,562-crore for six Scorpene submarines, the Rs 10,947-crore upgrade for 51 Mirage-2000s and the Rs 6,600-crore acquisition of 490 MICA missile systems.” Rajat Pandit, “French jet Rafale bags \$20bn IAF fighter order; India ‘briefs’ losing European countries” *The Times of India*, February 1, 2012, http://articles.timesofindia.indiatimes.com/2012-02-01/india/31012278_1_rafale-mmrc-project-french-air-force, accessed 03/17/2012.

¹⁵⁹In other European states the role of the defense industry is similar but less marked. An example illustrating the importance of industrial policy is the verbal intervention by the German politician, Peter Hintze, about the current plans of EADS to move management jobs from Germany to France. He publicly demanded that „In all current reorganization of EADS, we should stick to the original idea: a fair balance between Germany and France. This Franco-German joint project must find its outward expression in two corporate offices in Germany and France. Second, it is important that we have a fair share of the development responsibilities in Germany, so that not only the production takes place here, but also the development of new aircraft types. I want highly qualified suppliers in Germany to still be able to deliver a substantial contribution to Airbus.,” *Der Spiegel*, (11/2012, February 12, 2012), 59.

¹⁶⁰David S. Yost, “France,” 240.

tandem inside the European Union. At the same time, the capability of France's strategic culture with that of Britain allows France to strengthen its military cooperation with the United Kingdom. In this respect, the 2011 intervention in Libya—conducted with the political leadership of Britain and France—was a perfect example of how this cooperation can be fruitful, despite the fact that a deployment on an EU basis was not possible.

In the phase of European military cooperation prior to 1989, Germany was a motivating force but not a leader. After German unification in 1990 this situation changed slowly but steadily and, owing to its economic strength, Germany was pushed by events into a leadership role. A telling statement sums up the issue: “leadership in economic quasi hegemonic German role is not something Germany in the sense of the majority of the Germans were looking for or wanted, quite the reverse, they would be quite happy to get on with their business on being a greater Switzerland.”¹⁶¹ The statement of German Defense Policy Guidelines of May 27, 2011 mentions “partnership and cooperation as part of multinational integration and global security cooperation in the context of modern defence diplomacy”¹⁶² explicitly as one task of the Bundeswehr. These guidelines particularly focus on intra-European coordination. Overall, Germany does not trust too much in pooling and sharing and wants to focus on a few new projects rather than a lot of small ones.¹⁶³ However, in Germany—despite verbally calling for a stronger European Union all the time—the defense cutbacks in the wake of the financial crisis of 2007 did

¹⁶¹Timothy G. Ash, Speech at the 48. Munich Security Conference, February 2012, <http://www.securityconference.de/?id=815>. Further on Timothy G. Ash described Germany's position and behavior as follows: “The old West Germany had an exceptional commitment to European integration for two reasons: Because it wanted to and because it had to. It wanted to after the horrors and shame of Nazism and it had to if it was to win the trust and support from its neighbors and allies for its central national goal, namely German reunification.”

¹⁶²Federal German Ministry of Defence, “Defence Policy Guidelines,” 10.

¹⁶³In February 2012 the German Minister of Defence said: “Despite the euphoria, I urge us to sobriety and realism that is, even while recognizing the limits of military cooperation. Pooling and sharing is not a panacea for our problems—and even less for the financial problems we face. ... “Let's focus on a few new projects rather than many small projects that are already similarly in use. And don't talk down the numerous projects of cooperation between NATO and EU partners.” Thomas de Maiziere, German Minister of Defense, Statement at the 48. Munich Security Conference, February 2012, <http://www.securityconference.de/Dr-Thomas-de-Meiziere.809.0.html>, accessed 03/19/2012.

not unfold with close coordination in an allied or EU framework. As in Britain, most of the forces and arms remain national, although to a lesser and sometimes very thin extent.

Italy does not belong at the core of military cooperation, and there is no European partner that can be seen as a primary or favored partner for bilateral cooperation. Mölling and Brune cluster Italy together with the United Kingdom and others¹⁶⁴ in a group of undecided states that have “an ambiguous stance regarding closer defense cooperation within the EU. They may favor e.g., the NATO framework or bilateral formats,”¹⁶⁵ but for Italy, up to now, the only bilateral agreement with a pooling character is the Franco-Italian Brigade created in 2010. “Italy, by instinct, is definitely a supporter of a Europe-centered NATO”¹⁶⁶ and “creating synergy between NATO and EU is important for Italy also because this has potential to reduce, at least partially, the pressure on its stretched military budget.”¹⁶⁷ Italy spends a huge percentage of its defense budget on personnel,¹⁶⁸ but at the same time Italy buys weapons on the European and U.S. markets. Italy, for example, is engaged in the Eurofighter and the Joint Strike Fighter program and also relies regularly on acquisitions of U.S. weapons. However, due to austerity measures, Italy has had to cut back its ambitions.¹⁶⁹

¹⁶⁴Denmark, Portugal, Romania and Spain are clustered in this group, too. They show limited interest and little engagement on the issue of pooling and sharing or role specialization.

¹⁶⁵Christian Mölling and Sophie-Charlotte Brune, “The Impact of the Financial Crisis on European Defence,” (European Parliament, Belgium, 05/23/2012), 47, <http://www.europarl.europa.eu/activities-/committees/studies.do?language=EN>, accessed 03/19/2012.

¹⁶⁶Riccardo Alcaro, *The Italian Government and NATO's New Strategic Concept*, 4.

¹⁶⁷*Ibid.*, 5.

¹⁶⁸According to EDA figures from 2010, three of four Euros spent on defense are used to finance Italy's military personnel with the result that the means for materiel investments are very limited. European Defence Agency, “Defence Data: EDA participating Member States in 2010,” 9.

¹⁶⁹Italy first was also involved in the A400M project but withdrew from it—mostly for financial reasons—in an early stage and bought U.S. C-130 transport aircraft. Together with Germany and the United States, Italy took part in the development of the Medium Extended Air Defense System (MEADS). Beside the Eurofighter engagement Italy takes part in the U.S. led F-35 Joint Strike Fighter program. Italy reduced its F-35 contribution on February 15th 2012 by 30 percent to save 5 billion Euro. Italy also cancelled its last tranche of 25 ordered Eurofighter. <http://www.reuters.com/article/2012/02/15/defence-italy-f-idUSL5E8-DF1ED20120215>, accessed 04/17/2012.

F. CONCLUSION

Military cooperation among twenty-six sovereign states¹⁷⁰ with different interests, to say nothing of divergent sizes and strengths, poses numerous challenges of policy and practice. Up to now, many cost-saving measures have taken place on a national level. For example, the structural changes in Germany and Great Britain's military forces implemented in the wake of the world banking crisis of 2010 and 2011 did not reflect European coordination or cooperation. Both states reduced the volume of their armed forces considerably, but both states, nonetheless, intend to acquire and maintain the full range of capabilities nationally even while their forces are in combat. If every EU nation continues to spend its money without coordinating with allies or partners—or, worse, unilaterally cuts its military spending as a short-term response to the financial crisis improvements in capability are not likely. Indeed, European security could suffer, perhaps significantly. However, the behavior of the small contributors does not really have an important effect on the overall measure of power. What is more important is how the biggest states spend on defense; and unilateral behavior and mistrust continue.¹⁷¹

The four largest EU countries have different priorities and interests. These differences stand out in the realm of strategic culture, the role of the military, regional interests, behavior towards the United States, and approaches to the European Union and NATO. In the domain of defense, the United Kingdom and France are not likely to rely on other EU nations, and especially not on Germany. Britain's special relationship with the United States appears likely to continue; and "Britain's holding back from Europe is a major factor standing in the way of the EU emerging as a powerful actor."¹⁷² However, for pooling and sharing, different interests are not the biggest obstacles, even if they are

¹⁷⁰Denmark does not take part in the Common Security and Defence Policy.

¹⁷¹At the 2012 Munich Security Conference, the German Minister of Defense, Thomas de Maizière, found clear words for the "passing the buck" mentality in Europe with regard to pooling and sharing: "Some people think that they get a capability for free, that they do not have. And others think that they get money from others for a capability that they already have. Both are illusions." Thomas de Maizière, German Minister of Defense, Statement at the 48. Munich Security Conference.

¹⁷²John Van Oudenaren. "The United Kingdom: Old Dilemmas and New Realities" in Ronald Tiersky and John Van Oudenaren, eds., *European Foreign Policies: Does Europe Still Matter?* (Lanham, Maryland: Rowman & Littlefield Publishers, 2010), 207.

well-established and firm. Seeming unreliability and persistent distrust are the major problems that derive from the “short-term, emotional, reactive definition of national interest reacting on the latest opinion poll the latest local election, the media pressure.”¹⁷³

¹⁷³Timothy G. Ash, Speech at the Munich Security Conference 2012.

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V. INSTITUTION-BASED POOLING AND SHARING

The international institutions dealing with European security face many challenges. One challenge for the EU is to promote and further integrate European military capabilities. Twenty-one of the twenty-eight NATO member states are also members of the EU. From its foundation, NATO successes in military cooperation have been more obvious than those of the EU granted that the latter only recently has undertaken a security and defense role. This chapter focuses on the forces that promote and drive the pooling and sharing of forces and arms. After explaining a theoretical framework of how to implement pooling and sharing in the EU, the balance of the chapter will explore the role of NATO and the United States in promoting pooling and sharing of military capabilities in Europe. The findings of this analysis may throw light on the prospects for success of pooling and sharing and contribute to the ongoing discussion about pooling and sharing on both sides of the Atlantic.¹⁷⁴

A. THE RELATION BETWEEN NATO AND EU

How far are institutions such as EU or NATO able to support closer cooperation between their member states and what precedents might serve as a guide for the further development of pooling and sharing? Josef Colomer observes correctly that

institutions form a necessary framework for human interaction and the peaceful solution of social conflicts, which at the same time attempts to promote social benefits. In a more theoretical manner, institutions may be conceived of as a means of overcoming co-ordination and co-operation problems in collective action for the provision of public goods and for achieving agreement among individuals with varied preferences and interests.¹⁷⁵

Thus, permanent organizations like NATO and the EU have decisive functions in the realm of European security and they create much more than transparency about

¹⁷⁴NATO uses the term *Smart Defence* for its pooling and sharing ambitions.

¹⁷⁵Josep M. Colomer, ed., *Comparative European Politics*, 3rd edition (London and New York: Routledge, 2008), 7.

national policies. Memberships in such alliances are of a long-term nature, and they facilitate short-term decisions about actual problems and disputes.¹⁷⁶

Through all its attempts at military integration, the EU has had to consider the existing military alliance in the form of NATO, because twenty-one of the twenty-seven member states are also in NATO, and the overlap of memberships in NATO and the EU makes it difficult to differentiate between *us* and *others*. The territorial defense of the European Allies remains the responsibility of NATO. For the EU, NATO is like an elder brother, and it is not always clear whether he helps or hampers stronger military cooperation in daily business.¹⁷⁷

Figure 14 displays the shares of defense spending in NATO and the European Union.

¹⁷⁶“Hence the true test of the efficacy and viability of such an alliance is not whether conflict among its members is avoided but whether the inevitable conflicts and strains are kept manageable.” Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 284.

¹⁷⁷The EU could not start with a “blank slate”-approach because NATO already has a military structure and some nations will calculate that the additional military efforts would cost more than the additional marginal benefit in security. For a deeper analysis of marginal costs in alliances, see Mancur Olson, Jr. and Richard Zeckhauser, “An Economic Theory of Alliances” *The Review of Economics and Statistics*, (August 1966, vol. 48, no. 3), 266–279.

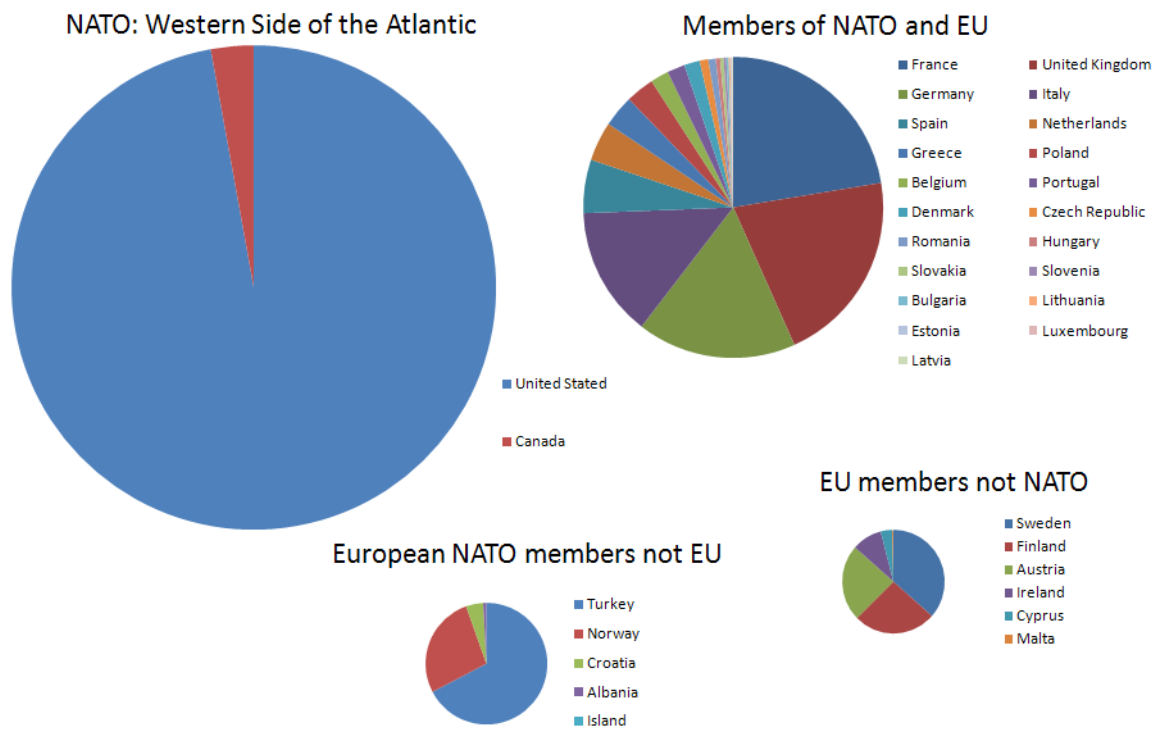


Figure 14. Comparison of Defense Spending in NATO and the EU¹⁷⁸

As seen in the leftmost pie chart, the biggest share is provided by the United States. The second largest pie chart consists of states that are both NATO members and part of the EU. Nearly three quarters of this pie are provided by only four of the twenty-one countries.¹⁷⁹ European states that are part of either NATO or the EU, but not both, provide a proportionately smaller part of the burden. Figure 14 shows that if states that take part in both organizations (together with the United States) come together for common solutions, most of the capabilities are covered.

Institutions play a major role in pooling and sharing, but that does not mean that pooling and sharing are limited to membership in special institutions. The South Eastern European Brigade (SEEBRIG), for example, involves states that are neither part of the

¹⁷⁸Figure 14 is based on data of the European Defence Agency (EDA) “EU-U.S. Defence Data 2010,” (January 2012), [http://eda.europa.eu/publications/12-01-12/EU-U.S. Defence Data 2010](http://eda.europa.eu/publications/12-01-12/EU-U.S._Defence_Data_2010), and “National Defence Data 2010,” (March 2012). [http://eda.europa.eu/publications/12-03-07/National Defence-Data 2010](http://eda.europa.eu/publications/12-03-07/National_Defence-Data_2010), accessed 03/17/2012.

¹⁷⁹France, Germany, Italy and the United Kingdom.

EU nor members of NATO.¹⁸⁰ The Nordic Defence Cooperation (NORDEF) does not exclude NATO-only or EU-only countries.¹⁸¹ Both examples show that non-participation in an institution does not have to be a disqualifier for successful defense cooperation. — On the contrary, regional pooling and sharing with a few neighboring states could facilitate further integration and could be a good first step for new members in organizations.

B. THE EUROPEAN UNION'S AMBITIONS

The integration of European defense played a role throughout the second half of the 20th century.¹⁸² This integration process went through several generally unsuccessful attempts to coordinate European defense capacities.¹⁸³ A major milestone was the British–French Saint Malo declaration of 1998 that called for a security and defense role for the EU on the international stage, founded on its capacities for autonomous action and backed up by the availability of military forces to react in crises. Prior to this declaration, the positions of France and the UK had been incompatible for about fifty years. Saint Malo removed this blockade and unleashed a widespread debate about security issues.¹⁸⁴

¹⁸⁰The South-Eastern Europe Brigade (SEEBRIG) was built in 1999 and consists of seven nations: Albania, Bulgaria, the Former Yugoslav Republic of Macedonia, Greece, Italy, Romania, and Turkey. With the exception of the Former Yugoslav Republic of Macedonia (which is still a NATO Partnership for Peace nation), all the countries are members of NATO. For details see homepage of the South Eastern Europe Brigade, <http://www.seebrig.org/>.

¹⁸¹Denmark, Finland, Iceland, Norway and Sweden have been working together under this label since 2009. For details see homepage of the Nordic Defence Cooperation, <http://www.nordefco.org/>.

¹⁸²Europe is “the scene for the building of a new, very large, democratic and market-orientated ‘empire’ eroding the traditional bases of nation-states and promoting new types of intergovernmental relations.” Josep M. Colomer, ed., *Comparative European Politics*, 7.

¹⁸³In addition to deterring a common outside threat (the Soviet Union) some European countries, especially France, were interested in structures that would guarantee the containment of their Eastern neighbor, Germany. The Western European Union (WEU) aimed at keeping Germany in check. Later attempts to generate deeper integrated European defense structures, such as the Fouchet plan, failed because the time was not ripe and the nation states, again particularly France, were not willing to give up any sovereignty in the realm of defense.

¹⁸⁴Jolyon Howorth. *Security and Defence Policy in the European Union*, 36–37.

In the EU, pooling and sharing have been an issue since the birth of the ESDP.¹⁸⁵ Pooling and sharing were not at the top of the political agendas of the EU states, and pooling and sharing under the auspices of the EU are the exception rather than the rule. While the EU, as a supranational organization, ties its member states closely in many policy areas, security and defense policy remains an intergovernmental issue, and the EU cannot force its member states to cooperate in this arena. While the relative power of the EU in security and defense issues has grown in the last decade or so, it is still very limited. In principle, national security remains the sole responsibility of each member state, and the states retain the ultimate decision-making authority and veto power. The EU coordinates member states' policies or implements supplemental common policies as long as they are not covered elsewhere. Member states are sovereign in decisions concerning their military forces, and the EU has no legal instruments to enforce security-related decisions that would limit national sovereignty.¹⁸⁶ So far, the only common and wide-reaching military cooperation on the EU level regarding capabilities development has concerned the European Battle Groups.

C. NATO AND SMART DEFENCE

NATO is still the foundation of European defense. As a permanent and integrated alliance with twenty-eight members and more than 60 years' experience in security cooperation, NATO "offers its members incentives and opportunities to affect decisions concerning costs and benefits that are not present in more traditional forms of alliance."¹⁸⁷ After World War II, the "imminence of the communist peril"¹⁸⁸ was a

¹⁸⁵Before ESDP, several attempts to integrate defense and security policies failed. The first attempt by the European Defence Community (EDC) was terminated in 1954 after long political bargaining because France was not willing to give up sovereignty in this area. Military cooperation inside Europe was subsequently pursued under the auspices of the West European Union (WEU) but without the aim of political integration.

¹⁸⁶In practice, the Schengen agreement has largely shifted border security to the outer borders of the EU or beyond, but military capabilities have remained mainly national.

¹⁸⁷Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 8–9. "Prior to 1945, interstate alliances were mostly ad hoc arrangements formed to meet a particular challenge, after which they were dissolved or rendered inoperative. ... The degree of military coordination achieved was usually very limited." *Ibid.*, 5.

¹⁸⁸*Ibid.*, 28.

common threat that led to the formation of NATO and that decisively encouraged cooperation in NATO. This multilateral approach to international relations in Europe was easy to pursue because external security was to a great extent guaranteed by the United States. According to Helga Welsh in her misquote of Lord Ismay, “NATO’s goal was said to be to keep Russia out, the United States in, and Germany down.”¹⁸⁹ As Wallace Thies has observed, “The Americans wanted an alliance that would reassure, but also inspire, the Europeans to do more; the Europeans wanted an alliance that would commit the Americans to do most of the work.”¹⁹⁰ As a result, NATO was formed as an “information-gathering machine”¹⁹¹ and “an extensive planning and supervisory apparatus ... necessary to ensure that each member contributed ... ‘the kind of forces and the production of weapons for which it is best suited and which will best fit into a pattern of integrated defense.’”¹⁹²

Military integration—namely, pooling the members’ armed forces within a NATO-wide framework of unified military commands—was itself an attempt to close the gap between demands and resources by eliminating duplication and overlap, thereby allowing efficiencies and economies of scale that would make possible a robust collective effort at a manageable cost.¹⁹³

In principle, all NATO members have the same rights. However, as Wallace Thies has written, “During the alliance’s formative years, it was the Americans who took the lead in drawing up detailed plans for NATO, the-organization.”¹⁹⁴

Since 2010, NATO tried under the logo of “smart defence” to renew the effort to provide more security for less money as the prospect of demobilization from the post 11

¹⁸⁹Helga A. Welsh, “Germany: Ascent to Middle Power,” in Ronald Tiersky and John Van Oudenaren, eds., *European Foreign Policies: Does Europe Still Matter?* (Lanham, Maryland: Rowman & Littlefield Publishers, 2010), 214.

¹⁹⁰Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 282.

¹⁹¹*Ibid.*, 268.

¹⁹²U.S. Secretary of State Dean Acheson quoted in Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 270.

¹⁹³*Ibid.*, 6.

¹⁹⁴*Ibid.*, 272.

September decade of war took hold. “Smart defence is a concept that encourages allies to cooperate in developing, acquiring, and maintaining military capabilities to meet current security problems in accordance with the new NATO strategic concept. That means pooling and sharing capabilities, setting priorities and coordinating efforts better.”¹⁹⁵ NATO sees smart defence as a means to get the best output for scarce resources, and NATO sees prioritization, specialization, and cooperation as the constituents of smart defence. For the purposes of smart defence, NATO wants the nations

to give priority to those capabilities which NATO needs most, specialize in what they do best, and look for multinational solutions to shared problems. NATO can act as intermediary, helping the nations to establish what they can do together at lower cost, more efficiently and with less risk.¹⁹⁶

NATO is aware that unilateral national decisions to abandon capabilities without meeting NATO’s capability requirements involve the risk of new capability gaps and may force others to maintain those capabilities.¹⁹⁷ “Such specialization ‘by default’ is the inevitable result of uncoordinated budget cuts.”¹⁹⁸ NATO wants to “encourage specialization ‘by design’ so that members concentrate on their national strengths and agree to coordinate planned defense budget cuts”¹⁹⁹ Some existing programs were co-opted under Smart Defence but relatively few new approaches arose.²⁰⁰ Up to now,

¹⁹⁵NATO homepage, “Topics: Smart Defence,” <http://www.nato.int/cps/en/natolive/78125.htm>, accessed 03/17/2012.

¹⁹⁶NATO homepage, “Smart Defence,” http://www.nato.int/cps/en/natolive/topics_84268.htm, accessed 03/17/2012.

¹⁹⁷Thies argues that “the greater the degree of substitutability, the greater the temptation to engage in burden-shifting.” Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 14.

¹⁹⁸NATO homepage, “Smart Defence”

¹⁹⁹*Ibid.*

²⁰⁰NATO has clustered the programs threefold. Tier 1 is programs with three or more states and one nation that is willing to take the lead. Tier 2 is programs with only two nations and/or lacking country that is willing to take the lead. Tier 3 is the remaining “good ideas.” The Immersive Training Environments, for example, was selected as a tier 1 Smart Defence program with Germany taking the lead. Nato homepage, “Smart Defence leads to smart Immersive Environments,” <http://www.act.nato.int/index.php/multimedia/archive/42-news-stories/928-smart-defence-leads-to-smart-immersive-environments>, accessed 05/16/2012).

NATO's Smart Defence approach has not been able to encourage NATO nations to fundamentally rethink their national approaches.

D. NATO AIRBORNE WARNING AND CONTROL SYSTEM

In the cold war years the ideal was standardization, that is, the policy that promoted commonly procured, maintained, and operated capabilities as the kind of cooperation that best expresses the working together of all members, because such capabilities, such as NATO AWACS or NATO's integrated command structure, mean one really common asset for all, with investments by all, access by all, and useable by all. AWACS "is the alliance's largest collaborative project and is an example of what NATO member countries, in this case eighteen nations, can achieve by pooling resources and working together in a truly multinational environment."²⁰¹

When in the 1970s air defenses had to spot extremely low-flying aircraft,²⁰² the ability to look down with airborne radar seemed to be the solution. Boeing's approach, with adapted civil aircraft, was built on international integration and interwoven dependencies. In contrast, the United Kingdom first tried to build its own aircraft. This British approach, strongly relying on national industry and trying to realize such a system independently, revealed its limitations and misspent \$1.3 billion. Eventually, Boeing's system was successful because it was more flexible and adaptable and tied many nations

²⁰¹This project is truly multinational. The member nations are Belgium, Canada, the Czech Republic, Denmark, Germany, Greece, Hungary, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Turkey, the United Kingdom and the United States. In addition to the aircraft, the program included the upgrade of 40 interoperable NATO ground-based radar sites, stretching from northern Norway to eastern Turkey. In addition to the main operating base in Germany, forward operating sites exist in Konya in Turkey, Aktion in Greece, Trapani in Italy, and in Oerland, Norway. NATO homepage, "AWACS: NATO's 'Eye In The Sky'," <http://www.nato.int/cps/en/natolive/topics-48904.htm?selectedLocale=en>, accessed 03/18/2012.

²⁰²During the 1960s, it became clear that military aircraft could no longer fly high enough to avoid surface-to-air missiles. To survive in an increasingly lethal air defense environment, aircraft were forced down to near tree-top levels and were difficult to detect by ground based radar. All nations had to react to this new situation.

together.²⁰³ At the end of the 1970s, NATO's Defence Planning Committee approved the joint acquisition of eighteen alliance-owned airborne early warning systems that were delivered between 1982 and 1985.

However, the details of the AWACS program show that even major and long-lasting projects do not work without problems or the pursuit of national arrangements. First, not all allies place their trust in the common NATO solution. In addition to their participation in NATO's common AWACS, the United States, the United Kingdom and France²⁰⁴ have built up and operate their own AWACS assets.²⁰⁵ Second, the AWACS example has shown that in this project—despite all optimistic expectations—the relatively large German contribution makes a sustainable use of AWACS impossible without German participation. Germany's share of nearly one third of AWACS, however has led to several problems with AWACS deployments since such missions have ventured outside of central Europe. Such examples include when the United States wanted to have AWACS support for the war on Iraq in 1991 as well as 2003,²⁰⁶ when

²⁰³For details, see Theodore H. Moran, "The Globalization of America's Defense Industries: Managing the Threat of Foreign Dependence," *International Security* (summer 1990, vol. 15. no. 1), 67. <http://www.jstor.org/stable/2538982>, accessed 03/06/2012.

²⁰⁴With a fleet of seven E-3D aircraft the United Kingdom contributes directly to the NATO Airborne Early Warning and Control Force (NAEW&CF). France maintains an observer role and ensures that its E-3Fs remain interoperable with the NAEW&C and U.S. fleets. NATO homepage, AWACS: NATO's 'Eye In The Sky'.

²⁰⁵The Headquarters of AWACS is co-located with Supreme Headquarters Allied Powers Europe (SHAPE) in Mons, Belgium, and exercises operational control over the NE-3A Component based in Germany that operates the 17 NATO-owned NE-3A aircraft. These components are manned by international crews from 16 nations. The E-3D component based in the United Kingdom operates seven Boeing E-3D aircraft. This component is manned by the United Kingdom and is also under the operational control of the common headquarters.

²⁰⁶"In 2003, for example, the U.S. wanted to use AWACS for the invasion of Iraq but several countries were hesitant to give the authorization. The German government, which had initially refused to allow its crew to fly the AWACS, finally relented – explaining that the operation was in order because it was taking place on the Turkish border and would therefore serve to protect the Alliance." Jean-Pierre, Maulny, Fabio, Liberti and Gerrard Quille, "Pooling of EU Member States Assets in the Implementation of ESDP" *European Parliamentary Studies* (Brussels: European Parliament, 2008) 9, http://isis-europe.eu/sites/default/files/publications-downloads/2008_artrel_142_08-02epstudy-pooling.pdf, accessed 03/22/2012.

NATO tried to integrate AWACS in Afghanistan,²⁰⁷ and when AWACS was needed for Libya in 2011.²⁰⁸ Thus, the use of AWACS in Afghanistan or for the operations in Libya was either challenging the system or was to some extent not possible. The role of policy and politics in the use of weapons reveals that military integration and shared weapons cannot in and of itself provide a magic solution, especially when sovereignty and national interest diverge in an error of limited conflict that is more political.

E. ALLIANCE GROUND SURVEILLANCE

How difficult, complex, and long-lasting the pursuit of pooled or shared solutions can be is best demonstrated by NATO's plan to acquire an Alliance Ground Surveillance (AGS) system. This project barely crossed the finish line. When this system becomes operable in 2015–2017, a more than twenty-two-year marathon that began with the first planning meetings in 1992 will be over. Thirteen nations²⁰⁹ will contribute to the system. They will acquire five unmanned aerial vehicles (UAVs) and command-and-control base stations. Afterwards NATO will operate and maintain the system on behalf of all twenty-eight NATO members. "The decision to engage NATO common funding for infrastructure, satellite communications, operations, and support paves the way for awarding the AGS acquisition contract by thirteen allies."²¹⁰ The enormous time span

²⁰⁷In winter 2009, an AWACS component was deployed for 3 months in support of the NATO-led International Security Assistance Force (ISAF) in Afghanistan. With reference to AWACS in Afghanistan one statement was reported by Spiegel online international: "Germany's stance has been criticized at NATO headquarters. 'It's ridiculous,' said one source who declined to be named. 'Officially, the Germans are demanding a greater division of labor on an international level and then they put the brakes on the first multinational project.'" *Spiegel international* (December 13, 2010), "AWACS for Afghanistan: Germany may Refuse NATO Request for Help," <http://www.spiegel.de/international/germany/0,1518,73427-9,00.html>, accessed 03/21/2012.

²⁰⁸After long discussion and with some reluctance Germany "approved a plan to send AWACS surveillance planes to Afghanistan in order to free up NATO capacity for operations in Libya." *Spiegel International* (March 23, 2011), "Germany's Libya Contribution: Merkel Cabinet Approves AWACS for Afghanistan," <http://www.spiegel.de/international/world/0,1518,752709,00.html>, accessed 03/21/2012.

²⁰⁹Bulgaria, the Czech Republic, Estonia, Germany, Italy, Latvia, Lithuania, Luxembourg, Norway, Romania, Slovakia, Slovenia and the United States take part. This system will give commanders a comprehensive picture of the situation on the ground. NATO's operation to protect civilians in Libya showed how important such a capability is. For details on this system see NATO homepage "Alliance Ground Surveillance," http://www.nato.int/cps/en/natolive/topics_48892.htm?selectedLocale=en, accessed 03/21/2012.

²¹⁰*Ibid.*

and the fact that additional agreements “make the United Kingdom Sentinel system and the future French Heron TP system available as national contributions-in-kind, partly replacing financial contributions from those two allies”²¹¹ give an idea of how protracted and complex such negotiations tend to be.

F. COMMON FUNDING AS INCENTIVE

It is not important in all areas to share capabilities or assets, and it is much easier to share costs, because money is the easiest means to set incentives. Common funding has the character of outsourcing, and it is an incentive that can really change government behavior. However, it is decisive but difficult to set the right incentives, as the example of NATO’s common funding of infrastructure proves. “One reason why NATO members built so many large air bases ... rather than buying aircraft and support equipment that could operate from dispersed field locations is that the latter had to be paid for out of national budgets whereas the NATO infrastructure program paid for main operating bases.”²¹² In this case common funding worked as an incentive, but brought negative side effects, such as suppression or neglect of other procurements. Wallace Thies argues that

the greater the degree of integration achieved, the more energetic the efforts by democratic governments to shift some of the defense burden to allies in order to gain for themselves the economies envisioned at the time the decision to pool resources was made.²¹³

One study predicts that lower defense spending, industrial interests and the multiplication of transnational companies and cooperative programs will overcome the resistance to major capability pooling in the next few years.²¹⁴ This study also recognizes that budgetary aspects of pooling are important.

The “ATHENA mechanism,” established in 2004 for common funding of EU operations, covers only ten percent of an operation’s costs while 90 percent has to be paid

²¹¹NATO homepage, “Press Factsheet: Alliance Ground Surveillance (AGS),” http://www.nato.int/-nato_static/assets/pdf/pdf_2012_02/20120203_120203-ags.pdf, accessed 03/22/2012.

²¹²Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-Shifting in NATO*, 11.

²¹³*Ibid.*, 17.

²¹⁴Jean-Pierre, Maulny, Fabio, Liberti and Gerrard Quille, “Pooling of EU Member States Assets in the Implementation of ESDP,” 16.

by the nations conducting the operation. At the moment, some nations, especially those with lower economic strength, have relevant military assets but are not willing or not able to provide them for crisis management operations, because they cannot afford the consequent costs. If a common funding mechanism for troops was established, it might overcome this reluctant behavior and, because of the cost structures, all the EU nations would be better off. The idea of providing funding for troop contributions is the same mechanism that is used by the United Nations, and it makes it more practical for smaller countries to participate with their own contributions. Pooling money is much easier method of cooperation than pooling assets or troops.

VI. THE ROLE OF THE UNITED STATES

The fate of reform of arms and weapons in the EU concerns North America to which this study now turns. To what extent are pooling and sharing inside the EU influenced by the transatlantic relationship with the United States? There is a kind of ambiguity regarding how U.S. policy on security and defense may influence further European cooperation. Peace and security in Europe continue to concern the United States and vice versa, despite all suggestions to the contrary. The United States and its military capabilities are so dominant in NATO that it is not possible to exclude them from any analysis of defense reform. Figure 15 illustrates the different military ambitions of specific EU member states in comparison with those of the United States. The positions of the spheres are determined by the relative defense spending as a percentage of GDP and percentage of deployed troops. The size of the sphere illustrates absolute defense spending. Despite the differences among the European countries, it can be clearly seen that the United States plays in a different league.

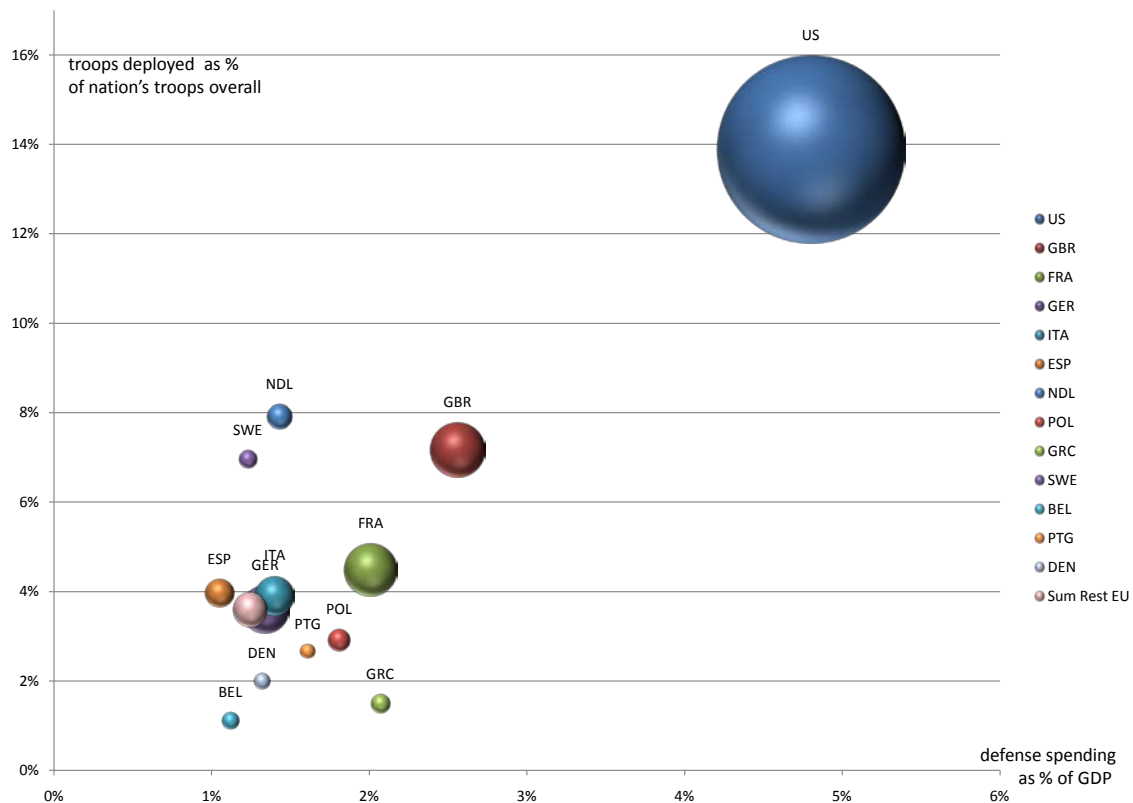


Figure 15. European Union – United States Comparison of Military Ambitions 2010²¹⁵

The central European democracies are not the only ones that rely primarily on a strong NATO partnership with the United States, and not on the defense capabilities of other European states.²¹⁶ Perhaps Joschka Fischer said it best, when he suggested a decade ago as German foreign minister that, “I don’t believe Europe will ever be militarily strong enough to look after its security alone.”²¹⁷

The U.S. position on CSDP is ambivalent. On one hand, the United States government wishes for a more capable and militarily engaged Europe. On the other hand,

²¹⁵The size of spheres corresponds to the sum of defense spending 2010. Figure 15 is based on data of the European Defence Agency (EDA), “EU-U.S. Defence Data 2010,” (January 2012), [http://eda.europa.eu/publications/12-01-12/EU-U.S. Defence Data 2010](http://eda.europa.eu/publications/12-01-12/EU-U.S._Defence_Data_2010) and “National Defence Data 2010,” (March 2012), [http://eda.europa.eu/publications/12-03-07/National Defence Data 2010](http://eda.europa.eu/publications/12-03-07/National_Defence_Data_2010). The deployment data of Latvia were provided by the Ministry of Defense of Latvia in April 2012.

²¹⁶Examples are Bulgaria and Poland but also Denmark and Italy.

²¹⁷Joschka Fischer, quoted in “We’re not children!” *The Economist* (May 17, 2003), 45.

the United States government in practice still primarily addresses individual nations when it comes to security issues, and Washington, quite rightly, relies on NATO, and not the EU, as the institution to support transatlantic security cooperation, since the nation is not a member of the latter organization. Many European states emphasize and try to foster their own (special) relationships with the powerful United States, which dominates the partnership. For example, for most European states, engagement in the Afghanistan mission fulfills more “the political aim of showing solidarity with the United States”²¹⁸ than national interest in a parochial sense.²¹⁹

For the United States, this situation is comfortable because as long as the European Union cannot speak with one voice and the bilateral relationships are strong, there will always be some European partners who share American positions, buy U.S. weapons systems, and/or contribute troops for combined operations. It might be better to get the full support from half of the EU nations than no support from the European Union because, for example, the EU countries cannot reach consensus.²²⁰ On the other hand, a diverse and divided European Union will be not as capable as a European Union that deeply cooperates in the realm of defense. These circumstances must also be taken into account in all planning and policy regarding military pooling and sharing inside the EU.

²¹⁸Harald Kujat quoted in “German General Says NATO Mission Has ‘Failed’,” (October 7, 2011), <http://www.spiegel.de/international/world/0,1518,790539,00.html>, accessed 05/02/2012.

²¹⁹The statement of the then France’s ambassador to Afghanistan illustrates how the United States policy directly and indirectly influences European decisions in security affairs: “Too rapid a departure [from Afghanistan] would be out of the question, given that our presence in the eyes of our allies, especially the Americans and the British, demonstrates our renewed commitment to the Atlantic alliance and our status as a pillar of a European defense system still under development. Had it not been for this, military cooperation agreements would never have been signed with Britain in November 2010.” Jean d’Amécourt, “Europe in Afghanistan,” *International Herald Tribune*, July 2, 2011.

²²⁰If the military capacities of the EU member states had been commonly shared and strongly interwoven, the 2003 European dispute over participation in Iraq would have probably led to no European participation at all.

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VII. CONCLUSION

The defense interest trilemma shows that it is not possible to emphasize security, sovereignty, and resource efficiency simultaneously, but institutions such as NATO and the EU are able to mediate between different national positions. In this realm, pooling and sharing are not a silver bullet and they “will never compensate for inadequate defence budgets: when average spending in Europe, as percentage of GDP, drops by half – as it has over the past two decades – militaries will inevitably suffer. The EU member-states will almost certainly do ‘less with less’ rather than ‘more with less’”²²¹ unless the major contributors start a rethinking with a European perspective rather than national views. The sovereignty of the European Union states is already limited and most of the threats cannot be countered with national capabilities.

Pooling and sharing should not be done just anywhere and accidentally but comprehensively and in a controlled and purposeful manner. European defense capabilities have to be seen in perspective. For a new approach to be effective, Germany, France, the United Kingdom, and Italy must sing from the same sheet of music and in harmony. Times of austerity have closed up the national differences and specifics but the military ambitions, national interests and strategic cultures are far away from uniform.

The European Union needs a stronger emphasis on security, in view of the United States’ support for closer European cooperation. The United States has a decisive role in the European Union’s further military integration. As long as the United States cultivates and emphasizes bilateral relationships in the domain of defense policy and does not directly focus on the EU, it is unlikely that the four large and decisive EU members will act in concert.

Membership in an institution simplifies military cooperation, but it is not a fundamental requirement. Moreover, membership or non-membership in NATO and/or EU is not dispositive for pooling and sharing. However, simply looking at the size of the

²²¹Tomas Valasek, “EU Ministers tackle Defence Austerity” *Centre for European Reform* (June 1, 2011), <http://centreforeuropeanreform.blogspot.com/2011/06>, accessed 03/22/2012.

defense budget spheres shows that European defense without NATO is not an option. NATO is adequately open to combining the different positions. This analysis has shown that NATO's multinational approaches were successful and able to outclass national solutions, although sometimes persistence and the patience of Job is needed.

For commonly shared high-value assets like NATO AWACS, it would be too costly to produce such redundancies. In such cases, where many or all of the member states share capabilities, a nation still should have the right of not participating in a special deployment, but no single nation should have such big a share that it is able to block the whole capability by its abstention. Pooling is not as much subject to dependencies as sharing, and the effects on efficiency are smaller. The ability to act unilaterally with military force on a national basis is limited *de facto* to a few bigger member states and a few special scenarios.

Role-shared capabilities must not be understood as a potential trump card that can be played to outwit another nation. The states have to play together as one team. Every nation is free to decide to play on the team or not. However, this cannot be a decision that switches on a day-to-day basis. If a nation decides to be part of the team and regularly trains with the team, than it is not acceptable to take oneself out shortly before the game.

Pooling and sharing saves money only when it is established right from the beginning of a life cycle of military assets and involves at least the major European defense spenders, which are United Kingdom, France, Germany, and Italy and a few other nations. The life cycle starts with research and development, a budget area that is relatively concentrated in Europe, limited to a few European states. More than half of the overall European defense budget is spend on personnel, and the average costs for personnel are widespread between states. Therefore, all future solutions should consider these location factors and allocate resources in a way that it is best for all states aboard the European boat.

Solutions will have to be more than a snapshot of the current political situation and they will have to be resistant to political crises and changes of national governments

and party politics.²²² The real challenge for 2020 and 2030 is not the role of specific European states in the world, “the challenge for 2020 and 2030 is Europe’s role in the world.”²²³ Maybe then the world will be more accustomed to use the left hand than today.

²²²Such inconsistency is often the result of “the pursuit of self-interest by elites looking ahead to the next election.” Wallace J. Thies, *Friendly Rivals: Bargaining and Burden-shifting in NATO*, 276. Political survival is ranked in first place “by elites whose ability to win and hold elective and appointive office depends in part on their ability to persuade and if need to outwit their counterparts in other NATO capitals.” *Ibid.*, 8.

²²³Timothy G. Ash, Speech at the Munich Security Conference 2012, <http://www.security-conference.de/?id=815>, accessed 03/02/2012.

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