With the end of the Cold War there was a widely shared view amongst scholars in Europe as well as in the USA to the effect that the victory of western style democracies was overwhelming and lasting. However, developments in the Balkan region in the last decade of the twentieth century tragically showed the significance of such an illusion. The question of capabilities came on the scene with the NATO bombing of Serbia in the Kosovo conflict. Over ninety-five percent of the bombs fired were from planes of the Unites States. Once again Europeans were unable to deal with conflicts on their territory. This time it was even worse. The European Union was depicted as not only a political but also a military dwarf.

The launching of the European Security and Defence Policy project in 1998 was a step towards independent European forces being able to cope with low-intensity conflicts without the help of the US. But European soldiers need weapons which are designed to combat the military challenges of the 21st century. This is hard to achieve in a situation where almost all European defence budgets are steadily decreasing. It is clear that European taxpayers are simply not prepared to pay the costs of their security.

At this point, defence ministers had to count with less support which required more effective use of scarce resources. Pooling of financial means, deeper harmonization of military requirements and technologies and a more competitive defence industry sector in Europe – these were benefits which convinced European leaders to do something about transnational armaments cooperation in Europe. Up to the establishment of the European

¹ Sloan, Elinor; DCI: Responding to the US-led Revolution in Military Affairs in: NATO Review, Vol. 48 - No. 1, Spring - Summer 2000, pp. 4-7

Defence Agency under the flag of the European Union in summer 2004, member states had been reluctant to give up even a small part of their sovereignty to the international organization in sensitive policy areas such as defence armaments.

My core effort was to find an answer to the question: "What logic and arguments stood behind the decision to go further in the integration process of the EU towards a common armaments policy via establishing the European Defence Agency?". In order to answer this question, a broad analysis of the defence industry sector, pros and cons of the earlier cooperation projects and various defence market activities of the EU institutions are required. Arms export, defence research and technologies, disarmament, individual defence collaborative programmes and public scrutiny were issues that laid on the outskirts of the core subject. Therefore, they were mentioned in references to other themes.

I argue that the member states of the EU had been forced to leave the concepts of full defence autarky in the time of the interdependent global politics. Secondly, the pressure of the rapidly globalizing defence market, traditionally owned by the national governments, and the revolution in military affairs in the post-bipolar period had shattered with the competitiveness and effectiveness of the biggest European arms producing countries. It was not by the accident that heads of states and governments decided to unblock European armaments and give it an institutional foundation at the time while the ratification of the Constitutional Treaty and overall gravitation of the political integration in Europe was at stake.

As regards a timeline, this paper covers the armament cooperation at various institutional settings in the course of the 90s up to the establishment of the EDA and its

first year of functioning. Based on the findings, there is an attempt to make a projection of the analyzed processes to see the major implications for the near future in the armaments sector.

Institutional framework of security organizations where European states are involved, such as NATO, OSCE, OSN or WEU were seen as a separate matter which was described and analyzed only with a relevance to the core of the study – armaments in the framework of EU activities.