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Assessing Coherence Within the CSDP

A Top-Down Analysis of Military Capabilities Developed in the EU in the last Twenty Years

Master's thesis

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Year of the defence: 2021

Declaration

1. I hereby declare that I have compiled this thesis using the listed literature and resources only.
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In Prague on *5th January 2021*

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Abstract

Ever since the establishment of the European Security and Defense Policy in 1999, the European Union has strived to develop a more holistic and coherent foreign policy apparatus. This paper examines this 20-year process of military capabilities reform in order to assess the level of coherence in the field of defense and security policy. For this purpose, this thesis sets a Top-Down analytical framework built around five variables specifically designed for measuring capabilities. Through this framework, and based on the pertinent data gathered, this study will assess the global level of coherence (or incoherence) among targets, expectations and outputs, as well as it will identify the perils and uncertainties that could jeopardize further integration on the European defense sphere.

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1. Introduction

"European defence matters. […] it matters tremendously. It matters for the security of our citizens and our home countries, and to uphold our interests and values in the world."

President of the European Council, Herman Van Rompuy[1]

March 2013

Ever since its creation, the European Union (EU) has aimed at forging a sense of European identity among its members. For over fifty years, through the process of European integration, the Member States of the Union strongly strengthened their interdependency in the economic, political and institutional fields. The creation of the Common Foreign and Security Policy (CFSP) in 1993 was another effort to "…establish its identity on the international scene" (Bretherton & Vogler, 2006, p. 4). Since then, the EU has placed great emphasis on developing a more coherent approach to its external relations. However, the record of the last two decades in the area of security and defence presents "highly uneven and often unpredictable patterns of engagement and cooperation" (Michalski & Norman, 2016, p. 750).

The European integration project initiated by six countries with the Treaty of Rome back in 1957[2] is the story of an ambitious process with the main objective of the construction of a united Europe. The need of peace and stability was the engine that started the integration project through the establishment of the European Coal and Steel Community in 1951 (ECSC) and the never born European Defense Community[3] (EDC). Despite its ephemeral existance, the EDC reached a level of ambition without precedents in the story of the EU (Gavín Munté, 2005). Its founders, some of them already members of the Western European Union[4] (WEU) or the Atlantic Alliance[5], glimpsed the urgent need to adopt a common defense model

[1] Quoted from speech by President of the European Council Herman Van Rompuy in 2013 at the annual conference of the European Defence Agency "European Defence Matters"

[2] This Treaty establishes the European Economic Community, made up of Germany, France, Italy, the Netherlands, Belgium and Luxembourg.

[3] Established on May 27 of 1952 by the Treaty of Paris, but never came into force as it was not ratified by the French National Assembly in August 1954.

[4] Established on March 17 of 1948 by the Treaty of Brussels. Dissolved on June 30 of 2011, its activities being transferred to the current EU.

5 Established on April 4, 1949 by the North Atlantic Treaty.

"supranational in character, consisting of common institutions, common armed Forces and a common budget" (Article 1 European Defense Community Treaty). Yet, such Treaty never came into force and the greatest ambition became the greatest failure. After this failed effort, security and defense aspects were excluded from the European construction process for being reserved to national spheres and, sometimes, to the collective defense with the NATO alliance.

The Maastricht Treaty in 1992 changed this scenario by bringing back to the common foreign and security policy "all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence" (art. J.4) and delegating to the WEU the preparation and implementation of "the decisions and actions of the Union which have defense implications" (ibid.). This led to a phase characterized by a reactivation of the WEU and the emergence of an intense debate centered on the definition of a European Security and Defense Identity, which was strongly divided between Atlanticist and Europeanist supporters. In Maastricht were also laid the necessary foundations for the EU to progressively become a security actor, assuming directly the creation of a civil-military structure at the service of the European Security and Defense Policy (ESDP) and the activation of specific mechanisms for decision-making in this area.

The Lisbon Treaty was the last reform of the European institutions that brought substantial changes in the foreign policy mechanisms and decision-making arrangements. It provided the EU with an accountable policy-making structure that aimed at improving the cohesion of the EU's external action and refining the decision-making process within the Common Foreign and Security Policy (CFSP). To this end, new institutions were established such as the European External Action Service (EEAS) in 2009, the Permanent Structured Cooperation (PESCO) in 2019 and the new born European Defense Fund (EDF) to boost CFSP cooperation around the world.

On the other hand, since 2003, the EU has conducted civilian and military crisis management operations in the framework of the Common Security and Defence Policy (CSDP), withissues ranging from police and border assistance to more militaristic operations. In fact, all the abovementioned institutional mechanisms provided the EU with an array of crisis management instruments. For instance, diplomatic measures, humanitarian assistance and civil protection, military and civilian operations, and finally migration- and trade-related activities were implemented (Koenig, 2011, p. 4).

The EU has, through all the previous institutional reforms in the field of the CFSP, demonstrated growing willingness and capacity to strengthen its role as a defense actor in the world. It is indeed worth mentioning the EU's renovated efforts to act on industrial arms policy

through the EDF by which the EU intends not only to stimulate international cooperation in armament programs, but also to enable Member States to acquire capabilities considered necessary for the defense of the Union. This turning point for the European Defense project comes almost 20 years after the launch of the ESDP: A sufficient period to draw conclusions about objectives, strategies, means and results obtained in this long process in relation to the current CSDP within the global security context in which the European Union operates today and will continue to do in the future.

Despite the official declaration regarding the progressive definition of a common defense policy, which may lead to a common defense (Maastricht, art. J.4; Amsterdam, art. J.7; Nice, art. 17; Lisbon, art. 24 and 42), systematically included in the successive versions of the TEU and the inclusion of the collective defense clause in the Treaty of Lisbon (art. 42.7), it is still not possible to speak of a common defense policy today, given the clear intergovernmental nature that shape this policy area. The absence of a consensual plan to achieve the previous declared objective (i.e. a common European defense) is noteworthy. Similarly, the treatment given to defense matters, only considering its external dimension, as a projection of the Union's strength outside its territory, is also surprising. In fact, the CSDP is presented as an instrument integrated into the European External Action Service under the authority of this institution, the High Representative for Foreign Affairs and Security of the EU. This restricted approach results, at first sight, incoherent with the intended goal of a common defense.

The development of a security and defense policies encompasses various aspects, out of which two are of particular relevance: strategies and capabilities, and essentially military capabilities. Based on identified strategies, a set of required capacities become necessary. On the other hand, possible strategies can be defined depending on the available capabilities. In this context, the fundamental indicators are coherence and consistency. At times, the EU has defined capacity targets without having a substantive strategy and, in the same way, strategic goals and ambitions have been set without the support of credible capabilities.

In this framework of apparent incoherence, two key questions will guide the research throughout this thesis: Are the current military capabilities of the Union coherent with the provisions set out in the Treaties and the EU’s strategy? Additionally, given the above-mentioned interrelationship between strategies and capacities, this research would be incomplete without the subsequent sub-question: Are the European Union’s Common Security and Defense Policy and the military capabilities at its service consistent with the process towards a common European defense?

The previous research questions require an exhaustive analysis of military strategies, policies and capabilities. These will be the most relevant elements of the study in order to assess the degree of coherence and convergence among capabilities and decisions adopted by the Union. Therefore, a better understanding of coherence (and what it implies) is paramount to better comprehend the EU's external role- insight that will also shed some light on the persistent problematics regarding the EU role in the international sphere. Consequently, the relevance of this study becomes twofold: Firstly, most studies on the CSDP consider actorness as the main study method to assess effectiveness, whilst this thesis will rather use *coherence* as the guiding lead of the analyses. Coherence conceptually matters both in analytical terms, to give novel insights into the institutional processes around EU foreign policy-making, and in broader terms, to re-assess the EU' s external role and identity. Secondly, it creates a five-step framework that enables a top-down analysis that ranges from the most abstract concepts (visions, strategic, etc.) to the more concrete actions.

In order to answer the research questions, this thesis will start by addressing the theoretical framework used for this work. Such chapter will in turn consist of three main parts: The first one will outline the EU's role and external action in the world through an extensive review of the most relevant literature on the matter. The two following sections will be built upon the theoretical concepts of 'coherence' and 'military capabilities' which form the conceptual skeleton of the whole study. Chapter 3 provides the methodological explanations and tools employed for the research design that developed for the study. Similarly, this chapter also sets the five different variables[6] in which the top-down analysis is divided.

After setting the required groundwork for a substantial discussion on EU defense policy, Chapter 4 encloses the empirical study. Such study is in turn divided in two big sections: the first one deals with a very descriptive and empirical study on the different policies, strategies, and developments of the EU in the field of the CSDP in the last twenty years. The second section examines the relations and level of cohesion among the different indicators one by one in a top-down analysis designed for this thesis. Finally, the work concludes with a chapter in which the empirical findings are summarized and assessed, and the research questions answered.

[6] The term Variable is used throughout this work, despite the fact they are not considered as proper variables but rather as categories or factors. However, for the purposes of this thesis and their use along the analysis, the author finds suitable to denominate them as "variables".

2. Theoretical framework

This chapter studies the difficult conceptualization of the EU as international actor, and its characterization as a civil and normative power. This thesis joins the academic effort to search for a new narrative able to provide a comprehensive approach that defines the EU as a holistic actor, fundamentally in the field of foreign and security policy. As such, the ongoing academic debate on the political nature of the Union, the forging of a specific identity and its legitimizing functions will be reviewed. It builds on the current academic and political debate but remaining broad in conclusions.

This chapter is divided in two parts: it starts with a literature review on the debate regarding EU's role and actorness in the world that will serve as a starting point to construct a working framework. A second part sets the theoretical foundation on which coherence is built and the role of military capabilities in enhancing coherence and actorness within the EU defense and security policy.

2.1 Literature contributions to comprehend EU external action

The European foreign policy has been a recurring object of study in the fields of political science and international relations during recent years, particularly since the end of the Cold War. The difficulty to define the *sui generis* nature of the European Union, the controversy around its collective identity, as well as its role in international affairs (Bretherton, Vogler 2006) have drawn a great deal of attention in the current academic debate. At the same time, these topics generate discussions around the implementation, impact, consistency and effectiveness of European foreign policy in its different fields of action.

One may notice a shift on the literature flow regarding EU's role in the world: During the Cold War, academic literature was mainly focused on the integration process and its different dimensions. However, from the 1990s onwards, there has been an exponential increase of research on the development of foreign policy by the European Union and the methods used to formulate and implement its international relations (Bretherton & Vogler, 2006; Hill & Smith, 2011; Allen & Smith, 1990; Smith, 2002; Carlsnaes & Sjursen & White, 2004; Elgström & Smith, 2006; Telò, 2006; Keukeleire & MacNaughtan 2008).

The branch of literature that aims at conceptualizing EU foreign policy can be divided in two groups that differ substantially in a range of aspects[7]. The main difference between them

[7] See the discussion in Carlsnaes 2006.

concerns the scope of EU foreign policy: Whilst some authors have a narrow understanding of EU foreign policy, equivalent to those policies and actions falling under the area of the CFSP (M. E. Smith 2004), others have developed much wider definitions, comprising all foreign policy outputs of the EU and even those of its Member States (Ginsberg 2001). For the purpose of this study, the definition of foreign policy offered by Hazel Smith (2002, pp. 7) and Karen Smith (2008, pp. 2) will be adopted, as it presents a rather unproblematic and wide definition that includes:

"all activities that develop and manage relationships between the EU and other international actors, and which promote the values, interests and policies of the EU abroad".

This definition proves useful for this work, since the scope of the research aims to go beyond the CFSP itself to explore the external effect of this policy area in a broader dimension. Although the emphasis of the analysis is put on EU defense policies, it will become clear how national interests of Member States can facilitate or jeopardize EU efforts. Whilst several actors in the EU are engaged in the foreign policy-making process, this project generally conceives the EU as one foreign policy actor in accordance with Article 21 of the Treaty of Lisbon, establishing common foreign policy objectives for the entire EU.

Notwithstanding the above, the EU's foreign policy internal mechanisms and the differing interests among its Member States prevent the EU to speak with one voice in this policy field. In fact, numerous authors have also tried to provide explanations of EU integration based on two rival explanatory notions: *sovereignty* and *preferences.* The former defends that states are not in complete control of integration processes, since integration implies some loss of national sovereignty *per se* (Nugent, 2006, pp. 58). This premise was strongly supported by neofunctionalists who used this reasoning to shape their debates on European integration (for instance: Haas 1968; Lindberg 1963; Nye 1970). Neofunctionalism understands the formation of the EU as a continuous, self- sustaining process in which integration in one policy area triggers integration in other policy areas. This differs from the intergovernmentalism point of view, for they understand integration as a process fully controlled by states that cooperate on matters of common interest (Nugent 2006, pp. 558) thus, refuting the existence of a "spill-over theory" and not believing in synergies. Instead, intergovernmentalism perceives the integration process as a zero-sum game in which states operate in consonance with their national preferences and vital interests (Hoffmann 1966, 882).

Nonetheless, both theories face explanatory limitations when tested against developments of EU integration. On the one hand, neofunctionalism (and related theories based on constructivist approaches) fails to identify the reasons for the lack of coherence in the foreign policy output, which can be related either to an under-developed conglomerate of norms and targets or to the existence of individual interests that jeopardize common action, despite extensive institutionalization (cf. Puetter and Wiener 2007). One example that illustrates this limitation of neofunctionalism is the EU's difficulty to speak with one voice. This is a frequent topic of discussion, repeatedly found in the literature to emphasize Member States' pursue of national interests, further challenging this argumentation. On the other hand, also intergovernmentalism faces some difficulties to explain certain aspects of European foreign policy integration. In this case, limitations come from the increasing institutionalization (materialized in the CFSP and CDSP) and are legally grounded in the EU treaties that lead to defined and concrete objectives and political will for common policies that go far beyond what was originally envisioned. The recent increase of integrative measures (such as the EDF with the purpose of boosting cooperation within the Union) indicates the need for better theories that can cope with the variation observed in EU's external policy integration.

Similarly, traditional International Relations' theories have also struggled to adequately conceptualise EU's role and its external relations as they tend to focus on statehood and rationality of states. Since the EU is not a state, nor shows defined interests enabling what traditional international relations scholars identify as "rational behaviour", the EU has often not been regarded as a proper actor in international relations (Bull, 1983; Hill, 1993; Rosamond, 2005, p. 465). Instead, the EU is seen as a "heterodox unit of analysis", referring to its unique and ambiguous dynamics (Andreatta, 2005, p. 19). This lack of a standard actor profile has led authors to move away from this state-centric focus when studying EU's role in international politics (Bretherton & Vogler, 2005, p.12; Allen & Smith, 1990, p.19). In light of this, the view of the EU as *sui generis* offered an alternative approach for the evaluation of the EU's *actorness*. In this approach, they are able to place the EU as a separate category and hence bring new perspectives on the international role of the EU (Marsh & Mackenstein, 2005, p. 56).

The first detailed and systematic conceptualisation of the EU's actor capability was introduced by Gunnar Sjöstedt (1977). According to him, despite the ambiguous nature of the EU, it still manifests a substantial degree of state-like features which require the Community to retain, to some extent, processes and properties of typical state-centric international relations in order to be successful. Sjöstedt's criteria for actorness are delimitation from other actors,

autonomy, and the possession of several state-like characteristics, such as having a community of interests, systems for controlling community resources and for crisis-management, as well as a network of external agents and external channels of communication. However, despite the relevance of his work for the conceptualization of EU's actorness, Sjöstedt's approach is criticised for focusing excessively on internal characteristics and criteria that are often extremely difficult to operationalise and apply to specific cases (Niemann and Bretherton, 2013).

Other authors also attempted to conceptualize EU's role in the world and provide useful models for assessing its actorness such as Bretherton & Vogler (2006) or Jupille & Caporaso (1998). However, the evolving nature of the EU, always in constant movement, makes this framework inadequate for studying certain areas, such as the EU's defense policy. As a matter of fact, the body of literature on EU actorness did not develop without criticism. Most of this criticism rise from the fact that these theoretical concepts are tailored around the *sui generis* polity of the EU. Even though this might allow studying the EU from a systemic point of view, the limitations regarding its applicability to other international actors "prevents comparative analysis and the location of the EU in an international system comprised of traditional state actors, international organizations and hybrids between the two". (Thaler, 2015, pp. 26). Likewise, scholars have criticized theories of actorness for its lack of interoperability for measuring the *effectiveness* of EU external action.

When compared to actorness, which denotes and assesses the ability to act, effectiveness is rather associated with the capability of "goal attainment" and "problem-solving" (Niemann and Bretherton, 2013, pp. 267). According to Thomas, effectiveness can be defined as "the Union's ability to shape world affairs in accordance with the objectives it adopts on particular issues" (Thomas 2012, pp. 460). Christoph Hills' contribution to the discussion must also be highlighted: His work on the capability-expectations gap of the EU's external performance set the ground for a new literary movement with a critic aiming attention to the Union's external achievements. Scholars started indeed to realize the existence of a gap between what the EU is expected to do on the international stage and what it actually manages to deliver. The reasons behind such a distinction are often found in the division among Member States' interests (cf. Manners and Whitman 2000; Bendiek 2012), EU institutional design (cf. Duke and Vanhoonacker 2006; Aggestam et al. 2008; Duke 2011) and ill-defined objectives (Thomas 2012). The so far most comprehensive conceptual work with a focus on effectiveness rather than in actorness is the one presented by Niemann and Bretherton in "The Challenge of

Actorness and Effectiveness" in which the authors review earlier notions of actorness and emphasize the need to focus on *effectiveness* to further understand European external action.

Recently, analyses have shifted their attention towards *coherence*, which can be defined as "the adoption of determinate common policies and the pursuit of those policies by EU Member States and institutions" (Thomas, 2012, pp. 458). The debate around the uses and theoretical implications of coherence has been described as "one of the most fervently discussed" (Gebhard, 2011, pp. 101). This branch of literature is also rooted in the EU's difficulties to speak with one voice, which has captured the attention of debates around the integration process in the last decades. Even if some authors like Missiroli (2001) criticized the relationship between coherence and effectiveness for being too complex and non-linear, the majority of recent works acknowledge the importance of coherence for achieving effectiveness in EU foreign policy (Thomas, 2012; Niemann and Bretherton, 2013). Actually, this thesis follows the argument that a better understanding of coherence is foundational to comprehending the EU's external role and assumes the importance of studying coherence to understand the institutional processes around EU foreign policy-making and assess the EU's external role and identity. The following section will aim at providing an operationalizable theoretical framework built on the theoretical concept of coherence for the analysis to be applied in the course of this project.

2.2 Coherence: A Framework for Research

From its very outset, the idea of a coherent foreign policy ran like a golden thread through debates and documents on EU's external action. References to coherence have been included in EU treaties and virtually all major documents of EU foreign policy-making. However, it is startling that despite its centrality in European discourses no formal definition of coherence exists. This work hypothesizes that *the achievement of policy coherence is the guiding principle of EU foreign policy.* This definition stands in most of the literature on coherence and has been further crystalized in Brussels (Thales, pp. 69). The former hypothesis rests on the underlying assumption that policy outcomes are dependent on the presence or lack of coherence. Therefore, it can also be understood that a lack of coherence is both the result and the consequence of insufficient coordination between EU external actors and policies. The target of this chapter is to investigate coherence from a general perspective, enabling the identification of a starting point, a baseline, for a deeper analysis of the CSDP and the role of coherence therein.

The term coherence has been widely discussed in both political and scholarly discourses (Delcour, 2011, pp. 58) but its exact definition remains underspecified and its applicability subjected to the context in which it is used. Nevertheless, it is possible to identify some commonalities among the various definitions that will provide the conceptual basis for this work. The first one is consistency, which is often interchanged and even used as synonym for coherence (Nuttall, 2005). Yet both terms present substantial differences of conceptualization that need to be reviewed. The definition provided by Carmen Gebhard offers a comprehensive distinction between the two terms that, due to its clarity, is of particular value for our line of argument:

> *"Each term essentially refers to a different ontological context. While consistency mainly refers to the character of an outcome or state, which is logically compatible with another or not, coherence rather specifies the quality of a process, in which ideally the single entities involved join together in a synergetic procedural whole. This implies that the two notions also differ in the way they relate to time and space. One can be (in)consistent over a period of time, and as such, provide continuity (or not), but coherence remains a matter of quality of interaction between organizational entities."* (Gebhard, 2011, pp. 106)

According to this definition, consistency carries a static (Gauttier 2004, 26) or neutral nature (Duke 2011, 18), whereas coherence is considered a more far-reaching and dynamic character, involving interaction between the different components (actors or policies) in ways that create positive synergies (Thales, pp. 33). On the other hand, both terms can also be differentiated with regards to their vertical and horizontal dimension as it is shown in the following table 1:

Table 1: Coherence dimensions (Thales, pp. 36)

	Consistency	Coherence
Horizontal dimension	(I) The absence of contradictions between external policies and objectives of actors at EU level	(II) The presence of synergies between external policies and objectives of actors at EU level
Vertical dimension	(III) The absence of contradictions between external policies and objectives of actors at EU and Member State level	(IV) The presence of synergies between external policies and objectives of actors at EU and Member State level

In this table, Thales brings together the inputs of two main scholars regarding the different dimensions (Gauttier, 2004) or types (Gebhard, 2011) of consistency and coherence. On the one hand, *Vertical consistency/coherence* refers to the degree of congruence between interests and policies (thus absence of contradictions or presence of synergies) between the Member States and the EU. This goes in line with our previous definition in the sense that external actions across different level leads to greater effectiveness. Therefore, it is possible to state that vertical coherence includes as well shared objectives and visions, as well as compliance with EU policies and norms. On the other hand, *Horizontal consistency/coherence* refers to the degree of congruence between interests and policies. This implies the absence of contradictions among Member States or presence of synergies at EU level. This differentiation is, however, not as easy as it seems since the two dimensions are strongly interconnected and dependent on the other. In fact, this interrelationship becomes clear along this work in which we will see how national sovereignty on defense matters prevents the EU from speaking with one voice.

Measuring coherence is not an easy task since EU treaties and documents do not provide the sufficient quantitative or qualitative instruments to systematically assess and quantify its presence. Although coherence seems to be a guiding principle of EU policy making, the lack of a clear operationalization or criteria makes it hard to differentiate between coherent or incoherent policies. Yet, Gebhard offers again a list of factors that impact positively on coherence and that, in case of absence, can explain the lack of such. The author establishes three categories that are going to be taken into account for the research framework (pp. 113–121): Legal remedies, institutional reform and political initiatives.

Firstly, *legal remedies* refer to requirements for coherence and therefore encompass the negative aspects rooted in the EU's functional fragmentation, as a consequence of the

successive decisions of the Member States on how to integrate external relations. In the case of the CFSP/CSDP, the Secretariat of the Council has taken an important role in establishing coherence amongst the different foreign policy objectives. Secondly, *institutional reform* refers to the administrative structures designed for the coordination between external policies and the actors responsible for them. More specifically, it focuses its attention in the results of the institutional reform towards capacity building that has brought coordination between and within its own pillars and its Member States. Increasing coherence at EU level reduces the likelihood of contradictory policies and unleashes potential synergies. The last one, *Political initiatives*, concerns political willingness to establish coherence. This three categories are summarized in Table 2, in which a series of indicators are drawn against which coherence can be tested.

Table 2: indicators of enhanced coherence. (Thales, pp. 40)

	Indicators for enhanced vertical coherence	**Indicators for enhanced horizontal coherence**
Legal remedies	• Transfer of competences/ sovereignty to EU level • Obligations to disclose/share Member State information at EU level	• Unity in decision-making procedures • Unity in external representation • Unity in policy implementation
Institutional reform	• Creation of forums for information exchange and coordination	• Enhancing bureaucratic coordination capacities
Political initiatives	• Unity in decision-taking • Legitimacy to act at EU level • Increased voluntary coordination of Member State and EU level • Creation of European identity	• Unity in decision-taking • Increase in debates at EU level • Assimilation of bureaucratic cultures • Creation of European identity

This list of indicators has been of paramount importance to construct the research design (further explained in the next methodological chapter) and to establish the variables through which the analysis is carried out. However, due to the importance of the term "military capabilities" for this study, its conceptual implications and its relationship with coherence and this work as a whole is also going to be reviewed.

2.3 Conceptualizing 'Military capabilities'

The concept of "military capability" is of capital relevance for establishing the relationship among variables and hence for carrying out the analysis. As mentioned before, this term is going to be used to build the skeleton of this study which is the main reason for dedicating this section to explaining what "military capabilities" entails and how it will interact with the different variables. The US Ministry of Defense defines the term "military capability" as the ability to achieve a specific objective in wartime. It can go from a specific achievement such as destroying an objective to a more holistic result such as wining a war or a battle. It includes four main components, which are force structure, modernization, readiness and sustainability[8].

a) Force structure is the quantity, size and composition of the units that comprise the armed forces.
b) Modernization is related to the degree of technical sophistication of the forces, units, weapons systems and equipment in general.
c) Readiness is related with the ability of units to provide the capabilities required by their leaders to execute assigned missions.
d) Sustainability is the ability to maintain the level and duration of operational activity necessary to achieve military objectives. It is a function derived from maintaining the levels of ready forces, material and supplies necessary to support the military effort.

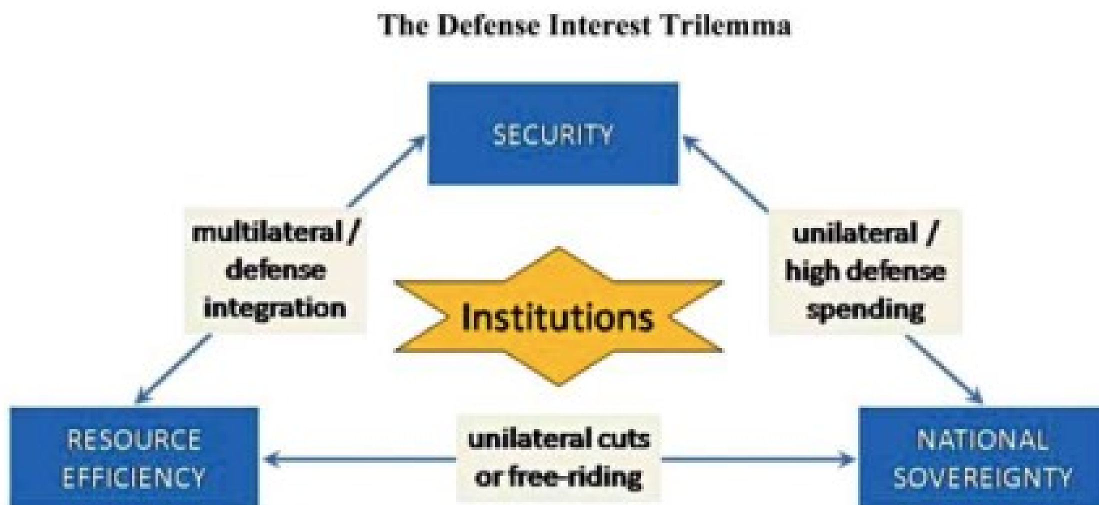
On the other hand, the EU Capability Development Plan considers that military capability is the ability to achieve the objective, purpose or desired effect, through a combination of means (equipment, prepared units, etc.) and procedures (application of concepts and doctrines) (EDA, 2008a, 12). However, due to the practical difficulties to address such topic, detailed analysis of this sort will not be undertaken here, mainly for methodological reasons. The goal of this study is not to assess power as an 'outcome', but only as a 'resource', measuring military capability here will focus mainly on understanding which ingredients are necessary for the creation of an effective force and how the effectiveness of this force can be conceptualized. Stephen Biddle (1988) will be used as the main reference to understand military capabilities. The author focuses on understanding what 'goes into' the making of an effective [national]

8 Dictionary of Military and Associated Terms. US Department of Defense

military capability and how such effectiveness can be compared across countries in a comparative-static sense without either doing any military balance analysis or pretending that it can explain how any given force-on-force encounters will actually turn out in practice.

Another perspective of relevance is the one presented by Moran (1990) through his pooling and sharing theory of military capabilities. He indeed illustrates a theoretical framework of how European military capabilities can be improved by pooling and sharing:

Graph 1: The Defense Interest Trilemma. (Overhage, 2013, pp. 328)



Moran, in a study based on the European experience, determined that the failure of the EU in integrating defense and foreign policies could be found on the lack of own capabilities along with too little competition and quasi-monopolistic markets. According to him, a competitive and specialized European market is better insurance for a country than its own market, sometimes obsolete or uncompetitive. A single state – even if it is as mighty as the USA – cannot provide competitive products and solutions for all technological areas. States have to specialize on domains where they have exceptional strength or technology and then, through pooling and sharing, create a strong common market. This thesis will follow this line of reasoning and will try to prove how the EU, through an increased collaboration, is reaching levels of efficiency and coherence never witnessed before.

3. Methodology

From a methodological point of view, this work can be identified as a single case study aiming at analyzing the military capabilities of the European Union. At its most basic level, this thesis draws down the relationship between the chosen variables “mission / strategic vision”, “policies”, “military objectives and capabilities”, “economic resources” and “industrial and technological base” to provide a series of conclusions about coherence between one another to be in a position to answer the research question: Are the current military capabilities of the Union coherent with the provisions of the Treaties and the EU Strategy?

As the aim of this work is to get further understanding about EU’s military capabilities nowadays, it is necessary to firstly define the units of analysis that are going to be used in the case study. A brief description of the motivations behind this study and its potential contributions to the academic debate will follow. Next, in order to assess the military capabilities displayed by the EU, the variables and indicators chosen for the research design will be established and explained. Finally, the last part of this methodological chapter will explain and justify the data and sources gathered to carry out the analysis.

3.1 Units of analysis

Before undertaking the investigation, this section will define the units of analysis that are used throughout the study. Considering that this work is placed in the field of security and defense, within the framework of International Relations, and in the space of the European Union, the units of analysis are the different states and multinational actors that directly shape the strategies and development of military capabilities that constitute the object of study. Based on this consideration, the fundamental unit of analysis will be the European Union, completed with two units of analysis: its Member States and the Atlantic Alliance. This complementarity is necessary because, even though the EU has its own legal personality since the Lisbon Treaty, its military capabilities are based on voluntary contributions from the Member States. Up until today, we cannot talk about EU’s supranational character, but rather a system of governance dealing with policies that sovereign states are often unwilling to delegate to the EU (Fabbrini, 2012, p.3). Therefore, Member States cannot be considered entirely unitary. Instead, they are seen as decision units able to influence EU foreign policy making through their own national policy making procedures, their interests and their role conceptions. In fact, decisions taken at the EU level are often achieved through bargaining and negotiating processes between the representatives of the different Member States.

As for the Atlantic Alliance, it must be agreed that its existence precedes the development of the EU's strategies and capacities. NATO has been, since its creation until today, the basis for collective defense system of the allied countries, which in most cases, are also EU Member States. Since Maastricht (1992) the EU has taken great care to include in its subsequent treaties the commitments acquired by the Member States with and/or through NATO. The complementarity of both organizations has since then remained untouched as a consequence of their strategic partnership and the fact that most joint defense programmes of EU's Member States belong directly to NATO[9]. Therefore, any approach to European defense must necessarily take into account the contribution of NATO. All these considerations demand the study to take into account these three units of analysis - EU, Member States and NATO - in all phases of the investigation.

3.2 Motivations and Contributions of the Study

The reasons for carrying out this study are various and diverse, but it is possible to group them in two blocks: personal and academic motivations. In terms of personal motivation, the field of the CFSP and, more specifically, its implications in the defense and military dimension have always be a source of personal interest. Having a family strongly connected with the military sphere has surely shaped the author's choice to investigate on this specific topic. However, this interest is nothing new and it was already reflected on my previous Bachelor thesis in which I assessed the EU's Actorness in Crisis Management in the specific case study of Libyan Crisis. The lack of actorness of the EU and its inefficiency in carrying out military capabilities during such a crisis motivated me to further study the CDSP, this time from another perspective. This, together with an internship I did for OCCAR last year, in which I got further familiar with the work performed by this organization, growing into other aspects related to the EU defense industry is what stimulated me to become more knowledgeable in this field. For these reasons, this thesis takes a more in-depth and focused approach of the CSDP itself, analyzing its development throughout the covered years in order to find out whether or not it is possible to talk about coherence and effectiveness regarding European defense policies.

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[9] As established in the EU-NATO Joint Declaration 06/12/2016. Also in the Resolution of the European Parliament, of June 13, 2018, on EU-NATO relations, it is stated that " to ensure the defence and security of the Euro-Atlantic area, notably through deterrence and defence, projecting stability and the fight against terrorism. NATO will continue to play its unique and essential role as the cornerstone of collective defence for all Allies".

On the other hand, a strong reason for conducting this study from an academic point of view is the fact that previous studies on European security and defence have only covered this field either partially or unsatisfactorily. As Forsberg indicated, this poses a major challenge in the theoretical sense as "...the little theoretical work that exists on European defence either pre-dates the emergence of the European Security and Defence Policy (ESDP) or does not attempt to contribute to explanatory theorising"[10].

As we will later develop in the theoretical chapters, there seems to be two disconnected sets of literature on this subject. On the one hand, one set of a reduced number of academic works seem to pursue the application of broader international relations theory to European security and defence, whilst on the other hand, a collection of mid-range theories in most cases only focus on empirical aspects of European security and defence. If a more comprehensive approach comprising the drivers, strength and direction of European security and defence integration needs to emerge, these two sets of literature need to engage in a dialogue with one another. In light of this, this thesis will strive to draw lessons from both in an attempt to construct a more nuanced narrative about developments in European security and defence of the last two decades and a half. For such, this work will aim at building a framework involving different theoretical aspects of both block of theories that will allow, through a top-down analysis, to shine some light on the drivers and specific factors that are leading towards a security and defence integration.

3.3 Research Design and Variables

As already mentioned, the emphasis of this thesis will be on the military capabilities developed within the EU. With this in mind, the focus of this study will lie on the evolution of capabilities within the specific framework going from 1999 up to nowadays. Yet, as the analysis will show, three turning points will be identified in terms of capabilities creation that divide this twenty-year framework in three important periods. The period starts in 1999 when the EU acquired for the first time in history the commitment to create a Common Security and Defense Policy and goes until 2007 with the creation of the Lisbon Treaty. The second period develops in the years 2007-2016 and is characterized by the large numbers of efforts (materialized in policies,

[10] See Thomas Forsberg, "Explaining the Emergence of CSDP: Setting the Research Agenda" paper prepared for the European Consortium for Political Research (ECPR), Standing Group for International Relations (SGIR) Conference, (Turin: 12-15 September 2007), 1 as cited in Moritz Weiss, Transaction Costs and Security Institutions: Unraveling the ESDP (London: Palgrave, 2011), 5-6.

institutions and strategies) towards integration in defense matters at EU level. Lastly, the third period starts in 2016 and has not finished yet. In these years we start to see some results in terms of coherence, which are consequence of all the efforts in previous years and other initiatives such as the EDF that will allow the EU and its members to take important steps in defense and military integration.

The study of *coherence* not only includes the capacities themselves, but also their conceptual, doctrinal, and the operational use of them. If it is assumed that the military capabilities developed are derived from approved strategies and policies modulated by available resources, it is necessary to define the following variables for this study:

a) The variable Strategic Vision/ mission, represented by the identity of a given actor and its security and defense strategies, where their values, objectives and strategic interests, their perception of the security context and their strategic lines of action are combined. They constitute the fundamental references or guides to generate military capabilities.
b) The Security and Defense Policy variable, which is the result of a combination of organic structures, instruments and specialized decision-making procedures that affect the generation and use of military capabilities.
c) Military Objectives and Capabilities, which groups together the objectives that, quantitatively and qualitatively, are intended to be achieved within a specified period, as well as the mechanisms provided for their development.
d) Economic resources, which allow to support the effective development of military capabilities and constitute the potential military power of the Union.
e) Industrial and technological base, which includes all the defense-related industrial base available within the EU to materialize strategies and policies into real projects of armament and defense.

As it can be seen, each of these variables must be understood as a combination or cluster of other structural and conjunctural factors, which will only be taken into consideration if they are relevant to the study. Moreover, these variables are going to be the skeleton of the top-down analysis carried out in Chapter 4,2.

3.4 Source and Data Collection: A Multisource Analysis

Due to the qualitative nature of this study, the collection of data and sources has been done through record-based searching (Abbott, 2004, p.14). Abbott approach allows the writer to hold

assumptions based on the interpretations and interactions of primary and secondary literature (ibid, p. 52). Indeed, the object of this study and the state of its development led to theuse of mostlyprimary sources, provided by the EU institutions, especially the Council, and, to a lesser extent, by the Parliament and the Commission, derived directly from their own archives on the Internet or from regular compilations carried out by bodies such as the EU Institute for Security Studies. In this framework, the bases of this study are based on the EU Treaty (particularly, on its Title V, dedicated to the General Provisions on to the Union's external action and specific provisions on the Common Foreign and Security Policy) and on the European Security Strategy, supplemented by a wide variety of documents, such as decisions published in the Official Journal of the EU, conclusions of Council meetings, follow-up reports, specific strategies, statements and press releases, information brochures, etc.). The official web pages of some specific bodies of the Union (European Defense Agency, European Union Satellite Center, European Union Military Staff,...), have been checked with the aim of obtaining the most up-to-date situation on some issues, to access databases, or to acquire information on issues little discussed in the scientific literature. Access to the official websites of NATO and multinational forces has also been very useful to gather information on relevant issues discussed.

On the other hand, secondary literature has been the main source of knowledge on issues related to the theoretical framework. Books, articles and some doctoral theses have been the usual sources. In addition, other specialized magazines (Comparative Strategy, Parameters, Survival, Journal of Strategic Studies, European Security Review, etc.), reports, analyzes, monographs, news and other documents produced by think-tanks (Egmont Royal Institute for International Relations, Strategic Studies Institute, SIPRI, Center for European Policy Studies, ...) were also scrutinized. Of particular help has been the Military Balance, the prestigious annual publication of the International Institute for Security Studies, which compiles data on military personnel and equipment of the armed forces of all countries in the world.

4. Empirical study

This chapter is going to be divided in two big sections. The first one comprises an in-depth investigation of the five variables. It is rather an explanatory study of the different mechanisms, processes and institutions involved in the evolution of the CFSP during the last twenty years. This first part will provide the necessary data to carry out a top- down analysis in the second part of the chapter in which the relationship among the different variables and the coherence in EU's defense dimension as a whole will be scrutinized.

4.1 Disclosing the variables

As previously mentioned, the five variables used in this study are going to be exhaustively scrutinized hereafter.

4.1.1 Strategic Vision

EU's role in the world

Defining, as accurately as possible, the likely scenarios of action is one of the fundamental steps when determining the capabilities of armed forces. This implies defining where these armed forces will have to act, against whom, under what conditions and, most importantly, what we want them to be able to do. This initial step is considered essential for determining from where the different missions and tasks are deduced from (García Sieiro, 2006: 41). In line with this, the application of the Capability-Based Planning (CBP) provides a method for identifying the levels of capability needed to achieve a strategy by connecting capability goals to strategic requirements.

Capacity planning is strongly conditioned by the actors who participate in its development, by the interactions between them and by their system of values and ethical principles (see Annex 1). The need for certain capabilities can only be justified with a specific defense strategy and the time horizon set to carry out these capabilities. Therefore, in order to study the coherence among European policies, strategies and capabilities, firstly the factors that have brought the EU to envision the need of creating common policies for the sake of a common European defense are analyzed. For this purpose, the following factors are going to be taken into account: the main actors of this study, the EU, NATO, and Member States as well as their security strategies and interests in the defense arena. Secondly, the study will have a look into the perception of threats, risks and vulnerabilities, within a global strategic context.

Thirdly, it is important also to have a look into the geopolitical scenarios for which capabilities are needed.

The EU is a *sui generis* entity, currently composed of 27 Member States. As a result of the European integration process, all of these Member States have conceded, in a series of fundamental spheres of policies, part of their sovereignty to the EU in order to achieve common objectives (Garcia Pérez, 2010). The organization and functioning of the Union are established under its several Treaties which were negotiated and ratified by its Member States. In areas of action and/or policies not contemplated in the Treaties, national governments are free to do their own will. The two main Treaties on which the EU is built upon are the Treaty on the EU (TEU) and the Treaty on the Functioning of the EU (TFEU), both approved in Lisbon 2007 and entered into force in 2009.

The development of this intergovernmental approach stood out during the 1970s. In the Cold War context, NATO emerged as the main security actor in the western world, fact that triggered the willingness of European countries to create a 'Second voice' in Europe of its own and not subordinate to the United States (Barbé, 1998, pp.30) This culminated in the creation of the European Political Cooperation (EPC) as a foreign policy coordinating mechanism, which established share information networks, harmonized points of view and specified actions in a near future (ibid, pp. 79-109). It was expected from the EPC to become a central element of the foreign policy of member countries, but events at the international level (invasion of Afghanistan for instance, 1978-1992) showed the little political strength of the European Community in comparison with the one NATO possesses[11]. This need to converge positions was growing among European leaders, who in the Solemn Declaration of Stuttgart of 1983 again claimed the necessity for the Community of "speaking with a single voice and acting in common in the field of foreign policy" (Council. 1983, point 2.2.3)

The EPC was included three years later in Single European Act, which paved the way towards a closer cooperation, in the area of security, between certain high contracting parties within the framework of the Western European Union and the Atlantic Alliance[12]. It is interesting to note how, as the Cold War was progressing, the cooperation on foreign policy also opened the possibility for greater cooperation in security. However, the end of the Cold

[11] Report on European Political Cooperation (London, 13 October 1981). : On 13 October 1981, in London, the Foreign Ministers of the Ten adopt a report on European Political Cooperation (EPC) that sets out a more coherent approach to international issues and to matters of security.

[12] Art. 30 of Single European Act, The Hague, 28th February 1986

War together with other exogenous phenomena such as Gulf Crisis in 1990 or the outbreak of war in Yugoslavia called into question the effectiveness of the CPE (Barbé, pp. 34) The previous facts fostered the idea of converting the CPE into a true political union with inclusive defensive and security aspects. This was endorsed under the so-called "Kohl-Mitterrand Proposal" which, one year later in Maastricht, materialized into the Common Foreign and Security Policy of the Treaty of the European Union.

As will be seen later with the second variable "Policy", the need for Member States to constantly deal with both external and internal crisis is what marked the emergence of the CFSP and the ESDP reviewed under the different treaties. In fact, the entry into force of the Lisbon Treaty in 2009, will finally integrate 'defense' into the European institutional structure and will strengthen diplomatic relations and strategic partnerships.

The European Security Strategy

In addition to the Treaties, the European Security Strategy is a primary source for building the vision that the EU has of itself as a security actor. This document was approved by the European Council in December 2003 (Council, 2003), being the first time that the Union established clear principles and objectives to promote its security interests based on its essential values. Subsequently, the Strategy was revised (not updated) in December 2008, giving rise to a new document that did "not intend to replace the EES, but rather to reinforce it" (Council, 2008, pp.3).

At the beginning of the 21st century, the climate of tension moved away from Europe (with the end of Balkan War) and focused on other regions of the planet, especially the Middle East. The 9/11 attacks, the war in Afghanistan in 2001 and the war in Iraq in 2003 demanded a collective response by the EU. This, together with the aspirations of the EU to become an international security actor able to "think globally and to act locally" (Council, 2003, pp.8) were the reason behind the creation of the ESS. The main challenges faced by EU were terrorism, proliferation of weapons of mass destruction, regional conflicts, failed states and organized crime (Council, 2009, pp. 30-32). Once exposed the risks, the ESS identified three strategic objectives: addressing threats, create security in neighboring countries and the establishment of an international order based on effective multilateralism. (ibid, pp. 33-38)

However, the strategy did not specify how the EU should face these risks, nor how it should meet the objectives, something that lowered considerably the expectations of such document. In fact, it would not be until 2008 that the French presidency of the EU Council decided to update the strategy through a Report on the Application of the European Security

Strategy. Again, this report did not serve to increase the level of strategic autonomy of the EU but rather to change the regulatory approach of the SEE (what the EU had to do to be a global actor) by another descriptive (what the EU does as such) (Arteaga, 2009, pp. 4). Furthermore, since it did not include either a deadline for a new strategy, the EES would remain in force until the deep internal crisis of 2015 when Member States again felt the need to consolidate their common objectives and priorities its foreign policy.

The EU Global Strategy

In June 2015, in a state of deep internal crisis motivated by the deterioration of the security environment as a consequence of the conflicts in the east and south of the Union and with a shrinking US protective framework, the EU members states decided to draft a new strategic document in accordance with the changing geopolitical context. A year later, the Global Strategy for the Foreign and Security Policy of the European Union or, in short, European Union Global Strategy (EUGS) was introduced.

The European Global Security Strategy defines five priorities that, even if not completely new, they do provide a more realistic approach based on interests. This new approach is the consequence of the new security awareness that the recent terrorist attacks have brought to Europe and the invocation in November 2015 by France of the mutual assistance clause contained in Article 42.7 of the TEU[13]. It was no longer a question of defining "a secure Europe in a better world" as indicated by the previous strategy, but rather the need to create a stronger Europe, in circumstances in which "our union is threatened"[14]. In this way, the security of the Union became a main priority, which implied the need to create a projection and protection capacity. That led to the reinforcement of the EU crisis management structures through the acquisition of suitable civilian and military capacities including synergistic strengthening of the defense industry.

[13] Mutual defence clause (Article 42.7 TEU) If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States. Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation.

[14] «Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy», http://eeas.europa.eu/top_stories/pdf/eugs_review_web.pdf.

Likewise, the document substantially changes his vision regarding the European neighborhood policy. Contrasting with the 2003 strategy, the new one does not seek to promote a set of well-governed countries, but rather to strengthen the resilience of states and their societies, without trying to impose the European model and relying on local actors. This pragmatic shift in focus is closely related to the migration crisis which has already being integrated in the new European migration policy with the agreements concluded with five African countries (Ethiopia, Mali, Niger, Nigeria, Senegal) (EU Commission, 2016). Similarly, the European Foreign Investment Plan aimed at stimulating the economies of the migrants' countries of origin and transit can be seen as another example of this new focus. All these factors helped in translating the effective multilateralism of 2003 into a pragmatic principle in 2016.

Regarding the generation of political instruments, the last chapter of the 2006 strategy entitled, «From vision to action» represents an unprecedented advance over previous documents as it establishes a roadmap with implementation measures of the strategy. It is about promoting European cooperation, especially in the field of security and defense, since the eventual Brexit campaign (being the UK the country that has traditionally been an opponent of any European advance in this field) would have cleared the situation.

At the political level, the Global Security Strategy joins the general consensus on the need to guarantee the development and resilience of communities, because it is proven that without development there is no security and that violence is generated precisely because of this lack of development: lack of democratic governments, lack of sustainable development, lack of education, work, basic resources, etc. Therefore, Europe must move from soft security to hard security, despite the sacrifices that this could entail in terms of sovereignty and economic resources (IEEE, 2018, pp, 19).

However, while the EUGS is indeed widely considered a turning point it is hard to put all this theory into practice when it comes to the EU, a cacophony of voices with different interests and strategies, especially in the defense field. This, together with the traditional ideological fracture between Europeanists and Atlanticists in terms of defining the intensity and scope of the strategic autonomy of the EU in contrast to NATO, makes the process even harder. On the other hand, it makes no sense to speak of autonomy in an Union in which countries' security strongly depends on US guarantees and in which states are repeatedly unable to meet the commitments made to increase their defense budgets to the 2% of GDP. Aware of this and despite frictions between both institutions remains, most European countries agree to underline the complementarity between the EU and NATO.

Perception of threats

As it is possible to observe from the previous pages, the core of the EU's security approach is the perception of threats, risks and vulnerabilities. In fact, the current global security context is characterized by a number of factors that is constantly shaping and defining new necessities. As many argue, globalization has resulted in threats to be more complex and interrelated (Council, 2008, pp.1), with a more diverse, less visible, less predictable and more dynamic nature. This makes that many of the new threats are not merely military, nor can be tackled solely with military means (EUPAR, 2009, para. 5), which must be taken into account when defining and sizing the necessary capabilities to face them. According to the European Political Strategy Centre, which analyses the threat perception of ten EU Member States, the most important threats to European security are terrorism, cyber-threats, hybrid threats, uncontrolled migration, energy vulnerability, climate change and natural disasters, threats to critical infrastructure, regional conflicts, and failing states (see Annex 2).

- **External Threats: Great-Power Competition, Regional Conflicts, and Weak/Failed States**. Among this we find several issues like the conflicts in Georgia in 2008 and Ukraine since 2014 which demonstrated that the EU's closest neighbor Russia is prepared to use hard power to achieve its objectives. The Arab revolts, the piracy problems in Somalia, the emergence of fragile and failed states in Europe's southern neighborhood and the migration crisis or the emergence of the Islamic State are the most common threats in the EU.
- **Hybrid threats**. This includes conventional and unconventional, military and non-military activities that can be used in a coordinated manner by state or non-state actors to achieve specific political objectives (EEA, 2018). These threats seek to create multidimensional confusion and can range from cyberattacks (see below) on critical information systems, through the disruption of critical services such as energy supplies or financial services, to the undermining of public trust in government institutions or the deepening of social divisions (Dokos, 2019, pp. 4).
- **Pandemics**: As the global community becomes increasingly connected, the risks of infection are greater, and so are the risks associated with spillover of a virus, as we can see from the last Covid-19 worldwide pandemic disaster.
- **Population Movements.** Mainly relates to the migrant and refugee crisis which imposes critical challenges for the EU.

- **Terrorism.** Terrorism is a cause for significant concern for the citizens of many European countries. The return of foreign fighters from Syria and Iraq, and fears of refugee flows serving as a “back door” for terrorists, contribute to increased alarm about the threat to European security.
- **Natural and Human-made Disasters.** According to the EU, from 1980 to 2016, economic losses caused by weather and climate-related extremes in the European Economic Area member countries amounted to approximately €436 billion (in 2016 values). (European Environment Agency, 2019)
- **Organized Crime.** Includes organized crime groups, terrorism, and drug-trafficking and people-smuggling networks which are increasingly interconnected. The EU is continuously trying to adapt its response in relation to the growing complexity of the situation. “This is also reflected in the development of specialized EU agencies, such as Europol, Eurojust and CEPOL (the European Union Agency for Law Enforcement Training)” (Dokos, pp. 6)
- **Cyber Threats.** Rapidly evolving technological developments are also paving the way for hackers to launch large-scale attacks against information systems and various other forms of cybercrime, such as online identity theft or online child abuse. Indeed, a dedicated European Cybercrime Centre within Europol started operation in 2013 (ibid).

Geographic Areas of Interest for the EU

From the previous analysis of the threats identified in the corresponding security strategies, some information can be inferred about the spaces where the missions could be developed and, depending on their nature, where the necessary military capabilities would have to be deployed. Knowledge of these potential areas of operations is relevant as it directly affects the technical and operational requirements of the capabilities, the necessary means of projection and the preparation of the forces, including not only the aspects related to their physical training, but also to the formative: intercultural awareness, doctrinal developments, etc.

Continuous references are found to different geopolitical spaces towards which the attention of the EU is directed in matters of security and defense. Consistent with its vision as a global player, the Union does not impose 'a priori' restrictions on geographical areas, but rather establishes priorities based on its policies, interests and current or emerging threats. The result is a map in which the following areas stand out (Council, 2003, pp. 8):

- **Sub-Saharan Africa**: The importance of this area has only increased in recent years, especially due to the expansion of jihadist terrorism and the consequent generation of instability in countries such as Mali, Nigeria among others. On the other hand, the strategic importance of this extensive strip of territory as a passage route for illegal immigration flows to North Africa and Europe has placed it among the areas of priority interest for the Union.
- **North Africa**: States in this area continue to experience serious problems related to economic stagnation, social unrest, political instability and unresolved conflicts. Jihadist terrorism operating from the Sub-Saharan Africa has increased its influence in this area. Illegal immigration flows to Europe exacerbate this situation. The energy resources needed for the supply of Europe reinforces the interest of the EU on this area (pp. 2).

- **European border east of the Union**: The current ongoing conflicts in Ukraine and Crimea, fueled by Russia, has made this region a center of interest for the Union and for NATO. The EU's energy dependence on Russia increases in importance (pp. 3).
- **Near and Middle East**: The resolution of the Arab-Israeli conflict is a strategic priority for Europe, because without it there is little chance of solving other problems in the Middle East. In this context, especially in the Middle East, there is the possibility of an arms race centered on weapons of mass destruction (pp. 4 and 8). Similarly, Europe's energy security is linked to this region, where a large part of its oil imports come from.

Towards a Strategic Autonomy?

The progress towards a common security and defense policy inexorably goes through the development of a strategic autonomy of the European Union, being the latter a basic point of the EUGS itself. The best way to define this broad concept is to see how this autonomy is reflected in the European Union itself. It is necessary to know whether Europe's objective is to defend itself, to act on its own or to have tools at its disposal to be able to function autonomously.

When we speak about strategic autonomy in the context of the EU, it means that the European Union must be able to combine the ability to decide with the ability to act. This, together with the room of improvement in the decision-making processes to assume autonomy,

could led to a Europe able to defend its own interests, principles and values depending on the circumstances. And to do it alone, even in situations where NATO could be reluctant to help.

"European security and defence efforts should enable the EU to act autonomously while also contributing to and undertaking actions in cooperation with NATO. A more credible European defence is essential also for the sake of a healthy transatlantic partnership with the United States" (EUGS, 2016, pp.20). This is the great difference of this new Security Strategy. It is something new in principle, although the root comes from the meeting in Saint-Maló in 1998 when France and Great Britain decided to "endow the Union with a capacity to act autonomously with credible military capabilities". They were in fact the strongest military powers by that time, and therefore the only ones able to bring it into practice. The surprising thing is that it did not had the expected effects as with other policies[15].

The main problem is that autonomy requires strategic capacity to develop military campaigns abroad, it involves information, air, satellite, transport aircraft, etc. Today Europe is not ready for that yet. That is why the USA helped in Libya because the American information channels and air support were essential to alleviate the situation in the African country, and the EU did not have enough resources for such. The reality is that currently the EU does not have autonomy in strategy and defense. However, the objective to develop these capabilities complementary to NATO exists, because, as Stoltenberg stated, "to strengthen European defense is good for Europe but also good for NATO"[16] .

4.1.2 Policies

After setting the strategic visions of the EU, this paper will investigate how these visions have or have not turned into concrete policies within the framework of the EU. To start with, it is important how the EU itself is shaped. Regarding the structure of the EU, the key institutions in decision-making and, therefore, responsible in shaping common policies related to the field of security and defense, are the following

-The European Parliament, legislative function.

-The Council of the European Union (the Council), legislative function.

-The European Commission, executive function.

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[15] The competition policy that allows fines to multinationals, the common agricultural policy or the commercial policy, are clear examples of the benefits that unity has brought to the EU.

[16] Nato Secretary-General Jens Stoltenberg, European Parliament, 7/6/2017. Retreieved from https://www.europarl.europa.eu/news/en/headlines/security/20171208STO89939/pesco-eu-countries-sign-off-on-plan-for-closer-defence-cooperation

-The European Council made up of the Heads of States who are the ones setting the guidelines and priorities but have no direct legislative power. (TEU, art. 15.1).

Within this structure, there is a figure of special importance in the field of security and defense, the High Representative of the Union for Foreign Affairs and Security Policy, who is the highest authority in these matters together with the Council and the Commission (TEU, arts. 15.2, 15.6, 17.5, 17.7). It is important to bear in mind that the European Council is the entity that defines the strategic lines of the Union, whose president is the High Representative, who, at the same time, holds one of the Vice-Presidencies of the Commission. In particular, it is the High Representative’s role to direct the Union's Common Foreign and Security Policy, which includes defense matters, and to contribute with its proposals to elaborate this policy filed in close coordination with the Commission (TEU, art. 16.6 and 18).

On the other hand, the development of the security and defense dimension of the EU is based on the founding Treaties, which will serve as a primary source to define the axes of the EU defense policy. The fundamentals are found in the TEU, which includes, within the framework of the Union's external action, all aspects related to the well-known Common Foreign and Security Policy (CFSP). More precisely, defense-related issues are part of the Common Security and Defense Policy (CSDP), which must be understood as an instrument at the service of the CFSP. The current contents are the product of a continuous evolution of the founding Treaties that, with regard to the security and defense dimension, begins with the Maastricht Treaty (1992), continues with the Amsterdam Treaty (1999) and Nice (2002), and culminates with the current Lisbon Treaty (2009).

Review of the Treaties

The European Union has tried for a long time to reinforce the security pillar, considered one of the fundamental pillars in the construction of the European Union. Yet, due to different internal problems and the comfort of being insured under the NATO umbrella, this policy area has not developed at the same speed as other did. The most surprising thing is that the aim of a united Europe in the diversity to live in peace was exactly what initiated the European integration project by six countries with the Treaty of Rome (1957). This is the story of a singular process whose first objective, above social, economic or otherwise, was the construction of a secure and integrated European space. However, the truth is that, from 1954 to 1992, the process of European construction will exclude aspects related to security and defense, these being reserved for the national sphere and collective defense under the NATO sphere, with a testimonial participation of the WEU.

The Maastricht Treaty (1992) will change this status, associating to the common foreign and security policy “all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence” while delegating to the WEU the elaboration and implementation of “decisions and actions of the Union which have defence implications” (art. J.4). This will set off a new era characterized by the reactivation of the WEU and the emergence of an intense debate on the definition of a European Security and Defense Identity. The poor results of such a debate revealed the existence of important differences in the strategic approach of Member States who were essentially split between pro-Atlanticists and pro-Europeanists.

Slight steps were introduced in the field of external crisis management after the Petersburg Missions in 1992, when it was agreed to create a space for military collaboration with the Atlantic Alliance with the aim of carrying out joint humanitarian and peace missions (IEEE, pp. 15). Several mechanisms of cooperation and multinational forces with NATO such as the Eurocorps, Eurofor among others are therefore activated to visualize the existence of autonomous armed forces with respect to NATO. However, all these efforts will again be jeopardized as a result of the poor European management during the crises in the Balkans. The recognition of the EU’s inability in the Balkans will indeed stimulate a refocusing of the EU's security and defense dimension, which will aim to steer the debate from "identity" towards a more pragmatic vision focused on the development of "capacities". This new approach, designed at the Franco-British summit of Saint-Malo (1998), will allow a greater degree of political agreement and will pave the way towards a 20-years old trend of progress and cooperation under the European Security and Defense Policy (ESDP) and, later, the Common Security and Defense Policy (CSDP).

Conceptually speaking, the institutional basis of the CSDP will be the Treaty of Amsterdam (1997), which will include the consideration of the WEU as “an integral part of the development of the Union” (art. J.7). Later the Treaty of Nice (2001) will keep this line of thinking, but it will almost completely remove any references to the WEU (art. 17) (Santé, pp.1). In fact, during the period ranging from 1999 to 2009, the EU will strive to progressively become a security actor, assuming directly (not anymore through the WEU) the creation of a civil-military structure at the service of the ESDP and the activation of specific mechanisms for decision-making in this area. There was also intense activity to develop defense capabilities with specific and global objectives (Helsinki Global Objective, 2010 Objective). At this stage, the EU begins conducting military crisis management operations linked to the ESDP (IEEE, pp. 16).

Finally, it is going to be the Lisbon Treaty (2009), which, by collecting some initiatives from the defunct draft Constitutional Treaty for Europe, will convert the ESDP into CSDP (without a substantial modification of its scope and content) and will incorporate new institutions, such as the Permanent Structured Cooperation, to promote its development.

Role of Member States in EU policy

The nature of the EU, an organization made up of sovereign states, makes it necessary to consider the role of its members at the same level as that of the community institutions. When studying the EU security and defense dimension this is especially necessary as long as the capacities available to the Union are provided by the Member States, who enjoy broad autonomy regarding the use of the forces with which they contribute to the common effort. On the other hand, the definition of defense policies is an exclusive national competence, which is why, when speaking about a process of increasing harmonization, cooperation and convergence within the EU framework, one cannot forget about the role of Member States on it.

The TEU places great emphasis on the fact that contributions from Member States to the development of the CFSP must involve an active and unreserved support. This must be accompanied by a spirit of loyalty, mutual solidarity and respect for the Union's action in the field, abstaining from everything that may be contrary to the EU interests or that may undermine its effectiveness as an international actor. In this way, the defense of the Union's interests and values on the international stage rests on the commitment of its Member States to systematically pursue the convergence of their actions, seeking to define a common approach to their national policies and external action (TUE, arts. 24.3, 32 and 34).

In order to develop the military capabilities contemplated by the CSDP, a specific instrument has been envisaged, the Permanent Structured Cooperation (PESCO), conceived for "those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework" (TEU, art. 42.6). This formula allows the existence of a nucleus within the Union that promotes closer cooperation in defense matters, without requiring the participation of all members. Permanent Structured Cooperation will be analyzed in more detail in Variable 3, dedicated to capacity planning.

Regarding the collective defense, the TEU includes a reference in the so-called "Mutual aid clause", which establishes a high level of demand in the event of an armed aggression

against the territory of a Member State. In such a situation "the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter" (TEU, art. 42.7). Collective defense is also included in the Solidarity Clause (TFEU, art. 222), the purpose of which is to respond to terrorist attacks and catastrophic situations. This response may come from the Union itself or from other Member States and will consist of the mobilization of "all the instruments at its disposal, including the military resources made available by the Member States" (Ibid).

Another substantial aspect is that the Union respects the equality of Member States before the Treaties, as well as their national identity and the essential functions of the State, especially those "ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security. In particular, national security remains the sole responsibility of each Member State" (TEU, art. 4.2). In return, in application of the principle of sincere cooperation, "Member States shall, in full mutual respect, assist each other in carrying out tasks which flow from the Treaties" (TEU, art. 4.3).

The European External Action

As has been already said, the TEU addresses security and defense issues to the Union's external action, with the aim of promoting peace, security and progress in Europe and in the world. In fact, the entre Title V of this Treaty (Articles 21 to 46) is dedicated to the general provisions relating to the Union's external action and to specific provisions on the CFSP. For the purposes of this study on military capabilities, it is of our interest to review how the previous strategic visions from our first variable have been translated into the TEU. The EU's external action shall, according to Art. 2 of Title V of the TEU:

(a) safeguard its values, fundamental interests, security, independence and integrity.

(b) consolidate and support democracy, the rule of law, human rights and the principles of international law.

(c) preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter, with the principles of the Helsinki Final Act and with the aims of the Charter of Paris, including those relating to external borders.

(d) foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty.

(e) encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade.

(f) help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources, in order to ensure sustainable development.

(g) assist populations, countries and regions confronting natural or man-made disasters; and

(h) promote an international system based on stronger multilateral cooperation and good global governance.

On the other hand, Article 3.5 TEU encompasses the fundamental interests of the Union: “In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter”. Any of these objectives and interests are liable to efforts that might require the use of military capabilities.

Last but not least, in regard with its external action, the Union pays preferential attention to relations with neighboring countries “aiming to establish an area of prosperity and good neighborliness, founded on the values of the Union and characterized by close and peaceful relations based on cooperation” (TEU, art. 8.1) for which “the Union may conclude specific agreements with the countries concerned” based on “reciprocal rights and obligations as well as the possibility of undertaking activities jointly. Their implementation shall be the subject of periodic consultation” (TEU, art. 8.2)

However, despite these solemn institutional definitions, when it comes to the practice Member States often continue to think within the limits of their national security interests forgetting about their joint responsibility to protect common European interests. With all the difficulties that this implies, the adequate definition of the common security and defense interests of the EU is essential to advance in integration and to provide greater coherence and effectiveness to the policies that develop in this dimension (European Parliament, 2009, para. 17 and 18).

The Common Foreign and Security Policy CFSP

The CFSP is the political instrument for carrying out the objectives for the Union's external action. This includes “all areas of foreign policy and all questions relating to the Union's

security, including the progressive framing of a common defense policy that might lead to a common defense" (TEU, art. 24). The bases for the development of the CFSP are the mutual political solidarity among Member States, the identification of matters of general interest and an ever-increasing degree of convergence of Member States' actions (ibid).

The division of tasks related to the CFSP among the EU institutions attributes different functions to each of its main bodies, especially to the European Council, the Council, the High Representative and the Member States. On another level, the Commission and the European Parliament perform as well complementary tasks in this area (TEU, art. 24.1 and 36). Among the previous cited, the European Council is precisely the body in charge of determining the strategic interests of the Union, set the objectives and define general guidelines for the CFSP, including for matters with defense implications (TEU, art. 26). Within the framework defined by the European Council, the Council of the EU will adopt the decisions necessary to define the policy. Its implementation will correspond to both the High Representative and the Member States, using national and Union means. It is important to underline that the TEU entrusts the Council and the High Representative with the role of ensuring the unity, coherence and effectiveness of the Union's external action. On the one hand, it specifies that, in the case of civil and military operations within the scope of the CSDP, the Council will define the objective and scope of the mission, as well as the general rules for its execution and, on the other hand, the High Representative will be the authority ensuring the coordination of the civil and military aspects of these interventions (TEU, art. 43.2).

In terms of its structure, the CFSP is made up of specialized bodies. Besides the European External Action Service (TEU, art. 27.3) in charge of diplomatic duties, there are other bodies with a more security-related approach, such as the Political and Security Committee (CPS) (TEU, art. 38). Finally, regarding the financial aspects of the CFSP, the general criterion is that administrative expenses will be charged to the Union budget, except those "cases where expenditure is not charged to the Union budget, it shall be charged to the Member States in accordance with the gross national product scale, un unless the Council acting unanimously decides otherwise" (TEU, ART. 41).

The Common Security and Defense Policy CSDP

As its name indicates, the CFSP has a double dimension: on the one hand, to deal with aspects related to international relations (in areas outside the Commission competence), and, on the other hand, to deal with external security issues, among whose instruments include the use of civilian and military capabilities, specifically oriented to conflict prevention, crisis

management and humanitarian assistance. Within the TEU, the PCSD is also developed in Title V (arts. 42 to 46) where we can observe the frequent use of the term “capacities”. Indeed, the rationale behind this policy is to provide the Union “with an operational capacity drawing on civilian and military assets. The Union may use them on missions outside the Union for peacekeeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter. The performance of these tasks shall be undertaken using capabilities provided by the Member States” (TEU, art. 42.1).

The previously mentioned missions outside the Union “may use civilian and military means, shall include joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilization. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories" (TEU, art. 43.1). Therefore, the capabilities associated with the CSDP may be of a civil or military nature, even if it is clear that the military component has substantial weight and unique requirements in terms of structures, procedures and equipment. The Union has always presented this dual civil-military nature as one of its hallmarks and one of the added values of its common European policy, whose application is based on a comprehensive approach and the convergence of efforts of all available resources and instruments.

According to the TEU, the generation of these capabilities is supported by contributions from the Member States who "shall make civilian and military capabilities available to the Union for the implementation of the common security and defense policy, to contribute to the objectives defined by the Council” (TEU, art. 42.3). In this context, “Member States shall undertake progressively to improve their military capabilities” at the service of the European Defense Agency (EDA) (ibid). Since its creation in 2004 the EDA[17] has, under the authority of the Council, assumed a leading role in the development of the CSDP thanks to its following functions enclosed under TEU Art 45.1:

(a) contribute to identifying the Member States' military capability objectives and evaluating observance of the capability commitments given by the Member States;

[17] In the third chapter dedicated to the variable “Objectives” we will study in detail the organization and operation of the EDA since its establishment has meant an important boost to the planning and development of defense capabilities.

(b) promote harmonization of operational needs and adoption of effective, compatible procurement methods.

(c) propose multilateral projects to fulfill the objectives in terms of military capabilities, ensure coordination of the programmes implemented by the Member States and management of specific cooperation programmes.

(d) support defense technology research, and coordinate and plan joint research activities and the study of technical solutions meeting future operational needs.

(e) contribute to identifying and, if necessary, implementing any useful measure for strengthening the industrial and technological base of the defense sector and for improving the effectiveness of military expenditure.

It is important to note that, after declaring the scope of the CSDP as one of foreign action, the TEU itself declares that the CSDP "shall include the progressive framing of a common Union defense policy. This will lead to a common defense, when the European Council, acting unanimously, so decides. It shall in that case recommend to the Member States the adoption of such a decision in accordance with their respective constitutional requirements" (TEU, art. 42.2). The implicit reference to a common (collective) defense would overlap with one of NATO's existential reason. To avoid such, the TEU includes a clause to ensure that the development of the CSDP "shall not prejudice the specific character of the security and defense policy of certain Member States" and always respect "the obligations of certain Member States, which see their common defense realized in the North Atlantic Treaty Organization (NATO), under the North Atlantic Treaty and be compatible with the common security and defense policy established within that framework (TEU, art. 42.2). Here appears one of the keys that have conditioned the development of the PCSD from its origin: the need and the obligation to "reconcile" this policy with those developed within the Atlantic Alliance.

As we have seen in this chapter, the aspiration of becoming a global actor with its own military capabilities to act anywhere on the planet is a historic milestone in the history of European integration, comparable to other integrative measures such as the adoption of the Euro. The wide range of EU actions, big or small, in different geographic scenarios around the globe shows already an evolution from regional to global power. The key will be to determine what military capabilities will be necessary to sustain these new responsibilities, since, currently, they only allow an effective response to low intensity crises, which makes the Union stronger than a "civil power" but still something very far from the concept of "superpower" (Csernatoni, 2014, pp. 2-4).

4.1.3 Military Objectives and Capabilities

Planning of Military Capabilities

After the Maastricht Treaty, the European Union decided to take responsibility for becoming a "global player" within the international security system. At that time, the EU was aware that its military capabilities contrasted significantly with the objectives set in the Treaty and with the overall expectations generated. The first Union-led military operations in the Balkans, Asia and Africa revealed that the EU was shifting from a regional power to global one. However, its limited military power, able to only be employed in low intensity crises, was still very far away from allowing the Union to become a "superpower"" (Chang, 2004, pp. 3-4).

In order to improve EU's capabilities two parallel and apparently complementary approaches have been applied: the "NATO approach" and the "EU approach". In order to apply the first, the Combined Joint Task Force (CJTF) concept was approved in 1994 by NATO Member States with the aim of making collective resources from the Alliance available for the WEU in its autonomous operations. Subsequently, it evolved into a broader framework after the Berlin plus Agreements between the EU and NATO. On the other hand, the "EU approach" is rather based on voluntary commitments by Member States to equip the Union with capacities (Chang, 2004, pp. 4-5; Boixareu, 2006, pp. 27-28).

In this chapter, the various planning processes, instruments, mechanisms, and objectives progressively set by the EU, including their connections with the initiatives adopted within NATO are going to be scrutinized. For this purpose, the starting point of this analysis was set in the year 1999 which coincide with the period in which the Union started the process of building the current CSDP. All the details regarding the real or effective result achieved from the application of these processes to generate capacities are going to be disregarded for the next two last chapters.

The EU approach: setting the stage

As of the Treaty of Amsterdam (May 1, 1999), the EU acquired the commitment to provide the ESDP with sufficient civil and military capabilities to enhance its international role. The successive European Councils will define some capacity objectives to be achieved and the deadlines to develop them. Each of these objectives has set in motion different capacity acquisition plans with different approaches and procedures that have shaped the current EU defense and strategy. Therefore, in this first part of the chapter only the time lapse going from 1999 to 2007 is going to be analyzed, as it is the period in which a series of instruments and

mechanisms were firstly introduced in the EU defense policy. With this purpose it will shortly review what are considered to be the three objectives and plans more significant of this timeframe: The Helsinki Headline Goal (HHG), the European Capabilities Action Plan (ECAP), and the 2010 Headline Goal (HG).

Following a meeting in Cologne in June 1999, the European Council declared the EU's determination to "play its full role on the international stage"[18], providing itself with the means and capacities necessary to carry out its responsibilities through a "common European policy on security and defence"[19]. To this end, the Union would have to somehow develop the capacity for autonomous action, supported by credible military forces and the means to prepare them and decide on their use in response to international crises. A few months later, the Helsinki European Council set a general objective for developing such capabilities, which have been referred to as the "Helsinki Headline Goal".

In short, the HHG established the operational requirements for the fulfillment of the Petersberg's missions. For such a purpose, it was established the need "to deploy and sustain a militarily self-sufficient force" out from the existing national, binational and multinational capacities, which will be brought together for crisis management operations directed by the Union and performed with or without NATO support (Reynolds, 2006, pp. 7). Commitments towards the Helsinki Headline Goal were to be made voluntarily by Member States, represented by their Defence Ministers and presented at annual "Capabilities Commitment Conferences." The first conference took place in Brussels in November 2000 and resulted in the commitment of approximately 100,000 personnel, 400 combat aircraft and 100 ships (Möttöla 2005, pp. 188).

However, as Hagman (2002, pp. 22) points out, there were significant qualitative shortfalls in some key capabilities' areas such as transport, air-to-air refuelling, electronic warfare as well as sea and airlift. Hence, even though Member States were able to provide the required number of troops quantitatively, the truth is that these troops could not actually be equipped, deployed and supplied as set under the HHG. This capabilities deficit between what was required and what was actually committed was the main reason for the launch of the European Capabilities Action Plan (ECAP) by the Council in 2001. This plan aimed to

[18] European Council Declaration on Strengthening the Common European Policy on Security and Defence, Cologne European Council. Retrieved from https://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/esdp/91704.pdf

[19] Ibid

streamline efforts from Member States in defense matters and to promote synergies in common projects while preserving the voluntary nature of national contributions (Schmitt, 2004). In its first stage, the search for solutions was channeled through 19 capacity panels, made up of national experts:

Attack Helicopters/Support Helicopters
Nuclear, Biological, and Chemical Protection (NBC)
Unmanned Air Vehicles (UAV)/Surveillance and Target Acquisition (STA) Units
Medical Role 3/Medical Collective Protection Role 3
Special Operations Forces (SOF)
Carrier Based Air Power
Suppression of Enemy Air Defence (SEAD)
Air-to-Air Refuelling (AAR)
Combat Search and Rescue (CSAR)
Cruise Missiles/Precision Guided Munitions
Theatre Ballistic Missile Defence
Deployable Communication Modules
Headquarters (OHQ, FHQ, CCHQs)
Theatre Surveillance and Reconnaissance Air Picture
Strategic ISR IMINT Collection
UAV (HALE, MALE and tactical UAVs)
Early Warning and Distant Detection Strategic Level
Strategic Air Mobility/Outsized Transport Aircraft, General Cargo Aircraft
Roll-On-Roll-Off Vessels (RO-RO)/General Cargo Shipping

-Source: Schmitt. 2004. https://www.peacepalacelibrary.nl/ebooks/files/06-bsecap.pdf

The implementation of the ECAP was guided by three fundamental principles: to optimize the effectiveness and efficiency of efforts to develop military capabilities; to apply a bottom-up approach in defense-matters cooperation based on voluntary national commitments, to coordinate cooperation between Member States and with NATO and to disseminate the importance of public support by enhancing transparency and visibility (Council, 2001, pp. 17-18; Schmitt, 2004). Through all the previous it was expected to fill the existing capacity gaps and to find new formulas to counterbalance the capability deficits in multinational projects. Further, we cannot ignore the role of the ECAP in restructuring the European defense industries

and in promoting technological and industrial cooperation, which in turn lead to more competition and dynamism within the market. This was closely related to the advances in the harmonization of military requirements and plans for the acquisition of weapons, thus reiterating the guidelines drawn in Helsinki. (Council, pp.19).

Yet, despite the hope placed in the ECAP, this project also suffered from some weaknesses. The most relevant ones were related to its voluntary nature and dependence on financial commitments to make it credible and the absence of a leading body in charge of supporting the process and monitoring the progress, among others. (Schmitt, 2004, pp.169) Due to this, it is not surprising that, in November 2003, it was decided to make some adjustments in the ECAP to reconcile the national commitments with the common interest of the Union within the framework of the Global Objective. The aim for such a reform was to complement the bottom-up principle of the ECAP with a top-down approach that would allow the identification of objectives and deadlines, that is, a roadmap, accompanied by a Capability Improvement Chart to evaluate the progress of the plan and guide the work of the Project Groups (Schmitt, 2004)[20]. On the other hand, France and Britain continued to take up the initiative with a series of bilateral summits during the course of 2003 which were to lead to the proposal of a new "Headline Goal 2010" and the establishment of a European Defence Agency (Reynolds, pp.12).

Right after the adoption of the European Security Strategy (ESS) in December 2003 and in a scenario of enlargement of the Union with 10 new States, the Council established a new objective of military capacity in May 2004, known as Headline Objective 2010 (HG). Such objective was presented as an extension of the Helsinki Global Goal and it established that the Member States would be, no later than 2010, in a position "to respond with rapid and decisive action applying a fully coherent approach to the whole spectrum of crisis management operations covered by the Treaty on European Union". (Council, 2004, art. 2).

On the one hand, Member States would have to focus on the interoperability, sustainability and deployment of forces that would in turn become more flexible, mobile and interoperable thanks to a better use of resources through the application of the concept of

[20] See also EU Military Capability Commitment Conference, 'Declaration on European military capabilities', Brussels, 22 Nov. 2004, 'The evolution of ECAP 2001–04', pp. 12, http://ue.eu.int/vedocs/cms_Data/Docs/pressData/eu/misc/32761.pdf

"pooling and sharing"[21]. On the other hand, the type of forces to be developed would be essentially based on the concept of "battlegroup" (EUBG) or highly available inter-weapon tactical group. More specifically, "the EUBG constitutes a specific form of rapid response and includes a combined arms battalion sized force package with Combat Support and Combat Service Support. Rapid reaction calls for rapid decision making and planning as well as rapid deployment of forces" (ibid, para. 4). The role of Battlegroups was, for instance, decisive in the success of the Operation Artemis in Africa which is believed to be the reason for its late adoption under the HG 2010 (Smaguc, 2013, pp.95). In fact, although the battlegroups initiative was not intended to replace the full 60,000-troop Helsinki goal, the range of tasks and responsibilities soon being considered for the battlegroups suggests that EU defence ministers were keen to make as much as possible of the new scheme, perhaps compensating for the faltering progress in the larger Helsinki project (Cornish & Edwards, 2005, pp. 805).

Creation of the EDA and new objectives

The European Defense Agency (EDA) was created in 2004 after the approval by the European Council of the Joint Action 2004/551 / PESC35 regarding the creation of an intergovernmental agency that "will aim at developing defense capabilities in the field of crisis management, promoting and enhancing European armaments cooperation, strengthening the European defense industrial and technological base and creating a competitive European defense equipment market, as well as promoting, in liaison with the Community's research activities where appropriate, research aimed at leadership in strategic technologies for future defense and security capabilities, thereby strengthening Europe's industrial potential in this domain" (EDA, 2014, pp. 19).

After its creation, the EDA was integrated into the Treaty of Lisbon. This provided the Agency with the necessary solid legal base and explicit endorsement to carry out its tasks in the field of providing the capacities, means and equipment required by the EU and/or CSDP. The application of a decision-making mechanism by qualified majority gave the EDA significant power to avoid institutional blockage. Furthermore, the inclusion of the EDA in the Treaty is a manifestation of the important role assigned to it in the construction of the CSDP and, more generally, of the European defense project. As Martí Sempere affirms, "the Treaty gives an unusual importance to the Agency since it does not refer to any of the other EU

[21] This concept will be used later in this chapter, it is based on sharing resources and taking advantage of synergies, not only between States, but also between the civil and military sectors.

agencies, and it shows the acquis that has been given to this organization since its creation" (Martí Sempere, 2008, pp. 1). In fact, the EDA is the only EU agency that has a specific recognition within the TEU, which underlines its added value and the importance its functions for the development of the PCSD (Moliner, 2011, pp. 38).

Its structure (see Annex 3) is headed by the Steering Board, made up of the defense ministers of all Member States except Denmark, a representative of the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, who chairs it. In this format, the Committee meets in ordinary session twice a year. The decisions of the Steering Committee are carried out by a Chief Executive who is appointed by decision of the Steering Board. Currently Jiří Šedivý holds such a position since May 2020. The Agency's organizational structure comprises of three operational directorates: the Industry, Synergies & Enablers Directorate (ISE)**,** the Capability, Armament & Planning Directorate (CAP) and the Research, Technology & Innovation Directorate (RTI). Together, they enable the EDA to manage all areas related to the cooperation of the Member States in planning and developing military capabilities, including the establishment of a European market for defense and restructuring of European industries in this sector (Chang, 2004, pp. 14)

The complexity of capabilities acquisition programs makes cooperation increasingly attractive as a viable and efficient formula. This enhanced the role of the Agency until becoming the main point of convergence for different national programs, such as: land, naval and aerospace platforms; weapons systems; command and control and ISTAR systems. At the same time, the desire of national industries to benefit from these developments will make the formation of industrial agreements an indispensable condition for future developments. Those companies that do not show dynamism, agility and initiative in the formation of these consortiums will have greater difficulties to successfully continue their lines of business in the defense field (Martí, pp. 5-7). Last but not least, the link between the EDA and the Permanent Structured Cooperation instrument was an unprecedented innovation that was perceived as the engine that would drive the development of the security and defense dimension of the EU. We must not forget how economic cooperation has by far been the driving force for greatest advances in European integration. In line of this, it seems reasonable that economic cooperation within the CSDP could lead to similar results in terms of integration, especially in a moment of unpredictability in the relations with the United States, which may put at risk even interoperability within the Atlantic Alliance (ibid, pp. 6). All the previous makes the EDA an exceptional forum where representatives of the Member States, through technical knowledge

and negotiating and communication skills, can build the path towards common European defense.

Since its inception, the EDA has applied a strategic, capabilities-oriented approach in which it plays a crucial role in terms of research and development of defense needs for Member States and the EU. Moreover, it enhances cooperation between them through multilateral R&T projects and through the management of Preparatory Action projects. Examples of this cooperation are the "pooling & sharing" initiatives whose aim is for Member States to share more common military capabilities. Also, the European Defense Technological and Industrial Base (EDTBIB), created in 2007, with the intention of making Europe more technologically independent. Likewise, dual-use technology projects (civil and military) have been developed, such as TURTLE (EDA, 2014), with the advice of the EDA (and the financing, in this case, of the Portuguese government and the structural funds). Collaboration with other agencies has also occurred, such as with the European Space Agency (ESA) with whom the DeSIREII project was launched in April 2015 (EDA, 2015) and OCCAR as we will see in the following section.

In terms of its key strategic activities, the EDA supports the development of defense capabilities of its participating Member States through a coherent prioritization framework with three complementary tools: the Capability Development Plan (CDP), the Overarching Strategic Research Agenda (OSRA) and the identification of Key Strategic Activities (KSA). The CDP is regularly updated and the latest version was endorsed by the EDA Steering Board in Capability Directors formation in June 2018. This tool serves as a "baseline and reference for the implementation of major European defence initiatives launched following the 2016 EU Global Strategy: The Coordinated Annual Review on Defence (CARD), the Permanent Structured Cooperation (PESCO), and the European Defence Fund (EDF)"[22]. The most tangible output of the 2018 CDP revision are the 11 new EU Capability Development Priorities, developed together with Member States regarding short-term, mid-term and long term trends (See Annex 4).

Due to the paramount importance of this whole process for this study, a specific space will be dedicated to this "defense package" of 2016 which actions of the EU will be based upon up no nowadays: The Implementation Plan on Security and Defense (IPSD), the European Defense Action Plan (EDAP) and UE-OTAN approach.

[22] Info retrieved from Official site of EDA under section "what we do"

The Implementation Plan on Security and Defense (IPSD)

In December 2016, the European Council endorsed the Implementation Plan on Security and Defense. This plan will set the way ahead for the development of EU security and defense policy and EU Global Strategy by focusing on three main strategic priorities: responding to external conflicts and crises, building the capacities of partners and protecting the EU and its citizens. For this purpose, four actions were presented that required the coordination of Member States to be executed (Council of the EU, 2016)

The first of these actions - and the one that has attracted the most attention from the media- was the Permanent Structured Cooperation (PESCO). The activation of this mechanism, a possibility existing since the entry into force of the Treaty of Lisbon[23], was according to Marrone "important because of its political and symbolic value and, above all, because of the opening of an institutional, legally binding pathway towards greater defence cooperation and integration" (2017, pp. 4). The objective was to jointly develop defense capabilities by the Member States and make them available to EU military operations. Having the means to act autonomously is a purpose coveted by the EU since the declaration of Saint-Malo and the entry into force of the Treaty of Amsterdam. However, the novelty in PESCO is that these means were now created jointly, which was an important step in terms of cooperation given the poor results obtained previously through other bodies such as Eurocorps, which did not met the expected integrating result.

The role of major military powers of the Union (with the exception of the United Kingdom) was remarkable during the whole process of adoption of PESCO. In july 2017, after months of negotiations, France, Germany, Italy and Spain sent a letter to the High Representative on possible compromises in the event of a PESCO activation. France was betting on promoting it through a small group, while Germany was seeking an inclusive agreement with the maximum number of states possible members (Zandee, 2018, pp. 2). Finally, a total of 25 Member States (all but Denmark, Malta and the United Kingdom) decided to participate with an initial list of 17 projects (see Annex 5), divided into three categories: common training (2 projects), land, air, maritime and cybernetics (9 projects) and bridging of operational gaps (6 projects) (Council, 2018). In November 2018, the list of projects has increased to 34 with the adoption of 17 additional projects. The Council also determined a governance system for these projects in July 2018. PESCO is, in definition, a cooperation

[23] Art. 42.6 TEU, Lisbon, 13 December 2007

format led by the States ("Member States-driven"). However, a Secretariat has been established to PESCO in Brussels to support the States.

Also, in relation to PESCO, a Coordinated Annual Review on Defence (CARD) was also established. Its main objective was to strengthen cooperation between Member States in two specific areas: operational cooperation and industrial cooperation. In other words, the CARD intended to identify strengths and weaknesses in the different operational forces of States while, in parallel, obtain a more coherent approach to planning defense spending, national investment, and research efforts. In 2017 the Council of the EU launched a pilot test that included a first review in late 2018 and a second in early 2019. The body in charge of the CARD is the EDA who, in addition with the Plan of Capacity Development (PDC), drew an evaluation plan of the different operational components of states. During the months following the launch of this pilot test, the EDA collected information on defense expenditures and military capacity of the states in order to prepare a preliminary report. The conclusions of this first pilot test have confirmed that defense spending increased during the period 2015-2019 and that the collective investment reference of 20% (established in the EU Global Strategy) was reached in 2016. However, this test also asserted the fact that States continue to plan and procure defense capabilities from a national perspective and that the EU should move from ad-hoc multinationals projects to a more systematic and structured alignment of planning in defense (EDA, 2018, PP. 30-34).

It can be noted how the launch of the PESCO and the CARD have fostered the activation of the EDA, a body created specifically to facilitate the coordination of Member States to develop defense capabilities jointly and strengthen European operational autonomy. At the same time, CARD also represents a mechanism to obtain "key" industrial capacities at European level, a basic requirement for the development of the industrial sector. As will be seen later, the industrial component is strongly related with the development of a coherent European strategy.

The European Defense Action Plan (EDAP)

In 2016, it was recognized the necessity to improve defense innovation and coordinate defense industry resources as a mean to guarantee EU's safety and that of its citizens. In line with this, the Commission proposed the creation of a European Defense Fund (EDF). In the words of the previous President of the Commission Juncker: "To guarantee our collective security, we must invest in the common development of technologies and equipment of strategic importance – from land, air, sea and space capabilities to cyber security. It requires more cooperation

between Member States and greater pooling of national resources. If Europe does not take care of its own security, nobody else will do it for us. A strong, competitive and innovative defense industrial base is what will give us strategic autonomy." (EU Commission, 2016)

The creation of the EDF is an action that is part of the European Action Plan for Defense (EDAP)[24], the second project promoted by the Union in 2016. The EDAP and more concretely the EDF aimed to foster the creating of a solid, competitive and innovative defense industrial base by creating conditions for further defense cooperation and maximizing defense spending efficiency. In this way, it would be possible to reduce dependency on other non-European suppliers such as the United States. [25]

The EDF is a project closely connected with CARD and PESCO. Furthermore, projects carried out in the context of the permanent structured cooperation may be subsidized with an additional premium of 10% from the fund. In the same way as CARD and PESCO, the EDF will receive the support of the Agency Defense Council and the European External Action Service, however, all this are going to be explained in the following chapter related to the Economic resources allocated to the defense and security of the EU.

NATO's approach

Once presented the path followed by the EU in defining its military capabilities within the framework of the CSDP, it is time to discuss NATO's role in that process. As seen in the previous chapter, the Atlantic Alliance has always been associated with the security dimension of the Union, and this is reflected in the TEU. Therefore, in this section, we will see the principles that support this relationship and the cooperative formulas that have been implemented for the planning of military capabilities and strategies at the disposal of the EU.

Relations between the EU and NATO were firstly institutionalized back in 2001 when the Union had already begun the process to provide the CSDP itself with an autonomous crisis management capacity. The political aspects of this relationship were included in a joint declaration on the ESDP (December 2002), in which both entities agreed in strengthening their

[24] Communication from the Commission (COM(2016) 950 final) to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, 'European Defence Action Plan'. From: https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:52016DC0950&from=EN

[25] In the 2014-2018 period, the United States accounted for 41 percent of imports of armament from EU Member States. P. Wezeman et al., 'Trends in International Arms Transfers 2018 ', SIPRI, 2019, p.10. From: https://www.sipri.org/sites/default/files/2019-03 / fs_1903_at_2018.pdf

strategic partnership in crisis management "founded on [their] shared values, the indivisibility of [their] security and [their] determination to tackle the challenges of the new Century" (NATO, 2002). The association between the EU and NATO aimed fundamentally to avoid duplication of efforts, ensure transparency and reinforce and respect the autonomy of both organizations. Close cooperation between NATO and the EU was thus paramount for developing a comprehensive international approach to crisis management and operations, situations that require the effective application of both civilian and military means.

The relationship was further strengthened after the so-called Berlin Plus arrangements in 2003 that set the basis for the Alliance to support EU-led operations in which NATO as a whole is not engaged (NATO, 2020). By mean of these agreements it was possible for the EU to take over the responsibilities of NATO in the former Yugoslav Republic of Macedonia through the well-known peacekeeping mission EUFOR Concordia. This mission was the first "Berlin Plus" operation in which NATO assets were made available to the EU (NATO, 2016). Similarly, the EU deployed in 2004 Operation EUFOR Althea, which operated also under the "Berlin Plus" arrangements, drawing on NATO planning expertise and on other Alliance assets and capabilities. Since then and thanks to NATO-EU cooperation, a large number of missions and crisis management operations have been launched worldwide, such as in the Western Balkans, Afghanistan or the more recent anti-piracy missions and migrant crisis in the Mediterranean (ibid).

However, regarding the development of EU-NATO capabilities, it is commonly asserted some weaknesses or flaws intrinsic to the proper nature of the relationship itself. This, according to Chang, has to do with the extraordinary weight of veto for the US. In his opinion, any autonomous EU operation challenges not only the power of the United States in Europe and the world, but also threatens the cohesion of the Alliance. Denying the EU's access to Alliance resources could, perhaps, be the best way to curb the emergence of EU military power and to indirectly maintain US preponderance in the world (Chang, pp. 6). On the other hand, it must be considered that NATO's shared resources (acquired through joint financing of its members) are very small. Most of the forces and material resources remain under national control until, in compliance with the commitments signed, they are totally or partially assigned to NATO with a specific mission. In fact, most of the most sophisticated defense systems used by NATO belong to the United States, whose participation would be decisive in the face of medium-high intensity conflicts. Consequently, the EU's access to the collective resources of the Alliance would provide "more psychological than operational" help. This, in other words,

mean that the “NATO approach” would cause a dangerous dependency or even “an obstacle, not an aid, to improve the EU's military capabilities” (ibid, pp. 7).

Yet, from another point of view, cooperation between the EU and NATO is not just limited to procedures for accessing the Alliance resources. Rather, EU-NATO strategy extends to the entire process of developing military capabilities in both organizations. With this purpose in mind “the EU and NATO and their Member States will ensure coherent, transparent and mutually reinforcing development of the capability requirements common to the two organisations” fully respecting “the political autonomy of EU and NATO decision-making” (Council of the EU, 2003, Art. 40). The problem raises when the capacities for crisis management required by both organizations overlap, especially in the case of the European members of the Alliance; in this case, the forces and capabilities provided are essentially the same, whether a military operation is carried out under the direction of NATO or the EU. The challenge, then, is to avoid useless duplications and incompatible needs.

In order to deal with the previous issue, the EU Capability Development Mechanism (CDM) provided the necessary mechanisms to “ensure coherence and compatibility between national commitments, plans and priorities taken on, whether in the EU framework, or in NATO initiatives or, for the nations concerned, in the force goals accepted in the framework of NATO planning or the PARP[26]; and to avoid conflicting demands” (Ibid, Art. 42)[27]. Unfortunately, despite the various efforts and mechanisms, “these measures did not bear fruit until 2016, due partly to blockages of a political nature which greatly limited transparency between the two organisations and hobbled the EU-NATO working group in meetings of no great interest” (EU Parliament, 2018, pp.36).

Indeed, it was only in 2016 when NATO and the EU initiated a “ttransatlantic strategic partnership” that led to plan comprising of forty-two actions aimed at increasing cooperation between the two organisations[28]. This was boosted through the adoption of thirty-two new measures adopted in 2017 from which we can highlight the following:

- ‘Establish cooperation and consultation at staff level, through regular meetings, in military mobility in all domains (land, maritime, air) to ensure a coherent approach and synergies between the EU and NATO aiming to effectively address existing barriers, including

26 Partnership for Peace Planning and Review Process (PARP)

27 See also art. 42-53 on requirement for Coherent Capability Development

28 See ‘The Warsaw declaration on Transatlantic Security’ https://www.nato.int/cps/en/natohq/official_texts_133168.htm?selectedLocale=en

legal, infrastructure and procedural, in order to facilitate and expedite movement and border crossing for military personnel and material, in full respect of sovereign national decisions.

- 'Hold an informal workshop to be co-organized in the first half of 2018 in order to develop a shared understanding on ways that counter-terrorism may benefit from defense capability development.

- 'Ensure coherence of output between the Coordinated Annual Review of Defence (CARD) and respective NATO processes (such as the NATO Defence Planning Process), where requirements overlap, while recognising the different nature of the two organisations and their respective responsibilities, through staff-to-staff contacts and upon invitations by the individual Member States concerned to NATO staff to attend CARD bilateral meetings, as appropriate.' (Council of the EU, 2017, pp. 6-7).

With this pretext, an understanding between both entities seems feasible so that the EU takes charge of security challenges in Europe and act on conflicts that do not represent a priority for NATO (that is, for the United States). However, the Trump administration has posed some risks to it since the controversial US president has repeatedly disregarded EU's defense efforts, demanded the compliance with the 2% commitment in defense spending, and even reiterated that the Atlantic Alliance was no longer among the US' priorities. Yet, the truth is that currently efforts are still being made from both organizations in many areas of cooperation. In fact, according to the fifth and last progress report available on the implementation of the EU-NATO common set of proposals it is highlighted the significant progress achieved in areas such as: political dialogue, military mobility, countering hybrid threats, operational cooperation including on maritime issues, cyber security and defense, and defense capabilities (Council, 2020).

4.1.4 Economic and Financial Resources

As mentioned in the previous chapter, the EU created a defense package with the aim of developing the military resources of the States members and facilitate their coordination. Nonetheless, in a complementary way to capacity development, such package was also designed to strengthen the industrial base and European Defense Technology. Its two main objectives were, and still are, the creation of a competitive European Defense Equipment Market (EDEM) and the improvement of European Research and Technology (R&T) in the field of defense. Therefore, this section is going to scrutinize the economic resources made available by the EU and some of its institutions for the development of the above-mentioned

military objectives and capabilities. We need to differentiate between two periods pre-2016 and post-2016 which coincide with the entry into force of the EMF.

Economic resources before 2016

To start with, it is important to bear in mind that the European defense industry has always been characterized by its protectionist emphasis. This is in turn further promoted by the EU's own internal regulation, which states that "any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the internal market regarding products which are not intended for specifically military purposes" (TFEU, art. 346). Based on this premise, the European Union started in 2004 a gradual process of liberalization of this sector, focusing its action on defense public procurement and intra-European transfer of military products.

It is worth to mention the instrument introduced in 2004 known as Athena, which was the financing basis for common costs related to EU military operations conducted under the CSDP[29]. In short, the Athena mechanism was accountable for covering the costs associated with headquarters in EU-led operations and the additional costs of supporting military forces during the whole deployment process (Barcikowska, 2013, pp. 4). However, this was not enough to support EU capabilities. In fact, the European Parliament expressed in 2013 "its grave concern at the continuing and uncoordinated cuts in national defense budgets, hampering efforts to close capability gaps and undermining the credibility of the CSDP" and urged Member States to stop and reverse this irresponsible trend (EUPAR, 2013, para. 5).

On the other hand, the European Union began to strengthen the European defense market as a consequence of the cuts (in all public sectors including defense) brought by the economic crisis of 2008 and, with it, came cuts in all. This fact motivated the Commission to promote greater cooperation between Member States. Its main supporter was former president of the European Commission, Jean-Claude Juncker, who before his candidacy stated: "Member States should also create more synergies in defence procurement. In times of scarce resources, we need to match ambitions with resources to avoid duplication of programmes. More than 80% of investment in defence equipment is still spent nationally today in the EU. More

[29] See http://www.consilium.europa.eu/es/policies/athena/

cooperation in defence procurement is therefore the call of the day, and if only for fiscal reasons" (Juncker, 2014, pp. 11) (See Annex. 6). Shortly before his election the EEAS and the EDA helped the European Commission to prepare a communication entitled "Towards a more competitive and efficient defence and security sector". The EU eagerness on promoting industrial and economic cooperation in the defense field was reflected in such document. Likewise, it was also made clear that integration was the only way to achieve it: "Budgetary constraints must therefore be compensated by greater cooperation and more efficient use of resources; If spending more is difficult spending better is a necessity"[30].

For the first time, the fields of research and technological capabilities in defense began to be promoted. It is important to highlight that before this moment the Commission had never before allocated resources to actions related to politics defense, since both the CFSP and the CSDP depended solely on contributions from Member States. However, gradually, the EU started a subsidy award process targeting at arms companies through research in 'security'. The first program that earmarked European funds for 'security' research was the European Security Research Program (ERSP), endowed with 1,400 million euros and integrated within the FP7 research framework program (2007-2013). Since the investigation on 'security' was included within the civil investigation sector, dual-use (civil and military) technology was included as a way to allow large companies in the military sector to access this type of funds. After completing the research framework program for the period 2007-2013, ERSP launched the program "Horizon 2020", endowed this time with a budget of 1.7 billion euros (Vallés Pérez, 2019, pp.32).

As we can see, in this period there was nothing like a budgetary assignment for supporting EU's objectives. One proof of this is that the whole political structure related to the CSDP (including the military sphere of it, like the European Union Military Committee EUMC

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[30] Communication (COM(2013) 542 from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Towards a more competitive and efficient Defence and Security Sector
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0542&from=es

or European Union Military Staff EUMS[31]) all matters and initiatives are indirectly financed through the Committee of Permanent Representatives (COREPER)[32].

Economic resources post 2016

As we have said previously in chapter 3, the year 2016 was a turning point for the European defense policy as a whole. In terms of actions, the European Defense Action Plan, and more concretely the European Defense Fund, will become paramount instruments for economic cooperation among Member States. Through EDF the EU intends not only to stimulate cooperation in armaments programs, but also push Member States to acquire capabilities that are considered necessary for the defense of the EU.

The Plan has started to work during the current budget period (2017-2020) through two preliminary phases, one for research and another one for development. The first one is called the Preparatory Action on Defense Research (PADR) which was born of the need to investigate exclusively in 'defense' rather than in 'Security' as was the trend so far. The PADR has served to finance five military research projects from 2017 to 2019 and its budget of 90 million euros, has been distributed throughout the three years with 25, 40 and 25 million euros respectively. In these projects they have collaborated with companies in the sector from 16 different Member States. On the other hand, the European Defense Industrial Development Programme (EDIDP) is endowed with a higher amount, 500 million euros, to finance the development of prototypes, equipment and defense technology during the period of validity 2019-2020 (See Annex 7). The European Commission published 21 calls for projects in 2019. One year later, in April 2020, with a total budget of more than €160 million, another 12 calls for proposals under the EDIDP reflecting critical capability needs were published. Proposals for this 2020 edition have just been submitted by the 1st of December 2020 (EU Commission, 2020).

These actions represent only the prelude of the European Defense Fund, which will start operating from 2021 and will last until 2027. The amount planned for this fund is 13,000 million euros of which 4,100 million will be allocated on research projects and 8.9 billion to

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[31] Council Decision 2001/79/PESC, 22th Janurary of 2001 setting up the Military Committee of the European Union https://eur-lex.europa.eu/legal-content/En/TXT/PDF/?uri=CELEX:32001D0079&from=EN & Council Decisión 2001/80/PESC, 22nd January 2001 on the establishment of the Military Staff of the European Union https://eur-lex.europa.eu/legal-content/En/TXT/PDF/?uri=CELEX:02001D0080-20080407&from=ES

[32] To get a better idea of the political structure of the CFSP, it is advisable to consult any report of the Observatory of European Foreign Policy on the acts of the CFSP. [Online: http://normcon.eu/en/]

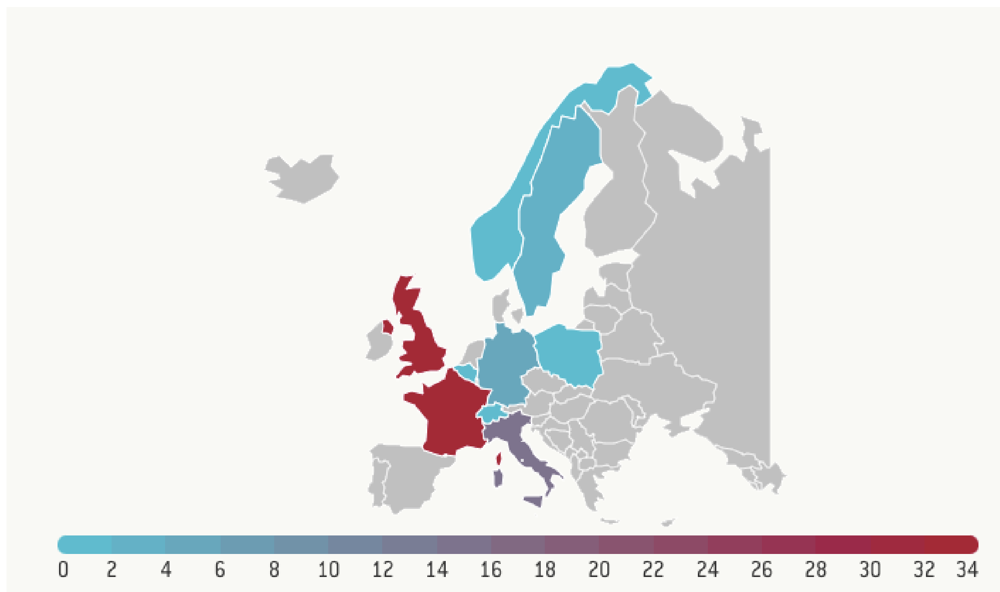
development projects. If this occurs, it will mean that the EU will finance up to 100% of research projects and up to 20% in development projects, the rest will have to be assumed by the States. Furthermore, since the EDF is a project closely connected with CARD and PESCO (Annex 8), projects carried out in a permanent structured cooperation context might be also subsidized with an additional 10% premium from the fund (Vallès Pérez, pp. 41).

Last but not least, the European Commission will allocate 13,000 million euros for the multiannual financial framework 2021-2027. Although these might seem modest figures for covering the whole defense budget of Member States, it must be taken into account that the EDF only covers part of these costs, to which it should be added the funds provided by the Member States themselves and the costs of subsequent acquisition. This will produce a multiplier effect that will mobilize several tens of billions of euros within the EU framework. Moreover, the EU defense industry comprises more than 440.000 employees highly qualified, had many positive spill-over effects on civilian application and is increasingly a dual-use industry that benefits the economy at large (EU Commission, 2020). The unlocking of the EDF budget will contribute to support EU's competitiveness and innovation potential, which will probably also be of big help for reactivating EU's economy after the coronavirus crisis. In fact, the industrial base of the EU is what is going to analyze in the following section.

4.1.5 Industrial and Technological base

The European defense-industry has, like the whole security and defense dimension, undergone an enormous change during the last 30 years. However, its internal fragmentation places the European defense industry far from ranking among the largest manufacturing sectors in the EU. Notwithstanding this, the industry employs around 500 000 people directly and indirectly generates 1 200 000 jobs (in 2014) which gives it an additional importance beyond its inherent security aspect (Roth, 2017). The structure of the European defence industry, just like other manufacturing industries, is highly dispersed with a few large players also called European defense-giants (see Annex 9) and about 1350 small and medium-sized enterprises. While companies are scattered over the whole European territory, a few countries such as Austria, Czech Republic, France, Germany, Italy, Poland, Spain, Sweden, and the United Kingdom host the bulk of medium and top sized companies.

Graph 2: European Defense Industry, sales of Arms od Major Companies (2015 in billion EUR)



Note: * MBDA and Airbus are trans-national companies, but are counted to France in this map.
US-owned production sites in Europe are not included.
Coloring based on 2015 sales in arms

Source: Roth (2015) own illustration, data provided by SIPRI Arms Industry Database (2015)

As we can see from the previous graph, the UK, France and Italy bear the brunt of the European defense market in terms of the number of manufacturing and sales of arms. In the UK *BAE Systems* (€23 billion of arms sales and 82 500 employees) is the largest defence company. In France it is *Thales* (€7 billion and 62 000) and *Safran* (€4.5 billion and 70 000). In Italy *Finmeccanica* (€8 billion and 47 000) is the largest. On the other hand, *Airbus*, a trans-European company, ranks second (€13 billion and 136 000) in Europe after *BAE Systems*. It is important to highlight that some of these companies are not exclusively involved in the production of arms, which explains the varying ratios of sales to employees (ibid).

To sum up, the European defence sector is comprised of a few top players such as *BAE Systems*, *Airbus*, *Finmeccanica*, and *Thales*, along with hundreds other small and medium size companies. A more harmonised and coordinated European defence policy might bring efficiency gains through further specialisation of countries and national companies in certain technologies. Yet, the development of multinational defense programs requires a structure for its management. Either one of the participating nations assumes the leadership of the program management, either is assumed by an agency specialized in management of programs of armaments. In the latter case, this management might be done through an ad-hoc agency or

through a specialized agency of permanent structure. In the European dimension there are two large agencies specialized: the EDA and OCCAR[33].

The EDA framework

As we have already mentioned, one of the main objectives of the EDA is to strengthen the European industrial and technological base, which often becomes an arduous task due to the differences of interests among states. The EDA advocates a common defense industry, focused not only on the creation and purchase/sale of weapons as such, but also focused on the unity of its members in terms of defense in cybersecurity, biological attacks, hybrids etc. The role of the EU in this process is to promote cooperation in defense matters because, as stated by Jorge Domecq (former director of the EDA): "Even though much has been achieved over the last years, even more needs to be done. If we want EU defence initiatives to lead towards a more coherent and integrated European defence landscape with a more capable, deployable, interoperable and sustainable set of military capabilities and forces that are able to deliver on these strategic priorities, we need sustained efforts and unfaltering political commitment" (EDA, 2019).

In fact, the EDA has become one of the pillars of the CSDP as reflected in the tasks set forth in article 45.1 of the TEU. These tasks have emanated in more detailed forms, such as into the European Defence Technological Industrial Base (EDTIB) strategy which set a series of operational goals to: a) contribute to identifying the Member States' military capability objectives and evaluating observance of the capability commitments given by the Member States, b) promote the harmonisation of operational needs and the adoption of effective, compatible procurement methods , c) propose multilateral projects to fulfil the objectives in terms of military capabilities, ensure coordination of the programmes implemented by the Member States and management of specific cooperation programmes, d) support defence technology research, and coordinate and plan joint research activities and the study of technical solutions meeting future operational need and e) contribute to identifying and, if necessary, implementing any useful measure for strengthening the industrial and technological base of the defence sector and for improving the effectiveness of military expenditure[34].

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[33] OCCAR stands for Organization for Joint Armament Cooperation

[34] Council Decision 2011/411/CSDP defining the statute, seat and operational rules of the European Defence Agency and repealing Joint Action 2004/551/CFSP.
https://www.eda.europa.eu/docs/documents/eda_council_decision.pdf

Regarding the first point, we have already seen how the Agency has prepared the Development Plan of Capacities (CDP) to sustain the European Capacities Action Plan (ECAP) in collaboration with the Council, the Military Committee and the EU Military Staff. However, this coordination has been conditioned by the voluntary nature of participation from Member States to these capacities. In this sense, states often prefer to acquire capabilities from their own national supply or even through multilateral agreements outside the framework of the EDA (EUPAR, 2016)[35].

Regarding the second point, the Agency's efforts to increase coordination in acquisitions crystallized in 2012 with the approval of the "Pooling and Sharing"[36] principle and the creation of the CoDABA, a database for Member States to share information on their plans and programs for capacity development. However, the results were quite disappointing and only four relevant collaboration programs were launched: remoted piloted aircraft systems, in-flight supply, government communication satellites, and cybersecurity projects in which not all Member States participated (Council, 2013).

Regarding the third point, the EDA has also tried to achieve convergence of national investments in defense matters. We can see in the following table the reference values set by the agency and their evolution in recent years.

Table 3:

	Ref.	2006	2007	2008	2009	2010	2011	2012	2013	2014
Purchase of equipment (including R&D and R&T). % of total defense spending.	20%	19,4%	20.5%	20.9%	20.8%	21.9%	19.8%	20.3%	19.7%	17.8%
Acquisition of programs in collaboration. % of defense spending in this matter.	35%	20.8%	18.9%	21.3%	22%	21.2%	24%	18.2%	15.0%	19.9%
R&T in defense. % of total spending in defense	2%	1.32%	1.24%	1.23%	1.15%	1.06%	1,11%	1.05%	1.1%	1.02%

[35] Schmitt (2014) identifies as a weaknesses of the ECAP its the lack of financial commitments, lack of leadership, poorly innovative methods based primarily on regular meetings of national experts, and an ad hoc exercise limited in time and scope. Equally illustrative is the observation by EUPAR (2016, 65) on the fact that nations only propose minor projects in the CDP that they do not want to carry out nationally and to which they don't pay enough attention.

[36] The idea of the “pooling and sharing” is to accumulate defense resources from Member States to share in mission related to the CSDP. Progress on this issue has been limited and only constitutes a important advance the development of the European Air Transport Command to plan, entrust and control the missions of approximately 220 transport and refueling aircraft from seven nations (Pertusot 2015).

Collaborative R&T. % expenses defense R&T totals	20%	9.6%	13.1%	16.6%	12.8%	11.8%	12.1%	6.9%	8%	8.6%

Source: Martí Sempere (2018) pp. 39. EDA Data sample.

Regarding the fourth point, the EDA manages the projects developing the technologies needed for the future defence systems, as it happens already within the ad hoc projects (CAT A/B) format. Collaborative R&T projects can be partially or fully funded under the research window of the EDF. Yet, the collaboration among States in R&D has also had limited success. This has often led to the coexistence of several national programs with a similar objective and an innovation congestion in certain areas, such as drones or cybersecurity, while in other areas of interest the R&D has been relatively low. On the other hand, another problem has to do with the existing large number of independent national investments in comparison with the small budget available for it. This lack of coordination leads to inefficient results from a European point of view.

Last but not least, regarding the last task of the Agency, the main actions have been the approval by participating Member States of an intergovernmental regime to improve the transparency and competitiveness of the European defense market, the signing of a Code of Conduct on defense procurement built on voluntary and reciprocal basis[37] and the establishment of a Code of best practice in the supply chain in 2006. The problem with these codes of conduct is that its application is also voluntary, not being its non-compliance subject to sanctions (Martí Sempere, pp. 39).

All the previous issues abridge in one big problem which is the Agency's relatively small budget[38] that limits its range of activity. This, in turn, has prevented the EDA from starting projects on her own, always dependent on Member States' own interests. Another issue is that although their statutes allow decisions by qualified majority, unanimity has been the usual procedure of making decisions (EUPAR, 2016, pp. 20), which has burdened the evolution of initiatives. In practice, Member States have rarely taken advantage of the EDA's capabilities (EUPAR, 2013, pp. 24) and the Agency has been marginalized from major weapons programs in the EU such as the MALE drone, a joint program among France, Germany, Italy and Spain

[37] This agreement was complemented with the creation of a web portal on bids in defense of both participating Member States and their industry.

[38] Note that only in 2015 the EDA had 125 employees and an operating budget for 2015 of € 30.5 million. If operating expenses are deducted from this budget, the Agency can spend only about € 6 million per year on research, a figure relatively low for covering with European needs (EP 2016).

in favor of the OCCAR. Likewise, the Future Combat Aircraft System (FCAS) has also been left out of the Agency.

However, despite all these shortfalls, the EDA still plays a relevant role in supporting the implementation of projects through political, financial, technical and legal promotion, operational experience and the search for synergies with other actors. In fact, it can be said that the EDA is an agency that translates politics into military actions through a process in which political decisions are in turn based on defence-industrial knowledge. On these grounds it can be argued that the EDA is a facilitator of interstate and transnational relations within the industrial market, especially when it comes to procurement projects in cooperation with other organizations such as the OCCAR.

OCCAR

The OCCAR, created in 2001, is a specialized intergovernmental agency in management of multinational weapons and defense equipment programs. While the EDA focus on the political aspects, the OCCAR focus on research, development, and procurement of final products. The OCCAR works to optimize integration of the European defense-industry as a mean to maintain and improve its competitive edge. The main actors of the OCCAR are the members states who are differentiated between full members -Spain, Italy, the UK, France, Germany, and Belgium- and non Member States that participate in specific projects; Turkey, Sweden, Lithuania, Poland, Finland, and the Netherlands[39]. This is due to its modular program structure which allows the incorporation of States that are not members of the organization to join specific projects.

The OCCAR manages large-scale programs such as the Tigre or the A400M, with an operating cost of 4.2 billion euros in 2020 (OCCAR Business Plan, 2020, pp. 23). Through its experience, OCCAR has acquired a series of management procedures governing the organisation of complex defense projects. In addition OCCAR has also developed a system for balancing participating states' work shares across several projects (Global Balance) which increases economic efficiency. OCCAR is considered to be one of the preferred collaborative programme management organizations for PESCO projects. To organise a seamless transition from the preparation phase to the development phase, EDA and OCCAR have established practical arrangements.

[39] Germany, France, Italy, Spain, Belgium and the UK (no longer member os the EU)

The importance of OCCAR becomes evident in the case of armament programmes involving heavy investment. In this kind of complex capability development, the acquisition process can be managed by OCCAR on behalf of the States participating in the programme as in the case of the Eurodrone, A400M, the Tanker Transport (MRTT) Aircraft, the helicopter TIGER as well as armoured transport vehicle BOXER or the interoperable communication waveform ESSOR. Finally the OCCAR is also managing the development of the MALE-RPAS. The development for this program of a Medium Altitude Long Endurance Remotely Piloted Aircraft System has required of strong industrial cooperation (Airbus, Leonardo and Dassault) and the coordination of four States willing to operate it (ibid, pp.15). Once completed, it is expected to have a large number of acquisitions, favoring the industry and creating a new joint capacity distinctly European.

On the other hand, even if the EDF is a relatively recent phenomenon, Member States have shown great interest to participate in the 2019 programs, as shown in Annex 10. This proves that EDF has piqued the interest of nations and industries. This is also demonstrated by the hostility of the US in respect of the EDF and OCCAR itself. In fact, one might think that an increase of cooperation in the EU can pose a risk to the US industrial defense supremacy; on the one hand, cooperation between EU industries reduces the external dependences, and on the other hand, the creation of large intra-European consortia allows the creation of competitive products for the international market.

Through its existence, the OCCAR is materializing the political intention of cooperation and integration in that its existential purpose is based on it. Moreover, its joint research and development efforts are stimulating and supporting national defense firms of Europe since costs can be shared. Hand in hand with the EDA, this organization is facilitating defence-industrial relations between a smaller collection of European states and the European defence-industries which in turn might lead towards further cooperation and integration (OCCAR, convention, pp. 9; OCCAR, about us; OCCAR, policies)[40].

4.2 Top-Down Analysis

The outcome of previous studies of the variables offered a turning point in 2016 that affected most of the areas related to the defense dimension of the EU. Prior to that specific momentum, there were no significant advances in terms of coherence between the vision of the EU role in the world and specific military capabilities that could lead to tangible consequences on the

[40] From official site of OCCAR http://www.occar.int/

matter. After 2016, the EU started to progress in the defense policy field and launched a series of initiatives that would enhance coherence. Therefore, this study will mainly focus on the post-2016 period.

4.2.1 From Vision to Policy

The starting point of this variable is the vision that the EU has of itself as a "global actor", ready and willing to assume certain responsibility in maintaining world security. This means thinking globally and acting locally, according to previously identified possibilities and self-set priorities. An actor of this level needs to develop its strategic autonomy through a foreign security and defense policy endowed with necessary capacities to achieve its objectives. Consequently, there is coherence between the vision of a global actor (great power) and the decision to establish a specific CSDP.

The Common Security and Defense Policy (CSDP) is a consequence of the will of EU Member States to move towards a closer political union. Its genesis has been particularly slow and difficult, and we could use the analogy of a building under construction. The fact that defense is still perceived as a national rather than a European issue is a strong belief with severe implications, which delays the achievement of consensus on this matter. The process began in 1992 with the Maastricht Treaty that established a Common Foreign and Security Policy. Another particularly relevant action was the creation of the High Representative of the Union for the Common Foreign and Security Policy in 1999.

Indeed, the CSDP has functioned as an instrument to stimulate increasing convergence among Member States on security and defense-related issues. However, these principles have shown two weaknesses. On the one hand, the expression of 'mutual political solidarity' has given voluntary and optional character to Member States. As a consequence, Member States are not obliged (and most times do not feel compelled) to contribute to even minimal commitments in benefit of the whole union.

On the other hand, the pursuit for convergence has not been carried out systematically nor in a sustained manner, as it is the case in other policy areas of the EU. In this sense, the TEU is extremely respectful towards national sovereignties, up to the point where, at times, this deferential treatment with could undermine the credibility and effectiveness of the CSDP by not guaranteeing the unity of action of its Member States. However, the periodic evaluation of these shortfalls, referring to a common catalog of needs or requirements of the Union, has supposed considerable progress in the convergence of national plans and has reinforced the

need (or at the very least the convenience) of a common, unifying body such as the European Defense Agency. At this point, there is growing coherence in the Union's proceedings.

In this context, another important milestone is the creation of the EU External Action Service (EEAS), already contemplated in the 2007 Lisbon Treaty but which existence did not become a reality until December 2010. Even with substantial deficiencies, it is, as a whole, an instrument meeting European ambitions to become a global interlocutor. The EEAS integrates with increasing efficiency and coherence the great variety of political, diplomatic, commercial and even cultural European responsibilities. That said, in the area of military and defense, it is a generalized opinion that the EEA capabilities are still not meeting the legitimate demands to the Union's position as a political and economic power and that they are insufficient for the protection of its values and interests abroad.

Certainly, the EU has never sympathized with a military superpower model (like in the case of the US's) but the implementation of a strategic approach aiming at conflict prevention and crisis management requires the ability to project a military force sufficiently strong and compelling to survive and carry out timely and decisive actions anywhere in the world. A joint framework to counter hybrid threats was agreed in April 2016 with clear reference to the tactics employed by the Russian Federation. The release two months later of the European Global Strategy clearly shows the desired end goal. The next question that arises is the definition and dimensioning of the instruments to exert their influence (power) at global level.

4.2.2 From Policy to Objectives and Capabilities

As it happens with other policies in the EU, the progress of the CSDP is slow but inexorable. Over time, a shared, European CSDP will probably alter the way in which military matters are handled by EU states, as well as the industrial support required to support these matters in the Member States. The development of this policy also shapes the progress towards a European Technological and Industrial Base since it expedites the process to acquire best market practices, enhances coordination in the demand of products and services, promotes synergies and collaboration in the supply chain and, in the long run, facilitates a larger and more competitive industrial market.

As a matter of fact, the European Commission published in 2013 a communication called "Towards a more competitive and efficient defense and security sector" in which references were made to the importance of assuring the supply of goods and services, access to critical technologies and emphasized the relevance of achieving European operational sovereignty. This communication also outlined the problems of market fragmentation and

duplication of capabilities, organizations and expenses. Moreover, the document established an action plan composed of seven axes: strengthening the internal defense market, promotion of a more competitive industry, exploitation of the dual use of research and innovation, development of industrial capacities, actions in space and defense fields, strengthening the international dimension of the European industry, and the application of EU policies and instruments in the defense sector (Martí Sempere, 2018, pp. 41). This is a symptom showing that the EU is making efforts to increase its coherence towards the achievement of strategic objectives.

Likewise, the materialization of the Permanent Structured Cooperation has also been a particularly slow process. Indeed, the Council's decision to establish its structure and settle the list of participating Member States had to wait until December of 2017, after States confirmed their commitment to become part of such Cooperation. As anticipated, PESCO implementation was led by the big four: Germany, Spain, France and Italy. Regardless of some States advocating for a PESCO with a higher level of commitment and accountability, the level of engagement demanded from potential participants was moderate: A more severe approach would have left out some Member States. This inclusive criterion succeeded, allowing 25 out of the 28 EU States to participate, and the conservative approach facilitated an agreement intended to constitute the embryo of the future European army in charge of sustaining the CSDP.

One of its most important commitments is the collaboration of Member States in the development of joint military capabilities to reinforce the accumulation of capabilities made available to the CSDP. In this sense, PESCO will promote the acquisition of resources and, in combination with the European Defense Fund, will evolve into an important stimulus to consolidate European defense industry and market. Again, we observe coherence between policy and objectives thanks to the establishment of PESCO.

A Secretariat comprising the European External Action, the EU Military Staff and the European Defense Agency was entrusted with the management of PESCO. Among its various and different management tasks, the Secretariat is in charge of the supervision of activities and the approval of programs that will receive EU funding. Participating Member States are expected to ensure compliance with the binding commitments agreed upon through National Implementation Plans. These plans are meant to detail concrete actions that in the pursue of the achievement of specific targets, explaining how precise objectives will be met in each of the defined stages –currently two stages (2018-2020 and 2021-2025) are planned–. These plans

shall be accessible to other participants, most likely as a way to encourage and boost collaboration and to guarantee compliance.

This new framework represents a substantial change in the current way of managing defense in the Member States and will affect in one way or another the missions and tasks of their armed forces. It also leads to a very different way of working at the national level: On the one hand, national plans and budgets will have to accommodate the acquired commitments, allocating sufficient and adequate funds, and on the other, stronger coordination among Member States and industrial companies will be required in order to materialize projects and build the necessary military capabilities. The establishment of all this PESCO management structure definitively fosters the coherence between the policy lines of the CSDP and the achievement of its strategic objectives. As a final remark, the decision-making method depends on unanimous agreements, which could jeopardize the development of the PESCO and consequently undermine the previously achieved coherence.

4.2.3 From Objectives to Economic Resources

The increasingly ambitious commitments assumed by the States participating in the PESCO are stated in article 2 of protocol number 10 that appears in the annexes to the Lisbon Treaty. These can be summarized in two main categories of commitments: Those targeting an increase in cooperation in order to achieve the coveted level of investment in defense equipment, and commitments intended to promote the share of appropriate, specialized military means and capabilities.

Regarding the first group, Member States have agreed to increase defense budgets in real terms with the goal of achieving the agreed objectives. In particular, objectives are set upon the amounts allocated to investment in Defense and R&D at collective level, and upon the increase in joint and collaborative projects related to defense capabilities of a strategic nature to overcome current limitations and shortfalls. Commitments of the second group have the ambition to play a substantial role in the development of those capabilities within the established framework of the Capacity Development Plan (CDP) and the Annual Coordinated Defense Review (CARD). This substantiates an increase of coherence among the strategic objectives and the allocated resources to obtain them. Yet again, this review is also formulated as voluntary, which could negatively affect such coherence.

Technological evolution requires a particularly long cycle of research, development and innovation that can take not months or years, but even decades, as has been the case with the development of several complex armament programs, such as stealth aircraft, anti-missile

protection, or unmanned battle vehicles. These long cycles have an impact in both product and process technologies, for it involves a large number of tests and trials to achieve the desired performance, consuming large amounts of time and resources. This improvement cycle activity (research, development, innovation) must be carried out permanently, as mentioned before, in order to be competitive in a very demanding, fast-evolving market. One of the leading figures of this new approach was former President Juncker who, on several occasions highlighted the need for a strong Europe that stands up for its citizens, inside and outside the Union. Such an ambitious mission requires constant investment on innovation and resources gathering from the European defense industry. To this end, Mr. Juncker proposed the creation of a European Defense Fund within the European Defense Action Plan. For the first time, the EU would provide funding of projects in the defense area. In terms of coherence between the high-level objectives of the EU and the specific means to achieve them, this is the paramount milestone ever achieved by the Union.

The Plan developed jointly with the External Action Service and the European Defense Agency was presented by the Commission to the Council in November 2016, being welcomed and invited to present a more detailed proposal plan for the first half of 2017. The Fund was created to face the high costs of research, development and acquisitions in defense at a national level. Furthermore, it would help balance demand and supply forces of these goods, which will undoubtedly bring significant benefits to the sector. Synergies arise as collateral advantages, facilitating greater standardization and interoperability of equipment, more frequent when supplies are common to several Member States, which in turn will also promote sharing and pooling. The ultimate goal would be to jointly develop and acquire strategic defense capabilities in a quicker and cheaper way, therefore creating greater capacity for defense and military action of the EU.

Currently, the scope of the EDF encloses the entire defense equipment and systems production chain, i.e. research, prototype development and procurement. In the near future, the Fund will become an exceptional opportunity to escape the impasse in which many Member States find themselves due to budget cuts. Defense financial resources have followed a particularly austere path in most states during recent years, which has led to negative effects on demand, has aged labor force and has reduced training and technological competitiveness. In addition, the materialization of this initiative will lead to important changes in the defense management of the Member States who, in turn, will be main beneficiaries of the advantages of collaboration programs discussed in the next section.

4.2.4 From Resources to Industrial and Technological Base

As we have already seen, the PESCO and the European Defense Fund represent a substantial advance in the consolidation and integration of the European defense market and industrial base in Europe. The PESCO has established agreements to improve military capabilities that have already materialized in seventeen specific programs[41] and that will further expand in the coming years. On the other hand, the European Fund has created a framework to launch industrial projects in both research and development of defense capabilities. All this together constitutes a particularly attractive incentive for both national Defense Ministries and national industries of Member States to place forces and resources at the service of the EU. Undoubtedly, the expected outcome of these incentives is that it will exponentially increase coherence between the resources allocated by the EU and the specific effects in the European industrial and technological bases. However, in this favorable framework, there are still issues to be resolved.

First of all, it should not be forgotten that the whole EU invests one-sixteenth of what the US invest in R&D (see Annex 11), which prevents leadership and hinders Europe's ambition to play a key role in advanced technological areas. Nothing illustrates this scenario like the comparison between the annual amount of 1.857,14 million euros allocated by the Fund for R&D purposes, with the 4.2 billion euros that Member States invested just in 2016: the difference is extreme. Furthermore, this new environment presents significant challenges to governments, due to national Defense departments losing power in benefit of setting the scope of cooperative programs, having to agree with the other participating States instead. National authorities will also lose their competency to directly award contracts by choosing a successful tender, a power entrusted to the European Commission or a delegated organization. To this effect, there will be a transfer of power and influence from the Member States in favor of organizations such as the European Commission, the European Defense Agency or the External Action Service.

On the other hand, the industry of the less capable Member States will have a less favorable position, as the *Juste Retour* criterion succumbs to the Global Balance and Earned Workshare ones (not subject to national quotas). Industrial participation of weaker nations in joint programs will potentially be less relevant than that of stronger states, in terms of business and technological capabilities. Nevertheless, this workshare does not preclude them from not

[41] See "Council Decision of 6 March 2018 establishing the list of projects to be developed under PESCO". At a quick glance this list shows how varied the scope of these projects are.

being able to increase their participation and technical contribution in future activities, as long as they make good use of the existing funds. Successful R&D will allow the creation of new business lines and market niches that will improve their competitive position over time. Altogether, these new game rules will have a huge impact on the European industrial and technological base, thus increasing the coherence between resources and its desired effects.

The consolidation of this technological and industrial base will be a slow process, possibly not less than two decades. Its final configuration will highly depend on agreements between Member States regarding what means and equipment the Armed Forces will need to fulfill the PESCO objectives and sustain the CSDP, while fulfilling their national security needs. The choice of the capacity programs of the Member States will determine, to a certain extent, the industrial specialization of their companies and their regional distribution, which, in any case, will become more interdependent.

5. Conclusion

Throughout this thesis, a specific approach to the study of security and defense fields of the European Union (EU) has been put to test, with a focus on military capabilities. The purpose of this thesis, highlighted in the introduction, was to analyze the coherence between the elements contemplated in the vision that the EU has of itself. This vision shapes the political, strategic and capacity decisions of the Union, as well as the effective development of military capabilities (industrial and technological base) that have been promoted during the considered period, covering the entire existence of the Common Security and Defense Policy.

For methodological purposes, after taking into account the proposed theoretical framework, the EU decisions and actions affecting military capabilities were grouped into five blocks, considered as independent variables. These variables were thoughtfully presented in chapters 4,1 and 4.2: EU strategic Vision/Mission, Common Security and Defense Policy, Military Objectives and Capabilities, Economic and financial resources and European industrial and technological base of defense.

Assessing coherence requires a comparison between decisions and results. This investigation and evaluation were performed through a top-down analysis in which the coherence of each variable with the next one was scrutinized. To this end, each of these variables was previously defined by a set of elements, which became the subject of measure and comparison in the analysis, mainly attending to qualitative aspects. From the coherence or partial inconsistencies already identified and detailed in the analysis, we will now draw a final conclusion that answers the research questions proposed in the introductory section.

Since its establishment, the CSDP has been the cornerstone, fundamental instrument for structuring the security and defense dimension of the European Union. Throughout its existence, it has progressively endowed the Union with operational capacity to carry out autonomous military operations, based on the use of civil and military resources with progressive and increasing degree of integration. The search for greater coherence in the Union's action is one of the four lines of action of the European Security Strategy. Therefore, the accomplished study focused on the coherence between the approved provisions and plans outlined by the EU and the actual development of military capabilities within the framework of the CSDP. Throughout the analysis, not only elements that demonstrate coherence have been found, but also others that suggest some degree of inconsistency exist. Setting the spotlight on the most relevant findings, the following synthesis summarizes the conclusion.

In terms of coherence, utmost attention must be drawn to the EU decision to provide itself with a CSDP, with civil and military capabilities, for autonomous action in response to its calling to become a major global actor. In line with vocation, the adoption of an intergovernmental model for the management of this policy has given the Member States a key role in decisions related to security and defense, although with increasing participation of the Commission and the European Parliament. Moreover, the creation of a series of specialized bodies in the planning and development of the CSDP (e.g., EUMS, EUMC) covering the conceptual, training, generation and preparation of capacities, and the conduct of operations also contributes to greater coherence in CFSP and CSDP decision, including military capabilities. The setting of this scenario has pushed Member States to achieve remarkable levels of convergence in defense matters, and to voluntarily put civilian and military capabilities at the service of the CSDP and progressively improve them.

On the other hand, we also have to highlight the role of the EDA in bringing coherence to the EU. Ever since its creation, the EDA has benefited from a series of functions and tools that have granted the Agency a central role in the development of the CSDP. The EDA, in collaboration with the Member States, the Commission, the EUCM, the EUMS, the OCCAR and companies of the European industrial defense sector have contributed to boost coherence to levels never witnessed before at a European level.

The first step towards greater coherence was the approval of a European Security Strategy in 2016, serving as a reference for the Member States and providing consistency to the development and use of military capacities. Secondly, the incorporation of specific European strategies on the field of the CSDP related to R&D, industry and the defense market, provided new financial and regulatory resources that in turn strengthened the industrial and technological base of the European defense. This was further reinforced through the EDF and PESCO, pursuing an improvement to the capacities of the Member States in areas of interest to the European defense by eliminating inefficiencies and creating transnational consortia within the EU. All previous activities stimulated the development of a coherent strategic framework that is crucial to guide the work of the EDA and to integrate companies in the effort to develop common capacities.

Despite the outstanding achievements described above, some incoherent actions also found along the study must be addressed in this conclusion. These actions are hampering and even sometimes jeopardizing the European integration process. First of all, the clause allowing for Member States to participate only on voluntary basis to the CSDP actions, together with the discretional nature of national contributions to the CSDP were identified as two big

drawbacks that directly affect decision making processes and coordination within the EU. Another issue, linked to the previous one, is the unanimity rule in most areas of decision-making regarding CSDP policies. With regard to the EDA, the analysis identifies a trace of incoherence in the lack of correspondence between the functions entrusted to the EDA and the insufficient budget allocated to fulfill its mission. Finally, and most importantly, despite last year's promising results regarding EU industrial cooperation, efforts must continue in that same direction. Otherwise, the further strengthening of the defense industrial and technological base will be put at risk, and convincing sceptic Member States to abandon unilateral practices will grow in difficulty.

In view of these results, the below answers respond to the two formulated questions that introduced our study and initiated the research of this thesis:

A1. The current military capabilities of the Union are a consequence of the provisions stated in the Treaties and in the current European Global Strategy from the organizational point of view, as far as the implementation of an EU-own process to plan, generate and conduct capabilities is observed. On the other hand, they do not respond operationally, since the voluntary nature of the contributions of the Member States and the difficulty in reaching consensus on the use of capabilities do not guarantee either the sufficient and timely generation of skills nor its later employment in the required scenarios.

A2. The CSDP and the capabilities at its service endorse an evident increase in coherence with a possible process towards a common European defense, in accordance with the formula used by the TEU in its articles 24 and 42.2. The current status of the CSDP confirms the existence of a process of convergence of certain aspects of the defense policies of the Member States, promoted by the defense package, which may lead to the strengthening of the industrial and technological base of European defense.

Taking these two answers as a whole, it must be recognized that, in the period after 2016, the European Union has made substantial progress in the development of all aspects related to its security and defense dimension. The CSDP has been the vehicle for this evolution, which has tried to respond to the challenges of a changing security environment and the destabilizing power of new threats, technological advances and natural phenomena.

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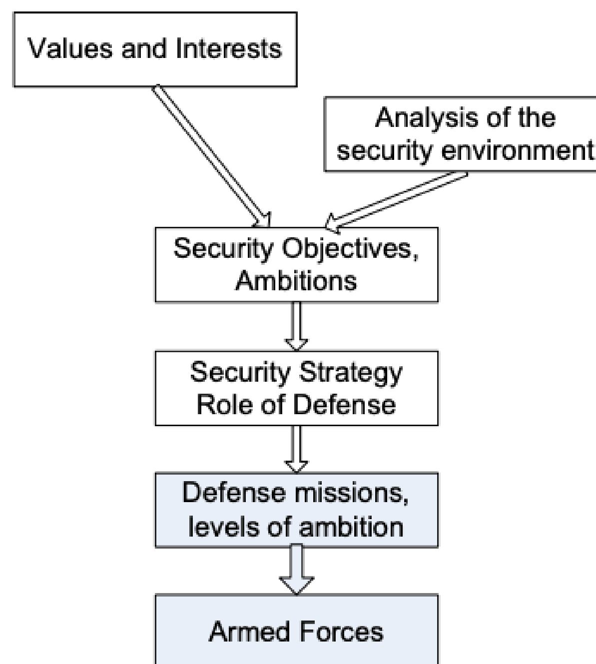
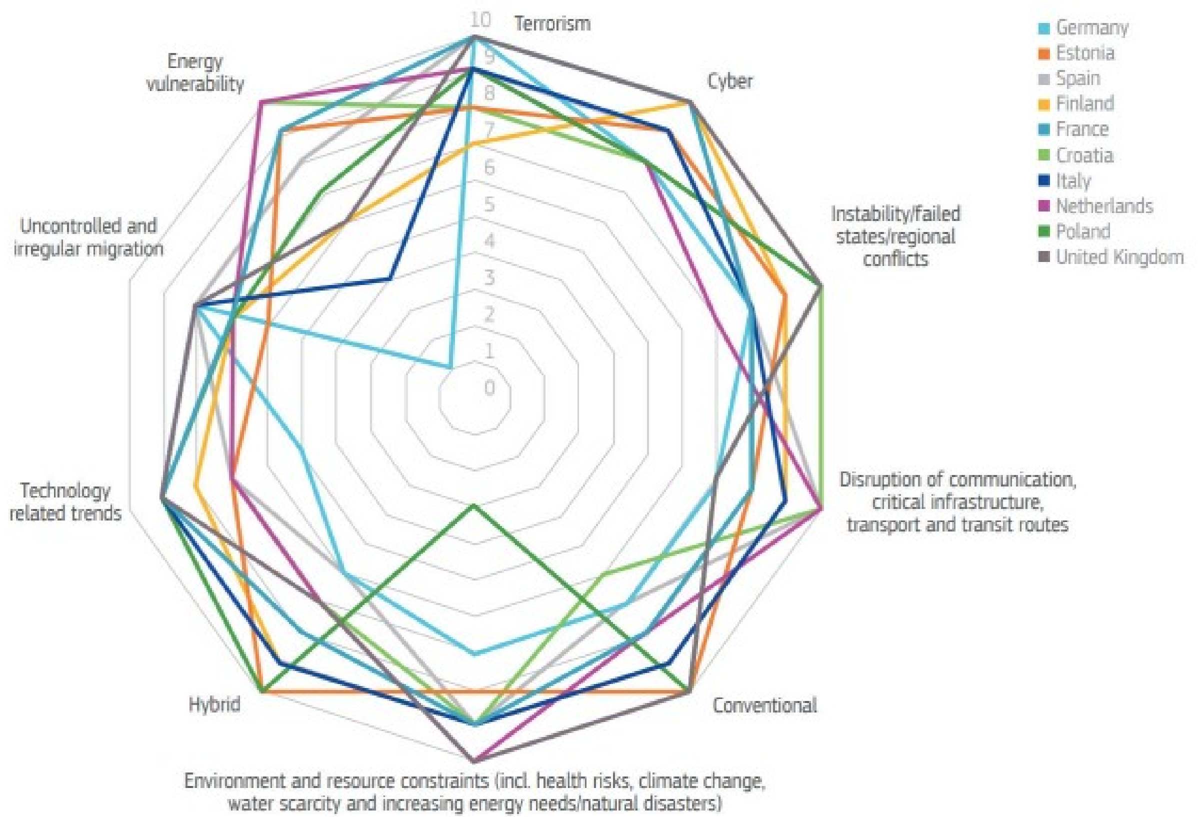
Annexes

Annex 1: Definition of Defense Objectives. “The elaboration of defense policy flows from the desire to uphold and promote the values and the interests of a nation or an alliance, the underlying security strategy and the role of the military among the instruments of national power, all of which influence the definition of defense objectives (as shown in Figure 2). Defense objectives, in turn, are often expressed as defense missions, i.e. possible roles of the armed forces, and levels of ambition in defense”. (Tagarev, 2006, pp. 19)



Annex 2: The same key threats on Member States' security radars. Source: European Political Strategy Centre. (2019). Joining Forces: The Way Towards the European Defence Union. EPSC Brief (as cited in Dokos, 2019, pp. 5)



Annex 3: EDA Organization. Retrieved from

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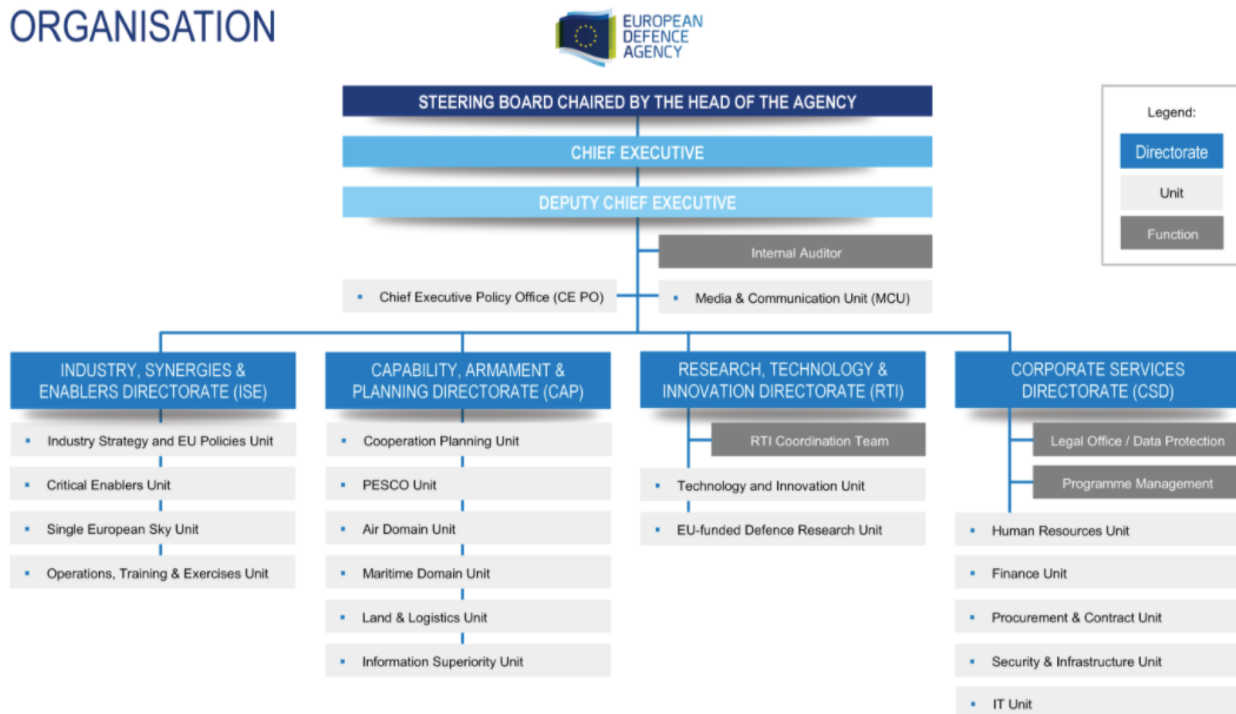


Annex 4: EDA Capability Plan https://www.eda.europa.eu/what-we-do/our-current-priorities/capability-development-plan

CAPABILITY DEVELOPMENT PLAN

SHORT-TERM PERSPECTIVE

- General shortfalls and associated risks in the CDP context
- Lessons learned from operations

MID-TERM PERSPECTIVE

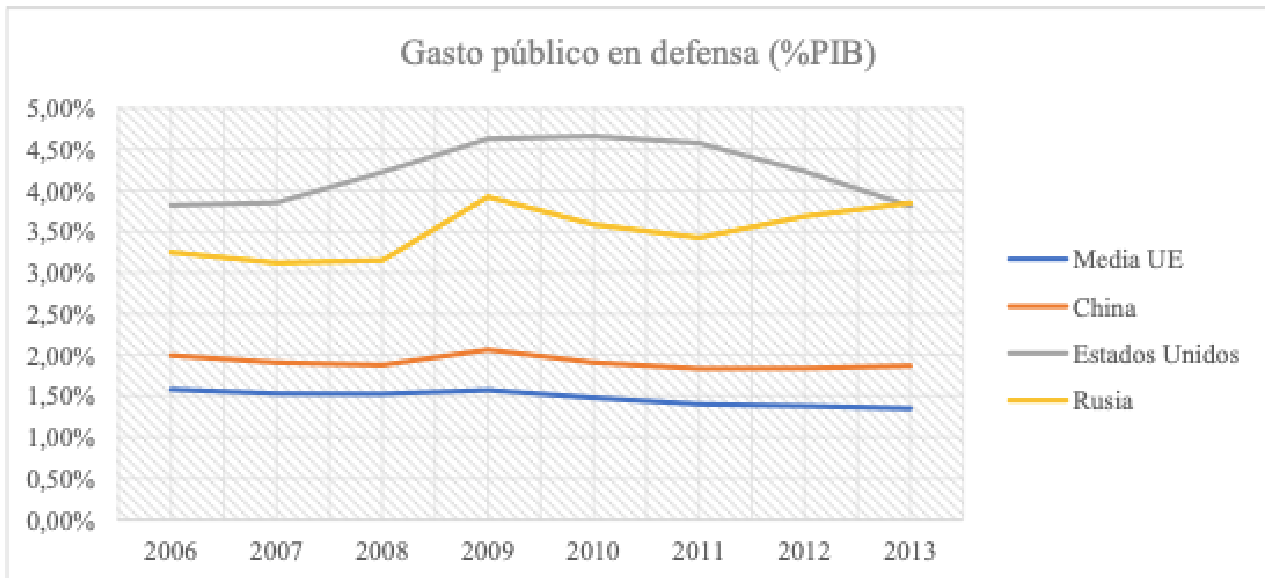
- Identification of planned capabilities
- Identification of collaborative opportunities

LONGER-TERM PERSPECTIVE

- Assessment of future trends (2025 – 2040 timeframe) taking into account technology innovation and R&T development

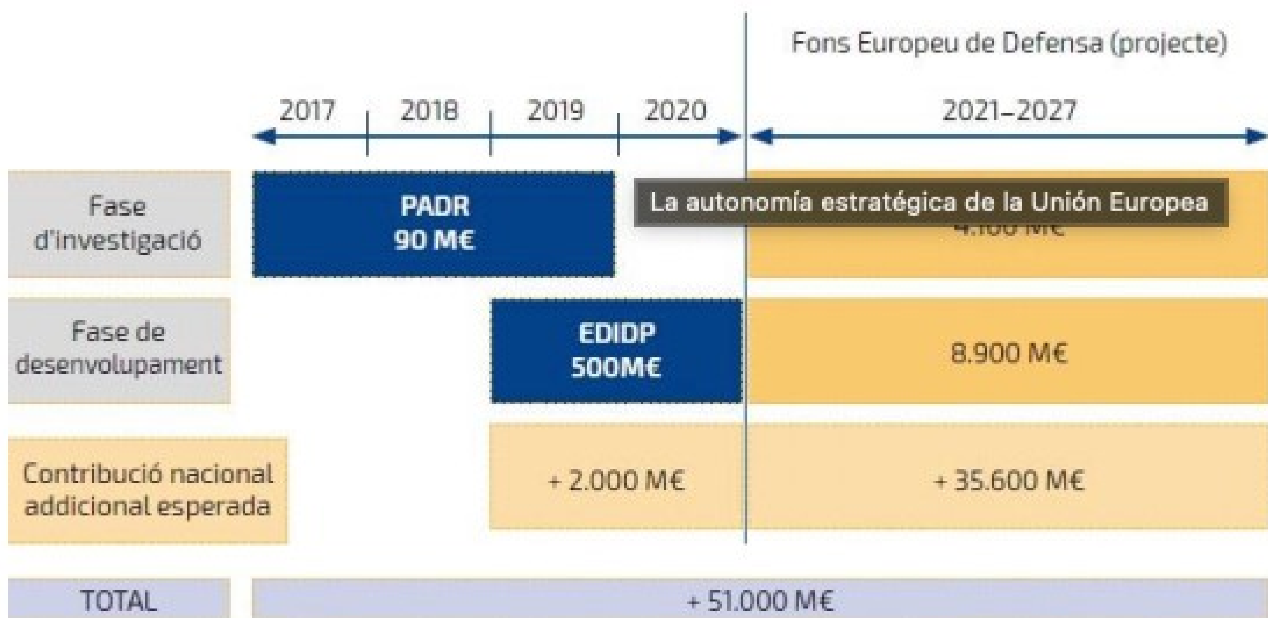
Annex 5: First 17 projects of PESCO. Source: Press release from Council, 06/03/2018, *Defence cooperation: Council adopts an implementation roadmap for the Permanent Structured Cooperation (PESCO).* Retrieved from https://www.consilium.europa.eu/en/press/press-releases/2018/03/06/defence-cooperation-council-adopts-an-implementation-roadmap-for-the-permanent-structured-cooperation-pesco/

Annex 6: Comparison of defense spending (% GDP) between EU, China, United States and Russia during the period 2006-2013. Source: Vallés Pérez (2019) graphic elaboration with data from the World Bank Database (https://data.worldbank.org/indicator/ms.mil.xpnd.gd.zs) and SIPRI Military Expenditure Database, (https://www.sipri.org/databases/milex)

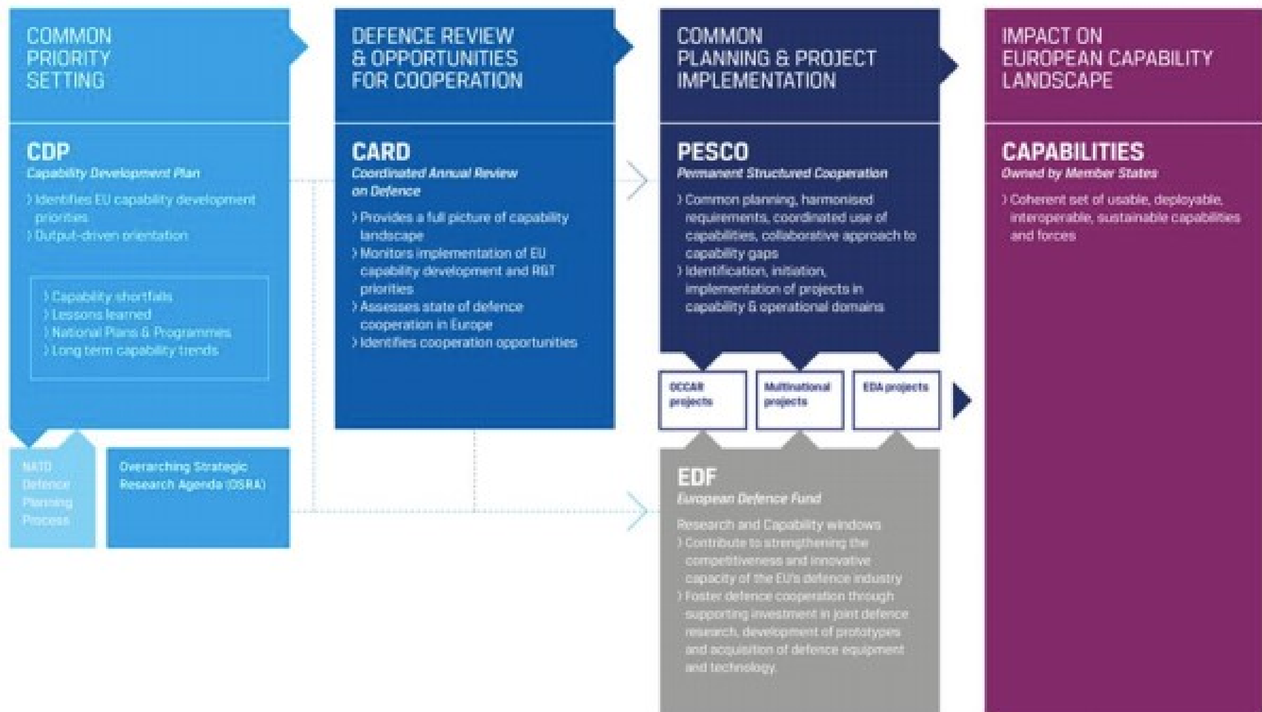


Annex 7: Budget distribution from the EDF and preparatory actions divided by periods. Source: T. de Fortuny & X. Bohigas (2019) Fons Europeu de Defensa: La voluntat de la UE d'incrementar la seva despesa militar i afavorir el sector armamentista, pp. 11 http://www.centredelas.org/images/Working_Papers/WP_FonsDefensaUE_abril2019_CAT.pdf]

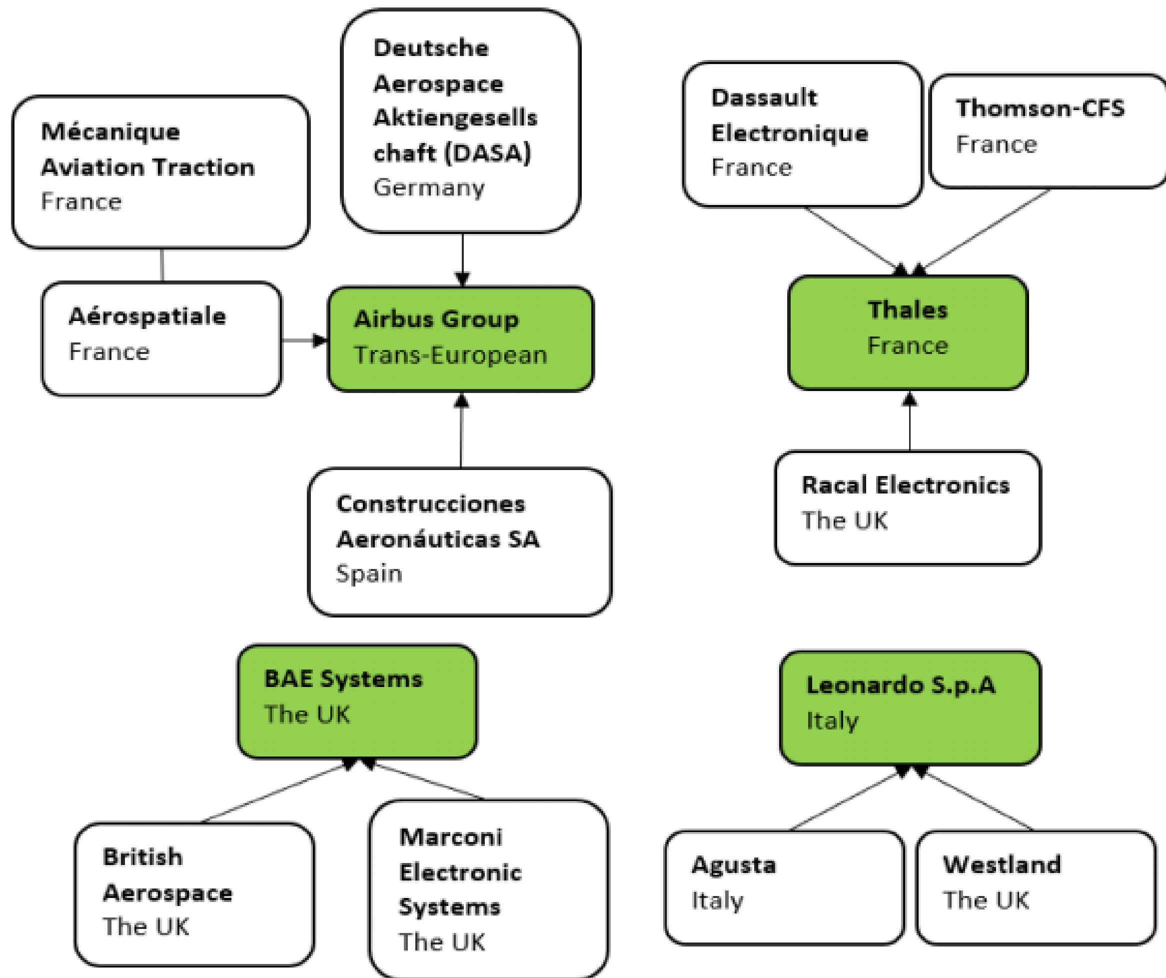
		UE	Estats membres	Subtotals
PADR		90	-	90
EDIDP		500	2.000	2.500
Fons 2021-2027	Investigació	4.100	-	4.100
	Desenvolupament	8.900	35.600	44.500
	Total	**13.590**	**37.600**	**51.190**



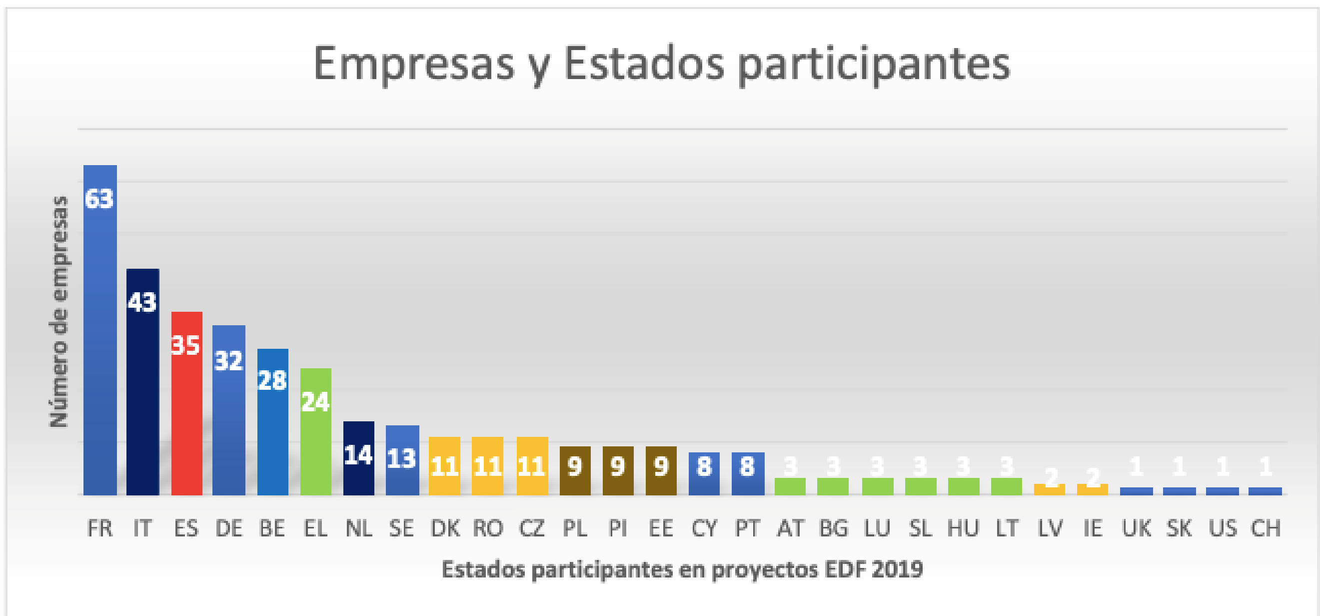
Annex 8: The EU Global Strategy determination process (EU GS). Source DGAM material from a Presentation on the Role of the SDG REINT in European Initiatives on Defense Matters. (PESCO-CARD-EDIDP-EDF). DGAM. (04/24/2020).



Annex 9: Sample of companies behind todays European Defence Giants (Guay & Callum, 2002; Leonardo: 2017).



Annex 10: Companies and States participating in EDF 2019 projects. Source DGAM, material from a Presentation on the Role of the SDG REINT in European Initiatives on Defense Matters. (PESCO-CARD-EDIDP-EDF). DGAM. (04/24/2020).



Annex 11: Government expenditure on R&D in 2016 in millions of €. Source: Eurostat