

APPROACHES TO EUROPEAN UNION MILITARY COLLABORATION IN THE CURRENT ECONOMIC AUSTERITY ENVIRONMENT

Maria CONSTANTINESCU

Lecturer, Regional Department of Defense Resources Management Studies,
Brasov, Romania

The effects of the economic crisis on European countries has led to serious cuts of the defense budgets and a perceived reduction in the EU's ability to provide capabilities required by other allies, especially the US. Cooperation, in the form of pooling and sharing may not be an easy and "ready to use" solution to Europe's defense issues generated by the budget austerity and economic downturn, but it may provide ways to lessen the defense cuts impact on the military capabilities. Nonetheless, the success of the initiative is strongly related to the degree of political and military commitment of the EU countries to put into practice the concept.

Key words: *capabilities, budget, cuts, pooling, sharing, cooperation*

1. ECONOMIC CRISIS EUROPEAN DEFENSE IMPLICATIONS

The US economic crisis from 2008 generated profound effects on the European countries, triggering a budget deficit crisis, combined with economic downturn. Its effects on the European Union members are complex and of varied intensity, depending on the specific situation of each country, but one common effect has been the decrease of government expenditures (and implicitly of defense expenditures) throughout the region.

The overall data presented by the European Defense Agency (**Figure 1**) show a general picture of the evolution of the EDA countries economies and defense expenditures (all EU countries, except Denmark, participate in EDA). According to this

data, the GDP decreased significantly in the year 2009 (-4.2%), followed by a timid increase in 2010. On the other hand, the defense expenditures followed a decreasing trend, even before the onset of the crisis. This decrease, generated by a variety of factors (including the perception that the European space is a stable place, with fewer security challenges than other areas), was significantly deepened by the budgetary problems and the austerity measures taken by European governments in response to the crisis.

These developments lead to a further increase in the gap between the US and EU defense expenditures. According to the EDA, the US defense expenditures were in 2010 of €20 Billion, while the EU (minus Denmark) spent in the same year €194 billion, meaning a ratio of 2.7:1 (**Figure 2**) [1]

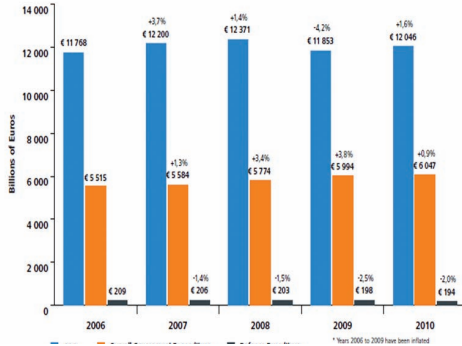


Fig.1. GDP and defense expenditures evolution in EDA countries
(Source: <http://www.eda.europa.eu/DefenceData>)

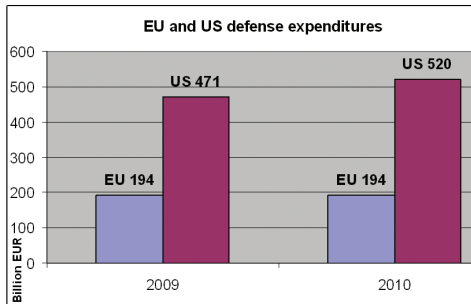


Fig.2. EU (minus Denmark) and US defense expenditures, in billion EUR
Source: http://www.eda.europa.eu/Libraries/Documents/EU-US_Defence_Data_2010.sflb.ashx

The difference in defense allocations is also visible when comparing the EU and US defense expenditures as a percentage of the total government expenditures, as the percentage allocated by the US for defense in the first two years (almost three times bigger than the EU percentage) showed a minor increase, while the EU defense expenditures slightly decreased.

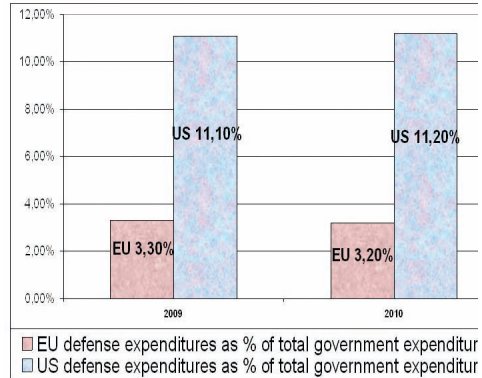


Fig.3. EU (minus Denmark) and US defense expenditures, in percentage of total government expenditures

Source: http://www.eda.europa.eu/Libraries/Documents/EU-US_Defence_Data_2010.sflb.ashx

The perceived gap between the EU and US contributions to providing defense allocations for ensuring security and generating capabilities, aggravated by the consequences of the economic crisis, lead to an increased pressure from the US in the sense of (from their point of view) a more equitable burden sharing and an increased self reliance of the EU on its own capabilities. This point of view received even more support on the US after the developments in Libya in 2011, when the provision of EU capabilities was considered to be insufficient.

The economic evolution in 2011 and the forecasts for 2012 do not provide reasons for optimism in regard to the evolution of the European defense spending, as the trend of budgetary austerity, economic downturn, uncertainty regarding the future of the common European currency and falling defense expenditures will most

probably continue.

In this context of tight defense budget, combined with the need for more modern, flexible and effective military capabilities, the need for cooperation and specialization become more pressing. In this context the concept of Pooling and Sharing became a subject for intense debate, at the level of the European Union.

2. THE CONCEPT OF POOLING AND SHARING

The need for a closer cooperation at the level of the EU in regard to military capabilities, in order to achieve savings and increase interoperability, is not a new issue. Even before the onset of the economic crisis, the need to improve the European military capabilities was subject to intense debates and the creation of the European Defense Agency in 2004 is directly linked to this issue. Thus, the mission of EDA is *“to support the Member States and the Council in their effort to improve European defense capabilities in the field of crisis management...”* and to act *“as a catalyst, promoting collaborations, launching new initiatives and introducing solutions to improve defense capabilities”*. [2]

The economic and financial difficulties generate by the crisis, coupled with the increased pressure from the US to increase the contribution of the European allies in the creation of NATO's defense capabilities, lead to the emergence of the “Pooling and Sharing” concept, in the so-called “Ghent Initiative” in

November 2010. The concept was the result of a German-Swedish initiative put forward in a “Food for Thought” document on the European Imperative Intensifying Military Cooperation in Europe, which states that the *“goal of the initiative is to preserve and enhance national operational capabilities – with improved effect, sustainability, interoperability and cost efficiency as a result”*. [3]

The document identified three main ways for increasing the cooperation between the European states:

- **increasing the interoperability** of those capabilities and support structures the countries are interested in maintaining under national control, allowing the use of flexible modules in specific, case by case, operations;
- **pooling capabilities**, meaning an increased *“cooperation without creating too strong dependencies”* [4], such as in the case of common training or logistic support;
- **role and task sharing**, which presumes the least level of national control over the capabilities, as the national capabilities are put at the disposal of other partners, promoting a higher level of reliance and dependency.

The European countries have currently identified a few Pooling and Sharing initiatives, such as Helicopter Training Program, Maritime Surveillance Networking, European Satellite Communication Procurement Cell (ESCPC), Medical Field Hospitals, Air to Air Refueling capability, Future Military Satellite Communications, Intelligence

Surveillance Reconnaissance (ISR), Pilot Training, European Transport Hubs, Smart Munitions and Naval Logistics and Training.

While the EU countries agree that there is a need for increased cooperation in terms of military capabilities and for more efficient and effective use of existing and scarce resources, the initiative is still under discussion when it comes to identifying concrete areas and ways to achieve these goals.

One of the concerns relates to the need to avoid duplication of NATO capabilities and structures, as most of the EU countries are also NATO members and they would be contributing to the development of military capabilities for both EU and Alliance missions. One of the most obvious effects of this duplication would be higher costs and less effectiveness, especially given the austerity environment and the reluctance of many European governments to engage into more defense-related expenditures.

One potential area for increased cooperation between the EU countries relates to the common training of forces and participation to common exercises. An existing initiative in this sense is the cooperation between Belgium and Netherlands. Developed on three main areas, namely “operational steering, workup and training”, “navy military education” and “operational support”, the cooperation also refers to two common capabilities in the field of the Navy, Mine Countermeasure Vessels and Frigates. [5].

The cooperation in the field of defense training as part of the pooling and sharing initiative may take the form of common educational institutions (bi-national or even multinational), exchange programs, harmonization of training contents and curricula (from levels starting from basic training to continued military education), common military exercises, common training facilities or any other agreed form in order to diminish duplication, reduce costs and increase common understanding and interoperability.

Another potential area of cooperation regards the minimization of duplication and increased integration in the area of force structures, command structures and procedures, with the purpose of increasing effectiveness and interoperability. The Belgian Dutch cooperation offers an example in this respect, as since 1996 the part of the defense staff responsible for operational steering and training of the Belgian navy is integrated with its Dutch counterpart in the structures of the Dutch navy. [6] This type of cooperation may bring the benefits of increased effectiveness, interoperability and savings, but it has to overcome difficulties related to national reluctance to relinquish control over part of their armed forces, lack of legal framework, and increase in costs – at least in the first phase - associated to the set-up of integrated structures.

Cooperation under the concept of pooling and sharing may also need to address the correlation and

harmonization of the European countries military requirements, capabilities goals and capabilities development plans. This cooperation may help avoid unnecessary duplication of military capabilities and a more effective identification of the capability shortfalls.

The areas of research and development and acquisitions are also crucial in improving the cost effectiveness of the European Union defense. Pooling and sharing of equipment acquisition may provide substantial benefits in terms of economies of scale, elimination of duplication, freeing funds for the acquisition of more modern equipment, providing the EU countries with access to expensive military systems which would be out of reach for individual countries, due to tight defense budgets.

On the other hand, this kind of cooperation faces serious challenges, deriving from the need to create and harmonize the supporting legal framework, the intense opposition from national defense contractors which would have to face increased competition, without the support

of their government and may loose lucrative defense contracts.

3. CONCLUSIONS

While pooling and sharing is not a “silver bullet” answer to Europe’s defense issues generated by the budget austerity and economic downturn, but it may provide ways to lessen the defense cuts impact on the military capabilities. Nonetheless, the success of the initiative is strongly related to the degree of political and military commitment of the EU countries to put into practice the concept. There are serious challenges to overcome in this direction, ranging from the reluctance to relinquish (or share) control over national capabilities, issues related to perceived sovereignty and national security challenges, the debate concerns related to the creation of a “tiered” Europe. Other concerns are related to the future of the European Union itself, as the worsening of the economic outlook and the decrease of the living standards may lead to an increase of nationalist sentiment, making an increased military cooperation more challenging.

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