Policy Paper

Europe’s defence: between EI2 and PESCO

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Executive Summary

- Europe’s defence is developing around two different poles; the Permanent Structured Cooperation (PESCO) and the European Intervention Initiative (EI2).
- PESCO is part of the Lisbon Treaty, but it was activated in 2017 and represents steps towards the European Defence Union. European Union Global Strategy, Brexit, Trump being elected president of the USA and crises in neighbourhood countries of the European Union (EU) showed that the Union should take more responsibility of its own security and defence.
- PESCO lacks operational dimension and use of force, so France created the EI2 as a forum of European states, who are sharing the same “strategic culture” and are willing to use force and intervene when there is a crisis.
- UK leaving the EU has given the opportunity to France and Germany to become key players in EU. France, on the one hand, wants EI2 to protect national interests and most importantly to conduct operations in Africa when needed. On the other hand, Germany wants Europe to develop defence capabilities without two different poles being created.
- Brexit, Italy decided to join the EI2, Denmark’s opt-out in EU defence, Belgium being in favor of PESCO since 2009, represent key cases for understanding the emergence of PESCO and EI2.
- Apart from the countries that are involved in these defence mechanisms, citizens of European countries are also demanding stronger defence capabilities, to feel secure again inside the borders of their countries.
- However, it is still too early to conduct results of PESCO and EI2, but military mobility project can provide an operational dimension to PESCO and that will lead to cooperation with EI2. Croatia’s presidency of the EU Council can also boost the development of PESCO.
- Finally, three policy recommendations for Europe to develop its defence capabilities parallel and together. Firstly, the EI2 should also include non-military servants and that can be achieved by merging with PESCO. Secondly, a detailed definition of “strategic culture” can foster cooperation between EI2 and PESCO. Lastly, the criteria for participation of third countries in PESCO should become more concrete, in order for the European countries to remain united.
EUROPE’S DEFENCE: BETWEEN EI2 AND PESCO

Introduction

This policy paper examines Europe’s defence mechanisms; namely the European Intervention Initiative (EI2) and the Permanent Structured Cooperation (PESCO). The main issue is the emergence of the two speed Europe in defence and the different approaches of the EU member states, such as France, who calls for more European defence, Germany who is characterized by a culture of military restraint or Denmark who traditionally does not participate in any EU defence mechanism but it does in EI2.

Moreover, the creation of these two mechanisms corresponds to the demand of the European citizens for more defence and security inside their borders. To summarize, the main question is how can these two mechanisms not divide but bond the progress of defence in Europe?

Background

Towards an EU common defence: From Saint-Malo declaration to Lisbon treaty

The European Union has been trying for many years to establish a single Defence Union. The first attempt of a closer defence cooperation between the member states was in 1998 with the Saint-Malo Joint Declaration on European Defence.1 At the time the Eurozone was created and integration process among the members of the Union had to move towards defence too.2 But, until the Lisbon Treaty got into force in 2019, the defence mechanisms inside the Union were developing very slightly.

The Lisbon Treaty provided the legal framework for more defence integration. The Common Security Defence Policy (CSDP) was framed by the Lisbon Treaty and provided the legal basis for the EU to conduct civilian and military operations abroad.3

Despite the creation of the CSDP, the development of defence mechanisms remained slow due to the member states’ cautiousness to fully support CSDP operations.4 Twenty years after CSDP and it is still in doubt the extent to which the EU has become a military actor.5

To be more precise, 21st century requires new strategies and capabilities for the CSDP to continue developing, such as the EU Global Strategy or the activation of PESCO. Today, the EU is not only facing external threats but is also weakened from the inside6. The rise of populist ideology in many

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5 Ibid.
6 https://cadmus.eui.eu/bitstream/handle/1814/61594/RSCAS%20PP%202019_11.pdf?sequence=1&isAllowed=y
member states, Russia’s invasion to Ukraine and the annexation of Crimea\(^7\), Brexit, the US President Donald Trump’s election indicated the need of further development of defence cooperation inside the EU.\(^8\)

**The activation of PESCO**

The uncertainty that the international environment produces led to the creation of several defence mechanisms by the EU. To begin with, in 2017 the Coordinated Annual Review on Defence (CARD) was launched. CARD is a mechanism through which the member states are to “gradually synchronize and mutually adapt their national defence planning cycles and capability development practices.”\(^9\)

Moreover, the Commission also launched in 2017 the European Defence Fund (EDF), which includes scientific and technological research and acquisition of specific defence systems.\(^10\) According to the following graph\(^11\), both CARD and EDF are aiming at fostering cooperation in defence matters between the member states. Yet, the most important initiative was the initiation of the Permanent Structured Cooperation in December 2017. The three mechanisms, though, PESCO, CARD and EDF are “complementary and mutual reinforcing tools”\(^12\), despite being created separately.

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\(^7\) Ibid.


\(^10\) [https://cadmus.eui.eu/bitstream/handle/1814/61594/RSCAS%20PP%202019_11.pdf?sequence=1&isAllowed=y](https://cadmus.eui.eu/bitstream/handle/1814/61594/RSCAS%20PP%202019_11.pdf?sequence=1&isAllowed=y).


The Permanent Structured Cooperation (PESCO) was created by the Lisbon Treaty. Jean-Claud Juncker, European Commission President, described PESCO as the “Sleeping beauty of the Lisbon Treaty”. The reason for him to make this statement is that, PESCO was not activated in 2009, despite having the potential to make CSDP more effective.¹³

PESCO is established on article 42.6 of the Treaty on European Union (TEU), according to which: “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 with the Union framework.”¹⁴ The European Defence Agency and the European Union External Action Service act as Secretariat of PESCO.¹⁵

25 out of 28 Member States participate in PESCO, except Malta, UK and Denmark. PESCO’s objective is to deepen defence cooperation between the member states and make EU’s defence more efficient.¹⁶ PESCO’s actions are based on common projects carried out by member states, as it is the case with military mobility or cyber-threats.¹⁷ It is also important to mention that, PESCO is not an alternative structure to NATO, but PESCO can “benefit the European pillar within NATO and improve transatlantic burden sharing.”¹⁸

The main question arising from the activation of PESCO, is why it happened in 2017, almost a decade after the Lisbon Treaty and not in 2009. Three main reasons can justify that. First, due to Brexit, defence integration in the EU could advance further. The UK has mainly been creating barriers regarding defence cooperation inside the Union.¹⁹

Second, the election of President Trump in the USA, has convinced the Europeans that they need to be more responsible for their own security.²⁰ President-elect of the European Commission Ursula von der Leyen, when she was Germany’s Defence Minister, stated that, “the Brexit referendum and the US election opened their eyes, Europeans must take more responsibility for their own security”.²¹

Third, recent political and military turmoil in the neighbourhood countries of the European Union, such as the annexation of Crimea by Russia²², illustrate that most of the member states need to advance their defence capabilities.²³

¹⁶ Ibid.
¹⁹ Ibid.
²⁰ Ibid.
²² Ibid.
The creation of EI2

The Permanent Structured Cooperation is developing gradually, and France has become disappointed.24 The main problem France is facing is the reluctance of the EU member states to intervene in crises and use force when required.25 So, in September 2017 President Macron proposed the creation of the European Intervention Initiative and in 2018 he invited nine European countries to join.26

European Intervention Initiative (EI2) is “a forum of European participating states which are able and willing to engage their military capabilities and forces when and where necessary to protect European security interests”27, and it is neither part of NATO nor the EU. Thus, the first members that were invited to join, were France, Belgium, Denmark, Germany, Estonia, the Netherlands, Spain, UK and Italy.28 All became members of EI2 except Italy, who decided to join in autumn 2019.29 Finland also joined a few months after the creation of the EI2.30 Sweden and Norway have joined the EI2 in 2019.31

The activation of PESCO and the parallel creation of EI2 represent a division inside Europe’s defence initiatives. Brexit has given the opportunity to France and Germany to become key players inside the EU. Germany on the one hand is in favor of more integration inside PESCO, where France on the other hand, is the “architect” of EI2.

State of play

France and Germany: different approaches to defence

Both France and Germany are in favour of closer defence cooperation in Europe.32 However, France, after the terrorist attacks that happened in Paris in 2015, wants the EU to increase its military capabilities and be ready for use of force and intervention when necessary.33 For instance, after the abovementioned attacks then President of France François Hollande highlighted that his country was at war, but the enemy was not only France’s but Europe’s as well.34
After the terrorist attacks in Paris, France also invoked the article 42.7 “Mutual Defence Clause” of Treaty on European Union. According to this article: “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.”

The main reason that France had to activate the mutual defence clause was to conduct operations in Iraq and Syria against the terrorist organization that took responsibility for the attacks in Paris. However, from the 28 EU member states only few committed military capabilities and the majority did not in the end participate in the operations in Iraq and Syria.

In 2017, when PESCO was activated France was very satisfied. Nonetheless, Germany due to its complicated history in the 20th century-and the memories of the WWII-, continues to have reservations about the use of force. As a result, PESCO became “Germanized”, meaning that it includes as many members as possible, so the emergence of two speed Europe in defence to be avoided. PESCO has the possibility to gain operational dimension, but this is not yet the case. Thus, France cannot benefit from it. In general, CSDP is not developing so fast, as some of the member states hope. A decade after the Lisbon Treaty and the meaning of the D in CSDP is still unanswered.

On the other side, there are other states that want Europe to take its defence into its own hands. EI2 promised to be more operationally active in defence matters. Washington supports the initiative for many reasons. If Europe delivers military capabilities, then NATO will share the burden of its military operations more fairly among its members.

Moreover, the EI2 can address security issues in areas, such as Africa, where US does not have the sense of urgency, according to the Former Commanding General of US Army, Lieutenant General Benjamin Hodges. French policy is oriented towards operations in the Sahel region and sub-Saharan Africa. The problem in this situation may be that France is too focused on crises in Africa.

For France it was also a big issue to convince Germany to participate in the initiative, in order for Germany to change its culture about military engagements. In addition, German Chancellor Angela

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35 Ibid.
42 Ibid.
43 Ibid.
44 Ibid.
Merkel has acknowledged the need for EU’s strategic autonomy in building-up defence capabilities. As a result, by joining the EI2 Germany can put influence on the creation of a relationship between PESCO and EI2.46

Furthermore, the participation of the UK in the EI2 acts as a decisive factor. For Germany -and for France- UK should stay involved in European defence matters in the post-Brexit era.47 Likewise, Germany considers PESCO the starting point for the European Defence Union, but the EU is remaining a strong partner of NATO. The same logic applies between EI2 and PESCO for Germany. Europe does not need two separated defence “unions”, but one to conclude all.48

Among analysts there is often the discussion about the shared strategic culture between the participants in EI2.49 This aim can be seen as unrealistic, because neither CSDP nor NATO was able to achieve that. Each member state has its own geopolitical interests and therefore a common strategic culture is extremely difficult to be realized.

In other words, the Baltic countries, on the one hand, are more concerned about Russia, which is their neighbour, than Spain or Italy. Spain and Italy, on the other hand, are concerned about migration via the Mediterranean Sea, because they are Mediterranean countries.50 So, it is difficult to find a balance between the geopolitical interests of each country. That may be one reason behind why PESCO has not yet developed strong operational dimension.

To conclude, France and Germany have two totally different approaches to Europe’s defence. European Defence is not only about operations in Africa or joint projects, European Defence needs to be evolved to cover all aspects of European security.51

Members of EI2 and/or PESCO: the cases of UK, Denmark, Belgium and Italy

PESCO and the EI2 share common member states, but the cases of Denmark and UK, which participate in EI2 and not in PESCO are quite noteworthy. To begin with, Denmark has an opt-out from EU cooperation in military operations and defence issues.52 According to Denmark’s government the use of force is only necessary for territorial defence and participation in military operations is only possible under International Law.53 So, the issue related Denmark’s case is that, if EI2 becomes part of PESCO, then Denmark might no longer participate it.54

50 Ibid.
51 Ibid.
53 Ibid.
Moreover, the UK is not a member of PESCO, firstly due to Brexit and secondly, Britain has always been against defence and military integration inside the EU.\textsuperscript{55} Regarding the EI2, for France it was extremely important that the UK will participate, because Britain has “the most capable, rapidly deployable armed forces in Europe along with France itself”.\textsuperscript{56}

Britain, in addition, has the opportunity to continue its partnership with its European allies after exiting the EU.\textsuperscript{57} It is also important for Britain to participate, because the US pledges to support stronger bilateral cooperation between Britain and France, especially in the aftermath of Brexit.\textsuperscript{58}

![Figure 1: The willingness of EI2 countries to participate in crisis management operations from low to high in the spectrum of use of force](source: Zandee, Dick, and Kimberley Kruijver. “The European Intervention Initiative,” n.d., 33.)

According to the above graph\textsuperscript{59}, it is obvious that participation of the UK in EI2 serves better the interests of France. The United Kingdom seems to be the only country that is as much willing as France to participate in crisis management. To be more exact, the UK appears to want to operate in crisis management at high level and use force in military operations.

Furthermore, one other question, is what led the participating members in PESCO to join the EI2. France created the EI2 for more defence cooperation and military operations that PESCO is yet unable to carry out. However, Belgium believes that PESCO “has the potential to be a game changer if the participating members living up to their commitments.”\textsuperscript{60}

Belgium was in favour of the PESCO since the Lisbon Treaty got into force. In the second half of 2010 Belgium held the presidency of the Council of the EU, and one of its primary goals was to launch the Permanent Structured Cooperation.\textsuperscript{61} Belgium’s concern was that the country offers little

\textsuperscript{57} Ibid.
\textsuperscript{60} https://www.eda.europa.eu/docs/default-source/eda-magazine/edm-issue-15_web
in the EU defence budget, so it may not be able to become a member in PESCO.  

Belgium wants to be in the vanguard when it comes to European integration process, and that may be the main reason for participating in the EI2.

Italy is also in favor of strengthening CSDP further. The country considers PESCO as a way of collaboration to be developed inside the EU and that can lead to an actual integration. As a result, Italy refused to join the EI2 when it was invited. But it is possible that the slow development of PESCO without concrete results led Italy to choose to participate in the French-led initiative EI2 in autumn 2019.

**European citizens demand stronger European defence**

According to the following survey, the majority of Europeans do not feel secure anymore within the EU borders. Subsequently, there is a higher demand for the development of home-grown defence initiatives within the EU.

![Graph showing survey results](https://letscrowd.eu/how-european-citizens-perceive-risk/)

Since 1999 more than 70% of EU citizens support the idea for a common defence and security policy. The most important issue for the Europeans seems to be terrorism, but since 2016 there is a rise in the request that the EU should develop its security and defence policy, as it can be seen from the following graph.

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62 Ibid.
63 Ibid.
Consequently, the EI2 developed when EU-or European-citizens were demanding for more defence. The French President Emmanuel Macron promotes the creation of a European army, capable to protect its citizens. The defence cooperation and the military operations that EI2 is promoting seems to satisfy at some point the European citizens.

Thus, it is possible that they are starting to feel that Europe is becoming again a safe place to live. One of the most important issues, is that EU citizens are not sufficiently informed about the EU defence initiatives, such as PESCO or CARD. Hence, they do not get the chance to understand what the EU is offering in defence and security issues. On the contrary through France’s parades on common defence, people become more aware about EI2 and begin to feel more secure, especially after the Paris attacks in 2015.

**Future prospects**

In September 2017, the EU Commission President Jean-Claude Junker declared that by 2025 they need a fully-fledged European Defence Union. For that reason, a sort of “military Schengen” is essential to be formed. Hence, the EU Member States will be able to act faster in the context of the

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CSDP operations under close coordination of the PESCO.\textsuperscript{73} Hence, if the outcome of the military mobility is positive and provides CSDP with a stronger operational dimension, then EI2 could become part of PESCO or to share certain projects. NATO is also in need for a European “military Schengen” in order to counter Russia’s mobility in the Western Balkans.\textsuperscript{74}

PESCO can also be developed more this year under the upcoming Croatian presidency of the EU Council. According to Damir Krstičević, Croatian Deputy Prime Minister and Minister of Defence, “The focus in the defence range during the Croatian presidency will be placed on implementation of defence initiatives such as PESCO”.\textsuperscript{75}

Without a doubt, it is too early to speculate precisely about the future of PESCO and the EI2. The problem it that PESCO may not succeed to deliver the Defence Union and the EI2 has also the potential to become politically oriented towards France’s geopolitical interests.\textsuperscript{76}

\textbf{Policy Recommendations}

\textbf{EI2: inclusion of non-military servants can be achieved by merging with PESCO}

EI2 should include non-military servants in its operations. Policy makers and civilians are those who analyze current political situations and can judge whether a military engagement should take place.\textsuperscript{77} As a result, if EI2 become part of PESCO, then it could benefit from the various different experts working in the PESCO projects. Hence, EI2 could take advantage of the EU non-military servants and on the same time continue to have more operational dimension than PESCO. The French government, however, may be have doubts on whether this cooperation can become beneficial. The main reason is that the EI2 could also develop slower inside the EU framework, as happened to other CSDP mechanisms. But if PESCO and EI2 merge, both can advantage from that.

On the one hand, EI2 will become part of the PESCO projects and will boost the development of the PESCO. On the other hand, further integration may be achieved inside the EU, Europe’s defence will develop all at once in the EU framework. France and the rest of EI2 members -except the UK and Sweden - they can continue influence the evolution of the EI2 initiative. The UK and Sweden should also participate in PESCO and hence in EI2 as third countries\textsuperscript{78}. Denmark may not be able to participate, but according to Danish ministry of defence “Denmark will not prevent the development of closer cooperation between Member States in defence area.”\textsuperscript{79}

\textsuperscript{73} Ibid.
\textsuperscript{74} Ibid.
\textsuperscript{78} Ibid.
\textsuperscript{79} \url{https://www.fmn.dk/eng/allabout/Pages/TheDanishDefenceOpt-Out.aspx}
Definition of “strategic culture” can foster cooperation between EI2 and PESCO

One other solution to the problem of two different defence mechanisms in Europe can be the cooperation between EI2 and PESCO, without the EI2 to merge with CSDP mechanisms. EI2 will remain a French-led initiative, with all its participating members, but EI2 could participate in some projects inside PESCO. As a result, the cooperation between the two will lead to better results in the defence sector and it could be possible to set the basis for a common strategic culture in Europe.

According to the Letter of Intent concerning the development of the European intervention initiative, creation of a strategic culture is the main objective of the EI2. Clear definition of the strategic culture will create a bond between European countries and as a result facilitate their cooperation. In order for the definition to be conducted experts from academia or think tanks should be consulted.

More concrete criteria for participation of third countries, so European countries remain united

It is often discussed if third countries should participate in PESCO. According to the legislation rules of the EU, third countries must be invited by the participating members in PESCO, then the Council will decide if they can participate and they will not have decision making powers. On the one side, with third countries’ participation, it is easier to merge or at least develop a collaboration between EI2 and PESCO, through the potential participation of the UK and Norway. On the other side, countries such as Canada or Turkey could ask participation and then what will that mean for the European union?

The main issue is that EU should strengthen European Identity and therefore certain criteria should exist to promote the European values. The participation in PESCO should be limited to third European countries, or to countries that share the same values as the EU, such as democracy, respect on human rights. Then, states, who share the same ideas and ethics and have the necessary military capabilities, could become part of PESCO. This decision may also provide a common ground for EI2 and PESCO to cooperate. If countries who are sharing the same values with the EU can participate or other defence mechanisms can become part of CSDP, then the EU’s defence system might be enhanced.

Conclusion

To conclude, both initiatives, EI2 and PESCO, can contribute to the strategic autonomy of the EU if both cooperate with each other. Strategic autonomy does not indicate the EU acting alone but to use
all of its capabilities. Strategic autonomy is not limited to defence, but it covers all aspects of interaction and cooperation.\textsuperscript{85}

PESCO has the potential to be developed into a game-changer for the EU defence.\textsuperscript{86} Strengthening the EU military projects does not only defend Europe from external challenges but from internal ones as well.\textsuperscript{87} Inside the EU two different groups exist; those who want to destroy multilateralism, to promote nationalism; and those who want a progressive EU foreign policy\textsuperscript{88}. The European Union’s Global Strategy provides concrete steps towards. The rest of the world see EU as a global actor,\textsuperscript{89} but the question is whether the EU understands that.\textsuperscript{90}

To sum up, developing a European strategic culture can lead the European countries to take more responsibility for their own security and to be more united. Europe does not need to develop defence in two different levels, but all the countries should be united as they face a rival Russia, “an increasingly powerful China and a Jacksonian US.”\textsuperscript{91}

\begin{flushleft}
\textsuperscript{86} Ibid.
\textsuperscript{87} Ibid.
\textsuperscript{89} Ibid.
\textsuperscript{90} Ibid.
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