2 THE EU AS AN AUTONOMOUS DEFENCE ACTOR

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SUMMARY

- Although EU member states officially subscribed to the objective of strategic autonomy in defence, it remains sensitive and contested. A review of the EU's defence-cooperation initiatives since 2016 shows that the gap between ambition and reality is still wide.
- Diverging strategic cultures and threat perceptions still represent key obstacles to the EU's political autonomy. There have been incremental steps towards more institutional autonomy, but the unanimity rule represents a legal and political ceiling. The material output of the EU's defence-cooperation initiatives is (still) limited.
- Member states could be tempted to deprioritise the controversial defence dimension of the broadening concept of strategic autonomy in light of the new US administration, the economic fallout from the Covid-19 pandemic and the growing number of civilian challenges.

RECOMMENDATIONS

- EU member states should pursue efforts towards greater strategic autonomy. The focus should move from the conceptual to the practical level centred on the question of what strategic autonomy is for and what it should enable Europeans to do collectively.
- To strengthen the political dimension, they should make the most of the Strategic Compass. This will require addressing controversial

questions and outlining where and how the EU should be able to intervene in the future.

- Given the broadening spectrum of threats, enhancing institutional autonomy will require the EU to bolster its profile as a civil-military security actor. It should also explore closer linkages between institutional and more flexible intergovernmental frameworks.
- To make the most of the scarce material resources, there must be close alignment between the EU's updated strategic vision and its capability-development mechanisms. Member states should explore mechanisms to ensure stronger national compliance with EU priorities and commitments.

2.1. INTRODUCTION

As EU High Representative for Foreign and Security Policy Josep Borrell wrote in his blog in late 2020, the security and defence dimension of strategic autonomy "remains predominant and sensitive".[120] Although strategic autonomy in defence has formally been endorsed by all 27 member states, it remains contested and elusive. The degree of contestation became visible in late 2020 when German Defence Minister Annegret Kramp-Karrenbauer called strategic autonomy "an illusion"[121], which French President Emmanuel Macron dismissed as a "historical misinterpretation".[122] At around the same time, the European Defence Agency (EDA) pointed to an "uneven understanding" of strategic autonomy among member states and stressed that the ambition did not match spending potential.[123] Although EU representatives keep insisting that more progress has been made in defence since 2016 than in the two previous decades, it is probably along this dimension of strategic autonomy that the gap between ambition and reality is the widest.

The ambition to craft a more autonomous European security and defence policy has been under discussion for decades. It has always been controversial in that it raises a triple question: *from whom* should the EU

120 J. Borrell, 'Why European Strategic Autonomy Matters', *Blog Post* (2020), https://eeas.europa.eu/headquarters/headquarters-homepage/89865/why-european-strategic-autonomy-matters_en, accessed 2 February 2021.

121 A. Kramp-Karrenbauer. 'Europe still needs America', *Politico* (2 November 2020), https://www.politico.eu/article/europe-still-needs-america/?utm_source=POLITICO.EU&utm_campaign=b4594a9d08-EMAIL_CAMPAIGN_2020_11_17_05_59&utm_medium=email&utm_term=0_10959edeb5-b4594a9d08-189747681, accessed 2 April 2021.

122 E. Macron, Interview granted to Le Grand Continent, (16 November 2020), https://www.elysee.fr/en/emmanuel-macron/2020/11/16/interview-granted-to-le-grand-continent-magazine-by-the-french-president-emmanuel-macron, accessed 2 April 2021.

123 European Defence Agency, '2020 CARD Report – Executive Summary' (Brussels, 2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

be autonomous, *for what* and *to do what?* How far Europe should be able to defend itself independently of the US and NATO was already a defining factor behind the notion of a European Defence Community, which was tabled and later rejected by the French in the 1950s. France and the United Kingdom (UK) issued the St. Malo Declaration in 1998, marking the birth of the European, later the Common Security and Defence Policy (CSDP). Set out against the backdrop of Europe's failure to respond to the Yugoslav civil wars, it was clearly about autonomy *from* the US and NATO and *for* the stabilisation of the EU's immediate neighbourhood. The St. Malo Declaration also specified that this was about the *autonomy to* respond to international crises (rather than to defend the EU's territory – a task reserved for NATO). These answers shaped the development of the CSDP in political and legal terms.

Strategic autonomy made its way into the EU's official documents on security and defence in the 2010s. It first appeared in a 2013 Commission Communication aimed at strengthening Europe's technological and industrial defence base.[124] More prominently, the EU Global Strategy (EUGS) of 2016 called for an "appropriate level of ambition and strategic autonomy for Europe's ability to promote peace and security within and beyond its borders".[125] However, it did not provide clear guidance on the three questions mentioned above. Five years after its publication it is still unclear what the member states consider to be the appropriate level of strategic autonomy in the field of defence.

This chapter reviews policy developments since 2016, assesses where the EU stands and develops recommendations concerning the next steps. Strategic autonomy is defined as "the political, institutional and material ability of the EU and its member states to manage their interdependence with third parties, with the aim of ensuring the well-being of their citizens and implementing self-determined policy decisions".[126] More precisely, political autonomy is understood as having a distinct and united vision of the EU's appropriate degree of strategic autonomy; institutional autonomy refers to having the governance structure and decision-making processes to implement this vision; and material autonomy means having the collective resources (funding, capabilities, personnel) to realise the common vision.

124 European Commission, *Towards a more competitive and efficient defence and security sector*, Brussels (2013), https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52013DC0542, accessed 2 April 2021.

125 European External Action Service, *Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union's Foreign and Security Policy* (Brussels, 2016), https://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf, accessed 2 April 2021.

126 N. Helwig, EU Strategic Autonomy: A Reality Check for Europe's Global Agenda', *FIIA Working Paper No. 119* (2020), https://www.fiia.fi/wp-content/uploads/2020/10/wp119_strategic_autonomy-2.pdf, accessed 2 April 2021.

2.2. POLITICAL AUTONOMY: A BATTLE OF CULTURES

Political autonomy requires a common understanding of three central questions that the notion of strategic autonomy evokes: autonomy from whom, for what and to do what? The answers are shaped by national strategic cultures and threat perceptions. Strategic culture could be defined as "the ideas, norms and patterns of behaviour that are shared across the actors and publics involved in the processes of pursuing European security and defence policies."[127] Traditionally, EU member states diverge on two dimensions: attitudes towards the use of force and the mode of international cooperation. This divergence influences answers to the question concerning from whom the EU should be autonomous and to do what. What this autonomy should achieve depends on national threat perceptions, which vary as a function of the member states' vulnerabilities and geographic positions. Table 1 shows how these cultural and strategic divides are linked to the three questions posed above.

Table 1: Strategic autonomy meets strategic divides

Strategic autonomy…	Key cultural / strategic dimension	Divides among EU member states
…from?	Mode of international cooperation	Europeanism vs. Atlanticism vs. Euro-Atlanticism Allied vs. non-aligned
…for?	Geographic or functional threat perceptions	East vs. South Regional vs. Global Conventional. vs. newer threats Military vs. civilian threats
…to?	Attitudes towards the use of force	Activism vs. restraint Interventionism vs. pacificism Military vs. civilian instruments

Source: The author's compilation based on Howorth (2002) and Meyer (2005).[128]

The divide between Atlanticist and Europeanist member states explains why they repeatedly became stuck in conceptual debates on strategic autonomy, despite having formally subscribed to it. France traditionally leads the Europeanist camp, which includes countries such as Belgium, Luxembourg and Spain. With Macron's election the camp received an ambitious leader who viewed European sovereignty – used interchangeably

127 C. O. Meyer, 'Theorising European Strategic Culture: Between Convergence and the Persistence of National Diversity', *CEPS Working Document NO*. 204 (2004), http://aei.pitt.edu/6634/1/1126_204.pdf, accessed 2 April 2021.

128 J. Howorth, 'The CESDP and the Forging of a European Security Culture', *L'Harmattan – Politique européenne*, 8 (2002), pp.88–109; C. O. Meyer, 'Convergence Towards a European Strategic Culture? A Constructivist Framework for Explaining Changing Norms', *European Journal of International Relations*, 11(4) (2005), pp.523–549.

with autonomy – as a guiding vision for the EU. The Atlanticist camp used to be led by the UK and comprises Central and Eastern member states as well as the Netherlands, Denmark and Portugal, among others. Underlining NATO's primacy, they tend to view strategic autonomy with scepticism. A third, less well-defined group is the Euro-Atlanticist camp. It includes Germany and Italy where the divide runs between ministries and political parties.

The centre of gravity moved towards the Europeanist camp following the election of Donald Trump and the Brexit referendum in 2016. Trump's questioning of Alliance solidarity pushed countries such as Germany to reinforce their efforts at deepening EU defence cooperation. The key narrative, promoted inter alia by its traditionally Atlanticist defence ministry, was that Germany should "become more European while staying transatlantic".[129] The Atlanticist camp was further weakened by the UK's looming departure. Together with external threats, notably the conflict in Ukraine, these factors were behind the post-2016 launch of a range of defence-related EU initiatives under the heading of strategic autonomy (see the following section).

The election of Joe Biden in 2020 then resulted in the forceful renewal of Atlanticist vows across EU member states. As the centre of gravity shifted back to the Atlanticist side, Europeanist nations such as France feared that European defence efforts would lose steam. This tension explains the debate on strategic autonomy between the French President and the German Defence Minister mentioned above. However, a closer look at their statements shows that there is a common denominator in that they agree on Europe's need to bolster the defence dimension within a rebalanced transatlantic partnership. Macron also depicted European strategic autonomy as an ingredient for a stronger NATO at the Munich Security Conference in February 2021.[130] France and Germany thus adopted a more pragmatic approach in early 2021, but this pragmatism is not shared by Atlanticist member states such as Poland.

The question of what strategic autonomy is for and what that implies is equally contested. The EU Global Strategy defines three political priorities: (a) respond to external conflicts and crises, (b) build the capacities of partners and (c) protect the Union and its citizens. However, it does not specify regional or functional priorities nor a clear level of ambition. Depending on their threat perceptions, member states have different regional priorities. National strategic cultures, in turn, shape preferences

129 U. Von der Leyen, Speech at the 54th Munich Security Conference (Munich, 2018), https://www.bmvg.de/de/aktuelles/europaeischer-werden-transatlantisch-bleiben-22174, accessed 2 April 2021.

130 E. Macron, Speech at the Special Edition of the Munich Security Conference (Munich, 2021), https://securityconference.org/mediathek/asset/emmanuel-macron-20210219-1813/, accessed 2 April 2021.

regarding functional priorities and the level of ambition. Whereas more interventionist nations such as France and Belgium advocate greater EU readiness for high-intensity operations, more pacifist and restrained regimes such as Sweden and Germany point out that the EU's added value lies in civil-military approaches. The Council provided some concretisation of the level of ambition in its Conclusions on the implementation of the EUGS of November 2016.[131] However, it did not really clarify how many concurrent missions/operations at what level of intensity the EU should be ready to shoulder. The objective of protecting EU citizens is particularly ambiguous as it goes beyond the CSDP's traditional tasks and leads to potential overlaps with NATO regarding both conventional (e.g., territorial defence) and newer (e.g., hybrid and cyber) threats. In short, the EUGS does not narrow the above-mentioned strategic divides and thus fails to provide guidance on the appropriate degree of strategic autonomy.

The need to concretise and update the EUGS in light of a geopolitical context marked by competition among the great powers was the starting point of the Strategic Compass for Security and Defence. Germany tabled the initiative in the run-up to its Council Presidency in 2020, and it should be finalised under the French Council Presidency in 2022. To narrow the divide between threat perceptions, the process started with a joint threat analysis. Finalised in November 2020, it lists a broad range of issues including global challenges (e.g., economic rivalry, climate change, energy dependence), regional insecurity (e.g., conflicts and failed states) and direct threats to the EU (e.g., disruptive technologies, hybrid threats, disinformation).[132] On this basis, the member states should develop a Strategic Compass that concretises the EU's political level of ambition and sets actionable priorities for the next decade. Such a process should provide clearer answers to the three above-mentioned questions, and thereby contribute to the development of a common European strategic culture. However, there are doubts as to whether the Strategic Compass can truly deliver the desired leap in political autonomy. Strategic cultures do not change in two years, and there is a risk of repeating the mistakes of the EUGS. Avoidance of this will require the addressing of thorny issues, engaging in controversial prioritisation, and the tearing down of EU-internal silos.

131 Council of the European Union, *Conclusions on implementing the EU Global Strategy in the area of Security and Defence* (Brussels, 2016), https://www.consilium.europa.eu/media/22459/eugs-conclusions-st14149en16.pdf, accessed 2 April 2021.

132 European External Action Service, 'Questions and answers: Threat Analysis – a background for the Strategic Compass' (Brussels, 2020), https://eeas.europa.eu/sites/eeas/files/2020_11_20_memo_questions_and_answers_-_threat_analsysis_-_copy.pdf, accessed 2 April 2021.

2.3. INSTITUTIONAL AUTONOMY: WITHIN AND BEYOND LEGAL CONFINES

In the field of defence, steps towards greater institutional autonomy have been shaped by the tension between intergovernmentalism and supranationalism on the one hand, and Atlanticism and Europeanism on the other. The predominance of intergovernmentalism is reflected in the EU's limited competences: all decisions are taken by unanimity and legal exceptions available in the context of the CFSP explicitly exclude the field of defence. The European Commission suggested extending qualified majority voting to a limited number of areas including civilian crisis management. However, the extensions themselves require a unanimous vote and most member states remain opposed.[133] This constitutes a legal ceiling to the EU's institutional autonomy in security and defence matters in that it slows down the decision-making and makes it susceptible to narrow national interests and external influence.

Within these confines, there have been some relevant steps towards more institutional autonomy since 2016. Brexit was an influential factor: the UK had long blocked the establishment of a permanent EU headquarters and was reluctant to activate Permanent Structured Cooperation (PESCO) in the field of defence. Following the referendum, the British government loosened its veto and decided it would no longer stand in the way. France and Germany became the main drivers behind a range of initiatives under the heading of strategic autonomy. This included the activation of PESCO and the establishment of a permanent EU headquarters (the Military Planning and Conduct Capability – MPCC) in 2017. In the Meseberg Declaration of 2018, the French President and the German Chancellor also suggested looking into new formats such as an EU Security Council.[134]

However, these initiatives also exposed the dividing lines. The example of PESCO was telling. Germany viewed it through a largely political lens and emphasised its inclusiveness, whereas France stressed the need to move forward with the most able and willing member states to enhance the EU's operational autonomy and prepare it for the most demanding military missions. Eventually, the German approach prevailed, and 25 member states joined the initiative. Deploring the lack of flexibility of a PESCO Council with 25 members deciding unanimously, France established

133 N. Koenig, 'Qualified Majority Voting in EU Foreign Policy: Mapping Preferences', *Policy Brief* (Jacques Delors Centre, 2020), https://www.delorscentre.eu/en/publications/detail/publication/qualified-majority-voting-in-eu-foreign-policy-mapping-preferences, accessed 2 April 2021.

134 Bundesregierung, *Meseberg Declaration: Renewing Europe's promises of security and prosperity* (Meseberg, 2018), https://archiv.bundesregierung.de/archiv-de/meta/startseite/meseberg-declaration-1140806, accessed 2 April 2021.

the European Intervention Initiative (EI2) with a handful of European, rather than just EU states, outside EU structures. A similar divide opened up in reaction to the idea of a European Security Council. Whereas Merkel proposed a new structure within the EU's institutional framework without the UK, Macron suggested an intergovernmental institution including the UK. Overall, Germany primarily viewed steps towards institutional autonomy through an integrationist lens whereas France predominantly saw them as vehicles for more operational autonomy.

Central and Eastern European member states, notably Poland, had another perspective. They were sceptical of Germany's integrationist drive, but they also feared being pushed into the second league of a French-led two-speed Defence Union.[135] In line with their Atlanticist leanings they continuously warned against duplication with NATO. They agreed to the establishment of the MPCC on the condition of keeping it small, limiting its mandate to non-executive military operations and avoiding its denomination as 'EU headquarters'. These conditions gradually faded as Brexit drew closer. In 2018, the Council decided to extend the MPCC's mandate to the planning and conducting of one executive military operation of the size of an EU Battlegroup, and its staff was strengthened accordingly. Central and Eastern Europeans were also sceptical of PESCO but they agreed to its launch, viewing it as a possible driver of more defence spending. After all, the binding commitments call for regular increases "in order to reach agreed objectives", the most prominent being NATO's two-percent spending target. PESCO was thus acceptable if it strengthened the Alliance's so-called European pillar.

Meanwhile, stronger supranational trends have been observed due to the Commission's entrepreneurship in defence industrial matters. The establishment of the European Defence Fund (EDF) and of a Directorate-General for Defence Industry and Space (DG DEFIS) are examples of supranational spill-over from the economic to the security domain.[136] The creation of the EDF within the EU's multi-annual budget was a small revolution given that the Treaties prohibit the use of the EU budget for operative expenditure with military and defence implications (Art. 41(2) TEU). Circumventing these legal hurdles, the Commission based the EDF on Art. 173 TFEU, referring to the EU's role in fostering industrial competitiveness. It thereby exported the Community method to the EDF and marginalised the role of the more intergovernmental institutions, namely the EDA and the European External Action Service. In 2019, the Commission

135 M. Terlikowski, 'PESCO: The Polish Perspective', *Policy Paper* (IRIS, 2018), https://www.iris-france.org/wp-content/uploads/2018/10/Ares-32.pdf, accessed 2 April 2021.

136 P. Haroche, 'Supranationalism strikes back: a neofunctionalist account of the European Defence Fund', *Journal of European Public Policy*, 27:6 (2020), pp.853–872, DOI: 10.1080/13501763.2019.1609570.

decided to establish DG DEFIS to manage the defence-related financial envelopes. A few member states were sceptical, fearing a loss of control over an unleashed Commission DG holding the chequebook. The sceptical camp included Atlanticist nations such as Poland and the Netherlands. Interestingly, it also included France, which feared the prevalence of integrationist over strategic and operational considerations. In other words, it was concerned that projects would be selected on the basis of geographic balance rather than industrial excellence.[137]

Overall, there has been a range of institutional developments since 2016. In terms of impact, the record is mixed. Given the prevalence of unanimity, progress towards institutional autonomy happens within strict confines. In addition, member states have different perspectives. Some such as Germany strive for *EU* institutional autonomy and welcome the stronger role of the Commission. Others such as the French prefer the more flexible notion of *European* autonomy, including capable non-EU neighbours such as the UK, and focus on the operational implications. Yet others such as Poland grudgingly accept incremental increases in EU institutional autonomy if and only if they contribute to a materially more capable European pillar in NATO.

2.4. MATERIAL AUTONOMY: OLD GAPS MEET NEW CONSTRAINTS

The 2020 CARD report paints a gloomy picture of the EU's material autonomy.[138] It underlines long-standing capability gaps in areas such as force readiness, critical enablers, air-to-air refuelling and intelligence, surveillance and reconnaissance. It states that the industrial landscape "continues to be fragmented and lacks coherence in several aspects notably as regards defence capabilities and their development".[139] It points to force-generation problems and deplores the fact that EU operations only account for seven per cent of the member states' total deployed troops. External assessments mirror these findings. A 2019 report by the International Institute for Strategic Studies[140] estimates that European NATO members would have to invest between $94 billion and $110 billion

137 N. Koenig, 'Why we need a Commission DG Defence', *Policy Brief* (Berlin: Jacques Delors Institut, 2019), https://hertieschool-f4e6.kxcdn.com/fileadmin/user_upload/20190819_DGDefence_Koenig.pdf, accessed 2 April 2021.

138 European Defence Agency, 'Fact Sheet – CARD report' (2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

139 European Defence Agency, 'Fact Sheet – CARD report' (2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

140 B. Barry, D. Barrie, 'Defending Europe: scenario-based capability requirements for NATO's European members', *IISS Research Papers* (2019), https://www.iiss.org/blogs/research-paper/2019/05/defending-europe, accessed 2 April 2021.

to fill the gaps generated by a high-end crisis-management scenario for the protection of global sea lines of communication. To defend European territory against a state-level military attack, they would have to invest between $288 billion and $357 billion over twenty years (excluding nuclear capabilities).

The EU's capability requirements are broadening in light of the great-power competition and technological progress. Disruptive technologies such as Artificial Intelligence, 5G and applications of quantum physics and synthetic biology, have immediate consequences for the security of EU citizens and the future of warfare. China's assertive military role in the South China Sea and the global race for space also pose new challenges for an EU eager to secure free access to the global commons. In addition to addressing the EU's more traditional capability gaps, the 2020 CARD report urges member states to systematically address "defence requirements in developing space-based capabilities".[141] Defence and technological autonomy are thus closely intertwined. However, the EU is lagging far behind China and the US in the global tech race (see Chapter 5 on technology in this report).

Filling old and new capability gaps requires investment and collaboration. The EU's collective defence expenditure has been rising since 2015 after a prolonged austerity phase following the financial crisis of 2008. However, these increases did not translate into more efficient or effective spending. As the Commission noted in 2016, 80 per cent of defence procurement was purely national and the EU member states spent less than €200 million annually on collaborative European R&T projects. The lack of coordination explains why Europeans produced six times more weapons systems than the US (178 compared to 30). The annual cost of fragmentation has been estimated at €25-100 billion.[142] In addition, Brexit significantly reduced the EU's collective military weight: the UK accounted for one fifth of the EU's defence expenditure, around 40 per cent of its R&D spending and a large share of its critical enablers.

PESCO, the EDF and CARD are the EU's responses to these drivers, but their contributions to material autonomy have, so far, been limited. There has been a proliferation of PESCO projects across a wide range of areas, but they are often at the lower end of the spectrum and still fail to address key capability gaps such as in strategic and tactical air transport. In addition, there is too little compliance with PESCO's binding commitments: member states fail to meet the benchmarks for collaborative equipment

141 European Defence Agency, '2020 CARD Report – Executive Summary' (Brussels, 2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

142 European Commission, 'European Defence Action Plan: Towards a European Defence Fund' (Brussels, 2016), https://ec.europa.eu/commission/presscorner/detail/en/IP_16_4088, accessed 2 April 2021.

procurement and defence research and technology (R&T), for instance.[143] The CARD report warns that the current spending outlook for R&T puts "EU strategic autonomy at risk".[144] The promise of CARD itself – namely to bring national defence planning in sync – is still unfulfilled. According to the EDA, national planning until the mid-2020s leaves little room to incorporate the collaborative spending priorities it identified. Moreover, the EU's new defence-related financial envelopes were substantially downsized during the negotiations on the multi-annual financial framework (2021–7). The EDF was cut by 39 per cent, from €11.4 billion in the initial Commission proposal of May 2018 to €7 billion in the final Council deal (2018 prices).[145] Having a defence chapter in the EU budget for the first time is still a major achievement, but its impact will be more limited than initially planned.

Looking forward, it is still uncertain how the economic impact of the pandemic will affect national defence budgets and the will to collaborate. The short-term implications seem to be limited. Most member states have indicated that they will continue to raise their defence expenditure.[146] However, as the EDA's Chief Executive warned, "defence budgets remain vulnerable, with the economic impact of Covid-19 yet to be felt".[147] At the same time, EU officials warn against the "renationalisation of defence".[148] There was already a worrying drop in collaborative defence spending in 2019. The Franco-German struggle to agree on the division of labour and intellectual property rights for Europe's biggest defence industrial collaboration project, the Future Combat Air System (FCAS) with an estimated value of €100 billion, illustrates the tension between national and European industrial autonomy. At the same time, the Biden administration will probably pursue a 'Buy American' policy and could well enhance the pressure on Europeans to opt for American rather than home-grown products. Countering these trends will be a priority for the Strategic Compass and its capabilities basket. The key question is

143 European Defence Agency, '2020 CARD Report – Executive Summary' (Brussels, 2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

144 European Defence Agency, '2020 CARD Report – Executive Summary' (Brussels, 2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

145 N. Koenig, E. Rubio, 'What the European Council's MFF/ Recovery deal tells us about the EU's global ambition', *Policy Brief* (Jacques Delors Centre, 2020), https://hertieschool-f4e6.kxcdn.com/fileadmin/2_Research/1_About_our_research/2_Research_centres/6_Jacques_Delors_Centre/Publications/20200722_MFF-recovery-fund-global-ambition_Koenig-and-Rubio.pdf, accessed 2 April 2021.

146 C. Mölling, S. Becker, T. Schütz, 'COVID-19 and European Defence: Voices from the Capitals', *DGAP Report* (2020), https://dgap.org/en/research/publications/covid-19-and-european-defense, accessed 2 April 2021.

147 European Defence Agency, 'European defence spending hit new high in 2019' (Brussels, 2021), https://eda.europa.eu/news-and-events/news/2021/01/28/european-defence-spending-hit-new-high-in-2019, accessed 2 April 2021.

148 A. Molenaar, 'Unlocking European Defence. In Search of the Long Overdue Paradigm Shift', *IAI Papers* (2021), https://www.iai.it/sites/default/files/iaip2101.pdf, accessed 2 April 2021.

this: to what extent the member states will align their priorities with the collective good.

2.5. CONCLUSION AND RECOMMENDATIONS

Since 2016 there have been a range of steps aimed at strengthening European strategic autonomy in the field of defence. However, a closer look at the political, institutional and material dimensions shows that the picture is mixed. The political dimension was dominated by the question of autonomy from the US and NATO, which caused theological debates between Europeanists and Atlanticists. Institutional autonomy increased incrementally while facing a legal and political ceiling. Despite the strong focus on the material dimension, the effective output of the EU's defence cooperation initiatives is (still) limited. This has led to a stark gap between ambition and reality.

The year 2020 added three factors, which could weaken the political and material dimensions of strategic autonomy. First, Biden's election led to a renewal of Atlanticism, which could shift the political centre of gravity towards NATO and trigger renewed theological debates. Second, the pandemic has caused uncertainty regarding future defence spending and cooperation while broadening the range of non-military threats. These factors could tempt member states to deprioritise the defence dimension within an ever-broadening concept of strategic autonomy. However, the case for pursuing efforts remains strong. The pandemic amplified great-power rivalry and fuelled instability in the EU's neighbourhood. Even under Biden, EU and US interests will not always align, and the next election is rapidly approaching. Meanwhile, filling the EU's capability gaps will take decades, leaving no time for procrastination.

EU member states should thus continue to strengthen all three dimensions of strategic autonomy. They should use the Strategic Compass to strengthen its political dimension. This will require moving past conceptual debates on 'autonomy from' towards the more concrete questions of what this autonomy is for and what it entails practically. Based on the joint threat analysis, member states should develop illustrative scenarios for EU crisis management and define a set of relevant criteria for collective action. They should use the parallel reflection on NATO's next Strategic Concept to hammer out a clearer division of labour regarding hybrid threats and to secure access to the global commons. This should include a better delineation of NATO's Article 5 and the EU's solidarity clauses. Reflecting the rapidly changing strategic context, the Compass should be

reviewed with every new EU legislature while the threat analysis should be updated on a more regular basis.

Strengthening the EU's institutional autonomy will require upgrading its civil-military approach in response to the growing linkages between industrial, technological and politico-military considerations. The Commission should thus be closely involved in the preparation and implementation of the Compass. In addition, the MPCC should become a fully-fledged civil-military EU Headquarters. As long as unanimity remains the rule, Europeans will have to get better at bringing inclusive EU and flexible European formats together. This should include, among other things, forging closer links between an upgraded MPCC, the PESCO project Crisis Response Operation Core and the French-led European Intervention Initiative.

A joint vision and stronger institutions will make no difference without the necessary material means. The EU will have to make the most of its limited resources while facing broadening capability requirements. It should maximise synergies between the civil, defence and space industries, as underlined by the respective Commission Action Plan of February 2021.[149] The priorities and scenarios identified by the Strategic Compass should be reflected in its capabilities basket, which should provide guidance to PESCO and the EDF. The member states must resist the temptation to turn inward and prioritise national industrial autonomy. They should include joint priorities and collaborative opportunities in their next planning cycles. A more structured and regular exchange of national defence planners could facilitate closer alignment.[150] An intergovernmental peer review mechanism could enhance the pressure to comply with the binding PESCO commitments.[151]

European strategic autonomy in defence will always remain controversial. However, the pandemic has shown three things: crises can come out of nowhere, Europe is highly interdependent, and it needs to stick together if it is to play a role in increasingly fierce great-power competition. The ascendance of China as a military power is only one indication that this competition will not only be about economics and soft power. Meanwhile, the Trump administration illustrated that the EU cannot always rely on others. If it wants to sit at the global table rather than being on the menu, it should move from conceptual debate towards real strategy and action.

149 European Commission, *Action Plan on Synergies between Civil, Defence and Space Industries'* (Brussels, 2021), https://ec.europa.eu/commission/presscorner/detail/en/ip_21_651, accessed 4 April 2021.

150 European Defence Agency, '2020 CARD Report – Executive Summary' (Brussels, 2020), https://eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf, accessed 2 February 2021.

151 See for example: T. Latici, 'No Pain, No Gain: Taking PESCO to the Gym', Egmont Institute Security Policy Brief (2020), https://www.egmontinstitute.be/content/uploads/2020/08/spb129-tania-latici-final2.pdf, accessed 2 February 2021.