

## *Original Paper*

# Is There Money for a European Defence Force?

Herman Matthijs<sup>1\*</sup>

<sup>1</sup> Department of public administration, University Gent/Department of Political Sciences, Free University Brussels, Herfstlaan, Belgium

\* Herman Matthijs, Department of public administration, University Gent/Department of Political Sciences, Free University Brussels, Herfstlaan, Belgium

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### ***Abstracts***

*This article examines European defence expenditure and more specifically the question of whether there is sufficient financial leeway to establish a European defence initiative.*

*In view of the numerous defence threats on Europe's external borders: Russia, Turkey, growing migration pressures and the ineffectiveness of the external borders of the "Schengen-zone", this article will examine the following:*

- *What are the defence expenditures of the European members of NATO (North Atlantic Treaty Organization) and of non-NATO members in Europe;*
- *Would it be possible to establish a European army with these financial resources?*

*The current figures are primarily based on NATO financial sources (see references). These NATO figures refer to defence spending, including military pensions and militarized police forces such as the "Gendarmerie" in France and the "Koninklijke Marechaussee" in The Netherlands.*

*In conclusion the article tries to respond to the question of which states would be necessary and/or potentially available for the creation of a European defence force?*

*First, this study gives a short overview of the defence history in western Europe after the second world war, followed by the European attempts concerning this item. Finally, this article examines the topic of this article in point three; namely: which European countries are potential partners for an European defence system.*

### ***Keywords***

*European Union, defence, NATO*

## 1. Introduction

The history of the creation of a European army started after the Second World War. The British opposition leader and wartime PM, Winston Churchill (Conservative party), gave a speech about the dangers of the “iron curtain” in Europe in an historical speech at Fulton, Missouri (16 March, 1946).

Almost a year later, France and the United Kingdom signed a 50 year treaty of alliance and mutual assistance at Dunkirk (4 March, 1947).

On 12 March 1947, President Harry Truman (democratic party) addressed Congress, saying that he believed the USA should “support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure”. This was the start of the so called “Truman doctrine”.

Some months later, the US Secretary of State, George Marshall spoke at Harvard University in Boston and announced a plan for the economic rehabilitation of Europe (5 June, 1947).

The British Minister of Foreign Affairs, Ernest Bevin (labour party), proposed a form of Western Union in a speech in the House of Commons in London (22 January, 1948). It was clear that the Western European states were looking for political and military support for their defence against the military might of the Soviet Union.

On 17 March 1948 the Treaty of Brussels was signed, which was agreed for a 50 year period and provided for economic, social and cultural collaboration and the collective self-defence of the three Benelux countries, France and the United Kingdom.

In mid-April 1948 Secretary of State Marshall and Under Secretary Lovett commenced exploratory conversations with Senators Arthur Vandenberg and Tom Connally about the security problems of the North Atlantic area. These talks led to the adoption of the “Vandenberg 239 resolution” from 11 June 1948 by the Senate.

On 6 July 1948 Under Secretary Lovett started talks in Washington DC with the ambassadors of the five Brussels treaty countries and Canada on the defence of the North Atlantic area.

Following the Brussels treaty of the beginning of the year the Defence Ministers of Belgium, France, Luxembourg, the Netherlands and the UK decided to create the West European Union (27-28 September, 1948). This was the first West European defence organization and had its headquarters in London. The “WEU” was a treaty which required the signatories to help one another in the event of aggression. The WEU was nonetheless insufficient to guarantee the security of Europe.

On 10 December 1948 negotiations were started in Washington DC on the drafting of the NATO agreement between the members of the WEU, Canada and the USA.

In the early months of 1949 the seven negotiating partners invited five other European countries (Denmark, Iceland, Italy, Norway and Portugal) to join the talks (15 March, 1949).

These twelve countries signed the NATO treaty in Washington DC on 4 April 1949 and it came into effect on 24 August of the same year. NATO membership has subsequently risen steadily and there are currently 29 member states.

The establishment of NATO and its impact on the security and military protection of Western Europe

had an influence on the working of the WEU. Subsequent to 1948 the latter institution continued to exist as a purely administrative organization based in the British capital. At the end of December 1950 the members decided to merge the military organization of the WEU with NATO. The establishment of the “ECSC” (European Community of Coal and Steel) by the three Benelux states, West Germany, France and Italy in 1951 did though create a split between NATO’s European members.

As early as 1951 the French government announced a conference to discuss a plan for a European army. This conference opened in Paris on 15 February 1951.

A second military plan was proposed by French Prime Minister René Pleven and was a response to the US call for the rearmament of West Germany (established in 1949) further to the growing threat from the Soviet Union. The Pleven plan extended to six countries, the three Benelux members, France, West Germany and Italy. In other words the EDC (European Defence Community) had the same members as the newly established ECSC. The French thinking behind the EDC was to prevent the formation of a new and large independent German army. The EDC plan resulted in a treaty being signed in Paris on 27 May 1952. The EDC would have established a pan-European army, divided into national components. The intention of this treaty was for the German component to report to the EDC. The other five components would report to their governments. In this way the five would create a structure in which a new West German army would be under the supervision of the EDC. The treaty also provided for centralized military procurement as well as a common budget and institutions.

In reality the EDC plan was more a confederal army and not a truly united European army.

As it turned out the French Parliament (Assemblée Nationale) refused to ratify the EDC, with 319 deputies voting against and only 264 in favour. The “Gaullist” faction in the “Assemblée Nationale” was afraid that the EDC would threaten the national sovereignty of the Fourth Republic and the large communist faction, which had links with Moscow, also voted against. The vote of 29 August 1954 saw an end to attempts to establish a European army.

The UK organized a meeting in London (28 September—3 October, 1954) of the six EDC candidates, Canada, the USA and the UK to seek an alternative to the EDC.

The result of the London Conference was that Italy and West Germany were invited to sign the WEU treaty. Mid-fifties was the end of the try for an European army. It was waiting for a new attempt, decades later!

## **2. Common Security and Defence Policy**

The EU treaty (2009, Lisbon Treaty) established the “Common Security and Defence Policy” (CSDP) as part of the “Common Foreign and Security Policy” (CFSP). Denmark is the only EU member that has an opt-out from the CSDP.

The CFSP is coordinated by the Vice President of the EU Commission and the “High Representative for the Common Foreign Affairs and Security Policy”.

The TEU (Treaty of the EU) provides the legal basis of the common and defence policy (Art. 42, etc.).

The EU Council may unanimously set a common defence policy, although the TEU respects the current obligations of those EU states who are NATO members. Member states are to make civilian and military capabilities available to the EU for the implementation of the common security and defence policy. The most important realizations of the CSDP are the EDA and the EU battle groups.

As long ago as 1976 the defence Ministers of the 13 European NATO states, except Iceland, established the “Independent European Programme Group” (IEPG) with the aim of creating a European defence agency. Later on this became a part of the “WEU” (West European Union).

With the establishment of the EDA (see below under 2.1) this group was wound up in May 2005.

Another example in the context of greater military cooperation was the establishment of the “L’Organisme conjoint de Coopération en matière d’armements” (OCCAR) in 1996. This agency provided a framework for collaboration between France, Germany, Italy and the UK on the coordination and planning of military staffs, studies, operational requirements, etc. Belgium and Spain subsequently joined the “OCCAR” in 2003 and 2005 respectively.

In July 1998 the defence Ministers of France, Germany, Italy, Spain, Sweden and the UK signed a “Letter of Intent” to create a political and legal framework for the promotion of a European defence industry.

### 2.1 EDA

The EDA (European Defence Agency) was created as result of the European Council meeting of Thessaloniki (2003) and was formed in July 2004. It is an intergovernmental agency of the EU Council with 27 member states. The only EU member not to take part is Denmark, although post Brexit the UK will probably leave the EDA as well. Four non-EU states participate in EDA’s projects and programmes, namely: Norway, Serbia, Switzerland and Ukraine. The EDA is based in Brussels and falls under the authority of the EU Council. The latter institution receives the reports of the EDA and gives guidelines to the EDA. The head of EDA is the Vice President of the EU Commission and the High Representative of the Union for Foreign Affairs and Security Policy.

The mission of EDA is to improve European defence capabilities in the field of crisis management and to sustain European Security and Defence policy.

The EDA has a budget (2017) of 31 million euro, financed by the member states. Their contributions are based to a GNP-based calculation. States may take an à la carte approach to EDA and decide whether or not to participate in its projects.

The tasks of the EDA are fixed in Art. 45 TEU:

- Contributing to identifying the military capability objectives of the member states,
- Harmonization of procurement procedures,
- Multilateral projects,
- Supporting defence technology research,
- Strengthening the industrial and technological basis of the defence sector and improving the effectiveness of military expenditure.

The European Defence Agency's legal status is derived from two sources of law. The first is the Lisbon Treaty (Treaty on European Union-TEU), which adopted in this respect the wording agreed in the draft Treaty Establishing a Constitution for Europe (TECE), the broad lines of which were endorsed at the Thessaloniki European Council of June 2003.

This Treaty includes three references to EDA:

- (i) Article 42.3. States that, "Member States shall undertake progressively to improve their military capabilities. The Agency in the field of defence capabilities development, research, acquisition and armaments (hereinafter referred to as 'the European Defence Agency') shall identify operational requirements, shall promote measures to satisfy those requirements, shall contribute to identifying and, where appropriate, implementing any measure needed to strengthen the industrial and technological base of the defence sector, shall participate in defining a European capabilities and armaments policy, and shall assist the Council in evaluating the improvement of military capabilities";
- (ii) Article 45 TEU gives the Agency the following mission, "Subject to the authority of the Council, the task to support defence technology research, and coordinate and plan joint research activities and the study of technical solutions meeting future operational needs (...);"
- (iii) Article 3 of Protocol Number 10 on Permanent Structured Cooperation states that, "The European Defence Agency shall contribute to the regular assessment of participating Member States' contributions with regard to capabilities (...)"

The second source is the July 2004 Council Joint Action 2004/551/CFSP, which created the EDA as a "Common Foreign and Security Policy" (CFSP) body reporting to the Council of the European Union. The Council Decision 2015/1835 of 12 October 2015, amending the 2004 Joint Action, goes into further detail regarding the roles of the EDA. In particular, it specifies that the EDA shall:

- contribute to identifying Member States' military capability objectives and evaluating observance of the capability commitments provided by the Member States (...);
- promote the harmonization of operational needs and the adoption of effective, compatible procurement methods (...);
- propose multilateral projects to fulfil the objectives in terms of military capabilities (...);
- support defence technology research, and coordinate and plan joint research activities and the study of technical solutions meeting future operational needs and this in particular by:
  - promoting, in liaison with the Union's research activities where appropriate, research aimed at fulfilling future security and defence capability requirements and thereby strengthening Europe's industrial and technological potential in this domain;
  - promoting more effectively targeted joint defence R&T (Research and Technology);
  - catalysing defence R&T through studies and projects;
  - managing defence R&T contracts;
  - working in liaison with the Commission to maximize complementarity and synergy between defence and civil or security-related research programmes.

Both opponents and proponents of a European defence force seem to think that EDA has a key role to play. Nonetheless at present the capabilities and possibilities of this EU institution are very limited indeed.

### *2.2 EU Battle Groups*

The European Council (November, 1999) in Helsinki introduced the idea of an EU rapid reaction force. This idea was reiterated at the French-UK summit at Le Touquet (February, 2003). Full operational capacity of the Battle groups was achieved in early 2007, with the availability of 18 battle groups, each composed of 1.500 men. These forces are under the direct control of the EU Council and can be considered as a military unit related to the CSDP (Common Security and Defence Policy) of the Union. The stand-by battle group changes every six months. At this moment 26 EU states are contributing to the EU battle groups. The two exceptions are: Denmark and Malta. Several non-EU countries also participate in the initiative, namely: Macedonia, Norway, Serbia, Turkey and Ukraine.

### *2.3 Intergovernmental Cooperation*

Since the close of the last century there have been numerous instances of intergovernmental military cooperation between EU/European NATO members.

All these cooperative initiatives have arisen outside the legal framework of the EU treaty.

The best known examples in this field are the following:

#### *(I) German/Dutch group*

This multinational formation consists of Dutch and German army units. Its HQ is in the German city of Munster.

#### *(II) Multinational Corps Northeast*

Multinational Corps Northeast is stationed in the Polish city of Szczecin. In addition to Polish troops, Dutch, German, Danish and Baltic troops take part in this corps.

#### *(III) European Gendarmerie Force (EUROGENDFOR)*

Cooperation between various European gendarmerie forces started in 2007 with the participation of the gendarmeries of France, Italy, Spain, Netherlands, Portugal, Poland and Romania.

#### *(IV) Eurocorps*

Eurocorps was established in May 1992 this intergovernmental military corps has ten member states: Belgium, France, Germany, Greece, Italy, Luxembourg, Poland, Romania, Spain and Turkey. Eurocorps has a multinational military headquarters located in Strasbourg. Its primary force is the mixed French-German brigade. Eurocorps participated in peacekeeping operations in Kosovo and Afghanistan.

#### *(V) European Air Transport Command (EATC)*

European Air Transport Command (EATC) has its headquarters on an airbase near Eindhoven in the Netherlands. The command centre is responsible for the operational management of the aerial refuelling capabilities and military transport fleets of various European countries. Since 2010 the EATC the members are Belgium, France, Germany, Italy, Luxembourg, the Netherlands and Spain.

Also close to Eindhoven, but at the airport rather than the airbase, is the MCCE (Movement Coordination Centre Europe). This organization attends to the coordination and optimization of the use of airlifts, sealifts and land movement assets. All EU states; except Cyprus, Greece, Ireland and Malta, are members of this coordination centre.

Another recent example of European cooperation is the pooled fleet of NATO-owned Airbus MRTT tankers, known as the MFF (Multinational Multi-Role Tanker Transport Fleet). Germany and Norway joined the Netherlands and Luxembourg in this programme in June 2017.

#### (VI) Nuclear force

In early November 2010 President Sarkozy and Prime Minister David Cameron signed two agreements relating to greater military cooperation between the two nuclear powers. The two political leaders agreed to create a joint force which could be deployed under the EU, NATO and/or UN flags. The second agreement was for closer cooperation between the British nuclear force and the Force de Frappe Française.

At the time of writing it is not clear what the political-military status of this agreement will be post Brexit.

#### *2.4 Current Proposals*

The former French and German Ministers of Defence, in the persons of Jean Yves Le Drian (Socialist party) and Ursula Von der Leyen (Christian democrat) respectively, proposed closer EU defence cooperation in the press in 2016 (Suddeutsche Zeitung and Le Figaro, 12 September, 2016).

The two ministers came out in favour of a joint military HQ, shared satellite reconnaissance data, a logistics centre for sharing strategic assets and a joint military academy.

In their article Le Drian and Von der Leyen noted that a core group of EU members could proceed to structured and lasting cooperation without impediment.

This prompted Britain's Defence Minister Michael Fallon to describe the Franco-German idea, "as unnecessarily duplicating what we have already in NATO" (EU Observer, 17 September, 2016).

On 30 November 2016 the EU Commission submitted a "European Defence Action Plan" (EDAP), which proposed a European defence fund and other actions to support EU member states.

There are three main prongs to the action plan:

- Launching an EU defence fund,
- Fostering investment in defence supply chains,
- Reinforcing the single market for defence.

The core of this EU initiative is the defence fund, which comprises two distinct financing windows.

The first is research oriented and exists to fund collaborative defence research projects at the EU level. The second is capability oriented and aims at supporting the joint development of defence capabilities as agreed by the EU member states.

Under the Commission proposal the fund will be led by a "coordination board" consisting of the EU Commission, the High Representatives, the member states concerned, the EDA and the respective

European industries.

In the EDAP communication, the EU Commission proposed that the specific details of the budget and management was to be developed at a later date.

Following the European elections in France in the spring of 2017 the EU Commission proposed a “European Defense Industrial Programme” for supporting the competitiveness and innovative capacity of the EU defence industry. This programme will cover the years 2019 and 2020. The amount set aside for the implementation of the programme during the two year period is 500 million euro.

On the basis of the 2016 communication on the EDAP referred to above, the Commission has launched a specific plan for a “European Defence Fund”. This fund would have two windows, one for research and the other for capability (development and acquisition).

The windows will be coordinated by a coordination board, in which the EU Commission, the European Defence Agency, member states and industry will sit as appropriate.

The research window is to be financed from the EU budget (90 million euro before 2020 and 500 million a year beyond 2020).

The research window will offer grants for innovative defence technologies and products. The capability window will create incentives for member states to cooperate in developing prototypes through co-financing (20% by the EU and 80% members) with the following projected budgets:

- Before 2020: 2.5 billion euro (500 million EU and 2 billion from member states’ budgets);
- Beyond 2020: 5 billion euro (1 billion EU and 4 billion euro from national budgets).

Finally the intention is that member states will acquire these products. The Commission proposed that the EU will only co-fund the development of prototypes when member states commit to buying the finished products.

The EU Commission highlighted the problems and weaknesses of the present European army systems as follows:

**Table 1. EU vs US Weapon Systems**

	European Union	USA
Member weapon systems	178	30
Main battle tanks	17	1
Destroyers/frigates	29	4
Fighter planes	20	6

*Source:* European Defence Fund—EU Commission.

Recently, both after and during the presidential elections in France (May, 2017), Emmanuel Macron repeatedly argued for European integration regarding defence. But what is not clear is whether President Macron is prepared surrender sovereignty over, e.g., the “FFF or Force de Frappe Française”. Likewise in the light of Germany’s recent parliamentary elections (September, 2017) it is by no means evident whether the FRG still favours greater European integration?



This second part of the study describes the many European plans for a military cooperation. No doubt, it's a complex situation with different plans, with different participating countries. At least, you can't deny that these plans are far away from a real European defence system!

### 3. The Potential States

Which are the potential European states for the creation of an EU defence army? This article split the states up in several groups, namely: the neutral states, the non EU member states and EU-NATO members. For each of these states, this article has calculated their military manpower, the military outlays in GDP% and the budget in US dollars (2016 or 2017 figures, mostly NATO figures). Also this article examines the pro's and contra's of a possible participating of an European army.

#### 3.1 Neutral States

Several EU countries are not NATO members, namely: Austria, Cyprus, Finland, Ireland, Malta and Sweden. The next table gives the mentioned figures for these group of states.

**Table 2. The Neutral Countries**

	Manpower	% GDP	Budget
Austria	21,350	0.7	2.8
Cyprus	12,000	1.8	0.350
Ireland	9,100	0.4	1
Finland	29,350	1.3	3.2
Malta	1,950	0.6	0.05
Sweden	30,000	1.2	5.3
Switzerland	20,800	0.7	4.8

*Source:* SIPRI (Stockholm International Peace Research Institute) and EDA (European Defence Agency).

All these countries tend to adopt a neutral status.

The outcome of the second world war meant that Austria has been required to be neutral since 1955 although the country already contributes to several EU military missions. The Austrian defence budget has tended to grow in recent years despite being lumped together with the budget for sports. It is likely that Austria will take a more active role in view of Russian diplomatic brinkmanship.

In Cyprus the defence budget is not a priority because of the financial crisis. The island has been divided since the Turkish invasion in 1974 and Britain's Royal Air Force still maintains numerous installations here. Cypriot defence spending expressed as a percentage of GDP comes to 1.8% which is better than the most EU members.

Ireland has no military tradition and a history of neutrality. It is doubtful that the Republic of Ireland could be an effective member of a European defence system.

The Finnish military budget has gradually increased in recent years. The growth in defence spending is inevitably related to the activities of its eastern neighbour, Russia. The Scandinavian country has been

traditionally neutral and it is unclear if Helsinki favours an integrated European army.

Malta has never shown much commitment to national defence as the island has traditionally looked to Britain for its protection.

Nonetheless the challenges and dangers emanating from North Africa compel Malta to have a national defence policy. From 2014 to 2015 Malta's defence budget rose from 0.54% to 0.61%.

Sweden has a long tradition of neutrality and a fairly well-equipped army. Sweden too though has squeezed defence spending and as a result the defence budget has fallen to 1.2% of GDP. As a result of the Russian tensions, the Swedish defence budget will increase to nearly 5.6 billion dollars in 2020.

The Swiss confederation also has a long tradition of neutrality. Even so the country delivers troops for peacekeeping operations under EU, NATO and UN command.

With the exception of Switzerland all these countries are members of the European Union. It is not clear to what extent they are prepared to play a more active role in an EU defence policy.

None of them belongs to a properly established defence organization such as NATO, although the six EU member states take part in cooperative EU defence projects.

The likelihood of a positive Swiss response to a joint EU defence must be regarded as slight and it must be assumed that Switzerland will remain neutral and not become a military partner.

Combined the six other states have the following military power:

- Troops: 100,000 men,
- Budget: 13.95 billion dollars.

There is no disputing that Sweden is militarily the most powerful of this group of neutral EU states. This can be explained by its neutrality and a policy of strictly national defence as well as by the existence of a large defence industry (e.g., Bofors, Saab).

All these countries can expect extended political and diplomatic debate if they are to play a more active role within an integrated European defence system, as such cannot be reconciled with a neutral status.

None of the aforementioned states meets the NATO standard of defence spending of 2% of GDP per annum.

### *3.2 The Non EU States*

The NATO has several member states which do not have EU membership, namely: Albania, Montenegro, Norway and Turkey.

NATO's newest member is Montenegro. With 1500 military personnel it has the second smallest army in NATO, only larger than Luxembourg. The Balkan republic spends about 77 million US dollars a year on its defence, representing about 1.6% of GDP and below the NATO standard of 2% of GDP. This is also the smallest budget of all NATO members.

The accession of this country to NATO was not inspired by Montenegro's financial or military resources, but by the fact that it gives NATO complete control over the entirety of the Adriatic coast. Furthermore it serves as a bulwark against Serbia, Russia's main ally in the region.

The next table gives an overview of the military capacity and defence budgets of these four countries

(in billions of US dollars).

**Table 3. NON-EU Nato States**

	Manpower	% GDP	Budget
Albania	6,800	1.22	0.170
Montenegro	1,500	1.66	0.077
Norway	20,000	1.59	6.8
Turkey	387,000	1.52	12.5

*Source:* NATO defence expenditures.

In terms of manpower Turkey most certainly has a quantitatively large army. The figures make it the second largest army in NATO, second only to the US.

Norway has a small but modern army and has the advantage of occupying a geographically strategic location, i.e., the North Atlantic and the Arctic. Location is also highly relevant to Turkey as well, as it controls access to the Bosphorus and the Black Sea, and has borders with Iran, Iraq and Syria.

Iceland does not maintain a standing army. The 200 personnel it deploys are nearly all involved with the activities of the national “Coast Guard”. It has a defence budget of close to 46 million US dollars or approximately 0.30% of Iceland’s GDP.

### 3.3 The EU Members of the NATO

In the previous Tables we have seen the figures for troop numbers and defence budgets for the neutral European states and the non-EU members of NATO.

The next section considers those states that are both EU and NATO members, this group thus does not include the countries considered above and neither are two important non-European states, namely: Canada and the United States, included.

The next table shows the figures for the NATO states on the North American continent.

**Table 4. North America**

	Manpower	% GDP	Budget
Canada	73,000	1.31	22.3
USA	1,308,000	3.58	683.4

*Source:* NATO.

This Table shows the figures for the military manpower of the two North American NATO members. With a total of 1,381,000 personnel out of the NATO total of 3,174,000, they jointly represent 43.5% of all NATO’s manpower. Here of course it is the US that dominates, and this goes hand in hand with the largest defence budget of all NATO members.

Average defence spending as a percentage of GDP for all NATO members together comes to 2.43%, even though average defence spending for all 27 European members is only 1.47% GDP.

In absolute terms too, the US defence budget is the largest, coming to a total of 683 billion US dollars.

The 27 Europe states have, by comparison, an aggregate military budget of only 242 billion US dollars. The US figures underline the weight of the United States in political/military terms as well as demonstrating how important NATO is.

The next table gives an overview of the military manpower and budgets of the EU members of the North Atlantic Treaty Organization.

**Table 5. EU States**

	Manpower	% GDP	Budget (billion US dollar)
Belgium	28,000	0.91%	4.6
Bulgaria	25,000	1.57%	0.9
Croatia	15,000	1.27%	0.7
Czech Republic	23,000	1.07%	2.3
Denmark	17,000	1.17%	4
Estonia	5,700	2.14%	0.563
France	209,000	1.79%	48.1
F.R. Germany	179,000	1.22%	46.5
Greece	107,000	2.32%	4.9
Hungary	18,000	1.05%	1.4
Italy	181,000	1.13%	24.5
Latvia	5,700	1.70%	0.528
Lithuania	14,000	1.77%	0.853
Luxembourg	800	0.44%	0.301
Netherlands	41,000	1.17%	10.241
Poland	111,000	2.01%	10.7
Portugal	27,000	1.32%	2.9
Romania	70,000	2.02%	4.2
Slovenia	12,000	1.02%	0.502
Slov. Rep.	6,800	1.19%	1.2
Spain	121,000	0.92%	12.6
UK	161,000	2.14%	57.8

*Sources:* NATO and own calculations.

Overall these 22 EU and NATO members (excluding: Austria, Cyprus, Ireland, Finland, Malta and Sweden) have 1,378,000 military personnel, a number greater than the US. One country has more than 200,000 defence personnel (France), and a further six EU countries have defence establishments of over 100,000, namely Italy, Germany, United Kingdom, Spain, Poland and Greece. The Romanian defence force is also relatively large with a total of 70,000. It should be noted nonetheless that most European armies are not available for deployment despite the high numbers of personnel. Undoubtedly this has to do with the cumbersome administrative and logistics structures of these forces. Furthermore, the financial resources work in favour of the USA. Indeed the combined defence budgets of all 22 EU NATO states comes to only 237 billion US dollars, a great deal less than the US defence budget. What is striking is that the defence budgets in many of these states have been kept to an absolute minimum.

The United Kingdom spends the most on defence (57.8 billion USD), followed by France (48.1) and Germany (46.5). Next on the list is Italy (24.5) even though it spends not much more than half the German budget. Spain (12.6) comes fifth, with a budget not much more than half the Italian one. Spain

is followed by Poland (10.7) and the Netherlands (10.2 billion) with budgets of similar magnitudes and in seventh place comes Greece (4.9 billion). In terms of size the defence budgets of the other 15 states are hardly significant. Indeed most spend only very sparingly on defence. We can also look at defence spending as a percentage of GDP. Here we see that only five countries meet NATO's 2% norm for defence spending, namely Estonia, Greece, Poland, Romania and the UK. What is remarkable is that a nuclear power like France does not meet the 2% standard, nor do several of the larger European states such as Germany, Italy and Spain meet the agreed NATO 2% standard.

The defence budget of the United States represents 3.58% of GDP. The sum that the EU spends on defence, depending on whether you look at the 22 EU members of NATO, or the 28 EU member states, comes to respectively the 237 billion USD mentioned above, or 251 billion USD. According to the Eurostat figures for end 2016, the GDP of the European Union came to well over 17,275 billion USD (€ 14,904 billion). NATO's standard of 2% of GDP for defence is most certainly not being met. Indeed should the standard be met the EU would be spending approximately 345 billion USD on defence. The EU's actual spending on defence is a good 100 billion dollars less, representing only 1.45% of GDP. Here we may recall that we have already mentioned that the US spends 3.58% of GDP on defence.

#### **4. Potential Contributors**

At this stage we would like to investigate which European countries, both EU and non-EU members could potentially contribute to the establishment of a European defence force.

We may first consider the list of states that are both EU and NATO members. Most of these countries are interested in and support the idea of a European army, although the list in itself raises questions about those countries whose policies cast doubt on their effective participation.

Denmark is a member of the European Union and NATO but not of EDA! This forces us to conclude that Denmark will not be a contributor to a European army in the immediate future. The geographical location of this Scandinavian country is nonetheless highly relevant to the defence of Europe. After all Denmark controls access to the Baltic from the North sea and vice versa. Furthermore, Denmark has sovereignty over the Faroe Islands, north of Scotland, and over Greenland. The latter, lying between Canada and Iceland, occupies a strategic position in the North Atlantic, particularly with respect to any future exploitation of the Arctic. Greenland has not been part of the European Union since 1985, but continues to be part of the Kingdom of Denmark and NATO territory.

We should maybe be also considering the position of Hungary and Poland in view of the various disputes and tensions between the current governments of these two states and the European Commission in connection with various aspects of domestic policy. Even so both countries are NATO: – EU-EDA members and their most important security concern is the threat from Russia, which is why we must conclude that their interests lie with a joint defence against the Russian Federation.

The thorniest question of all though is what the United Kingdom is likely to do post Brexit regarding membership of a European army. The UK is a member of NATO and will continue to be so, but leaving

the EU will mean an end to the presence of the UK in the EDA. At present the UK has the most easily deployed army in Europe and continues to have Europe's largest defence budget.

Bearing the foregoing in mind, we must conclude that Denmark and the United Kingdom are not likely to be contributors to the establishment of a European defence force in the near future for the following reasons:

- Denmark is not an EDA state;
- Greenland is outside the EU and the Faroes are not a full member of the European Union;
- The U.K. will leave the EU and EDA after Brexit. Despite Brexit, we cannot ignore the possibility that non-EU members might participate in a European defence initiative. Without the UK the EU would lose important positions in the North Sea, the Atlantic Ocean and in other places in the world.

Without Denmark and the United Kingdom the 20 remaining states still have a common defence budget of 175.2 billion US dollars and 1,200,000 military personnel.

The next question that any analyst must ask is whether the non-EU member states can be considered as potential contributors to a European defence force. We have already looked into the budgets and manpower of the various neutral EU states (under 3 above). Of this group of seven states, the Swiss confederation must be ruled out as a potential member of a European army. The strict and historical neutrality of this alpine state excludes Switzerland from the whole concept. It is much harder to give a yes or no answer regarding the six other states. All six are currently joining EDA, but the step towards an active, rather than a neutral, European army may be a bridge too far for all or some of these states.

A European defence force without Cyprus and Malta would give rise to geo-strategic problems regarding a presence in the Mediterranean. We have already pointed out the British presence in Cyprus and its historical links with Malta.

A non-participating of Sweden and Finland, especially in the light of what has already been said about Denmark, results that the European defence force would have no presence in Scandinavia and the Arctic region. Given the importance of the Nordic and polar territory, the non-participation of the Scandinavian countries would constitute a major geo-strategic drawback for the EU.

If Ireland will not take part a EU army, this would have the effect of a reduced defence presence on the Atlantic seaboard.

The other EU countries with territory on the more northerly section of the North Atlantic seaboard are Denmark and the UK. The participation of Spain and Portugal would be desirable in order to have bases in the more southerly section of the North Atlantic (the Azores, Madeira and the Canary Islands). The last on the list is Austria. Non-participation by Austria could give rise to territorial difficulties for the defence of central Europe.

On the basis of the above analysis, this article calculates all the variants with respect to military budgets and personnel for the countries concerned. The following Table provides an overview of all the permutations for the current 28 members of the EU.

**Table 6. The Various Scenarios**

	Personnel	Budget (billionsof US dollars)
28 EU states	1,478,000	251
27 EU states (without UK)	1,317,000	193
26 EU states (without UK and Denmark)	1,300,000	189
22 EU states (without 6 neutral)	1,378,000	237
21 EU states (without UK and 6 neutral)	1,217,000	179
20 EU states (without UK, Denmark and 6 neutral)	1,200,000	175
6 neutral EU states	100,000	13.9

*Source:* own calculations.

This Table lists all the permutations of a European army and the accompanying numbers of military personnel, for the purpose of comparison with the US army. The most important impacts arise from the participation or otherwise of the United Kingdom and to a lesser extent of Sweden.

In terms of spending, a European army, with the participation of 28 states, has 251 billion dollars at its disposal. This sum drops to 175 billion USD in the 20 state scenario. In that respect the table again highlights the impact of UK defence spending.

Switzerland has historically maintained its neutrality and is not interested in EU membership. The only link to the EU is the accession of the Swiss Confederation to the European Economic Area in order to assure access to the internal market.

Turkey has significant military capabilities, but has no ties to the EU. Furthermore, despite long-standing aspirations to join the EU, the country has in recent years been distancing itself from West European values and standards.

The two Balkan states of Albania and Montenegro have little to offer in military terms, apart from encircling Serbia, which is aligned with Russia.

If we are to be realistic we must accept that these two states have little to offer a European defence force.

That leaves us with Norway, with its strategic position regarding the western approaches and the Arctic. Norway is an EDA partner, but has declined to become an EU member. It is linked to the EU via EFTA and the European Economic Area. The same comment applies to Iceland.

It is far from clear whether a European defence system could be viable without the participation of the Scandinavian countries and in particularly without Norway and Iceland.

## 5. Conclusions

In this study, we have tried to determine what the budgetary situation for launching a new EU defence force would look like. Any initiatives in this direction will have to overcome considerable obstacles. Indeed, as this study clearly shows, it is the United States that currently makes the greatest efforts regarding the European defence. In effect it is the American taxpayer who, since the establishment of

NATO in 1949, has paid a not insignificant share of the European defence bill. Even so the idea that the European Union might play a role in the establishment of a European defence system is something new. The steps towards an EU army have been very slow, and any progress has tended to be a somewhat à la carte affair. In institutional terms it is as yet not at all certain what a European force might look like. Would it be part of the European Union and be administered by EU institutions or will the armed forces continue to be a national concern subject to EU coordination? Apart from that, the role of the non-EU states in a European defence force is also set to be the subject of much discussion. Finally the question of what the relationship between a European defence force and NATO must also be considered.

In this article we have looked at what the budgetary resources available to an EU defence force might be for various scenarios (Table 6). In this respect the article shows that the EU defence budgets of the member states are simply too small to play a military role of global significance. Comparison with the US defence budget highlights this and it must also be pointed out that just five of the EU states who are NATO members meet NATO's defence-spending standard of 2%. Overall the EU's NATO members come nowhere near the standard and spend on average only 1.45% of GDP on defence. Essentially this means that more government money will have to be made available for EU defence. In view of the straitened state of the treasuries of many countries, this would appear to be a difficult option to implement. There is nonetheless one country that has a significant positive balance on the national budget, namely Germany, with a surplus of roughly 30 billion euros. The key question though is whether Germany would be prepared to spend more money on defence, and whether other EU members would be prepared to allow Germany to play a leading role in Europe's defence? Here our conclusion must be that financing the defence of the EU is going to be the subject of much political debate.

In terms of personnel the combined total for the EU's armed forces bears comparison with that of the United States, but it must be pointed out that these figures include a very large proportion of administrative and logical support structures and that the effective deploy ability of these forces is only very limited.

This article also considers the potential members of a European defence system. As we have seen there are a number of problems with neutral countries, non-EU states, the non-participation in the EDA by Denmark, and the looming Brexit and the position of the United Kingdom. With respect to the latter country, we must acknowledge that the non-participation of the United Kingdom in an European defence force gives rise to major difficulties, partly because of the high level of British defence and partly because of the geo-strategic position of the country.

Generally speaking, the conclusion of this article must be that—at present—not enough money is available for the development of an European defence force. Apart from that there are numerous difficulties of an institutional nature, the relationship with NATO, potential members, etc. In other words a specifically EU defence initiative is not a realistic prospect either in the short term or the medium term. The defence of Europe and the Atlantic must continue to remain in the hands of NATO!



The countries of Europe will moreover have to make more money available to this organization if the European contribution to the costs of its defence is to remain politically defensible on the other side of the Atlantic.

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