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ARTICLE

The added value of EU defence research

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Abstract This article examines why the EU should finance defence research. The answers are found in the role the EU increasingly plays in guaranteeing its own security and providing security in Europe's neighbourhood. Against this backdrop, and to compensate for the steady decline in defence research and technology investment, in 2013 the European Commission suggested undertaking preparatory action in this field. This initiative has received support from the European Council and the European Parliament on several occasions. The Parliament put itself in the driving seat for establishing a pilot project in the fiscal year 2015. All the ongoing efforts serve the purpose of establishing a fully fledged European Defence Research Programme starting in 2021. This programme could have the added value of catalysing future cooperative defence programmes, thus delivering urgently needed capabilities for European armed forces.

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Introduction

Regarding the growing tasks that are to be dealt with at the European level, this article tries to shed light on the following question: why is it relevant to finance defence research at the EU level? While some politicians and experts are against such an EU funding scheme, this article makes the case that there are good reasons to launch such a common endeavour. This article highlights the untapped potential of a European contribution in this area, and the need for innovative defence equipment that would enable the EU to be a guarantor of its own security and act as a security provider. I also outline why critics of this scheme are wrong. This will be achieved by assessing the relevance of four statements:

1. Future EU research will focus on the military assets provided by the defence industries that serve our troops.
2. There is consistent political support for EU financing of defence research.
3. The European Parliament (EP) is the driving force behind defence research.
4. EU defence research is in line with the legal and ethical aspects of the Union.

Towards a European defence research programme

Against the backdrop of increasing risks and threats in Europe's neighbourhood, the EU institutions are trying to secure Europe and establish a European defence research programme (EDRP). For the funding period from 2021 to 2027, the intention is to spend 3.5 billion euros on such a programme. This money would be dedicated to funding research to support capabilities that serve Europe's strategic autonomy. The new capacity could fill the well-known shortfalls in 'C4 (command, control, computers and communications)' and in 'coordination among different services and national contingents' (EU Institute for Security Studies 2013, 10). Some of the points outlined in this article reflect the results of the report on European defence research by the Group of Personalities (GoP), which outlined the way towards an EDRP (EU Institute for Security Studies 2016). In the GoP, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta Bieńkowska, gathered representatives from politics, research institutes and industry to shape the plans for defence research and to give advice on long-term ambitions. In addition, this article also reflects the insights of a study which the European People's Party Group initiated in the EP, which was conducted by Frédéric Mauro, a Parisian lawyer, and Professor Klaus Thoma, retired director of the Fraunhofer Institute's Ernst-Mach-Institut.

As a first step towards this programme, the EP initiated a pilot project on defence research under the Common Security and Defence Policy (CSDP), allocating it 1.5 million euros from the EU budget for 2015–16. The European Commission must now recommend a preparatory action, establishing the intended EDRP with between 75 and 100 million euros in the budgets for 2017–19. The main objective of a pilot project and preparatory action is simply to explore new policy ground on an ad hoc basis, prior to the area being taken up formally during one of the EU's subsequent multiannual operating frameworks.

The GoP report identified two objectives for the EDRP: improving Europe's military capabilities and increasing its strategic autonomy. The term military capability covers different dimensions, including personnel, capacity, doctrine and training, and can be defined as 'the ability to apply organized military force against an external military threat' (UN 2005, 17). The concept of strategic autonomy has two dimensions: the political freedom of decision-making and the political–industrial freedom of action, covering 'the capacity *to produce, operate, deploy, maintain, modify* and eventually *sell* one's own weapons' (Mauro and Thoma 2016, 38). Both concepts are two sides of the same coin, namely the CSDP, which forms an integral part of the EU's Common Foreign and Security Policy.

The intended EU activity will concentrate on defence research and technology (R&T), which covers 'basic research, applied research and technology demonstration for defence purposes' (European Defence Agency 2016). R&T is a subset of research and development (R&D), which 'encompasses programmes up to the point where expenditure for production of equipment starts to be incurred' (European Defence Agency 2016). As a consequence, it will be up to the member states to take the results of EU-funded R&T activities and turn them into national R&D defence efforts leading to military capability. Future EU funding will only be possible in the area of R&T, because R&D refers to capabilities which remain in the hands of member states (art. 42 Treaty on European Union). The envisaged EU defence research budget would complement and supplement national activities. Indeed, the EU can bring added value by creating incentives for starting defence cooperation and forming collaborative armaments programmes. The European 'collateral benefits' would be increased levels of interoperability among our armed forces and lower prices per unit for military equipment.

Defence and research deserve to be high on the EU agenda

Looking at recent newspaper headlines, someone could argue that there are more important issues on the EU agenda than financing defence and defence research, such as the sovereign debt crisis or the refugee crisis. Indeed, in this context, it may not seem very wise to start calling for defence research to be financed from the EU budget. First and foremost, the member states are the primary guarantors of security and defence against external threats. Therefore, it should be up to them to finance defence research.

However, statistics not only show a continuous decline in defence investments, but an even more significant decrease in investment into defence R&T. A recent study used this alarming sentence when talking about this unsustainable situation: 'European defence research comes to an end' (Mauro and Thoma 2016, 42). The uncoordinated cuts in national defence research outlined above appear to be even more dramatic when they are compared to the projected huge increases in the defence and defence research budgets of non-democratic countries such as Russia or China.

In parallel with these external processes, the current challenges and future types of warfare underline the limited impact national actions might have on external powers and threats. The most recent operations in Afghanistan, Libya and Mali have shown that member states engage in military operations through multilateral frameworks or ad hoc coalitions of the willing. They have to do so because member states are no longer in a position to sustain the full spectrum of military capabilities for high-intensity warfare. This was recently illustrated with France's invocation of the mutual EU defence clause (art. 42.7 TEU) following the terrible terrorist attacks in Paris in 2015. At the core of this clause is the general understanding that Europeans have to stick together in order to guarantee their common survival. All other achievements, such as our welfare states, are worth nothing if the Union is not able to deal with existential threats. The violent and illegal actions of Russia in our eastern neighbourhood have sadly proven that Europe has reached the point of facing real existential threats.

The EU as a security provider needs to have innovative equipment

In recent years one may have observed that the EU, a recipient of the Nobel Peace Prize, has taken on a more prominent role as a security provider outside its borders. This observation is supported by the positive impact of the EU's sanctions on Iran and the EU's role in finding a peaceful solution to the Iranian nuclear crisis. In addition, both the 17 civilian and/or military CSDP missions that have already taken place and the 19 missions that are currently ongoing have proven that the EU can act as a security provider in hostile environments, such as Afghanistan or Somalia.

In the twenty-first century the EU must be in a position to deploy military power to uphold and enforce its interests and values, preferably only if such action is provided for under international law and within a UN framework. This general understanding was established in the 2003 European Security Strategy, and will certainly be re-emphasised in the European Global Strategy to be published in June this year.

Against this backdrop, the successful deployment of military power will depend on the decisive operational advantage of the forces (Mauro and Thoma 2016, 33). This intended operational advantage is only possible if, among other factors, our forces are equipped with innovative defence products that preserve a technological advantage. Ensuring that this is the case is the role of R&T organisations and the research efforts

of the defence industry. Future EU funding will enable them to provide disruptive technologies for European armed forces, thus achieving a decisive operational advantage over potential enemies. Finally, innovative defence products can improve the protection and survival of our troops in future operations. If we are ready as a Union to engage our servicemen and -women in operations abroad, we have to provide the necessary reliable equipment for the successful implementation of their operations and to guarantee their protection. Anything else would be grossly negligent.

A focus on the military assets provided by the defence industries that serve European troops

Ever since the Commission presented its initial idea of setting up a preparatory action on defence research, there have been sceptical voices out there. One main criticism is that the whole endeavour merely serves to finance the European defence industry. According to this view, EU R&T investments would simply be a form of subsidy for armaments companies.

It appears that these critics misunderstand the issue of the industry as the legitimate supplier of the military equipment ordered by politicians. The obvious link between cause and effect remains, as has been correctly described by Nick Witney: 'The defence industry is there to support European defence ministries and their armed forces and not, as perhaps some others have tended to think, the other way round' (UK House of Lords 2003).

Just recently one journalist even went so far as to 'reveal' that the published GoP report on European defence research had been written by the industry for the industry (Otto 2016). This is complete nonsense. When someone looks at the comprehensive list of GoP members (European Commission 2015), out of the 16 personalities only 6 represented the defence industry. The majority were representatives from the EU or national institutions, or were politicians or defence research experts.

The primary goal is to have an operational CSDP that enables the use of the EU's toolbox to respond to external risks and threats. The European Defence Technological and Industrial Base and its integrated defence research are enablers for protecting European citizens. Parliamentarians put the protection of citizens first. Supporting our industry as 'a major source of growth and innovation' (European Parliament 2013) is a *collateral profit* which serves the primary objective of supplying defence equipment.

Continuous political support for EU financing of defence research

The main EU institutions have welcomed the journey towards an EDRP. Indeed, while some critics might say that 'the EDRP is a still-born baby because of the lack of political will', this statement can be proven to be wrong.

The recent history of EU defence research started with a Commission communication prior to the European Council meeting on defence in 2013. In this document the Commission proposed the idea of 'launching a preparatory action for CSDP-related research focusing on those areas where EU defence capabilities are most needed' (European Commission 2013, 5). In the follow-up to the communication this initiative was supported by the EU's two budgetary authorities, the Council and the EP.

In my defence report, the Members of the European Parliament (MEPs) welcomed the Commission's initiative for a preparatory action. During the European Council meetings of December 2013 and June 2015, the highest political level of the EU, the heads of state and government, twice expressed its willingness to embark on EU defence research. The conclusions of the European Council (2015, 6) highlighted a key element: '. . . recalls the need for: the EU budget to ensure appropriate funding for the preparatory action on CSDP related research, paving the way for a possible future defence research and technology programme'.

Three elements characterised these conclusions. First the heads of state and government placed the intended financing of defence in the context of the EU budget. Second, the European Council specified for the first time that it wanted to have a focus on defence. Thus defence research, rather than civilian–military research, is the primary goal. Third, against the backdrop of the European Council's call for 'appropriate funding for the preparatory action' (European Council 2015, 6), it makes sense to be ambitious and ask for a budget of 75–100 million euros over 3 years, as suggested by the GoP. This amount is ambitious because the average preparatory action in recent years has received two million euros per year. However, taking into account the following reasoning, this figure is not over-ambitious: 'The Preparatory Action (PA) for CSDP-related research needs a sufficient budget to effectively test the governance scheme and the specific modalities to be employed as well as different categories of research activities (capability-driven and innovation-driven), notably including demonstrator development actions' (EU Institute for Security Studies 2016, 26). According to the UK government's definition, the main objectives of demonstrator activities are to: 'Reduce technological or industrial risks in subsequent development; demonstrate novel system capability; provide pull-through link between research and projects' (TTCP 2014).

The EP is the driving force behind defence research

In preparation for the 2015 budget, I led a group of MEPs from the European People's Party Group and the Socialists and Democrats Group that turned words into deeds and launched a pilot project on CSDP-related research. It was the first time in the history of the EU that a budget line for defence had been created. Since then, the project has twice found support in the 2015 and 2016 budgets, receiving approval from both the Parliament and the Council. This pilot project was necessary because of delaying tactics within the Commission in early 2014 (Gahler 2014).

The pilot project allowed MEPs to emphasise their commitment to defence research. The project also allowed MEPs to express their strong interest in setting up a specific European governance structure to see how a relationship between the Commission and the European Defence Agency could work. Finally, the Parliamentarians clarified that the focus would necessarily have to be on defence and not on civilian–military (dual-use or bridging) applications. The current framework for security research within Horizon 2020 already provides initial support for these bridging technologies thanks to the EP. Member states and stakeholders should make full use of the possibilities already provided within the Security Research Programme of Horizon 2020. Member states should also further support the research mission that supports the Union's external policies, including technological development in the area of bridging (or dual-use) technologies to enhance interoperability between civil protection and military forces (as stated in the specific programme establishing Horizon 2020).

EU defence research is in line with the legal and ethical aspects of the Union

In the past, critics have claimed that defence research and defence in general could not be funded from the EU budget. Although some restrictions in the Lisbon Treaty might lead to this conclusion, it has to be made clear that it is legal for the EU to begin funding of defence research. It would be excellent if the European Commission could finally clarify the legality of this based on the political will as expressed by the European Council and the EP.

Critics quote Article 41.2 of the Treaty on European Union as pointing to a ban on EU funding in the defence area. But this broad interpretation neglects an important point in the specific restriction provided in this article. The financial restriction only refers to financing an actual military operation outside of the EU. Accordingly, EU funding for the military before and after operations can be considered legal.

Some critics reference the provisions in Horizon 2020 when claiming that EU-funded defence research would be illegal. Article 19(2) of Regulation 1291/2013 establishing

Horizon 2020 stipulates: ‘Research and innovation activities carried out under Horizon 2020 shall have an exclusive focus on civil applications’ (European Commission 2014, 1).

Indeed, Horizon 2020 activities are limited to civilian–military research for civilian requirements. This means that it is not possible to consider specific military demands or requirements when defining a research project. However, this restriction is based on a political compromise rather than a legal restriction derived from EU primary law. Despite this, the current legal basis for the EU on R&T is clear as it covers ‘all Union activities’ (art. 179 Treaty on the Functioning of the European Union). Consequently, EU funding of research in support of CSDP activities is legal and can be ‘implemented in the field of research policy in the framework of Title XIX TFEU’ (Mauro and Thoma 2016, 47).

Another criticism relates to the allegation that EU defence research would not be in line with ethical concerns. All EU policies enumerated in its treaties have to be considered ethical. The idea behind this is simple: the governments and parliaments of the member states have accepted all EU policies mentioned in the Treaty of Lisbon through their ratification processes.

In conclusion, as in Horizon 2020, all activities carried out under a future EU defence research programme must comply with ethical principles and relevant national, EU and international legislation. Indeed, moral standards are an essential requirement and a guideline in the development of new (defence) technologies in our society.

Conclusion

For several reasons 2016 seems to be a pivotal year on the way towards an EDRP. In April the European Defence Agency made its first call for proposals, which is based on the pilot project and a delegation agreement between the Commission and the Agency.

The budget line concerning the preparatory action itself needs to be included by the Commission in the proposal for the general budget, at the latest in June 2016. Hopefully, at around the same time the Commission will present its communication accompanying the preparatory action. Also in 2016, MEPs will use the mid-term review of the multiannual financial framework to express their commitment to establishing an EDRP in the next multiannual financial framework, starting in 2021. Towards the end of the year, the Council and the EP will need to reach an agreement on launching the preparatory action in the 2017 budget year.

There are good reasons to continue on the path towards the EDRP. The stakes are high. But if potential risks can be addressed with vision and foresight, the EDRP could become a real game-changer for our armed forces.

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