

Security and defence

Commission gives Council means for EU defence policy

By Virginie Goupy | Wednesday 24 July 2013

The European Commission has no intention of “treading on member states’ toes”. Its communication of 24 July is restricted to areas of intervention in defence matters for which its competence is not likely to be called into question: the internal market, competition, research and industrial policy. The measures it details in this action plan could give substance to an autonomous Common Security and Defence Policy (CSDP), if the European Council paves the way to doing so in December.

With 400,000 direct jobs, nearly a million indirect jobs, a turnover of €90 billion and €23 billion in exports, defence industries count for a lot in the Union’s economy. Yet this is not what makes them distinctive, noted European Commission President José Manuel Barroso and Commissioners Michel Barnier (internal market) and Antonio Tajani (industry and entrepreneurship), speaking at the presentation of the communication, ‘Towards a more competitive and efficient defence and security sector’ ⁽¹⁾.

“We support the sector for economic but also for political reasons,” declared Tajani. Barnier added: “The EU must give itself the means to ensure its strategic, political and industrial sovereignty”. Barroso nevertheless pointed out: “We are remaining within the limits of our role as defined by the EU treaty”.

STATES MORE CLOSELY REGULATED

The Commission’s first means of action is the internal market: it aims to make it more efficient, abolish distortions of competition and ensure security of supply. First of all, the Commission wants to measure the impact of the defence package ⁽²⁾. Adopted in 2009, it aims to enhance the openness and transparency of defence procurement.

Second, in the context of abolishing unfair and discriminatory practices, exclusions tied to sales between governments ⁽³⁾ will be under close surveillance. “Member states have tended in the past to use exclusions related to government-to-government procurement to circumvent internal market rules,” a member of Commissioner Barnier’s cabinet told *Europolitics*.

The practice whereby a member state demands economic offsets for defence purchases from non-national suppliers will be banned. It is in total contradiction with the principles of the EU treaty and efficient public procurement. Furthermore, to guarantee competition on the market, states will have to prove the necessity and proportionality of aid they may wish to grant to the military sector. They will no longer be able to make extensive use of Article 346 of the Treaty on the Functioning of the European Union, which enables them to exempt themselves from notifying subsidies to the Commission if essential national interests are at stake. Lastly, in the area of intra-EU trade in defence-related products, the Commission takes charge of one of the fundamental elements of defence policy autonomy: security of supply. The directive on transfers of defence-related products offers particular

leverage from which states are expected to benefit to assure mutual security of supply within the Union.

INNOVATION

Independence in matters of defence and security resides in the European defence industrial and technological base (EDITB), in other words the capability of industry and of research and technology (R&T) to provide the means needed to support a policy. For research in Europe, however, the Horizon 2020 programme is exclusively focused on financing civil R&D. The Commission therefore wishes to highlight the concept of dual-use research, whose results can be exploited for both civilian and military applications. This is the case, for instance, for communication satellites, high-resolution satellite imagery and unmanned aerial vehicles, commonly known as drones. These are useful for military surveillance of enemy troops, but also for monitoring of crowds. The Commission even goes a step further, proposing to set up a preparatory action. According to a member of Barnier's cabinet, "a military R&D pilot project could be launched for a period of three years with a budget of €100-120 million. Certain member states could be interested in being associated with it by contributing to its financing and creating synergy with their national research programmes".

On industrial policy, the main lever is certification. With common standards it would no longer be necessary to have equipment certified country by country, which leads to delays and extra costs. A model for the future is the A400M jumbo aircraft, certified jointly by the seven states that financed it. Interoperability, underpinned by common standards, is also a key element of cooperation between armed forces. Tajani pointed out that during the war in Bosnia, it was impossible for European tanks to cooperate for the simple reason that their IT systems could not communicate.

AUSPICIOUS TIME

Several attempts to implement a common defence policy during the post-war years ended in failure. Today, budget cuts, multiform and cross-border threats, and the Americans' wish to see the Europeans take on greater responsibility for their own security have created a whole new situation. That is why this seems to be an auspicious time to act, summed up Barnier.

⁽¹⁾ COM(2013)542/2

⁽²⁾ *Comprising two directives: the first on defence procurement (2009/81/EC) and the second on facilitating transfers of defence-related products (2009/43/EC)*

⁽³⁾ Article 13(f) of Directive 2009/81/EC