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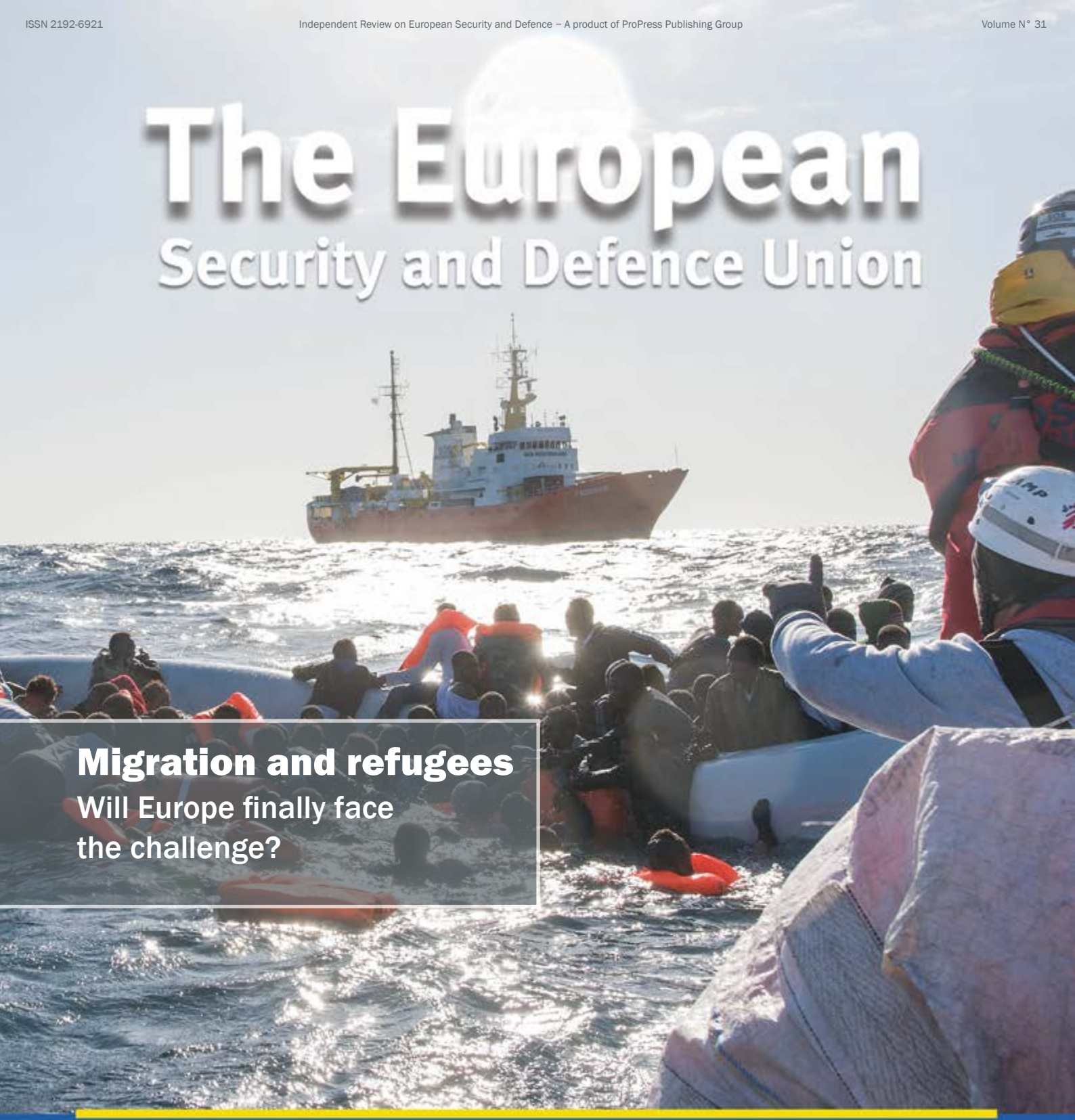

Migration and refugees

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Adapting the EU's security and defence structures

Ioan Mircea Paşcu MEP, Vice-President of the European Parliament

How to offer a decent life to refugees

Andrea Quaden, Humanitarian aid worker in Iraq

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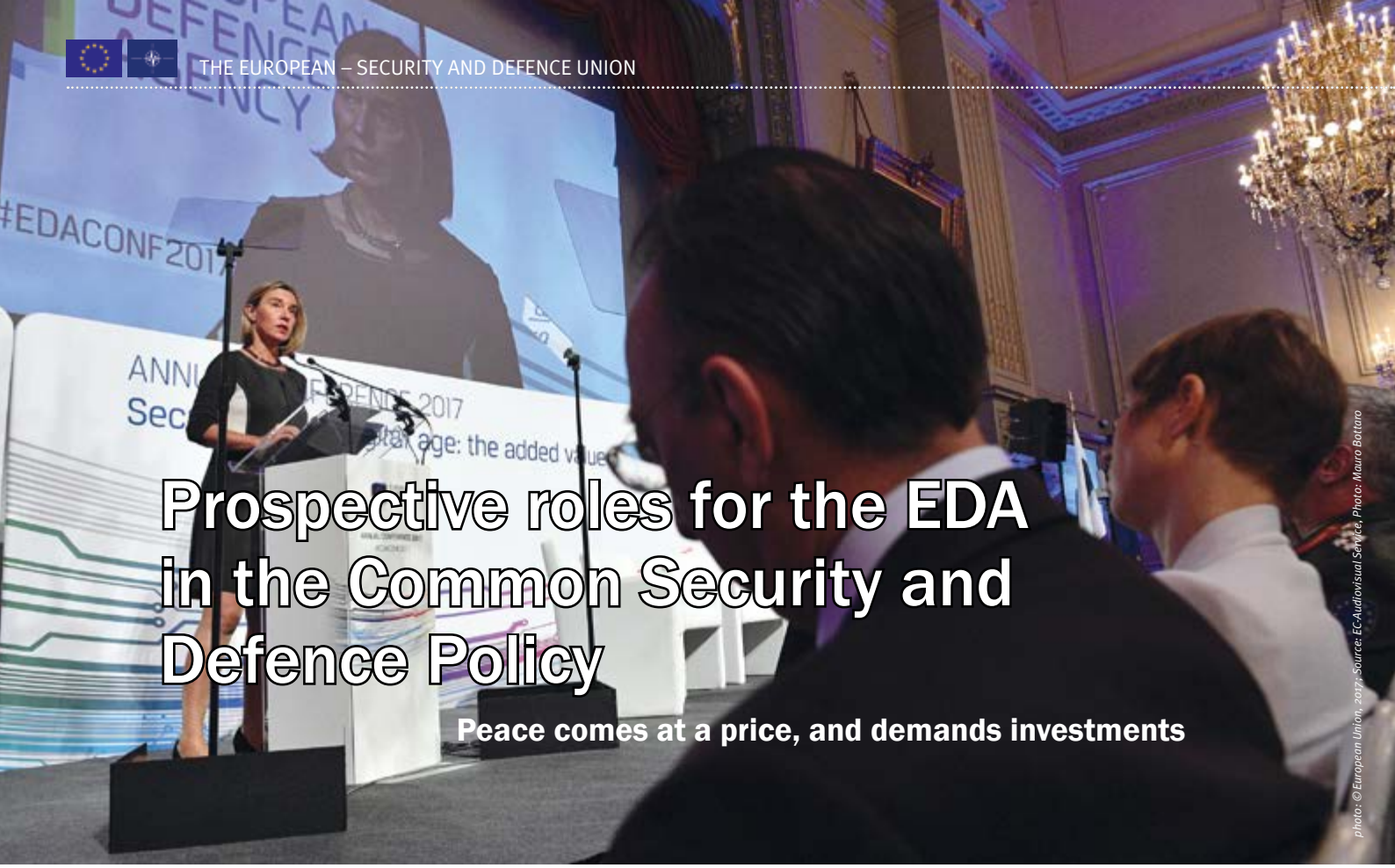

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Prospective roles for the EDA in the Common Security and Defence Policy

Peace comes at a price, and demands investments

by Dr David W. Versailles and Dr Valérie Mérindol, newPIC chair, Paris School of Business, Paris

The necessity to invest in defence and security capabilities has never been as strong since the end of the Cold War. Real threats loom over Europe. China and Russia have caught up with capabilities from their previous technological backwardness. The former did not wait long before it mentioned its new military power to advance its points in international trade negotiations.

The European Defence Agency (EDA) was established in 2004. Its legal basis has already been adapted twice, in 2011 and 2015, to accommodate evolutions in intergovernmental cooperation. Prospects for the EDA's future build on progress made over the last 15 years. 2016 and 2017 have, however, marked a breakthrough with the European Commission (EC) and the European Parliament (EP) taking new steps in regards to their role in Defence and Security Research, Development, Tests and Evaluation (RDTE) funding and programming. This new governance scheme adds to the complexity.

In this article, we first explain the context and then address two points: the importance of building the EDA's in-house competencies, and the necessity to articulate RDTE in a dual-use framework.

Taboo issues

Discussions regarding the EDA's future most often forget the elephants in the room: the interaction with NATO and the prerogatives assigned to the different European institutions in defence and security domains. Debates around the European Security and Defence Policy (CSDP) come up in relation to concrete issues on the elaboration of the European Defence Technological and Industrial Base (EDTIB), the pinkest of all elephants. Any institutional or political development of the CSDP reveals, sooner or later, some hidden agenda.

No technology is neutral

The development of defence and security operational capacities requires decisions at the crossroads of technological, economic, budget-related, and doctrinal issues. No technology is ever "neutral". It implies a doctrine for the employment of force that makes it possible for politicians to operate missions that are potentially acceptable to public opinions. Citizens in European countries don't accept similar defence objectives or similar tax levels to install forces and equipment.

Peace demands investments

2017 marks a specific cornerstone. The European Defence Fund (EDF) was launched in June 2017 under the strong influence of the European Parliament. In the same month, the European Commission guidance was expanded into a "Reflection paper" where they described options for convergence levels and mutualisation opportunities. In parallel, the USA's constraints on public finance and reorientation of strategic priorities towards the Pacific area lead to an evolution within NATO. Numerous countries have behaved for decades as if their adhesion to NATO made it possible to avoid public spending on defence

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equipment. They now understand that peace comes at a price, and demands investments.

Competencies and capabilities

Operational capabilities only materialise because industrial capabilities exist in the ecosystem. In-house competencies empower public actors to fund and orient Research & Development (R&D) activities in the long run and to supervise the interaction with the industry. It is impossible to avoid the links between public and private actors, and public and private budgets: such coordination elaborates on the analysis of operational needs, on the definition of technical specifications for each programme, and on the appraisal of dual-use opportunities. No public institution can contribute to these debates without in-house competencies. They are required to facilitate the convergence of technical and doctrinal specifications, run co-development projects with the industry and, ultimately, create the conditions for superiority on the battlefield. It is impossible to manage the arbitrations between costs, priorities and specifications without them.

In the stacking of European institutional layers, the handling of all these issues presumes a convergence between contributing Member States (MS). A major aspect of the EDA’s credibility builds on its ability to be present as a trusted third party in the intergovernmental framework. It fosters the emergence of joint visions and concepts for defence-related technologies and capacities, while other European institutions are in charge of security-related issues. The EDA faces very high levels of institutional complexity, similar to or higher than EUROCONTROL’s ones. Even if its resources are growing, the EDA’s budget and human resources are smaller than the ones available for the Single European Sky, or for security-related dual-use technologies in H2020. It is therefore easy to grasp why other European institutions have an increasing influence on defence and security topics, at the expense of the EDA.

Reflection on the Agency’s future

The EC’s “reflection paper” published in June 2017 describes three scenarios consistent with the evolutions of the CSDP endorsed by the Council in December 2016. We bring in a bridge between these elements and potential evolutions of the EDA.

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Photo: PSB

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PSB PARIS SCHOOL OF BUSINESS

Scenario 1

The EC’s minimalist scenario pictures a framework of cooperation matching the current perimeter of EDA activities and its existing competences. The EDA would contribute to the emergence of a joint consensual vision on capabilities and technologies.

Scenario 2

The intermediate scenario moves forward with “shared security and defence” able to project military power and to build joint capacities. In this framework, the EDA should be able to facilitate and head up activities for a small list of domains, and take over the leadership in these areas from contributing MS.

Scenario 3

The most ambitious scenario deepens cooperation and integration towards common defence and security. This scenario

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would transform the EDA into the agency enacting defence-related industrial, RDTE and acquisition policies for EU Member States (in partnership with NATO). National agencies would only preserve prerogatives in the management of local specificities without any impact at a European level.
We can eventually adapt these scenarios with differentiated perimeters on targeted capabilities for contributing MS on a case by case basis. The EDA would then connect with the other MS and appropriate actors in the industry or at government level.

MS contributing to the most important list of capacities would have a decisive influence, but the global governance of such an institutional design would become highly complex.

Capabilities interaction

Technological evolutions and forthcoming disruptions require a change in the ways of working: defence and security capabilities do not evolve in a closed ecosystem anymore. Military-civilian coordination in R&D remains a recurring topic, but it shall accommodate new ways of working to deal with digital technologies such as "big data" and artificial intelligence. Thinking about this brings up two different aspects.

Create effectice solutions

First, it is necessary to accept that linear modes of innovation management, from basic research to development, do not exhaust the topic anymore. Dual-use policies describing "spin-in" and "spin-off" mechanisms elaborate on this linear vision. Today, innovation is not only of a technological nature anymore, even in defence and security domains. When engineers, researchers and end-users (soldiers) work together from the earliest stages of the process, they create effective solutions. The installation and facilitation of user-centric innovation require specific technological and managerial competences and skills.

Adapt rules and regulations

The second perspective addresses the issue in terms of public policy making. It is necessary to understand that user-centric innovation requires an evolution in rules and regulations, in particular in the domains of public procurement and RDTE funding mechanisms. These aspects lead to specific actions for the EDA to be able to take its part in the elaboration of dual-use technologies in the age of user-centric innovation, while it is still only structured for linear processes.

Challenging Issues

The EDA should be empowered to install and facilitate new types of synergies, to handle adapted funding and governance mechanisms transcending the boundaries of closed defence ecosystems. The originality of defence and security missions should be preserved in public procurement. Complementarities may emerge from the different funding and governance schemes attached to the European Commission, the European Parliament and the EDA. The most challenging issue relates however to decisions on the "rationalisation" or the "installation" of the EDTIB. The elephant is still in the room.