

Dr. Duško Lopandić¹

Is the EU on the move again?

The development of the Common Security and Defence Policy (CSDP) and “Multi-speed” EU

The decision of the European Council, made on the 22nd of June in 2017, to establish the so-called “Permanent Structured Cooperation”² (PESCO) in the area of the Common Security and Defence Policy (CSDP) of the Union, represents, in a way, one of first indirect consequences of Brexit on the EU progress. This decision suggests the possible outlines of the development of the “Multi-speed” European Union, which is a possibility widely spoken about in EU circles after the British referendum. After a series of crises, institutional paralysis and the shock of the Brexit, followed by more positive results of elections in France, Austria and the Netherlands, a touch of optimism has returned to Brussels. “Europe is on the move again” (Europe is in a new movement), would be the comment by one of its “fathers”- Jean Monnet.

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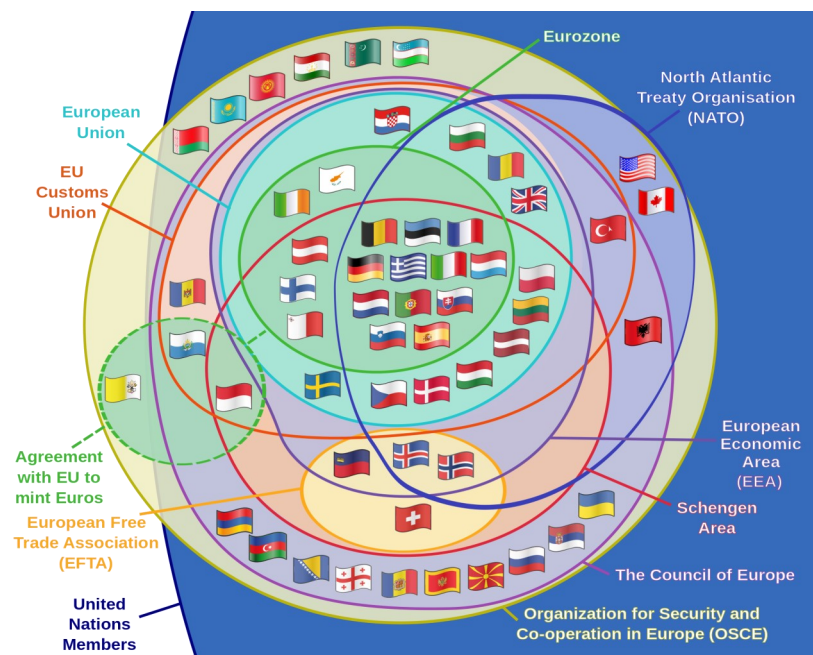
What does Permanent Structured Cooperation mean? Coalition of the willing

The possibility of a more permanent institutional cooperation among a smaller number of EU Member States in the CSDP area is anticipated in Articles 42 and 46 of the Lisbon Treaty on the EU, signed in 2008. So far, it has not been applied - primarily due to the resistance of the United Kingdom and some other EU Member States against this form of cooperation. Nevertheless, the need for stronger and deeper cooperation in the field of security and defence has self-imposed in the debates about the reform of the Union. Over the recent years, there have been significant changes in the EU and its neighbourhood, such as the emergence of new threats

and challenges, the spread of a “ring of fire” in the Eastern and Southern neighbourhoods of the Union threats of terrorism, a change in transatlantic relations after elections of D. Trump in the United States, Brexit, etc. “We truly need to take our fate into our own hands,” said recently Angela Merkel, apparently impressed by the conversations held at the NATO and G7 summits with President Trump.

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Details about the various elements of the Permanent Structured Cooperation are included in the Protocol number 10, accompanying the Lisbon Treaty on the EU.



1. Dr. Duško Lopandić is ambassador, former Chief of the Mission of the Republic of Serbia in the EU and CEP Council Member.
2. Permanent Structured Cooperation.

PESCO is formed by those countries that meet more rigid criteria regarding the ability to provide national contributions for participation in the combat missions (units, logistics) for up to 30 or 120 days and those that participate in the joint military equipment production programs (under the umbrella of in the European Defence Agency, etc.). In order to form a PESCO, countries shall inform the Council of Ministers of the EU and the High Representative for Foreign Affairs. Nevertheless, the final decision on the creation of the PESCO is to be made by the Council of the EU following the rule of a qualified majority. Decisions on the entry of a new state into the PESCO or on the exit of a country from the PESCO are made in the same way. Interestingly, there is no requirement for a minimum number of Member States needed for the establishment of the PESCO, which differs from the EU rule for the Enhanced Cooperation.

The EU and the future of defence

At the beginning of this century, the EU enhanced its world-wide presence through actions aimed at "exporting stability": the first peacekeeping missions of the EU were launched in 2003 (in Macedonia and the Congo) while the first Maritime Mission (Horn of Africa) started in 2008. Despite the impressive development of numerous CSDP activities and institutions over the last decade - from assigning over 30 military and civil missions, the operational development of the military part of the European External Action Service of the EU, to the establishment of the European Defence Agency - EDA (which is in charge of coordinating production of defence technology), the European Union, separated from the United States and NATO, still leaves the impression of being a military dwarf, or more accurately, the defence community is which is still in the early stages of its progress. Even though 28 EU Member States invest in defence approximately 20% more than China and about three times more than Russia, they are still largely dependent on logistical and strategic support from the United States, and NATO, even for relatively limited military operations.

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This is the consequence of the decoupling of funds and the unaligned options concerning ways in which the national

defence expenditures are allocated. Therefore, in the EU countries there is production of 17 different types of tanks (compared to the production of one type in the USA), 20 types of combat aircraft (compared to 6 in the US), 29 types of warships (compared to 4 in the USA), etc.

The Global Strategy of the Union states (from June, 2016), "Europeans must be able to protect the Europe". Hence, in the European Commission's (EC) new document (June 2017) on the future of the EU defence until 2025, there are three possible scenarios for further development of defence in the EU, going: from the status quo to extended military alliances.³ The EC has recently announced the establishment of a special "Defence Fund" of €1.5 Billion for annual investments in military research and support for the alignment of military procurements. Although cooperation with NATO remains unquestionable, the Council of Ministers of the EU has made its own decision, in June 2017, to form a military body that should represent the commencement of the future European Defence Headquarters.⁴ This recent dynamic leaves the impression, as an expert pointed out, that "now there is more energy and interest dedicated to European defence cooperation issues,

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Indeed, in 2016, European Commission President Juncker called for the creation of a European army in the long run: "The EU Joint Force would show the world that there will never be a war among the EU Member States ... With its own army, Europe could respond in a more accurate and reliable way to the dangers threatening the peace in the Member States or in the

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neighbouring countries." This appeal recalls an old idea (the Pleven Plan from the 1950s) about a common European army.

3. European Commission, Reflection Paper on the future of European Defence, Brussels, June 2017.

4. So-called. *Planning and Conduct Capability (MPCC)*

“Multi-speed Europe” can contribute to greater efficiency and operational integration, it can also affect new divisions. Smaller countries will once again face the dilemma: to be at the core of integration with the Union potentially dominated by some of the larger EU countries or risk marginalization and a position at the periphery.

Between greater flexibility and the threat of disintegration

The fact that the number of Member States in the EU has been growing constantly over the past years has raised the question of how to combine the heterogeneity of its members with the EU’s unique objectives, that is, how to enable the integration of a smaller number of Member States or “differentiated integration”.

The Treaty of Amsterdam (1997) introduced for the first time the institute of “Enhanced cooperation”, aimed at a deeper and more flexible integration on specific issues - provided there was a need for such a move - among at least nine EU Member States. This instrument - an attempt of an institutional response to the “big bang” Enlargement- has so far been limited only to few technical issues, such as Patent Regulations or some solutions regarding cooperation in the EU marital law (divorce, marital property). However, the establishment of the “Permanent Structured Cooperation” in the CSDP area is expected to have a much greater political importance and effect.

In principle, the PESCO is open to all EU Member States. However, in the next three months both more precise entry criteria and more concrete objectives of the PESCO will be determined and implemented. The effects of this initiative could in some way influence the further progress of the EU after Brexit. For instance, the idea of the PESCO has been supported primarily by France, The Federal Republic of Germany, Spain, Italy and the Benelux countries, while the resistance has been higher in countries of the Visegrad Group and some Scandinavian countries (however their attitude may change in the meantime). Furthermore, both the willingness of Germany and France to regain their role of being the key “engines” of European Integration, as well as the degree of political capacity of Member States to enable the EU to grow in different and important sectors at various speeds, will have a great influence on the Multi-speed Europe future.

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However, maintaining a balance between “differentiation”, on the one hand, and the unity of the wider integration, on the other hand, has not been guaranteed in advance. Although “Multi-speed Europe” can contribute to greater efficiency and operational integration, it can also affect new divisions. Smaller countries will once again face the dilemma: to be at the core of integration with the Union potentially dominated by some of the larger EU countries or risk marginalization and a position at the periphery. President Juncker of the EC expressed his concerns that “Multi-speed Europe” could be interpreted as a form of a new invisible division of Europe into its Western (old EU member states) and the Eastern parts (newer members). Countries such as Poland, Hungary and the Czech Republic are more prominent in representing, on various issues, the intergovernmental method of cooperation among sovereign

states - nations. However, it is yet to be seen how the PESCO will be applied in practice and what position some Member States will take in the decision-making process.

What does this mean for Serbia?

In 2011, Serbia concluded the first framework agreement with the EU on its participation in the military and civilian missions of the Union. In the meantime, it has become one of important participants in EU military missions: from Somalia and Operation Atalanta, to Mali and the Central African Republic. Moreover, Serbia has concluded administrative arrangement with the European Defence Agency-EDA (2013), which enables cooperation in the field of defence industry, as well as the research and development of the military technologies. Serbia's cooperation in these areas is of particular importance given the negotiations on Serbia's accession and Chapter 31 (which refers to the field of Foreign and Security Policy, including also Common Security and Defence Policy). Additionally, the fact that Serbia does not envision NATO membership, can potentially put our country in the position of those (six) EU Member States that are not members of NATO. Serbia would (in the current circumstances) be the first country

of Central and Eastern Europe to enter the EU without prior NATO membership. Therefore, all the provisions of the EU Treaty, as well as the practical implementation of the CSDP (such as the future PESCO) - which also include elements of mutual military support (such as Article 42, paragraph 7 of the Lisbon Treaty on the EU) - are particularly important for Serbia.

Along with the military aspects, for Serbia, given its candidate status and ongoing negotiations about accession to the Union, the issue of the greatest importance will be the future of the so-called "More flexible integration" in the EU. In the next phase of EU reforms, the question will be raised about the eventual extent, dynamic and areas in which "Multi-speed Europe" will be developed. The EU may then consist of the narrow circle (for example, containing Member States included in the Monetary Union, the Schengen Area, the Military Union, etc) and the "external circle" of Member States (which will have the possibility, according to their preferences, to gradually enter a narrow circle of integration). Consequently, the EU could regulate the position of the new Member States in a more specific and flexible ways. Under the option of more flexible

approach, the EU could also accept the idea of "partial participation" of the candidate countries in certain sectorial policies of the Union, similar to the current inclusion of Norway and Iceland in the Schengen Area. Thus, the emergence of a more flexible Union integration could facilitate the

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enlargement of the EU regarding the Western Balkans. Therefore, Serbia should seek to, try to engage in debates on the future of the Union in a more concrete way, as those developments will dictate Serbia's future, as well.

**The views expressed in this Insight are the sole responsibility of the author.*



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